management discussion & analysis

Itaú Unibanco Holding S.A.

1st quarter of 2012

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Executive Summary

Information and financial indicators of Itaú Unibanco Holding S.A. (Itaú Unibanco) are presented below.

Highlights

R$ million (except where indicated)

	1st Q/12	4th Q/11	1st Q/11
Statement of Income			
Recurring Net Income	3,544	3,746	3,638
Net Income	3,426	3,681	3,530
Operating Revenues (1)	19,914	19,676	17,674
Managerial Financial Margin (2)	13,307	12,993	11,714
Shares (R$)			
Recurring Net Income per share (3)	0.78	0.83	0.80
Net Income per share (3)	0.76	0.82	0.78
Number of Outstanding Shares – in thousands	4,520,103	4,513,640	4,549,472
Average price of non-voting share on the last trading day of the period	35.00	33.85	38.51
Book Value per share	16.04	15.81	14.01
Dividends/JCP net of taxes (4)	657	2,284	683
Dividends/JCP net of taxes (4) per share	0.15	0.51	0.15
Market Capitalization (5)	158,204	152,787	175,200
Market Capitalization (5) (US$ Million)	86,825	81,451	107,570
Performance Ratios (%)			
Recurring Return on Average Equity – Annualized (6)	20.0%	21.8%	23.4%
Return on Average Equity – Annualized (6)	19.3%	21.4%	22.7%
Recurring Return on Average Assets – Annualized (7)	1.6%	1.8%	1.9%
Return on Average Assets – Annualized (7)	1.6%	1.7%	1.8%
Solvency Ratio (BIS Ratio) - Economic Financial-Consolidated	16.1%	16.4%	16.1%
Annualized Credit Margin	13.5%	13.0%	12.9%
Annualized Net Interest Margin with Clients (8)	11.2%	11.0%	11.5%
Annualized Net Interest Margin with Credit after Provision for Credit Risk (8)	7.4%	8.0%	8.3%
Nonperforming Loans Index (NPL over 90 days)	5.1%	4.9%	4.2%
Coverage Ratio (Provision for Loan and Lease Losses/Nonperforming Loans over 90 days)	148%	153%	173%
Efficiency Ratio (ER) (9)	44.5%	47.0%	47.4%
Risk Adjusted Efficiency Ratio (RAER) (9)	72.6%	69.5%	68.7%
Balance Sheet	**Mar 31,12**	**Dez 31,11**	**Mar 31,11**
Total Assets	896,842	851,332	779,640
Total Loan Portfolio, including Sureties, Endorsements and Guarantees	400,519	397,012	344,855
Loan Operations (A)	347,369	345,483	303,656
Sureties, Endorsements and Guarantees	53,150	51,530	41,199
Deposits + Debentures + Securities + Borrowings and Onlending (B) (10)	457,699	480,601	399,872
Loan Operations/Funding (A/B)	75.9%	71.9%	75.9%
Stockholders' Equity	72,484	71,347	63,731
Relevant Data			
Assets Under Administration	423,205	403,906	381,778
Employees (Individuals)	102,694	104,542	109,836
Employees in Brazil (Individuals)	96,294	98,258	104,022
Employees Abroad (Individuals)	6,400	6,284	5,814
Number of Points of Service	32,974	33,753	34,463
Branches (Units)	4,081	4,072	3,982
CSB – Client Service Branches (Units)	899	912	945
ATM – Automated Teller Machines (Units) (11)	27,994	28,769	29,536

Macroeconomic | Indicators

	1st Q/12	4th Q/11	1st Q/11
EMBI Brazil Risk	176	224	168
CDI – In the Period (%)	2.5%	2.7%	2.6%
Dollar Exchange Rate – Quotation in R$	1.8221	1.8758	1.6287
Dollar Exchange Rate – Variation in the Period (%)	-2.9%	1.2%	-2.3%
Euro Exchange Rate – Quotation in R$	2.4300	2.4342	2.3129
Euro Exchange Rate – Variation in the Period (%)	-0.2%	-2.4%	3.8%
IGP-M – In the Period (%)	0.6%	0.9%	2.4%
Savings Rate– In the Period (%)	1.7%	1.7%	1.8%

(1) Operating Revenues are the sum of Managerial Financial Margin, Banking Service Fees and Income from Banking Charges, Other Operating Income and Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses, Equity in Earnings of Affiliates and Non-Operating Income; **(2)** Described on page 14; **(3)** Calculated based on the weighted average of the number of outstanding shares; **(4)** JCP – Interest on Own Capital. Amounts paid/recognized and declared after 12/31/2011 (Note 16 – b II to the Financial Statements). **(5)** Total number of outstanding shares (common shares and non-voting shares) multiplied by the average price of the non-voting share on the last trading day in the period. **(6)** Annualized Return was calculated by dividing Net Income by the Average Stockholders' Equity. The quotient was multiplied by the number of periods of the year to derive the annualized index; **(7)** Annualized Return was calculated by dividing Net Income by Average Assets. The quotient of this division was multiplied by the number of periods of the year to derive the annualized index. **(8)** Does not include Margin with the Market. See details on page 15. **(9)** For more details on the calculation methodology of both Efficiency and Risk Adjusted Efficiency ratios, please see page 21. **(10)** As described on page 28. **(11)** Includes ESBs (electronic service branches) and service points in third-party establishments.

Net Income and Recurring Net Income

Our recurring net income totaled R$3,544 million in the first quarter of 2012. This amount was adjusted by the impact of non-recurring events, which are presented in the table below, from a net income of R$3,426 million for the period.

Non-Recurring Events Net of Tax Effects

R$ million

	1st Q/12	4th Q/11	1st Q/11
Recurring Net Income	**3,544**	**3,746**	**3,638**
Non-recurring events	**(118)**	**(65)**	**(108)**
Market Value Adjustment – BPI (a)	(55)	(11)	-
Provision for Contingencies – Economic Plans (b)	(63)	(54)	(108)
Net Income	**3,426**	**3,681**	**3,530**

Note: Impacts of the non-recurring events, described above, are net of tax effects – further details are presented in Note 22-K of the Financial Statements.

Non-Recurring Events in the First Quarter of 2012 and 2011

(a) Market Value Adjustment - BPI

Effect of the adjustment of the investment held in Banco Português de Investimento based on the share price on the respective closing date.

Subsequent Event: On April 20th of 2012, Itaú Unibanco sold its investment of 18.87% of Banco Português de Investimento to the La Caixa group and received approximately €93 million. This transaction will impact positively our stockholder's equity in approximately R$100 million and will have a negative non-recurring effect of approximately R$200 million on net income, which will be reported on the second quarter of 2012. This transaction is subject to the approval of the Banco de Portugal.

(b) Provision for Contingencies – Economic Plans

Provision for losses arising from economic plans that were effective in the 1980s.

Managerial Statement of Income

The following tables are based on the Managerial Statement of Income, which arises from reclassifications made in the audited accounting statement of income. Basically, the tax effects of hedges of investments abroad, which were originally included in tax expenses (PIS and COFINS), and income tax and social contribution on net income, were reclassified to the financial margin. Also, non recurring events are adjusted.

Our strategy for the exchange risk management of capital invested abroad is intended to avoid impacts from foreign exchange variation on net income. For this purpose, the foreign exchange risk is neutralized and the investments are remunerated in reais through the use of derivative financial instruments. Our strategy to hedge investments abroad also considers the impact of all related tax effects. It should be noted that, in the first quarter of 2012, the real appreciated 2.9% in relation to the U.S. dollar and 0.2% in relation to the Euro, compared with a depreciation of 1.2% and an appreciation of 2.4%, respectively, in the previous quarter.

Changes in the Composition of Operating Revenues

As from this quarter, equity in earnings of affiliates and non-operating income began to be included in the operating revenues (grouping of the main accounts where revenues from our operations are segmented). The historical amounts and our ratios (efficiency ratio, risk-adjusted efficiency ratio and other) were reclassified to include this change. In the first quarter of 2012. Our efficiency ratio was impacted by 20 basis points and in 2011, the impact was 40 basis points.

Additionally, we improved the criteria for accounting for discounts granted in the renegotiation of credits that had already been written off as losses, which previously reduced Operating Revenues (affecting the Managerial Financial Margin) and are now classified in the Income from recovery of credits written off as losses account. The impact of this reclassification totaled R$139 million, which improved the efficiency ratio by 30 basis points in the first quarter of 2012.

Executive Summary

The reconciliations between the Accounting and Managerial Statements of Income of the last two quarters are presented below.

Reconciliation between the Accounting and Managerial Statements | 1st Quarter of 2012

R$ million

	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Operating Revenues	**20,325**	**83**	**(495)**	**19,914**
Managerial Financial Margin	13,801	-	(495)	13,307
Financial Margin with Clients	12,352	-	-	12,352
Financial Margin with Market	1,449	-	(495)	954
Banking Service Fees and Income from Banking Charges	5,003	-	-	5,003
Results from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,461	-	-	1,461
Other Operating Income	57	-	-	57
Equity in Earnings of Affiliates and Other Investments	(2)	83	-	81
Non-operating Income	4	-	-	4
Loan and Retained Claim Losses Net of Recovery	**(5,304)**	**-**	**-**	**(5,304)**
Expenses for Allowance for Loan and Lease Losses	(6,031)	-	-	(6,031)
Income from Recovery of Loans Written Off as Losses	1,192	-	-	1,192
Retained Claims	(465)	-	-	(465)
Other Operating Income/(Expenses)	**(9,592)**	**95**	**56**	**(9,440)**
Non-interest Expenses	(8,248)	95	-	(8,153)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,097)	-	56	(1,041)
Selling Expenses from Insurance	(246)	-	-	(246)
Income before Tax and Profit Sharing	**5,430**	**179**	**(439)**	**5,170**
Income Tax and Social Contribution	**(1,786)**	**(61)**	**439**	**(1,408)**
Profit Sharing	**(28)**	**-**	**-**	**(28)**
Minority Interests	**(191)**	**-**	**-**	**(191)**
Net Income	**3,426**	**118**	**-**	**3,544**

Reconciliation between the Accounting and Managerial Statements | 4th Quarter of 2011

R$ million

	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Operating Revenues	**19,432**	**17**	**227**	**19,676**
Managerial Financial Margin	12,766	-	227	12,993
Financial Margin with Clients	11,969	-	-	11,969
Financial Margin with Market	797	-	227	1,025
Banking Service Fees and Income from Banking Charges	5,088	-	-	5,088
Results from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,392	-	-	1,392
Other Operating Income	108	-	-	108
Equity in Earnings of Affiliates and Other Investments	76	17	-	93
Non-operating Income	2	-	-	2
Loan and Retained Claim Losses Net of Recovery	**(4,202)**	**-**	**-**	**(4,202)**
Expenses for Allowance for Loan and Lease Losses	(5,453)	-	-	(5,453)
Income from Recovery of Loans Written Off as Losses	1,574	-	-	1,574
Retained Claims	(322)	-	-	(322)
Other Operating Income/(Expenses)	**(9,845)**	**82**	**(11)**	**(9,774)**
Non-interest Expenses	(8,629)	82	-	(8,547)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(965)	-	(11)	(976)
Selling Expenses from Insurance	(251)	-	-	(251)
Income before Tax and Profit Sharing	**5,385**	**99**	**216**	**5,700**
Income Tax and Social Contribution	**(1,439)**	**(34)**	**(216)**	**(1,689)**
Profit Sharing	**(29)**	**-**	**-**	**(29)**
Minority Interests	**(237)**	**-**	**-**	**(237)**
Net Income	**3,681**	**65**	**-**	**3,746**

Executive Summary

We present below a perspective of the income statement highlighting the Operating Revenues, which is composed of the sum of revenues from banking, insurance, pension plans and capitalization operations.

Statement of Income | Operating Revenues Perspective

R$ million

	1st Q/12	4th Q/11	1st Q/11	Variation 1st Q/12 - 4th Q/11		1st Q/12 - 1st Q/11	
Operating Revenues	**19,914**	**19,676**	**17,674**	**238**	**1.2%**	**2,240**	**12.7%**
Managerial Financial Margin	13,307	12,993	11,714	313	2.4%	1,593	13.6%
Financial Margin with Clients	12,352	11,969	10,779	384	3.2%	1,573	14.6%
Financial Margin with Market	954	1,025	935	(70)	-6.9%	20	2.1%
Banking Service Fees and Income from Banking Charges	5,003	5,088	4,467	(84)	-1.7%	536	12.0%
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,461	1,392	1,224	69	4.9%	237	19.3%
Other Operating Income	57	108	128	(50)	-46.6%	(71)	-55.2%
Equity in Earnings of Affiliates and Other Investments	81	93	97	(12)	-12.9%	(16)	-16.5%
Non-operating Income	4	2	43	2	-	(39)	-
Loan and Retained Claim Losses Net of Recovery	**(5,304)**	**(4,202)**	**(3,575)**	**(1,102)**	**26.2%**	**(1,729)**	**48.4%**
Expenses for Allowance for Loan and Lease Losses	(6,031)	(5,453)	(4,380)	(578)	10.6%	(1,651)	37.7%
Income from Recovery of Loans Written Off as Losses	1,192	1,574	1,207	(381)	-24.2%	(15)	-1.2%
Retained Claims	(465)	(322)	(402)	(142)	44.2%	(63)	15.7%
Operating Margin	**14,610**	**15,474**	**14,099**	**(864)**	**-5.6%**	**511**	**3.6%**
Other Operating Income/(Expenses)	**(9,440)**	**(9,774)**	**(8,866)**	**334**	**-3.4%**	**(574)**	**6.5%**
Non-interest Expenses	(8,153)	(8,547)	(7,686)	394	-4.6%	(467)	6.1%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,041)	(976)	(935)	(65)	6.7%	(106)	11.4%
Selling Expenses From Insurance	(246)	(251)	(245)	5	-2.0%	(1)	0.3%
Income before Tax and Profit Sharing	**5,170**	**5,700**	**5,233**	**(530)**	**-9.3%**	**(63)**	**-1.2%**
Income Tax and Social Contribution	**(1,408)**	**(1,689)**	**(1,392)**	**281**	**-16.6%**	**(16)**	**1.1%**
Profit Sharing	**(28)**	**(29)**	**(35)**	**1**	**-2.9%**	**7**	**-21.0%**
Minority Interests in Subsidiaries	**(191)**	**(237)**	**(168)**	**46**	**-19.4%**	**(23)**	**13.5%**
Recurring Net Income	**3,544**	**3,746**	**3,638**	**(202)**	**-5.4%**	**(94)**	**-2.6%**

We present below a perspective of the income statement highlighting the Managerial Financial Margin.

Statement of Income | Managerial Financial Margin Perspective

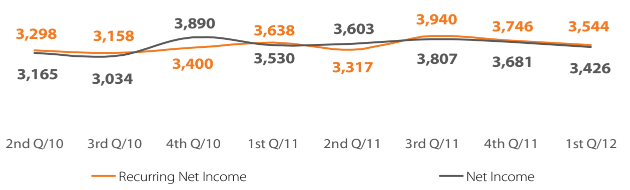
R$ million

	1st Q/12	4th Q/11	1st Q/11	Variation 1st Q/12 - 4th Q/11		1st Q/12 - 1st Q/11	
Managerial Financial Margin	**13,307**	**12,993**	**11,714**	**313**	**2.4%**	**1,593**	**13.6%**
Financial Margin with Clients	12,352	11,969	10,779	384	3.2%	1,573	14.6%
Financial Margin with Market	954	1,025	935	(70)	-6.9%	20	2.1%
Results from Loan and Lease Losses	**(4,839)**	**(3,880)**	**(3,173)**	**(959)**	**24.7%**	**(1,666)**	**52.5%**
Expenses for Allowance for Loan and Lease Losses	(6,031)	(5,453)	(4,380)	(578)	10.6%	(1,651)	37.7%
Income from Recovery of Loans Written Off as Losses	1,192	1,574	1,207	(381)	-24.2%	(15)	-1.2%
Net Result from Financial Operations	**8,468**	**9,114**	**8,541**	**(646)**	**-7.1%**	**(73)**	**-0.9%**
Other Operating Income/(Expenses)	**(3,302)**	**(3,415)**	**(3,350)**	**113**	**-3.3%**	**49**	**-1.5%**
Banking Service Fees and Income from Banking Charges	5,003	5,088	4,467	(84)	-1.7%	536	12.0%
Result from Insurance, Pension Plans and Capitalization Operations	750	819	577	(69)	-8.4%	173	30.0%
Non-interest Expenses	(8,153)	(8,547)	(7,686)	394	-4.6%	(467)	6.1%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,041)	(976)	(935)	(65)	6.7%	(106)	11.4%
Equity in Earnings of Affiliates and Other Investments	81	93	97	(12)	-12.9%	(16)	-16.5%
Other Operating Income	57	108	128	(50)	-46.6%	(71)	-55.2%
Operating Income	**5,166**	**5,698**	**5,190**	**(533)**	**-9.3%**	**(25)**	**-0.5%**
Non-operating Income	4	2	43	2	-	(39)	-
Income before Tax and Profit Sharing	**5,170**	**5,700**	**5,233**	**(530)**	**-9.3%**	**(63)**	**-1.2%**
Income Tax and Social Contribution	**(1,408)**	**(1,689)**	**(1,392)**	**281**	**-16.6%**	**(16)**	**1.1%**
Profit Sharing	**(28)**	**(29)**	**(35)**	**1**	**-2.9%**	**7**	**-21.0%**
Minority Interests in Subsidiaries	**(191)**	**(237)**	**(168)**	**46**	**-19.4%**	**(23)**	**13.5%**
Recurring Net Income	**3,544**	**3,746**	**3,638**	**(202)**	**-5.4%**	**(94)**	**-2.6%**

Executive Summary

Net Income

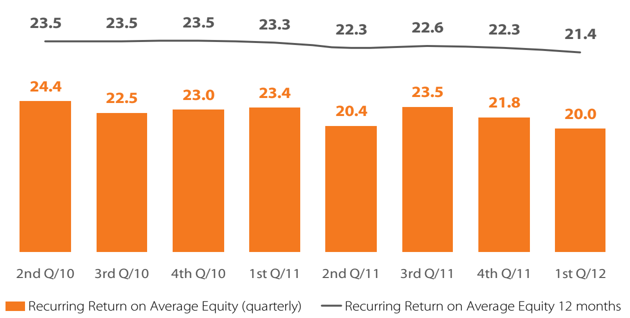
R$ million



The recurring net income for the first quarter of 2012 amounted to R$3,544 million, representing a decrease of 2.6% from the same period of the previous year and 5.4% in relation to the previous quarter. These decreases are due to the continuing increase in default levels in the Brazilian economy, which impacts the credit quality and were partially offset by increases of 14.6% (3.2% in the quarter) in the financial margin with clients, 12.0% (decrease of 1.7% in the quarter) in banking service fees and banking charges and 30.0% (decrease of 8.4% in the quarter) in results from insurance, pension plans and capitalization operations. Also, in a favorable trend, non-interest expenses decreased 4.6% from the fourth quarter of 2011 and grew 6.1% in relation to the first quarter of the previous year.

Annualized Return on Average Equity

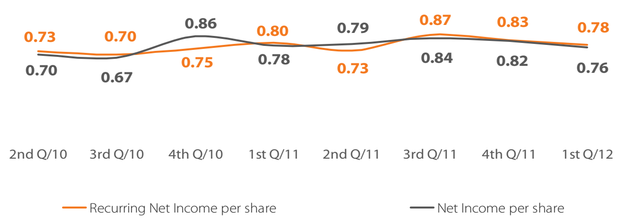
%



The annualized recurring return on average equity reached 20.0% in the first quarter of 2012. On March 31, 2012, stockholders' equity totaled R$72.5 billion, a 13.7% increase from the same period of the previous year.

Net Income per Share and Recurring Net Income per Share

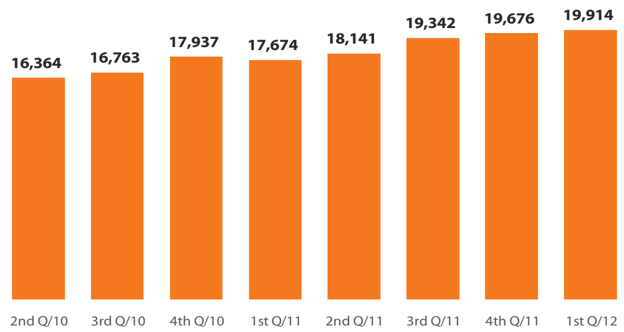
R$



In the first quarter of 2012, net income per share dropped 7.5% from the previous quarter, totaling R$0.76, and decreased 2.3% from the same period of the previous year. The recurring net income per share dropped 5.1% from the fourth quarter of 2011 and 1.9% in relation to the first quarter of 2011.

Operating Revenues

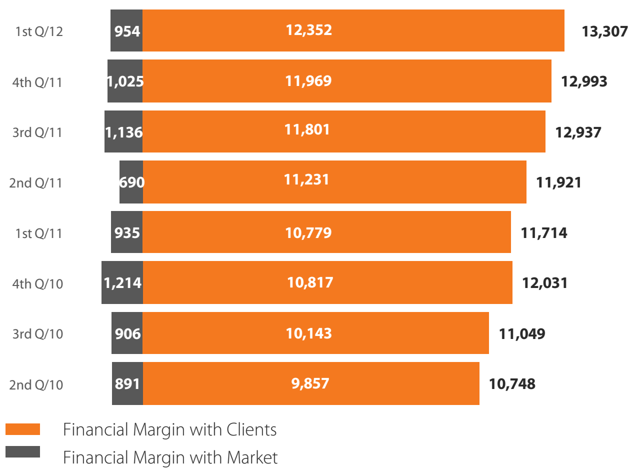
R$ million



In the first quarter of 2012, operating revenues, which represent revenues from banking operations and insurance, pension plan and capitalization operations, totaled R$19,914 million. The main components of operating revenues and other items of results are presented below.

Managerial Financial Margin

R$ million



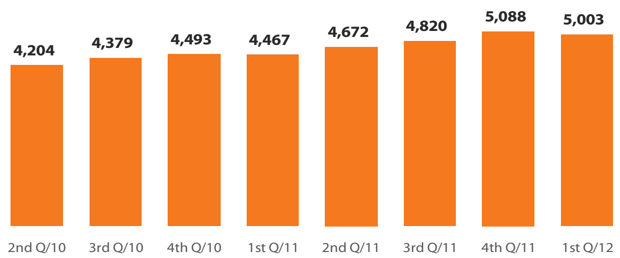
The managerial financial margin for the first quarter of 2012 totaled R$13,307 million, representing an increase of R$313 million in relation to the fourth quarter of 2011. The managerial financial margin with clients totaled R$12,352 million, an increase of 3.2% from the previous period. In this quarter, the financial margin with the market amounted to R$954 million, a reduction of R$70 million from the previous quarter.

Our managerial financial margin increased 13.6%, compared to the first quarter of 2011, the financial margin with clients increased 14.6% and the financial margin with the market decreased slightly by 2.1% .

As described on page 6, discounts granted in renegotiations of credits that had already been written off as losses are no longer deducted from the financial margin. If they had been deducted, the financial margin would have been R$13,168 million, representing a 1.3% increase, instead of 2.4%.

Banking Services Fees and Income from Banking Charges

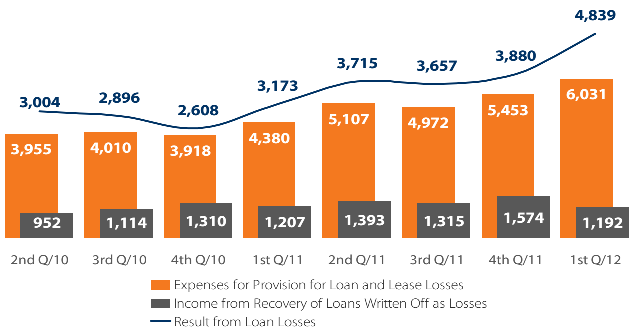
R$ million



In the first quarter of 2012, banking service fees, including income from banking charges, decreased 1.7% from the fourth quarter of 2011, totaling R$5,003 million, mainly driven by reduced revenues from credit cards and current account services resulting from the lower volume of transactions in relation to the previous quarter, due to typical seasonal effect of this quarter of the year.

Result from Loan Losses, Net of Recovery

R$ million

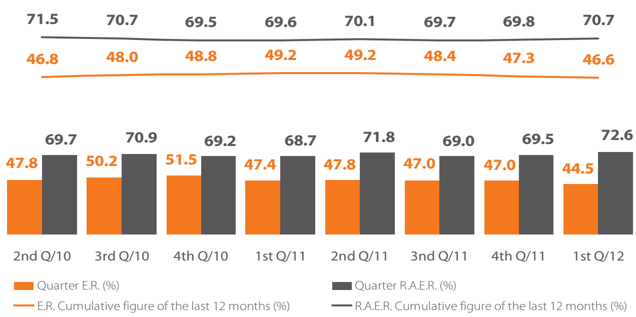


The result from loan losses, net of recovery, totaled R$4,839 million in the first quarter, an increase of 24.7%, due mainly to an increase of R$578 million (10.6%) in the expenses for provisions for loan losses, which reached R$6,031 million in the first quarter of 2012. This behavior is attributed to the seasonal impact of the higher default levels in the first months of the year, and to the increase in default levels of the vehicle portfolio and in personal loans (mainly installment payment plans and overdraft accounts).

As described on page 6, the impact of the reclassification of R$139 million in income from the recovery of credits written off as losses in this quarter, together with the seasonal effect of the increase in renegotiations carried out in the fourth quarter of 2011, explain the decrease of R$381 million in income from the recovery of credits in the first quarter of the year.

Notwithstanding the expansion of our branch network in Brazil, non-interest expenses are still decreasing and, in the first quarter of 2012, they were R$394 million (4.6%) lower in relation to the previous quarter, totaling R$8,153 million in the quarter. Administrative expenses dropped 10.6% (R$405 million) and personnel expenses grew 2.5% (R$84 million) in the quarter. The effects of the completion of the integration of Itaú and Unibanco and the dissemination of practices related to the efficiency project account for the strong performance in the control of our expenses and play a key role in this positive outcome.

Efficiency Ratio (E.R.) and Risk-Adjusted Efficiency Ratio (R.A.E.R) (*)



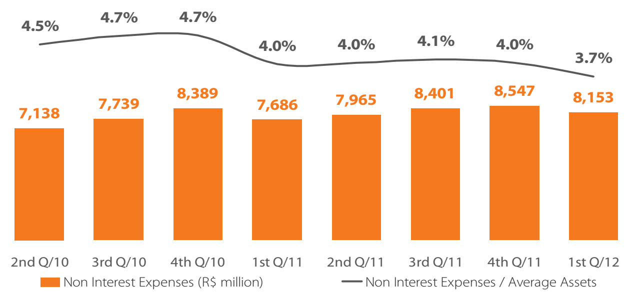
(*) The criteria for calculating the ratios are detailed on page 21

In the first quarter, the efficiency ratio reached 44.5%, a decrease of 250 basis points from the fourth quarter of 2011. This improvement was a result of the 2.4% increase in managerial financial margin and of the 4.6% decrease in expenses in relation to the previous quarter. The efficiency ratio decreased 290 basis points in relation to the same period of the previous year.

The risk-adjusted efficiency ratio for the first quarter of 2012 was 72.6%, an increase of 310 basis points from the fourth quarter of 2011, due to the increase in the expenses for provisions for loan losses, which was partially offset by the same factors that positively impacted the efficiency ratio.

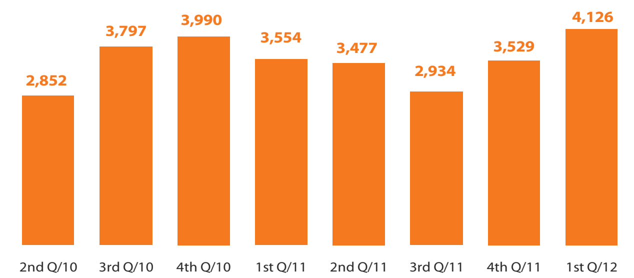
Non-Interest Expenses

R$ million



Unrealized Gains

R$ million



Unrealized gains totaled R$4,126 million in the first quarter of 2012, a 16.9% increase from the previous quarter despite the impact of the sale of 15 million BM&F Bovespa shares that resulted in R$136 million.

Balance Sheet | Assets

R$ million

	Mar 31,12	Dec 31,11	Mar 31,11	Variation Mar 31,12 - Dec 31,11	Variation Mar 31,12 - Mar 31,11
Current and Long-term Assets	**885,032**	**839,422**	**768,579**	**5.4%**	**15.2%**
Cash and Cash Equivalents	10,551	10,633	11,762	-0.8%	-10.3%
Short-term Interbank Investments	144,399	116,082	99,628	24.4%	44.9%
Securities and Derivative Financial Instruments	201,616	187,880	183,171	7.3%	10.1%
Interbank and Interbranch Accounts	80,017	98,923	94,475	-19.1%	-15.3%
Loan, Lease and Other Loan Operations	347,369	345,483	303,656	0.5%	14.4%
(Allowance for Loan Losses)	(25,951)	(25,772)	(22,239)	0.7%	16.7%
Other Assets	127,032	106,193	98,126	19.6%	29.5%
Foreign Exchange Portfolio	49,092	26,450	26,648	85.6%	84.2%
Other	77,939	79,743	71,478	-2.3%	9.0%
Permanent Assets	**11,809**	**11,909**	**11,061**	**-0.8%**	**6.8%**
Investments	2,634	2,717	3,295	-3.0%	-20.1%
Fixed and Operating Lease Assets	5,156	5,287	4,807	-2.5%	7.3%
Intangible Assets and Goodwill	4,019	3,906	2,958	2.9%	35.8%
TOTAL ASSETS	**896,842**	**851,332**	**779,640**	**5.3%**	**15.0%**

On March 31, 2012, total assets amounted to R$896.8 billion, corresponding to increases of 5.3% and 15.0% when compared to the previous quarter and the same period of the previous year, respectively. We highlight the growth in the credit portfolio (excluding endorsements and sureties) of 0.5% from the previous quarter and of 14.4% from 2011, reaching R$347.4 billion, in short-term interbank investments of 24.4% quarter-on-quarter and of 44.9% from 2011, reaching R$144.4 billion, and in securities and derivative financial instruments of 7.3% from the previous quarter and of 10.1% in relation to the same period of the previous year. In summary, this increase of R$45.5 billion in the total bank assets in the first quarter is a result of the growth in (a) short-term interbank investments of R$28.3 billion, (b) securities and derivative financial instruments of R$13.7 billion and (c) foreign exchange portfolio of R$22.6 billion and partially offset by (d) reduction in reserve requirements (compulsory deposits).

Balance Sheet | Liabilities and Equity

R$ million

	Mar 31,12	Dec 31,11	Mar 31,11	Variation Mar 31,12 - Dec 31,11	Variation Mar 31,12 - Mar 31,11
Current and Long-term Liabilities	**821,611**	**777,407**	**712,149**	**5.7%**	**15.4%**
Deposits	231,345	242,636	203,922	-4.7%	13.4%
Demand Deposits	26,903	28,933	25,624	-7.0%	5.0%
Savings Deposits	68,488	67,170	58,997	2.0%	16.1%
Interbank Deposits	8,569	2,066	2,913	314.8%	194.1%
Time Deposits	127,385	144,469	116,388	-11.8%	9.4%
Deposits Received under Securities Repurchase Agreements	212,668	188,819	206,753	12.6%	2.9%
Fund from Acceptances and Issue of Securities	49,336	51,557	27,697	-4.3%	78.1%
Interbank and Interbranch Accounts	9,331	4,048	7,965	130.5%	17.1%
Borrowings and Onlendings	52,074	56,602	51,064	-8.0%	2.0%
Derivative Financial Instruments	7,623	6,807	7,734	12.0%	-1.4%
Technical Provisions for Insurance, Pension Plans and Capitalization	77,830	73,754	63,599	5.5%	22.4%
Other Liabilities	181,405	153,183	143,415	18.4%	26.5%
Subordinated Debt	44,984	38,974	35,294	15.4%	27.5%
Foreign Exchange Portfolio	49,364	26,182	27,508	88.5%	79.5%
Other	87,056	88,027	80,614	-1.1%	8.0%
Deferred Income	**843**	**836**	**847**	**0.8%**	**-0.5%**
Minority Interest in Subsidiaries	**1,904**	**1,741**	**2,913**	**9.4%**	**-34.6%**
Stockholders' Equity	**72,484**	**71,347**	**63,731**	**1.6%**	**13.7%**
TOTAL LIABILITIES AND EQUITY	**896,842**	**851,332**	**779,640**	**5.3%**	**15.0%**

In Liabilities and Equity as of March 31, 2012, the following significant increases were observed: 1.6% and 13.7% in stockholders' equity in the quarter and in the year, respectively, reaching R$72.5 billion; 12.6% and 2.9% in deposits received under securities repurchase agreements in the quarter and in the year, respectively; 15.4% and 27.5% in subordinated debt in the quarter and in the year, respectively; and 88.5% and 79.5% in foreign exchange portfolio in the quarter and in the year, respectively. In summary, the increase in liabilities and equity in the first quarter is a result of the growth in (a) deposits received under securities repurchase agreements of R$23.8 billion and (b) foreign exchange portfolio of R$23.2 billion.

Credit Portfolio with Endorsements and Sureties

The credit portfolio, including endorsements and sureties, amounted to R$400,519 million on March 31, 2012, growing 0.9% quarter-on-quarter, and 16.1% from the same period of the previous year.

In the individuals segment, the highlights were the mortgage loan and personal loans portfolios, which increased 8.5% and 6.5% in the quarter, respectively. In the 12-month period, these products increased 57.3% and 39.2%, respectively.

The companies segment grew 1.1% in the quarter and 14.8% in the 12-month period. The corporate portfolio increased 1.8% in the quarter and increased 18.7% in the last 12 months, whereas the very small, small and middle market companies portfolio was practically unchanged in the first quarter of 2012 and increased 9.0% in relation to the first quarter 2011, driven by the growth of the mid-sized companies portfolio.

The balance of endorsements and sureties totaled R$53,150 million on March 31, 2012, representing an increase of 3.1% in the quarter and 29.0% in the last 12 months, mainly due to the higher volume of transactions with large companies, which grew 3.2% from December 31, 2011 and 28.9% in relation to March 31, 2011.

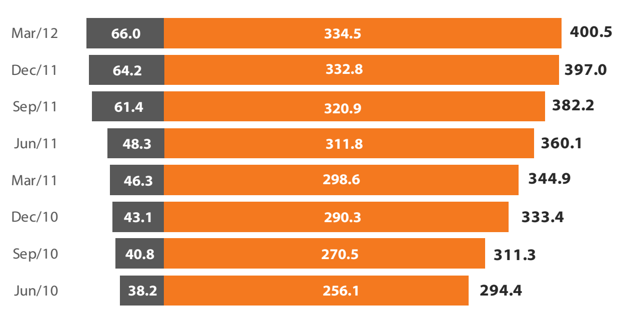
R$ million

	Mar 31,12	Dec 31,11	Mar 31,11	Variation Mar/12 – Dec/11	Variation Mar/12 – Mar/11
Individuals	**147,570**	**147,573**	**128,696**	**0.0%**	**14.7%**
Credit Card	36,574	38,961	32,736	-6.1%	11.7%
Personal Loans	37,351	35,069	26,825	6.5%	39.2%
Vehicles	59,054	60,093	59,858	-1.7%	-1.3%
Mortgage Loans (*)	14,591	13,450	9,276	8.5%	57.3%
Companies	**231,232**	**228,761**	**201,453**	**1.1%**	**14.8%**
Corporate	142,456	139,907	119,972	1.8%	18.7%
Very Small, Small and Middle Market (**)	88,776	88,854	81,481	-0.1%	9.0%
Argentina/Chile/Uruguay/Paraguay	**21,717**	**20,678**	**14,706**	**5.0%**	**47.7%**
Total with Endorsements and Sureties	**400,519**	**397,012**	**344,855**	**0.9%**	**16.1%**
Total Retail – Brazil (***)	**236,346**	**236,427**	**210,177**	**0.0%**	**12.5%**
Endorsements and Sureties	**53,150**	**51,530**	**41,199**	**3.1%**	**29.0%**
Individuals	212	267	225	-20.5%	-6.0%
Corporate	48,160	46,670	37,375	3.2%	28.9%
Very Small, Small and Middle Market	3,373	3,174	2,680	6.3%	25.8%
Argentina/Chile/Uruguay/Paraguay	1,405	1,419	918	-1.0%	53.1%

(*) The table does not include co-obligation in mortgage loan assignments in the amount of R$495.9 million. (**) Includes Rural Loans to Individuals. (***) Includes Individuals and Very Small, Small and Middle Market companies. Note: the acquired payroll loans portfolio is considered as corporate risk. Mortgage and Rural Loans portfolios from the businesses segment are allocated according to the client's size. For more details, see page 25. Disregarding the effect of the exchange variation on the corporate portfolio, the growth of this portfolio would have been 2.6% in the first quarter and 15.4% in the last 12 months and in our total credit portfolio, the growth would have been 1.4% in the first quarter of 2012 and 14.3% in the last 12 months.

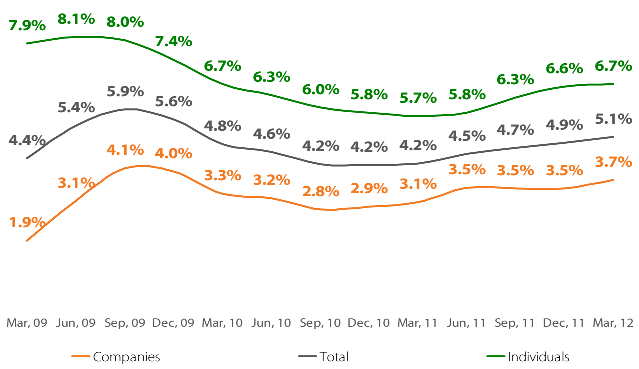
Credit Portfolio – Currency Disclosure

R$ billion



On March 31, 2012, R$66.0 billion of our total credit assets were denominated in, or indexed to, foreign currencies. Despite the depreciation of the real in relation to these currencies, in particularly to the U.S. dollar, the total balance of loan operations in foreign currencies grew at the end of the first quarter of 2012.

NPL Ratio (overdue 90 days)



The overall NPL ratio (loan operations more than 90 days overdue) was 5.1% in March 2012, representing an increase of 20 basis points from December 2011, and of 90 basis points from March 2011.

analysis of the net income

Itaú Unibanco Holding S.A.

1st quarter of 2012
Management Discussion & Analysis

Analysis of the Net Income

Managerial Financial Margin

Our managerial financial margin totaled R$13,307 million in the first quarter of 2012, corresponding to a R$313 million or 2.4% increase from the fourth quarter of 2011.

The main drivers of this variation are presented below:

R$ million

	1st Q/12	4th Q/11	1st Q/11	Variation 1st Q/12 – 4th Q/11		Variation 1st Q/12 – 1st Q/11	
Financial Margin with Clients	**12,352**	**11,969**	**10,779**	**384**	**3.2%**	**1,573**	**14.6%**
Interest Rate-Sensitive	1,474	1,599	1,778	(125)	-7.8%	(304)	-17.1%
Spread-Sensitive	10,878	10,370	9,001	508	4.9%	1,877	20.9%
Financial Margin with Market	**954**	**1,025**	**935**	**(70)**	**-6.9%**	**20**	**2.1%**
Total	**13,307**	**12,993**	**11,714**	**313**	**2.4%**	**1,593**	**13.6%**

Financial Margin with Clients

The managerial financial margin with clients arises from the use of financial products by our clients, including both account holders and non-account holders.

In the first quarter of 2012, the financial margin with clients totaled R$12,352 million, corresponding to a 3.2% increase from the previous period. For a better understanding of the financial margin, we divided the operations in two different groups: financial margin of operations that are sensitive to interest rate variations and financial margin of operations that are sensitive to spreads.

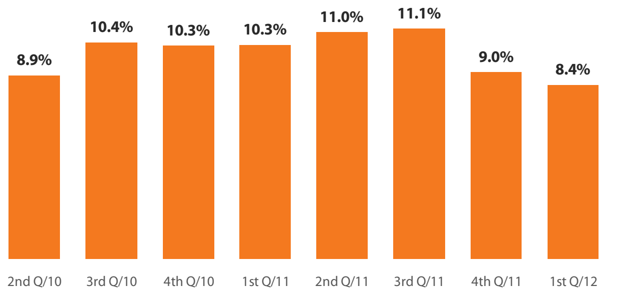
Interest Rate-Sensitive Operations

The financial margin of operations that are sensitive to interest rates totaled R$1,474 million in the quarter, which corresponds to a 7.8% decrease in relation to the previous quarter, mainly impacted by the decrease in the annualized Brazilian benchmark rate (SELIC) for the period, by the increase in the average balance exposed to this variation and by the slight decrease in the average balance of interbank investments of foreign units. The detailed evolution of these margins is shown on the next page of this report.

Annualized Rate of Interest Rate-Sensitive Operations

R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 – 4th Q/11	
Average Balance	**70,134**	**70,779**	**(645)**	**-0.9%**
Financial Margin	**1,474**	**1,599**	**(125)**	**-7.8%**
Annualized Rate	**8.4%**	**9.0%**		**-60 bps**



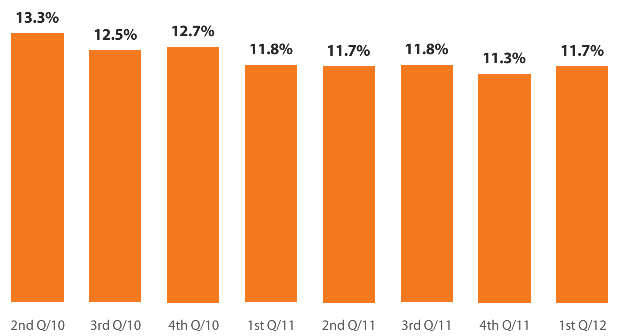
Spread-Sensitive Operations

The financial margin of spread-sensitive operations amounted to R$10,878 million in the period, corresponding to a 4.9%, or R$508 million increase from the previous quarter. The credit spread increased 50 basis points in the quarter, whereas the spread of the other bearing assets considered in this analysis was stable from the previous quarter. The combined spread of spread-sensitive operations increased 40 basis points to 11.7% in the first quarter of 2012.

Annualized Rate of Spread-Sensitive Operations

R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 – 4th Q/11	
Average Balance	**371,136**	**365,915**	**5,221**	**1.4%**
Financial Margin	**10,878**	**10,370**	**508**	**4.9%**
Annualized Rate	**11.7%**	**11.3%**		**40 bps**



Managerial Financial Margin with Market

The financial margin with the market basically arises from treasury transactions that include asset and liability management (ALM) and proprietary portfolio management. In this quarter, the financial margin with market totaled R$954 million, a R$70 million decrease from the previous quarter that is mainly due to the lower results from our structural positions, which was partially offset by a higher result from proprietary positions.

In the first quarter of 2012, we sold 15 million shares of BM&FBovespa, generating an income of R$136 million, reflected in our financial margin with the market. In the fourth quarter of 2011, we sold 8.2 million shares of CETIP, generating an income of R$175 million.

Analysis of the Net Income

Managerial Financial Margin with Clients

As a result of the changes described above, the Net Interest Margin – NIM, which is the annualized rate of the managerial financial margin with clients and does not consider the financial margin with the market, reached 11.2% in the first quarter of 2012. Taking into consideration the effect of the criteria for accounting for discounts granted in renegotiations of credits that had already been written off as losses adopted this quarter, the NIM rate for the fourth quarter of 2011 would have reached 11.1%.

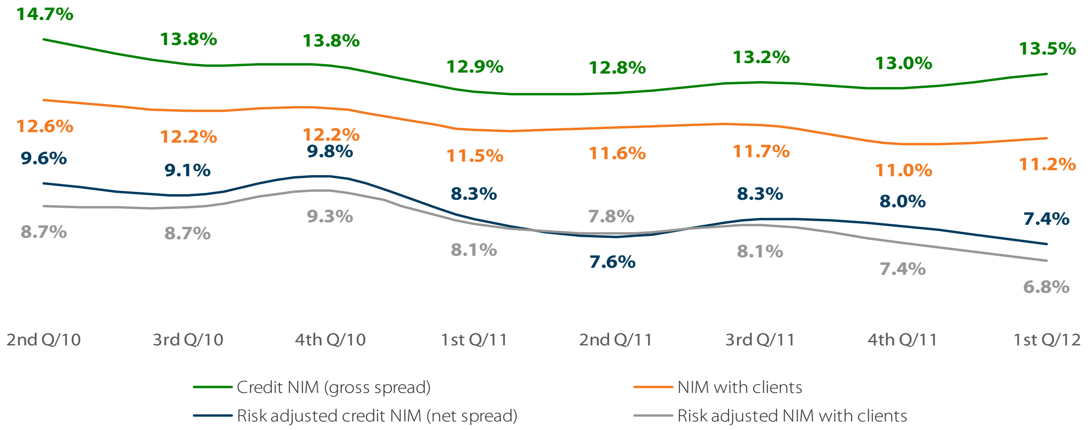
Also, taking into consideration the financial margin with clients after the expenses for provision for loan losses, net of the recovery of credits that had been written off as losses, risk adjusted NIM with clients reached 6.8%.

R$ million

	1st Q/12			4th Q/11			1st Q/11		
	Average Balance	Financial Margin	Average Rate (p.y.)	Average Balance	Financial Margin	Average Rate (p.y.)	Average Balance	Financial Margin	Average Rate (p.y.)
Demand Deposits + Floatings	37,953			38,579			38,067		
(-) Compulsory Deposits	(11,742)			(11,678)			(11,525)		
Contingent Liabilities (-) Deposits in guarantee of Contingent Liabilities	1,130			1,540			1,824		
Tax and Social Security obligations (-) Deposits in guarantee	15,226			16,640			18,220		
Working Capital (Equity + Minority Interests - Permanent Assets - Capital Allocated to Treasury - Cash Equivalents Abroad)	46,070			43,736			46,429		
(-) Tax Credits	(28,850)			(29,137)			(25,786)		
Interest Rate-Sensitive Operations in Brazil	**59,786**	**1,468**	**9.8%**	**59,680**	**1,592**	**10.7%**	**67,230**	**1,777**	**10.6%**
Interest Rate-Sensitive Operations Abroad	**10,347**	**6**	**0.3%**	**11,099**	**7**	**0.3%**	**1,707**	**1**	**0.3%**
Interest Rate Sensitive Margin with Clients (A)	**70,134**	**1,474**	**8.4%**	**70,779**	**1,599**	**9.0%**	**68,937**	**1,778**	**10.3%**
	Average Balance	Financial Margin	Spread (p.y.)	Average Balance	Financial Margin	Spread (p.y.)	Average Balance	Financial Margin	Spread (p.y.)
Cash and Cash Equivalents + Interbank Deposits + Securities (*)	50,024			47,713			24,499		
Interbank and Interbranch Accounts (**)	3,311			4,100			4,096		
Spread-Sensitive Margin with Clients – Other Assets	**53,335**	**174**	**1.3%**	**51,814**	**171**	**1.3%**	**28,596**	**82**	**1.1%**
Loans, Leasing and Other Credits	343,833			339,494			299,394		
(Allowance for Loan Losses)	(26,031)			(25,393)			(22,029)		
Spread-Sensitive Margin with Clients – Credit (B)	**317,801**	**10,704**	**13.5%**	**314,101**	**10,199**	**13.0%**	**277,365**	**8,919**	**12.9%**
Spread-Sensitive Margin with Clients (C)	**371,136**	**10,878**	**11.7%**	**365,915**	**10,370**	**11.3%**	**305,961**	**9,001**	**11.8%**
Net Interest Margin with Clients (D = A+C)	**441,270**	**12,352**	**11.2%**	**436,694**	**11,969**	**11.0%**	**374,898**	**10,779**	**11.5%**
Provision for Loan and Lease Losses (E)		**(6,031)**			**(5,453)**			**(4,380)**	
Recovery of Credits Written Off as Losses (F)		**1,192**			**1,574**			**1,207**	
Net Interest Margin with Credit after Provision for Credit Risk (G = B+E+F)	**317,801**	**5,865**	**7.4%**	**314,101**	**6,319**	**8.0%**	**277,365**	**5,747**	**8.3%**
Net Interest Margin after Provision for Credit Risk (H = D+E+F)	**441,270**	**7,513**	**6.8%**	**436,694**	**8,089**	**7.4%**	**374,898**	**7,606**	**8.1%**

(*) Cash and Cash Equivalents + Interbank Deposits + Securities (-) Interbank Deposits related to Repurchase Liability (-) Derivative financial instruments (-) Assets Guaranteeing PGBL/VGBL Technical Provisions (-) Operations Sensitive to Variations in Interest Rate; (**) Net of compulsory deposits (Central Bank).

Net Interest Margin with Clients and Net Interest Margin of Credit before and after Provision for Credit Risk



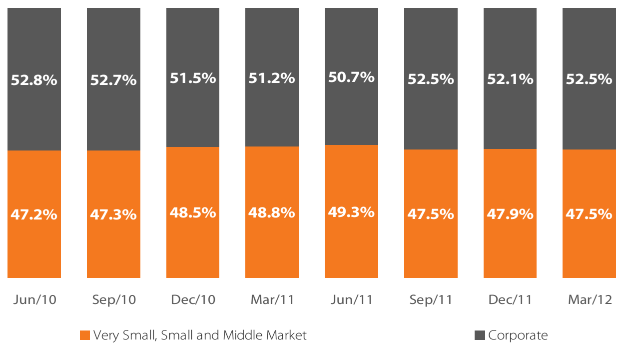
Complementary Aspects in Analysis of Financial Margin with Clients

Evolution of the Loan Portfolio Mix (excluding endorsements and sureties)

Our credit portfolio mix presented below highlights its major components and their share in the past quarters.

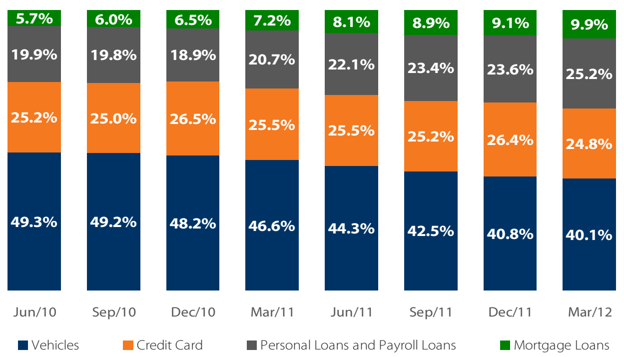
The mix of our credit portfolio to companies at March 31, 2012 in relation to 2011, shows a reduction in the proportion of the very small and small market companies compared to that of middle market and large companies. This trend also affects margin growth as we move towards a less risky portfolio.

Loan Portfolio Mix – Companies



The evolution of our credit portfolio mix for individuals in the same period shows the growth of the mortgage loan portfolio and personal and payroll credit lines. The decreased share of the vehicle portfolio in our mix is a result of the stricter requirements for lending in 2011 and 2012 and the maturity of this portfolio.

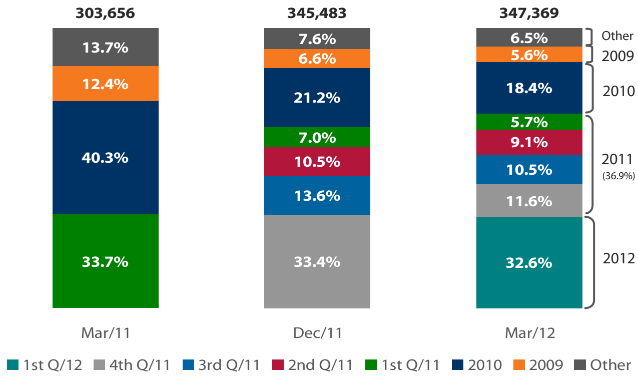
Loan Portfolio Mix – Individuals



Loan Portfolio by Origination Period

The chart below shows the evolution of our credit portfolio, excluding sureties and endorsements, by origination period (vintages).

R$ million



New loans continue to be granted at a fairly constant pace, considering a seasonal decrease that takes place in the first quarters of the years. Additionally, given the profile of the terms of our different credit products, the composition of new contract pools also remained stable in the most recent periods. On March 31, 2012, 32.6% of the portfolio was composed of loans originated in 2012, 36.9% in 2011, 18.4% in 2010, 5.6% in 2009 and 6.5% in previous years.

We see, therefore, that the operations originated by 2010, corresponding mostly to vehicles and mortgage loans that have longer average maturity terms, already represent a small portion of the portfolio. The credits granted as from 2011, which have a better risk profile, represent 69.5% of our credit portfolio.

Analysis of the Net Income

Banking Service Fees and Income from Banking Charges and Result from Insurance, Pension Plan and Capitalization

R$ million

	1stQ/12	4thQ/11	1stQ/11	Variation 1stQ/12 - 4thQ/11		Variation 1stQ/12 - 1stQ/11	
Asset Management	707	662	636	44	6.7%	70	11.0%
Current Account Services	750	680	576	70	10.3%	175	30.3%
Credit Operations and Guarantees Provided	687	859	778	(173)	-20.1%	(92)	-11.8%
Collection Services	345	345	330	0	0.1%	15	4.5%
Credit Cards	2,031	2,110	1,691	(79)	-3.7%	339	20.1%
Other	484	432	455	52	12.1%	29	6.3%
Banking Service Fees and Income from Banking Charges	**5,003**	**5,088**	**4,467**	**(84)**	**-1.7%**	**536**	**12.0%**
Result from Insurance, Pension Plans and Capitalization(*)	750	819	577	(69)	-8.4%	173	30.0%
Total	**5,754**	**5,906**	**5,045**	**(153)**	**-2.6%**	**709**	**14.1%**

(*) Income from insurance, pension plan and capitalization operations (-) Expenses for claims (-) Selling expenses with insurance, pension plan and capitalization

In the first quarter of 2012, banking service fees, including income from banking charges, amounted to R$ 5,003 million, or a 1.7% decrease from the previous quarter and a 12.0% increase from the first quarter of 2011.Taking into consideration the result of insurance, pension plan and capitalization operations, banking service fees totaled R$ 5,754 million, with a 2.6% decrease from the previous period and a 14.1% increase from the same period of the previous year.

Asset Management

Asset management revenues totaled R$ 707 million in the first quarter of 2012, an increase of 6.7% from the previous quarter and 11.0% from the previous year. The volume of assets under our management totaled R$ 423,205 million in March 2012, a 4.8% increase from December 2011.

Current Account Services

Revenues from current account services totaled R$ 750 million in the first quarter, representing a 10.3% growth quarter-on-quarter.

Credit Operations and Guarantees Provided

Revenues from credit operations and guarantees provided totaled R$ 687 million in the first quarter, a decrease of 20.1% from the previous quarter. These revenues were influenced by the suspension of the collection of charges on contract amendments and by the decrease in new vehicle financing and leasing that followed the drop in the production of the vehicle loans market.

Collection Services

Revenues from collection services reached R$345 million, remaining practically unchanged in relation to the previous quarter, but growing 4.5% from the same period of the previous year.

Credit Cards

Credit card revenues amounted to R$ 2,031 million in the first quarter of 2012, a 3.7% decrease from the previous period, mainly as a result of the seasonality effect of the last quarter of 2011 arising from the year-end sales. However, these revenues increased significantly from the same period of the previous year, totaling 20.1%.

Other

R$ million

	1stQ/12	4thQ/11	Variation
Foreign Exchange Services	24	23	1
Brokerage and Securities Placement	97	77	20
Custody Services and Management of Portfolio	58	54	5
Economic and Financial Advisory Services	95	89	6
Other Services	210	189	21
Total	**484**	**432**	**52**

Brokerage and securities placement revenues increased R$ 20 million, due to the higher volume of operations of the broker dealer and placement of securities. Revenues from economic and financial advisory services increased R$ 6 million, influenced by the higher volume of investment banking services.

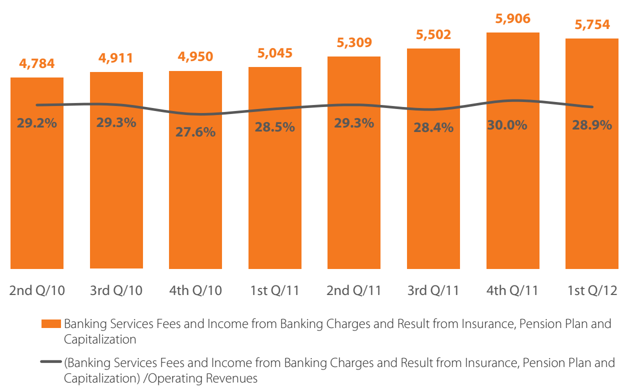
Result from Insurance, Pension Plan and Capitalization

The result from insurance, pension plans and capitalization operations totaled R$ 750 million in the first quarter of 2012, a decrease of R$ 69 million when compared to the last quarter of the previous year, mainly influenced by lower expenses with claims in the previous quarter. When compared to the same period of the previous year, the result from insurance, pension plans and capitalization operations showed an outstanding increase of 30.0%.

Banking Service Fees and Income from Banking Charges and Result from Insurance, Pension Plan and Capitalization

In the first quarter of 2012, the proportion of total banking service fees and income from bank charges plus the result from insurance, pension plans and capitalization operations to total operating revenues – which includes, in addition to these revenues, the managerial financial margin and other operating revenues – reached 28.9%. This index has fluctuated between 28% and 30% over the most recent quarters, mainly due to the consistent performance of banking service fees and bank charges. The chart below presents the quarterly historical data of banking service fees including the result from insurance, pension plans and capitalization operations and their relation with our operating revenues.

R$ million



Analysis of the Net Income

Results from Loan Losses

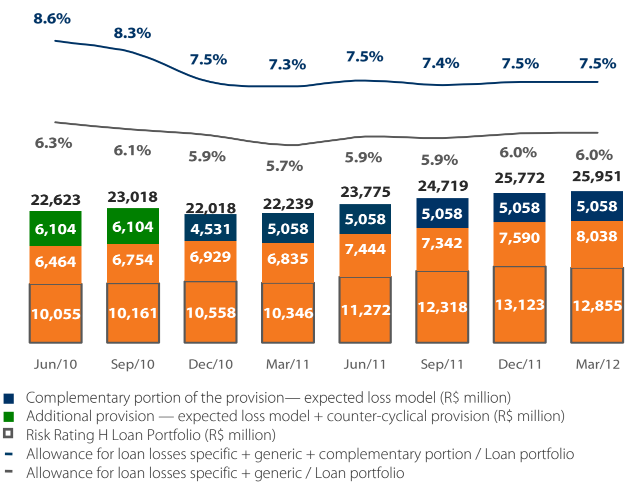
R$ million

	1st Q/12	4th Q/11	1st Q/11	Variation: 1st Q/12 - 4th Q/11		Variation: 1st Q/12 - 1st Q/11	
Expenses for Provision for Loan and Lease Losses	(6,031)	(5,453)	(4,380)	(578)	10.6%	(1,651)	37.7%
Income from Recovery of Loans Written Off as Losses	1,192	1,574	1,207	(381)	-24.2%	(15)	-1.2%
Result from Loan and Lease Losses	**(4,839)**	**(3,880)**	**(3,173)**	**(959)**	**24.7%**	**(1,666)**	**52.5%**

The result from loan and lease losses, net of recovery, totaled R$4,839 million in the quarter, an increase of 24.7%, due to an increase of R$578 million (10.6%) in the expenses for provisions for loan losses, which reached R$6,031 million in the first quarter of 2012. This behavior is attributed to the seasonal impact of the higher default levels in the first months of the year, increase in default levels in the vehicle portfolio and personal loans (mainly installment payment plans and overdraft accounts), in addition to the small increase in the credit portfolio. In the renegotiations of credits already written off as losses we fully accrue the debit balance so as not to generate any result until a strong indication of this loan recovery is obtained.

As described on page 6, the reclassification of R$139 million in income from recovery of loans written off as losses in the first quarter of 2012, together with the seasonal effect of the increase in renegotiation carried out in the fourth quarter of 2011, resulted in a reduction of R$381 million in our income from recovery of loans in the first quarter of the year. Disregarding the reclassification effect, the decrease in income from recovery of loans written off as losses would have been 15.4% in the quarter, with a 10.3% increase from the first quarter of 2011.

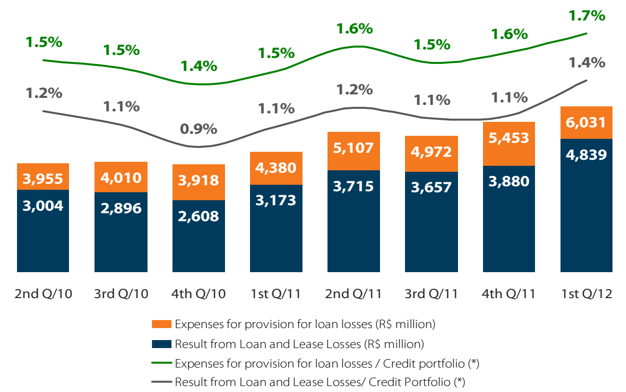
Allowance for Loan Losses and Credit Portfolio



On March 2012, the balance of the credit portfolio without endorsements and sureties increased R$1,886 million in comparison to December 2011, amounting to R$347,369 million, whereas the balance of the allowance for loan and lease losses grew R$180 million to reach R$25,951 million.

The complementary allowance for loan losses, in addition to the minimum required by National Monetary Council (CMN) regulation No 2,682/99, stood at R$5,058 million at the end of the first quarter of 2012.

Expenses for Provision for Loan Losses and Loan Portfolio



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

The ratio of expenses for provisions for loan losses to the credit portfolio reached 1.7% in the fourth quarter of 2011, a 10 basis point increase when compared to the prior quarter.

Non–Performing Loans

Delinquency ratios and Non Performing Loans

R$ million

	Mar 31,12	Dec 31,11	Mar 31,11
Non-performing Loans – 60 days (a)	**21,471**	**20,448**	**16,119**
Non-performing Loans – 90 days (b)	**17,558**	**16,847**	**12,872**
Credit Portfolio (c)	**347,369**	**345,483**	**303,656**
NPL Ratio [(a)/(c)] x 100 over 60 days	**6.2%**	**5.9%**	**5.3%**
NPL Ratio [(b)/(c)] x 100 over 90 days	**5.1%**	**4.9%**	**4.2%**
Coverage:			
Non-performing Loans – 60 days	121%	126%	138%
Non-performing Loans – 90 days	148%	153%	173%

(a) Loans overdue for more than 60 days and that do not accrue revenues.
(b) Loans overdue for more than 90 days.
(c) Endorsements and sureties not included

Overdue Loans

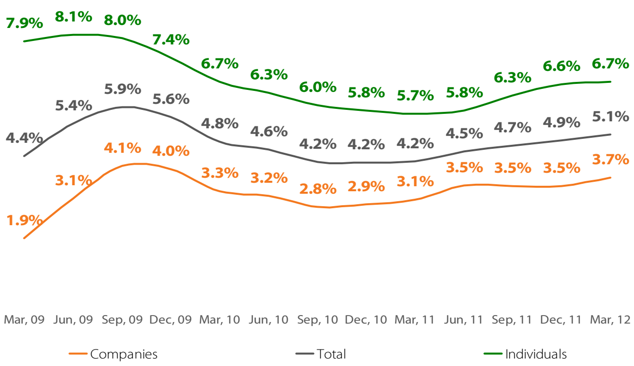
The overdue loan portfolio grew 7.1% in the fourth quarter, whereas the balance of the allowance for loan and lease losses increased, as mentioned above, 0.7% in the same period.

R$ million

	Mar 31,12	Dec 31,11	Mar 31,11
Overdue Loans	31,911	29,809	24,893
Allowance for Loan and Lease Losses	(25,951)	(25,772)	(22,239)
Coverage	(5,960)	(4,037)	(2,654)

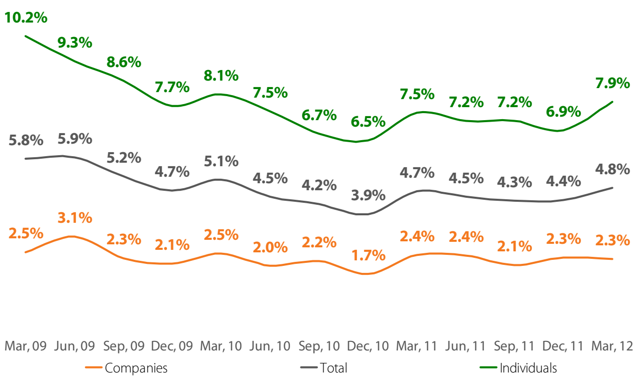
Note: overdue loans are loan operations having at least one installment more than 14 days overdue, irrespective of collateral provided.

NPL Ratio | 90 days



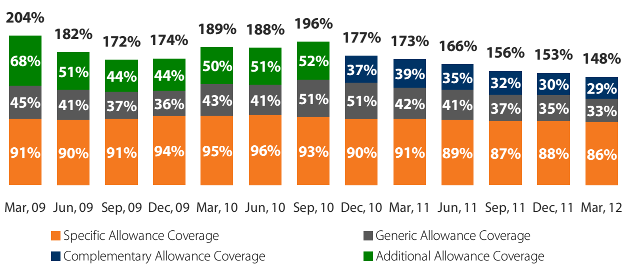
The NPL ratio for operations more than 90 days overdue (NPL 90), reached 5.1% in the first quarter of 2012 with a 20 basis points rise as compared to the ratio of the previous quarter. This increase is explained by (i) the increase in the default level in the individuals segment, especially in the vehicles segment, and (ii) overdue loans in the corporate segment in specific operations.

NPL Ratio | 15 to 90 days



As seen in the chart, short-term delinquency from 15 to 90 days increased by 40 basis points. Delinquency levels increased 100 basis points for individuals and remained steady for companies. It is worth noting that the delinquency from 31 to 90 days reached 3.0%, an increase of 30 basis points in the quarter and 10 basis points in the year. These ratios were impacted by seasonal factors arising from the higher concentration of tax payments related to properties, expenses related to the beginning of the school year and other expenses in the first quarter.

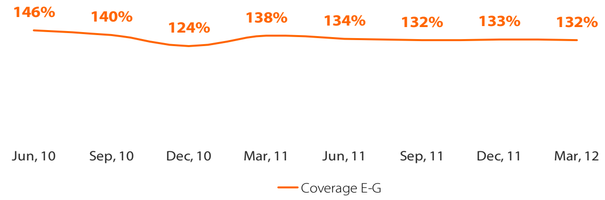
Coverage | 90 days



Note: The coverage ratio is derived from the division of the allowance for loans and lease losses balance by the balance of operations more than 90 days overdue. Until September 2010 the coverage ratio considered an additional countercyclical allowance.

The 90-day coverage ratio reached 148% in March, impacted by the growth in the portfolio of more than 90 days overdue loans (4.2%) while the balance of allowance for loan losses reached R$25,951 million in March, a 70 basis point increase quarter on quarter. Notwithstanding, the same coverage ratio, if measured net of over 180 days credits (those already fully provided) shows stability.

Coverage Ratio | E-G portfolio

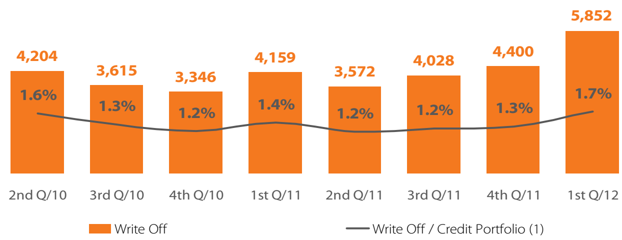


If we consider the credit portfolio risk ratings between E and G, thus excluding the allowance for loan and lease losses of risk rating H (in which a provisioning of 100% already implies a coverage that is even higher than the expected loss given the implied guarantees), we note that the coverage in the first quarter of 2012 remained steady. Thus, the fall in the coverage of the total credit portfolio was primarily due to the increase of loans in the risk rating H in proportion to the total loan portfolio and the coverage of the rest of the loan portfolio remained at the same level.

Credit Portfolio Write-Offs

Write-offs from the loan portfolio totaled R$5,852 million in the first quarter of 2012, growing by R$1,452 million and R$1,693 million from the prior period and the first quarter of 2011, respectively. The ratio of written-off operations to the credit portfolio reached 1.7% in the first quarter of 2012, an increase of 40 basis points when compared to the previous quarter and an increase of 30 basis points when compared to the same period of the previous year.

R$ million



(1) Average balance of the two previous quarters.

Analysis of the Net Income

Non-interest Expenses

R$ million

	1st Q/12	4th Q/11	1st Q/11	Variation 1st Q/12-4th Q/11		Variation 1st Q/12-1st Q/11	
Personnel Expenses	(3,392)	(3,308)	(3,243)	(84)	2.5%	(149)	4.6%
Administrative Expenses	(3,428)	(3,833)	(3,260)	405	-10.6%	(168)	5.1%
Operating Expenses	(1,234)	(1,284)	(1,105)	50	-3.9%	(129)	11.6%
Other Tax Expenses (*)	(99)	(122)	(78)	22	-18.2%	(22)	28.1%
Total	**(8,153)**	**(8,547)**	**(7,686)**	**394**	**-4.6%**	**(467)**	**6.1%**

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

Non-interest expenses continue to show decreasing trend and in the first quarter of 2012 they were R$ 394 million (4.6%) lower as compared to the previous quarter, totaling R$ 8,153 million. The effects of the completion of the integration of Itaú and Unibanco and the dissemination of practices related to the efficiency project are responsible for the strong performance in the control of expenses and play a key role in this improvement.

Personnel Expenses

R$ million

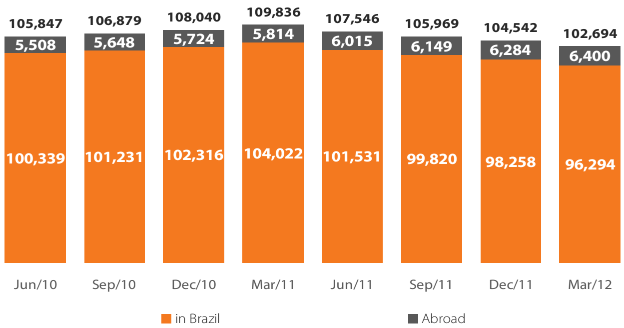
	1st Q/12	4th Q/11	Variation
Compensation	(1,466)	(1,386)	(80)
Charges	(519)	(532)	13
Social Benefits	(345)	(413)	68
Training	(55)	(75)	20
Profit Sharing (*)	(635)	(521)	(113)
Employee Terminations and Labor Claims	(373)	(381)	8
Total	**(3,392)**	**(3,308)**	**(84)**

(*) Includes variable compensation and stock option plans

Personnel expenses totaled R$ 3,392 million in the first quarter, representing a 2.5% increase from the previous period. The main changes resulted basically from the increase of R$ 80 million in compensation expenses and R$ 113 million in profit sharing expenses. This increase was partially offset by the decrease in social benefit expenses of R$ 68 million, mainly due to the actuarial review of the pension plans for employees.

Number of Employees

The number of employees went from 104,542 in December 2011 to 102,694 in March 2012, primarily due to the effects of the restructuring of the consumer credit area. Such restructuring results from the integration of our systems and processes into a single platform, which enabled capturing synergies among the operating structures and revising the strategies for some business.



Obs: For companies under control of Itaú Unibanco, 100% of the number of employees are considered. No employee is considered for companies which are not under Itaú Unibanco's control.

Administrative Expenses

R$ million

	1st Q/12	4th Q/11	Variation
Facilities	(554)	(745)	191
Third-Party Services	(777)	(903)	126
Data Processing and Telecommunications	(871)	(891)	20
Depreciation and Amortization	(377)	(374)	(3)
Materials	(116)	(125)	9
Transportation	(131)	(153)	22
Security	(133)	(124)	(9)
Travel	(39)	(54)	15
Advertising, Promotions and Publications	(188)	(255)	67
Financial System Services	(111)	(91)	(20)
Other	(132)	(119)	(13)
Total	**(3,428)**	**(3,833)**	**405**

Administrative expenses dropped 10.6% from the previous quarter, due to a R$191million decrease in facilities expenses because of the branches remodeled to the new Itaú Unibanco pattern (higher in the previous quarter), and to expenses from third-party services of R$ 126 million, the latter being influenced by the decrease in expenses with consulting and advisory services. The decrease in expenses with advertising, promotions and publications of R$ 67 million also contributed to this reduction.

Operating Expenses

R$ million

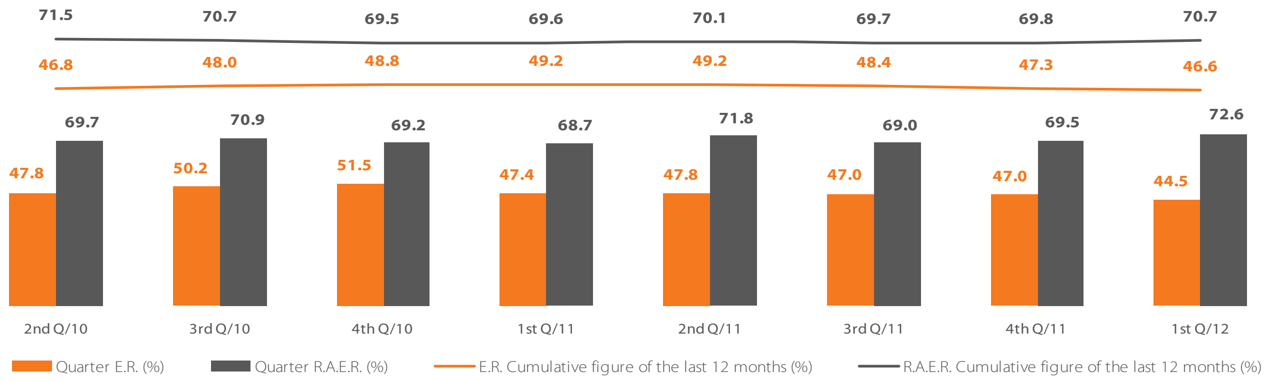
	1st Q/12	4th Q/11	Variation
Provision for contingencies	(382)	(305)	(77)
Selling - Credit Cards	(350)	(414)	64
Claims	(165)	(173)	8
Other	(336)	(391)	55
Total	**(1,234)**	**(1,284)**	**50**

In the first quarter, operating expenses decreased 3.9% from the previous quarter, impacted by a decrease in credit card selling expenses of R$ 64 million, as a result of the seasonality effect of the last quarter, and of other operating expenses of R$ 55 million. These decreases were partially offset by the increase in expenses for provision for contingencies of R$ 77 million, influenced by the revaluation of the value at risk for collective lawsuits.

Analysis of the Net Income

Efficiency Ratio and Risk-Adjusted Efficiency Ratio

We present the efficiency ratio and the risk-adjusted efficiency ratio, which includes the risk portions associated with banking transactions (result of the provision for loan losses) and insurance and pension plans transactions (claims).



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

Efficiency Ratio

As from the first quarter of 2012, we changed the calculation methodology of the efficiency ratio, including non-operating income and equity in the earnings of affiliates in the denominator, which impacted our ratio by approximately 20 basis points. For comparative purposes, the former periods were reclassified in the charts above.

In the first quarter, the efficiency ratio reached 44.5%, a 250 basis point decrease when compared to the fourth quarter of 2011. This decrease was due to the increase in operating revenues, more specifically in the managerial financial margin (2.4% from the previous quarter), and to the decrease in non-interest expenses (4.6% from the previous quarter).

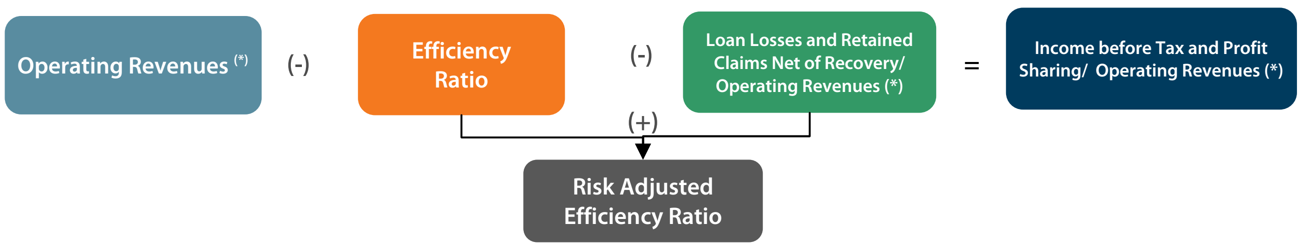
In the last 12 months, the efficiency ratio reached 46.6%, an improvement of 70 basis points when compared to the same period of the previous quarter.

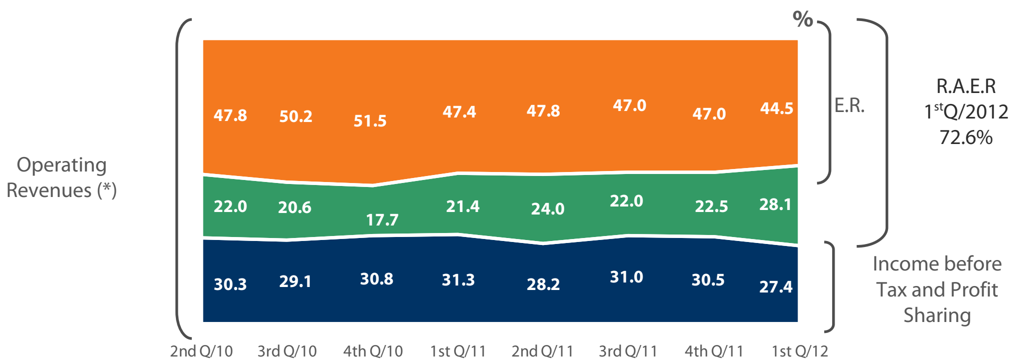
Risk-Adjusted Efficiency Ratio

The risk-adjusted efficiency ratio for the first quarter of 2012 was 72.6%, an increase of 310 basis points from the fourth quarter of 2011, mainly due to the increase in the expenses for allowance for loan losses, partially offset by the same factors that contributed to the improvement of the efficiency ratio. In 12 months, the risk-adjusted efficiency ratio reached 70.7%.

Usage of Operating Revenues

The chart below shows the portions of the Operating Revenues that are used to cover Non-interest Expenses, Result from Loan Losses and Retained Claims.





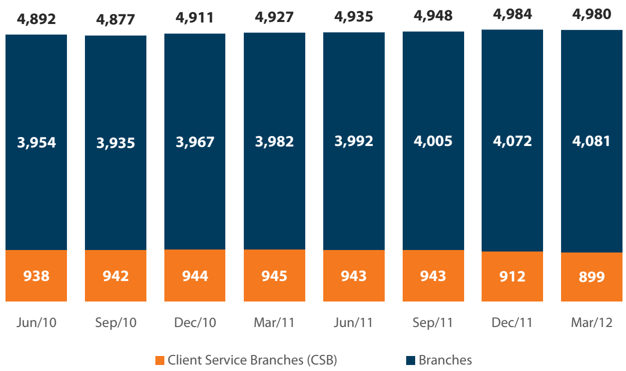
(*) Net of Tax Expenses for ISS, PIS and Cofins and Other.

Analysis of the Net Income

Points of Service

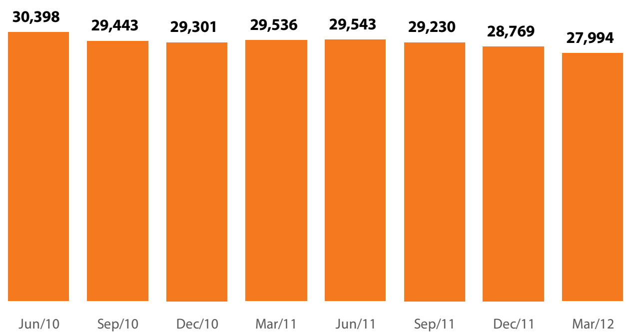
At the end of the first quarter of 2012, our network was comprised of 4,980 branches and client service branches (CSB), encompassing Brazil and abroad. The number of ATMs in the period totals approximately 28 thousand, representing a 2.7% decrease from the previous quarter, due to the resizing of the remodeled branches and the removal of ATMs in third-party establishments with low volume of transactions.

Branches and Client Service Branches (CSB) | Brazil and Abroad



Note: Includes Banco Itaú BBA, Banco Itaú Argentina and Chile, Uruguay and Paraguay companies.

Automated Teller Machines (ATMs) | Brazil and Abroad



Note: (i) Includes Banco Itaú Argentina and Chile, Uruguay and Paraguay companies.
(ii) Includes ESBs (electronic service branches) and service points in third-party establishments.
(iii) Does not include points of sale and ATMs of Banco 24h.

Tax Expenses for ISS, PIS, Cofins and Other

Tax expenses amounted to R$ 1,041 million in the first quarter of 2012, a 6.7% increase from the previous quarter.

Income Tax and Social Contribution on Net Income

In the first quarter of 2012, Income Tax and Social Contribution on Net Income (CSLL) expenses totaled R$1,408 million, a 16.6% decrease from the previous quarter.

The CSLL expense payable continues not to reflect the rate increase from 9% to 15%, as tax credits recorded are sufficient to counter this effect. Furthermore, a Direct Unconstitutionality Action filed by the National Confederation of the Financial System (CONSIF) in this regard is yet to be decided.

On March 31, 2012 the balance of the unrecorded remaining tax credit as a result of the CSLL rate increase totaled R$ 843 million.

balance sheet, balance sheet by currency, value at risk and ownership structure

Itaú Unibanco Holding S.A.

Itaú

1st quarter of 2012
Management Discussion & Analysis

Balance Sheet

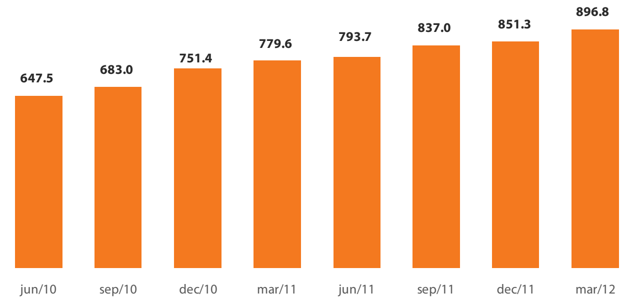
Itaú

Assets

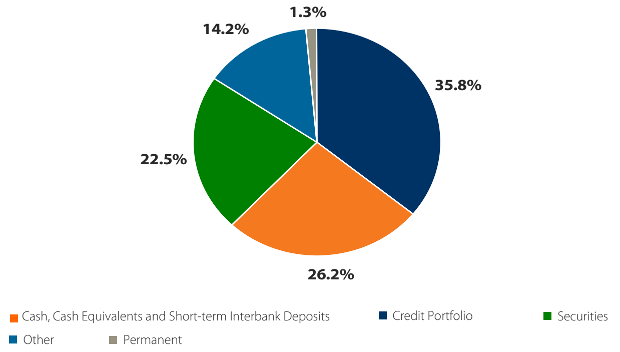
On March 31, 2012, total assets amounted to R$896.8 billion, an increase of 5.3% from the end of the previous quarter and 15.0% from the same period of the previous year. The breakdown of our assets and the details on their main components, are presented below:

Total Assets

R$ billion



Assets Breakdown | March 31, 2012



Short-term Interbank Investments and Securities Portfolio

On March 31, 2012, the balance of our short-term interbank investments and securities portfolio, including derivative financial instruments, totaled R$346,015 million, corresponding to a 13.8% growth from the previous quarter. The mix of short-term interbank investments and the securities portfolio changed in the quarter, mainly due to the increase in short-term interbank investments and securities in Brazil.

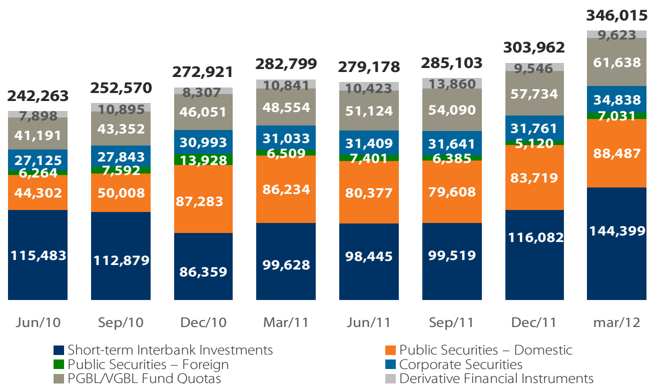
The breakdown of short-term interbank investments and securities in the past few quarters is shown below:

R$ million

	Mar 31, 12	%	Dec 31, 11	%	Mar 31, 11	%	Variation Mar/12 - Dec/11	Variation Mar/12 - Mar/11
Short-term Interbank Investments	**144,399**	**41.7%**	**116,082**	**38.2%**	**99,628**	**35.2%**	**24.4%**	**44.9%**
Total Public Securities	**95,518**	**27.6%**	**88,840**	**29.2%**	**92,743**	**32.8%**	**7.5%**	**3.0%**
Government Securities – Domestic	88,487	25.6%	83,719	27.5%	86,234	30.5%	5.7%	2.6%
Government Securities – Foreign	7,031	2.0%	5,120	1.7%	6,509	2.3%	37.3%	8.0%
Denmark	1,790	0.5%	1,949	0.6%	3,548	1.3%	-8.2%	-49.5%
Chile	1,663	0.5%	1,046	0.3%	427	0.2%	59.0%	289.6%
Korea	1,640	0.5%	295	0.1%	288	0.1%	455.8%	468.6%
United States	831	0.2%	292	0.1%	673	0.2%	184.3%	23.5%
Mexico	359	0.1%	215	0.1%	19	0.0%	66.6%	1767.8%
Paraguay	329	0.1%	344	0.1%	391	0.1%	-4.2%	-15.7%
Uruguay	189	0.1%	295	0.1%	162	0.1%	-36.0%	16.9%
Argentina	170	0.0%	225	0.1%	271	0.1%	-24.3%	-37.2%
France	25	0.0%	0	0.0%	0	0.0%	0.0%	0.0%
Spain	0	0.0%	418	0.1%	729	0.3%	-100.0%	-100.0%
Other	35	0.0%	40	0.0%	1	0.0%	-13.0%	-13.0%
Corporate Securities	**34,838**	**10.1%**	**31,761**	**10.4%**	**31,033**	**11.0%**	**9.7%**	**12.3%**
PGBL/VGBL Fund Quotas	**61,638**	**17.8%**	**57,734**	**19.0%**	**48,554**	**17.2%**	**6.8%**	**26.9%**
Derivative Financial Instruments	**9,623**	**2.8%**	**9,546**	**3.1%**	**10,841**	**3.8%**	**0.8%**	**-11.2%**
Total	**346,015**	**100.0%**	**303,962**	**100.0%**	**282,799**	**100.0%**	**13.8%**	**22.4%**

Evolution of Short-term Interbank Investments and Securities Portfolio

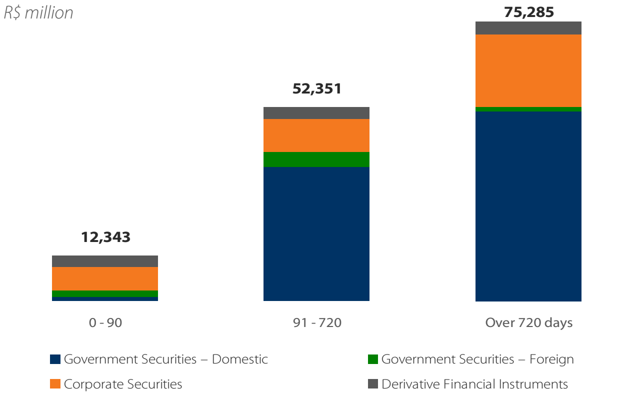
R$ million



Balance Sheet

Short-term Interbank Investments and Securities Portfolio by maturity [(*)]

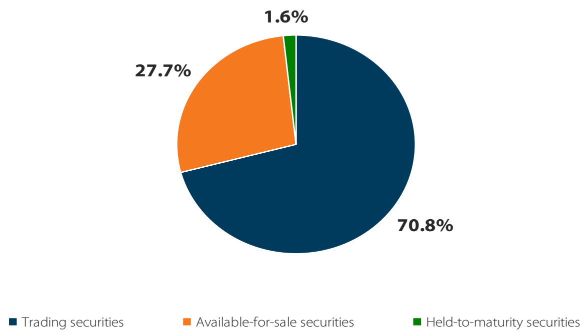
Our securities and derivative financial instruments are presented below in accordance with their maturity period, allowing us to see our positions by maturity date.



[(*)] Does not consider the balance of the PGBL and VGBL plans securities portfolios.

Securities by Categories

Our securities portfolio is classified into three categories: trading, available-for-sale and held-to-maturity. On March 31, 2012, the securities portfolio totaled R$ 191,993 million and trading securities accounted for 70.8% of it. The breakdown of the securities portfolio is presented in the chart below:



Credit Portfolio

Credit Portfolio by Product

In the table below, the credit portfolio is split into two groups: individuals and companies. For a better understanding of the performance of these portfolios, the main product groups of each segment are presented below:

R$ million

				Variation	
	Mar 31, 12	Dec 31, 11	Mar 31, 11	Mar/12 – Dec/11	Mar/12 – Mar/11
Individuals	**154,434**	**154,001**	**133,641**	**0.3%**	**15.6%**
Vehicles	59,054	60,093	59,858	-1.7%	-1.3%
Credit Card	36,574	38,961	32,736	-6.1%	11.7%
Personal Loans	27,816	25,960	19,689	7.1%	41.3%
Own Payroll Loans	9,323	8,842	6,910	5.4%	34.9%
Mortgage Loans (*)	14,591	13,450	9,276	8.5%	57.3%
Rural Loans	274	287	244	-4.5%	12.5%
Argentina/Chile/Uruguay/Paraguay	6,802	6,408	4,926	6.2%	38.1%
Companies	**192,934**	**191,482**	**170,016**	**0.8%**	**13.5%**
Working Capital (**)	100,961	101,196	91,743	-0.2%	10.0%
BNDES/Onlending	37,669	38,023	34,933	-0.9%	7.8%
Export / Import Financing	19,615	18,318	13,194	7.1%	48.7%
Vehicles	7,663	8,077	8,549	-5.1%	-10.4%
Acquired Payroll Loans	1,732	1,265	1,769	36.9%	-2.1%
Mortgage Loans	6,612	6,100	5,597	8.4%	18.1%
Rural Loans	5,173	5,651	5,369	-8.5%	-3.6%
Argentina/Chile/Uruguay/Paraguay	13,509	12,852	8,862	5.1%	52.4%
Total without Endorsements and Sureties	**347,369**	**345,483**	**303,656**	**0.5%**	**14.4%**
Endorsements and sureties	53,150	51,530	41,199	3.1%	29.0%
Total with Endorsements and Sureties	**400,519**	**397,012**	**344,855**	**0.9%**	**16.1%**
Private Securities (***)	17,067	15,220	15,598	12.1%	9.4%
Adjusted Total Risk	**417,586**	**412,233**	**360,453**	**1.3%**	**15.9%**

(*) Does not consider co-obligation in mortgage loan assignment in the amount of R$495.9 million. If it was considered, this portfolio would have reached R$15,087 million;
(**) Also includes Revolving, Receivables, Hot Money, Leasing, and other; (***) Includes Debentures, CRI and Commercial Paper.

The portfolio of credits to individuals grew 0.3% from the previous quarter to reach R$154,434 million on March 31, 2012. This growth is primarily attributable to the following increases: 8.5% in mortgage loans, amounting to R$14,591 million; 7.1% in personal loans, totaling R$27,816 million and 5.4% in the own payroll loan portfolio, amounting to R$9,323 million.

The portfolio of credit to companies grew 0.8% in the quarter to R$192,934 million. The changes in this portfolio were driven by the increase in export/import financing of 7.1% to R$19,615 million, mortgage loans, of 8.4%, to R$6,612 million, and our operations in the Southern Cone, of 5.1%, to R$13,509 million, offsetting the reductions seen in vehicles and rural credit portfolios.

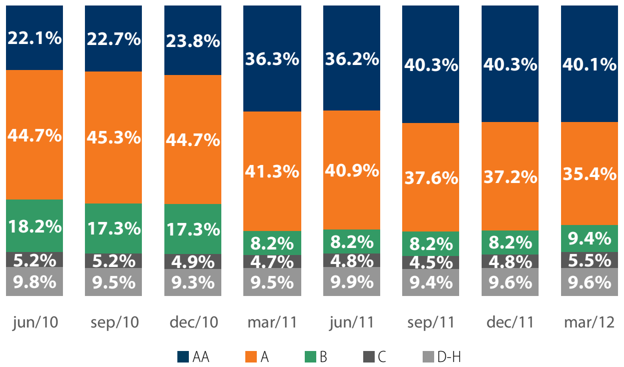
Taking into account our fixed income private securities portfolio and the balance of sureties and endorsements, the adjusted balance of our overall credit portfolio amounted to R$417,586 million, a growth of 1.3% from December 31, 2011.

Balance Sheet

Credit Portfolio by Risk Level

On March 31, 2012, the share of credits rated "AA" to "C" in the total portfolio was 90.4%, unchanged from the previous quarter.

Evolution of Loan Portfolio by Risk Level



Credit Portfolio by Business Sector (includes endorsements and sureties)

This quarter, we carried out a review of our portfolio by activity segment, in line with our view of business sectors (see Note 8 to the financial statements). The changes in the portfolio of credit to companies are listed below:

R$ million

Business Sector	Mar/12	Dec/11	Variation Mar/12 – Dec/11	
Sugar and alcohol	7,899	7,544	355	4.7%
Agribusiness and fertilizers	12,757	12,668	88	0.7%
Food and beverage	13,222	13,177	45	0.3%
Banks and other financial institutions	8,979	9,359	(380)	-4.1%
Capital assets	8,426	8,453	(27)	-0.3%
Pulp and paper	2,862	2,347	516	22.0%
Electronic and IT	6,335	6,475	(140)	-2.2%
Energy and sewage	10,006	10,196	(190)	-1.9%
Pharmaceuticals and cosmetics	6,168	6,022	147	2.4%
Real estate agents	13,415	12,709	707	5.6%
Entertainment and tourism	3,607	3,493	114	3.3%
Construction material	5,544	5,589	(45)	-0.8%
Steel and metallurgy	10,279	10,034	245	2.4%
Mining	3,767	3,803	(36)	-1.0%
Infrastructure work	6,910	7,034	(124)	-1.8%
Oil and gas	4,151	4,443	(292)	-6.6%
Petrochemical and chemical	7,671	7,969	(298)	-3.7%
Clothing and footwear	5,431	5,750	(319)	-5.5%
Transportation	17,801	17,291	509	2.9%
Vehicles and autoparts	18,751	17,972	779	4.3%
Sundry	66,546	65,810	736	1.1%
Total	**240,529**	**238,139**	**2,391**	**1.0%**

Credit Concentration

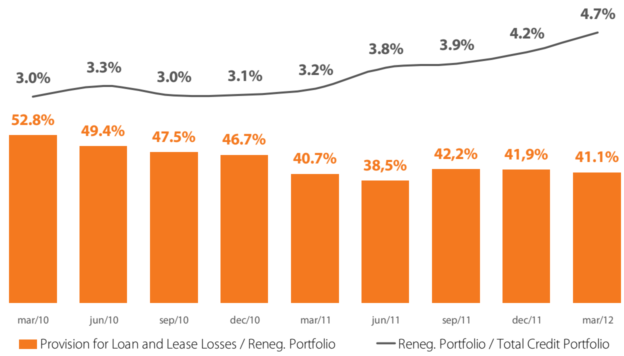
Our loan, lease and other credit operations, including endorsements and sureties, are diversified in our credit portfolio. Less than 20% of the credit risk was concentrated in the 100 largest debtors at the end of March 2012. The credit concentration of the 100 largest debtors is as follows:

R$ thousand

Loan, lease and other credit operations	Mar/12 Risk	% of Total
Largest debtor	3,296	0.8
10 largest debtors	22,556	5.6
20 largest debtors	37,411	9.3
50 largest debtors	59,058	14.7
100 largest debtors	77,651	19.4

Operations under Renegotiation

Our portfolio of credits under renegotiation, including extended, modified and deferred repayments, amounted to R$16,438 million at the end of the quarter, which represents 4.7% of the total credit portfolio. The increase of 50 basis points in relation to the previous quarter is a result of our collection strategy at the end of the year due to higher available funds arising from the inflow of the 13th monthly salary (year-end payment to employees) into the economy. At the end of the first quarter of 2012, the ratio of the allowance for loan losses to the portfolio renegotiated was 41.1% in the period, a drop of 80 basis points from the previous quarter. The following chart presents the changes in the past few quarters:



The portfolio of operations under renegotiation, includes both renegotiated operations from the portfolio that had already been written off as losses and overdue and renegotiated operations, provided that at least one of their installments had been paid. At the time of the renegotiation of credits that had already been written off as losses, we recognize a provision for the total amount renegotiated that is reversed only when there is a strong indication of the recovery of this credit, thus not generating an immediate result. This result is observable after payments are received on a regular basis for a few months.

The coverage ratio of the allowance for loan losses to 90-day Non-Performing Loans (NPL) in the renegotiated portfolio was 125% on March 31, 2012, for an average NPL of 32.8%, a growth of 110 basis points from the fourth quarter of 2011.

Other and Permanent Assets

In the first quarter of 2012, "Other Assets" increased 19.6% and reached R$127,032 million, which is equivalent to 14.2% of our total assets. This item basically comprises "Asset Portfolio of Foreign Exchange" (see Note 9 to the financial statements), "Tax Credits", "Taxes and Contributions for Offset" and "Escrow Deposits".

Our permanent assets, in the amount of R$11,809 million, are represented by "Investments in Brazil and Abroad", "Fixed Assets" and "Deferred Charges". This quarter, this account represented 1.3% of total assets and decreased 0.8% in relation to the previous quarter.

Balance Sheet

Funding

R$ million

	Mar 31, 12	Dec 31, 11	Mar 31, 11	Variation Mar 31,11 - Dec 31,11	Variation Mar 31, 12 - Mar 31,11
Demand Deposits	26,324	28,293	24,724	-7.0%	6.5%
Savings Deposits	68,463	67,145	58,971	2.0%	16.1%
Time Deposits	111,874	130,473	110,473	-14.3%	1.3%
Debentures (Repurchase Agreements)	100,221	107,781	92,123	-7.0%	8.8%
Funds from Bills [(1)]	37,318	33,587	16,317	11.1%	128.7%
(1) Total - Funding from Account Holders	**344,201**	**367,279**	**302,608**	**-6.3%**	**13.7%**
Institutional Clients	26,373	22,073	17,440	19.5%	51.2%
Onlending	34,932	35,459	32,868	-1.5%	6.3%
(2) Total – Funding from Institutional & Account Holders	**405,505**	**424,812**	**352,916**	**-4.5%**	**14.9%**
Assets Under Administration	423,205	403,906	381,778	4.8%	10.9%
Technical Provisions for Insurance, Pension Plan and Capitalization	77,830	73,754	63,599	5.5%	22.4%
(3) Total – Clients	**906,540**	**902,472**	**798,293**	**0.5%**	**13.6%**
Interbank deposits	8,569	2,066	2,913	314.8%	194.1%
Funds from Acceptance and Issuance of Securities Abroad	10,953	16,931	10,314	-35.3%	6.2%
Total Funds from Clients + Interbank Deposits	**926,062**	**921,469**	**811,520**	**0.5%**	**14.1%**
Repurchase Agreements [(2)]	103,253	74,663	105,042	38.3%	-1.7%
Borrowings	17,142	21,143	18,196	-18.9%	-5.8%
Foreign Exchange Portfolio	49,364	26,182	27,508	88.5%	79.5%
Subordinated Debt	44,984	38,974	35,294	15.4%	27.5%
Collection and payment of Taxes and Contributions	5,837	856	4,918	581.9%	18.7%
Free Assets [(3)]	62,579	61,179	55,583	2.3%	12.6%
Free Assets and Other	**283,159**	**222,997**	**246,540**	**27.0%**	**14.9%**
Total Funds (Free, Raised and Managed Assets)	**1,209,221**	**1,144,466**	**1,058,061**	**5.7%**	**14.3%**

(1) Includes funds from Real Estate, Mortgage, Financial, Credit and Similar Notes. (2) Does not include own issued debentures. (3) Stockholders' Equity + Minority Interests - Permanent Assets.

On March 31, 2012, total funds from clients and interbank deposits amounted to R$926,062 million, increasing R$4,593 million from the last quarter of 2011. The main drivers were increases of: R$19,299 million in funds obtained through assets under administration, R$3,731 million in funds from notes, R$6,503 million in interbank deposits and R$5,077 million in institutional clients. These increases were partially offset by the reduction of R$18,599 million in time deposits and R$5,978 million in foreign borrowings through securities.

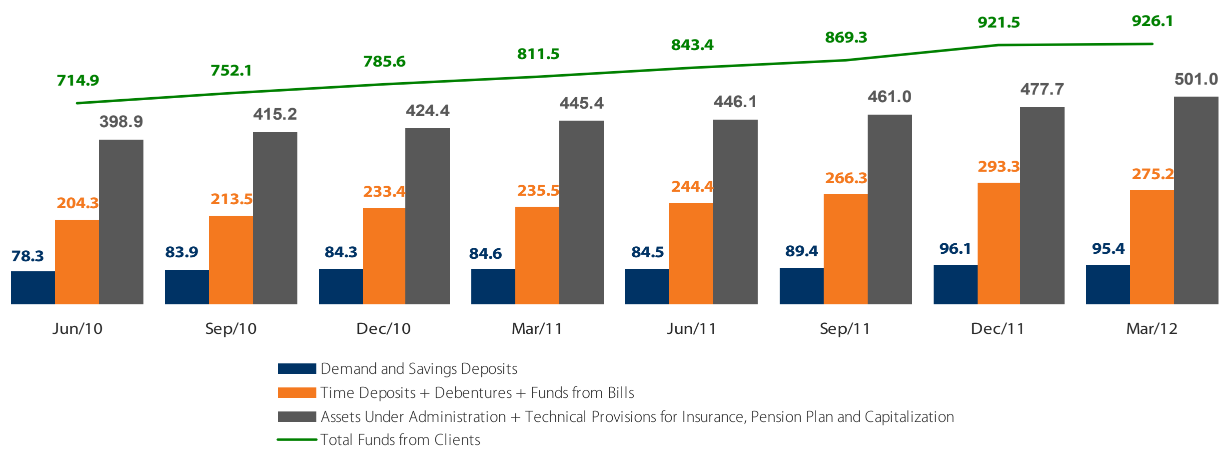
Under Brazilian legislation, debentures issued by our leasing company are classified as deposits received under securities repurchase agreements. Upon their acquisition by the Bank, which is the conglomerate's leading institution, the debentures are traded with the same characteristics as those of CDBs and other time deposits and, therefore, they are included in total deposits from account holders. In the first quarter of 2012, this type of funding totaled R$109,415 million, including institutional clients.

Total funds (free, raised and managed assets) amounted to R$1.21 trillion on March 31, 2012, an increase of R$ 64,755 million when compared to December 2011, mainly driven by the growth of funds obtained from clients and foreign exchange portfolio of R$23,182 million, which was partially offset by a decrease of R$4,001 million in borrowings.

In the last 12 months, we highlight the increase of R$114,545 million in funds obtained from clients together with interbank deposits and foreign borrowings through securities, mainly due to the increase in investment funds and managed portfolios, funds from notes and debentures. Total funds (free, raised and managed assets) grew R$151,160 million, driven by this increase in funds obtained from clients.

Funds from clients [(1)]

R$ billion



(1) Includes institutional clients in the proportion of each type of product invested by them.

Itaú

Ratio between Credit Portfolio and Funding

R$ million

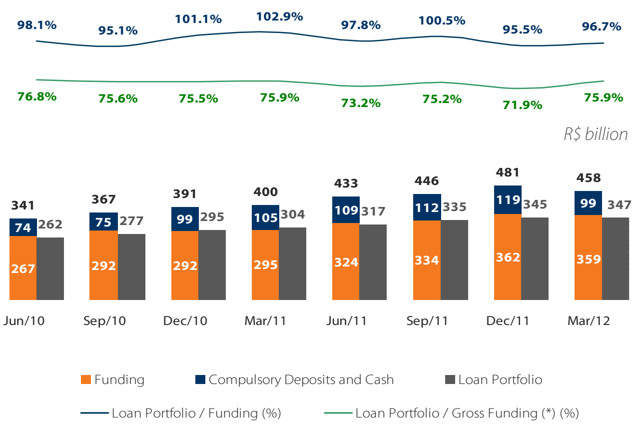
	Mar 31, 12	Dec 31, 11	Mar 31, 11	Variation Mar 31,11 - Dec 31,11	Variation Mar 31, 12 - Mar 31,11
Funding from Clients + Account Holders	405,505	424,812	352,916	-4.5%	14.9%
Funds from Acceptance and Issuance of Securities Abroad	10,953	16,931	10,314	-35.3%	6.2%
Borrowings	17,142	21,143	18,196	-18.9%	-5.8%
Other (1)	24,099	17,716	18,446	36.0%	30.6%
Total (A)	**457,699**	**480,601**	**399,872**	**-4.8%**	**14.5%**
(-) Reserve Required by BACEN	(88,104)	(108,183)	(93,111)	-18.6%	-5.4%
(-) Cash (Currency) (2)	(10,551)	(10,633)	(11,762)	-0.8%	-10.3%
Total (B)	**359,044**	**361,785**	**294,999**	**-0.8%**	**21.7%**
Loan Portfolio (C) (3) (4)	**347,369**	**345,483**	**303,656**	**0.5%**	**14.4%**
C/A	**75.9%**	**71.9%**	**75.9%**	**400 bps**	**0 bps**
C/B	**96.7%**	**95.5%**	**102.9%**	**130 bps**	**-620 bps**

(1) These comprise installments of subordinated debt that are not included in Tier II Referential Equity.
(2) Includes cash, bank deposits in institutions without reserve requirements, foreign currency deposits in Brazil, foreign currency deposits abroad, and cash and cash equivalents in foreign currency.
(3) The credit portfolio balance does not include endorsements and sureties.
(4) It does not consider the balance of R$495.9 million on March 31, 2012 related to the co-obligation of mortgage loan assignment carried out in the fourth quarter of 2011.

The ratio of the credit portfolio to funding before deducting compulsory deposits and cash and cash equivalents reached 75.9% in March 2012 compared to 71.9% in December 2011, returning to the range between 73% and 76% seen before the fourth quarter of 2011. If we take into consideration the compulsory deposits and cash and cash equivalents, this ratio reached 96.7% in March 2012 versus 95.5% in December 2011.

As of this quarter of 2012, a part of the funds that were previously intended for compulsory deposits started to be used in the purchase of credit portfolios, interbank deposits and other investments of financial institutions with a referential equity that is lower than R$ 2.2 billion, the so-called small and medium sized banks, due to the change in the criteria for the remuneration on compulsory deposits determined by Circular No. 3,569/11 and Circular No. 3,576/12 of the Central Bank of Brazil.

Ratio between Loan Portfolio and Funding



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

External Funding (1)

The table below highlights the main issuances of Itaú Unibanco abroad in effect on March 31, 2012.

US$ million

Instrument	Issuer	Balance at Dec 31,11	Issuances	Amortization	Exchange Variation	Balance at Mar 31,12	Issue Date	Maturity Date	Coupon %p.y.
Fixed Rate Notes (2)	Itaú Chile	97				97	7/24/2007	7/24/2017	UF(6) + 3,79%
Fixed Rate Notes (3)	Itaú Chile	98				98	10/30/2007	10/30/2017	UF(6) + 3,44%
Floating Rate Notes	Itaubank	393				393	12/31/2002	3/30/2015	Libor (7) + 1,25%
Floating Rate Notes (4)	IBBA International	78			2	80	12/22/2005	12/22/2015	Euribor(8) + 0,55%
Medium Term Notes (5)	IBBA Nassau	206			6	212	5/30/2007	5/30/2012	9.21%
Medium Term Notes	Banco Itaú Holding Cayman	1,000				1,000	4/15/2010	4/15/2020	6.20%
Medium Term Notes	Banco Itaú Holding Cayman	1,000				1,000	9/23/2010	1/22/2021	5.75%
Medium Term Notes (9)	Banco Itaú Holding Cayman	267			8	274	11/23/2010	11/23/2015	10.50%
Medium Term Notes	Banco Itaú Holding Cayman	250				250	1/24/2011	1/22/2021	5.75%
Medium Term Notes	Banco Itaú Holding Cayman	500				500	6/15/2011	12/21/2021	6.20%
Medium Term Notes	Banco Itaú Holding Cayman		550			550	1/24/2012	12/21/2021	6.20%
Medium Term Notes	Banco Itaú Holding Cayman		1,250			1,250	3/19/2012	3/19/2022	5.65%
Other Notes (10)		3,733	329	(169)		3,894			
Total		**7,622**	**2,129**	**(169)**	**16**	**9,599**			

(1) Balance refers to principal amounts; (2) and (3) Amounts in US$ equivalent on the issuances dates to CHP 46.9 billion and CHP 48.5 billion, respectively; (4) Amounts in US$ equivalent on the issuances dates to €100 million and €300 million, respectively; (5) Amounts in US$ equivalent on the date to R$387 million; (6) Development Financial Unit; (7) 180-day Libor; (8) 90-day Euribor; (9) Amounts in US$ equivalent on the date to R$500 million; (10) Structured Notes.

On March 31, 2012, funds obtained abroad totaled US$9,599 million, an increase of US$1,977 million from the previous quarter (presented in the "Funding" table in the previous section as Foreign Borrowings through Securities and Subordinated Debt).

Balance Sheet by Currency (*)

We adopt an exchange risk management policy that is associated with our asset and liability positions, primarily intended to prevent impacts on consolidated results from fluctuations in exchange rate parities

The Brazilian tax legislation determines that exchange rate variation gains and losses on permanent foreign investments shall not be included in the tax basis. On the other hand, gains and losses arising from financial instruments used to hedge such asset positions are impacted by tax effects. Therefore, in order not to expose net income to exchange rate variations, a liability position must be built at a higher volume than the hedged assets. In order to offset such discrepancy we maintain an extra sold position (overhedge).

The Balance Sheet by Currency shows our assets and liabilities denominated in local and foreign currencies. On March 31, 2012, the net exchange position (named extra sold position) was a liability of US$ 9,670 million.

Assets | Mar 31, 2012

R$ million

	Consolidated	Business in Brazil			Business Abroad
		Total	Local Currency	Foreign Currency	
Cash and Cash Equivalents	10,551	6,775	5,256	1,519	4,661
Short - Term Interbank Deposits	144,399	131,251	130,741	510	13,658
Securities	201,616	181,423	181,203	220	53,502
Loans	347,369	296,993	285,942	11,051	61,377
(Allowance for Loan Losses)	(25,951)	(25,272)	(25,272)	-	(679)
Other Assets	207,049	170,277	156,933	13,344	49,547
Foreign Exchange Portfolio	49,092	17,012	4,788	12,223	43,690
Other	157,956	153,265	152,144	1,120	5,857
Permanent Assets	11,809	35,820	10,856	24,964	953
Total Assets	896,842	797,266	745,658	51,608	183,019
Derivatives – Purchased Positions				58,500	
Total Assets After Adjustments (a)				110,108	

Liabilities and Equity | Mar 31, 2012

R$ million

	Consolidated	Business in Brazil			Business Abroad
		Total	Local Currency	Foreign Currency	
Deposits	231,345	175,366	175,160	206	60,245
Funds Received under Securities Repurchase Agreements	212,668	202,937	202,937	-	9,731
Funds from Acceptances and Issue of Securities	49,336	68,245	38,369	29,876	10,190
Borrowings and On Lendings	52,074	47,585	35,421	12,164	15,858
Interbank and Interbranch Accounts	9,331	9,176	7,459	1,718	155
Derivative Financial Instruments	7,623	6,241	6,241	-	2,113
Other Liabilities	181,405	135,488	125,119	10,369	58,930
Foreign Exchange Portfolio	49,364	17,188	7,360	9,829	43,785
Other	132,041	118,300	117,760	540	15,145
Technical Provisions of Insurance, Pension Plans and Capitalization	77,830	77,803	76,841	962	27
Deferred Income	843	754	490	264	89
Minority Interest in Subsidiaries	1,904	1,188	1,188	-	717
Stockholders' Equity of Parent Company	72,484	72,484	72,484	-	24,964
Capital Stock and Reserves	69,059	69,059	69,059	-	24,515
Net Income	3,426	3,426	3,426	-	449
Total Liabilities and Equity	896,842	797,266	741,708	55,558	183,019
Derivatives – Sold Positions				72,169	
Total Liabilities and Equity After Adjustments (b)				127,727	
Net Foreign Exchange Position Itaú Unibanco (c = a - b)				(17,619)	
Net Foreign Exchange Position Itaú Unibanco (c) in US$				(9,670)	

(*) Does not consider eliminations of operations between local and foreign business units.

Assets and liabilities denominated in foreign currencies

We present below the net foreign exchange position, a liability position at a higher volume than the balance of the hedged assets (overhedge), which, when considering the tax effects on the net balance of other assets and liabilities denominated in foreign currency, reflects the low exposure to exchange variations.

R$ million

	Balance Sheet
Investments Abroad	24,964
Net Foreign Exchange Position (Except Investments Abroad)	(42,583)
Total	**(17,619)**

Risk Management

Itaú Unibanco regards risk management an essential instrument for optimizing the use of resources and selecting the best business opportunities in order to create value to its stockholders.

The process of risk management permeates the entire institution and has the full involvement of the Senior Management and Board of Directors, which, through Superior Committees and Committees, determines the overall objectives that are measured as targets and limits to the risk management business units. The control units, in turn, support the bank's management by means of monitoring procedures and risk analysis.

For additional information about risk management structure, we recommend you consult the Investor relations web site at www.itau-unibanco.com.br/ri >> Corporate Governance >> Risk Management Risk Circular 3,477.

Credit Risk

Our credit risk management aims to create value to its stockholders in order to yield returns higher than the minimum value adjusted to the risk of each business.

The credit risk control is centralized, carried out by an independent executive area responsible for preparation of corporate guidelines for credit risk control, evaluation of credit policies, assessment of the calculation of the parameters of the portfolio's risk and return and determination of rules and follow up of allowance for loan losses. Itaú Unibanco's centralized process for validating and approving credit policies and models ensures the timing of credit actions and the optimization of business opportunities.

The loan portfolio, including sureties and endorsements, amounted to R$ 400,519 million on March 31, 2012, growing 0,9% quarter-on-quarter. The balance of the allowance for loan and lease losses reached R$ 25,951 million.

Operational Risk

Our operational risk management structure in the whole organization establishes procedures for identifying, assessing, mitigating, monitoring and reporting operational risks, as well as the roles and responsibilities of the bodies that participate in this structure.

Liquidity Risk

The liquidity risk management aims at using the best practices in order to ensure liquidity to support potential output resources in a market stress scenario, as well as ensure the compatibility between funding resources and deadlines and asset liquidity. We have a structure dedicated to improve monitoring, control and analyses by applying models of statistical and economic/financial forecasts of the variables that impact cash flows and the level of local and foreign currency reserve.

The ratio of credit portfolio to funding before deducting compulsory deposits and cash equivalents reached 75.9% in March, 2012, compared to 71.9% in December, 2011, returning to the rate 73% and 76% observed on the fourth quarter of 2011.

Market Risk

Our strategy is aimed at balancing corporate business goals, taking into account the political, economic and market conditions, market risk portfolio of the institution and expertise to operate in specific markets. The market risk control is based on a comprehensive and complementary use of methodologies as well as quantitative tools to estimate, monitor and manage risks, in line with best market practices.

VaR of Itaú Unibanco

The table showing the Consolidated Global VaR provides an analysis of the exposure to market risk faced by the portfolios of Itaú Unibanco and its foreign subsidiaries, and also demonstrates where there are higher concentrations of market risk.

In this quarter we maintained our conservative management and portfolio diversification, keeping our policy of operating within lower limits in relation to our capital.

The observed reduction in values compared to the last quarter is due to a decrease in the volatility and to a reduction in our positions.

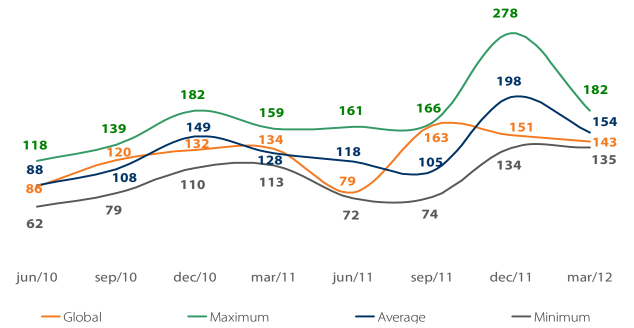
VaR by Risk Factor

R$ million

		Mar 31, 12	Dec 31, 11
Itaú Unibanco	Interest rate	109.2	114.8
	Foreign exchange linked interes	20.7	23.6
	Foreign exchange	27.3	29.0
	Prices index linked interest rate	27.0	21.1
	Equities	8.0	4.4
Itaú Unibanco Foreign Units	Banco Itaú BBA International	1.8	1.5
	Banco Itaú Argentina	2.5	3.7
	Banco Itaú Chile	9.2	5.3
	Banco Itaú Uruguay	1.2	0.7
	Banco Itaú Paraguay	0.3	0.2
Diversification effect		**(64.7)**	**(53.4)**
Global VaR		**142.5**	**150.9**
Maximum VaR		**181.7**	**278.5**
Average VaR		**154.3**	**198.1**
Minimum VaR		**135.1**	**134.4**

Adjusted for tax effects. VaR refers to the maximum potential loss for a day, with 99% confidence level.
Volatilities and correlations are estimated based on a methodology that confers higher weight to the most recent information.

Evolution of Itaú Unibanco's Value at Risk



Sufficiency of Capital

Itaú Unibanco maintains proper levels of Referential Equity in relation to the Required Referential Equity, which is a regulatory minimum requirement. We compare, on a systematic basis, this minimum requirement with our internal estimates of required economic capital and we concluded that it is, in aggregate, sufficient to cover the risks incurred, including those that are not directly covered in the Required Referential Equity.

Capital Ratios (BIS)

Solvency Ratios | Economic-Financial Consolidated

R$ million

	Mar 31,12	Dec 31,11	Mar 31,11	Variation Mar/12 - Dec/11	Variation Mar/12 - Mar/11
Stockholder´s Equity of Parent Company	72,484	71,347	63,731	1,137	8,754
(-) Intangible	(3,935)	(3,810)	(2,891)	(125)	(1,044)
(=) Tangible Equity (A)	**68,549**	**67,538**	**60,840**	**1,012**	**7,710**
(=)Adjusted Risk-weighted Exposure (B)	584,827	568,693	512,616	16,134	72,211
Ratios (%)					
BIS (Referential Equity / Total exposure weighted by risk)	16.1	16.4	16.1	-30bps	0 bps
Tier I	12.5	12.6	12.7	-10 bps	-20 bps
Tangible Capital (A) / ((B) (-) Intangible asset not eliminated in the weighting)	11.8	11.9	11.9	-10 bps	-10 bps

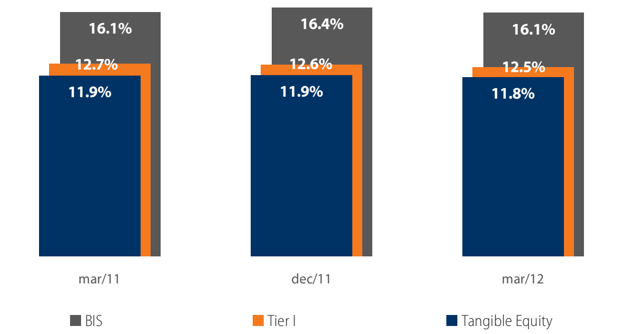
On March 31, 2012, stockholders' equity of the parent company totaled R$ 72,484 million, an increase of R$ 1,137 million in relation to December 31, 2011.

The BIS ratio reached 16.1%, with a 30 basis point decrease when compared to December 31, 2011, mainly due to the effect of the decrease in stockholders' equity of approximately R$1,847 million, arising from the supplementary payment of interest on capital on March 13, 2012 and to the implementation of the new systems for the calculation of the portions related to market risk (Circular 3,568/ BACEN). This change was also influenced by the higher proportion of subordinated debt with terms shorter than five years, which is no longer included in the Referential Equity.

On April 13, 2012, the Central Bank of Brazil approved the inclusion of subordinated treasury bills in the amount of R$ 711 million to make up the Referential Equity Tier II. Considering other issuances in the amount of R$ 860 million which are pending approval, the amount of additional subordinated issues totals R$ 1,571 million. Should this amount be taken into account, our BIS ratio would be 16.4% (a 30 basis point increase).

The breakdown of the BIS ratio, including the Tangible Equity Ratio(*) is presented below.

Solvency Ratios



(*) The Tangible Common Equity – TCE is defined internationally as equity less intangible assets, goodwill and preferred shares. In Brazil, preferred shares essentially fulfill the role of capital and, therefore, were not excluded. We point out that the tax credits were not excluded for this calculation and, therefore, do not represent the concept of core capital introduced by the Basel Pillar III.

Note: The Basel ratio of the financial system consolidated (another criterion used by the Central Bank of Brazil) reached 15.6% on March 31, 2012.

The difference between the Basel ratios of the financial conglomerate and the economic-financial consolidated (CONEF) arises from the inclusion of non-financial subsidiary companies of its economic-financial, the funds of which, when necessary, may be distributed to financial companies, through the payment of dividends/JCP (interest on own capital) or corporate reorganization.

Referential Equity | Economic-Financial Consolidated

R$ million

	Mar 31,12		Dec 31,11		Mar 31,11		Variation mar/12 – dec/11	Variation mar/12 – mar/11
Referential Equity Tier I	72,860	77.6%	71,601	76.9%	65,151	79.2%	1,258	7,709
Referential Equity Tier II (*)	21,092	22.4%	21,510	23.1%	17,158	20.8%	(418)	3,934
Referential Equity	**93,951**		**93,111**		**82,308**		**840**	**11,643**

(*) Consider the Preferred shares with clause of redemption and the exclusion of borrowing instruments issued by financial institutions and adjustment to market value— securities and derivative.

On March 31, 2012, our Referential Equity reached R$ 93,951 million, an increase of R$ 840 million when compared to December 31, 2011, despite the effect of the decrease in stockholders' equity arising from the supplementary payment of interest on capital and the higher proportion of subordinated debt with terms shorter than five years. The Referential Equity increased R$11,643 million when compared to the same period of the previous year.

The ratio between Tier I and Referential Equity reached 77.6%, a 70 basis point increase when compared to December 31, 2011.

Subordinated Debt and Referential Equity Tier II | Mar 31, 2012

R$ million

	Maturities < 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
CDB	13,337	188	4,657	4,266	1,316	-	**23,764**
Financial Treasury Bills	-	-	-	-	4,301	5,885	**10,186**
Euronotes	-	-	-	-	-	6,047	**6,047**
Eurobonds	-	-	-	-	-	-	**-**
Subordinated Debt	**13,337**	**188**	**4,657**	**4,266**	**5,617**	**11,932**	**39,997**
Subject to approval - Central Bank of Brazil (*) and Other	-	-	-	216	-	4,772	**4,987**
Subordinated Debt - Total	**13,337**	**188**	**4,657**	**4,481**	**5,617**	**16,704**	**44,984**

(*) Subordinated debt that does not make up the Tier II Referential Equity.

	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
Subordinated Debt (part of Referential Equity Tier II)	**-**	**38**	**1,863**	**2,559**	**4,493**	**11,932**	**20,885**

Capital Ratios (BIS)

Exposure by Risk

R$ million

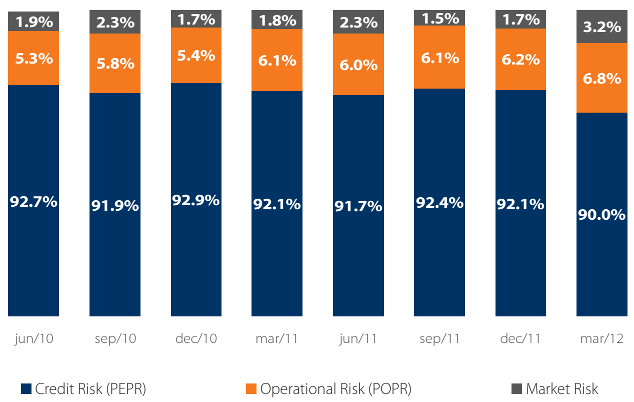
	Mar 31,12	Dec 31,11	Mar 31,11	Variation Mar/12 - Dec/11	Variation Mar/12 - Mar/11
Exposure weighted by credit risk (EPR)	**526,233**	**523,898**	**471,993**	**2,335**	**54,240**
Portion required for credit risk coverage (PEPR = 0.11x(EPR))	**57,886**	**57,629**	**51,919**	**257**	**5,966**
FPR at 20%	355	349	347	6	8
FPR at 35%	175	164	87	11	88
FPR at 50%	4,598	4,672	4,203	(74)	395
FPR at 75%	13,585	13,587	13,070	(2)	515
FPR at 100%	35,996	35,392	32,912	604	3,084
FPR at 150%	1,427	1,568	-	(141)	1,427
FPR at 300%	1,438	1,467	1,045	(29)	392
Derivatives – potential future gain	313	431	256	(118)	57
Portion required for operational risk coverage (POPR)	**4,394**	**3,851**	**3,435**	**543**	**959**
Portion required for market risk coverage	**2,051**	**1,076**	**1,033**	**975**	**1,017**
Operations subject to interest rate variation (PJUR)	1,828	965	695	863	1,133
Operations subject to commodity price variation (PCOM)	112	72	185	40	(73)
Operations subject to stock price variation (PACS)	111	39	154	72	(43)
Total exposure weighted by risk (Risk Weight Assets - RWA) [EPR + (1/0.11x(Operational Risk+Market Risk)]	**584,827**	**568,693**	**512,616**	**16,134**	**72,211**

The total exposure weighted by risk amounted to R$ 584,827 million as of March 31, 2012, representing an increase of R$ 16,134 million as compared to December, 2011, mainly due to the increase of R$ 975 million in the portion required for market risk coverage, influenced by the implementation of the new calculation systems (Circular 3,568/ BACEN).

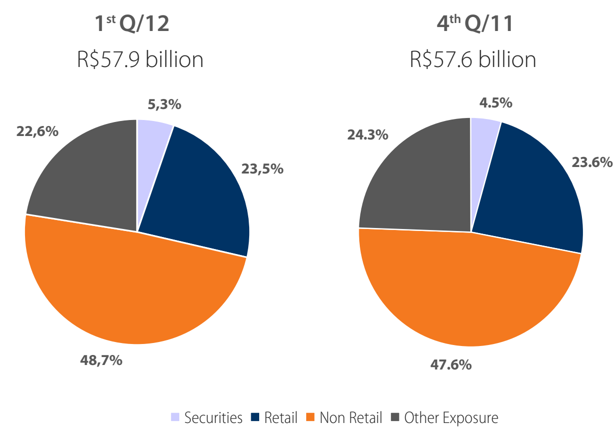
The amount required for credit risk coverage increased by R$ 257 million as compared to December 31, 2011.

Pursuant to Brazilian Central Bank Circular Letters 3,383 and 3,476, the portion required for operational risk is recalculated every six months. In March 2012, this portion reached R$ 4,394 million, presenting an increase of R$ 543 million from December 31, 2011.

Evolution of the composition of the risk weighted exposure



Composition of the portion to cover credit risk (PEPR = 0.11x(EPR))



ROA - Risk Adjusted

	1^{st}Q/12	4^{th}Q/11	1^{st}Q/11	1^{st}Q/12 x 4^{th}Q/11	1^{st}Q/12 x 1^{st}Q/11
ROA - Return on Assets (A)	1.6%	1.8%	1.9%	-20 bps	-30 bps
Return on Average Risk Weight Assets / Average Assets (B)	66.0%	67.6%	67.6%	-160 bps	-160 bps
ROA Risk Adjusted (A/B)	**2.5%**	**2.6%**	**2.8%**	**-10 bps**	**-30 bps**

On March 31, 2012, the annualized recurring return on average assets reached 1.6%, a 20 basis point decrease in relation to December 31, 2011.

The relationship between the exposure weighted by credit, operational and market risks and the average total assets reached 66.0% on March 31, 2012 compared to 67.6% on December 31, 2011, a decrease of 160 basis points.

As a consequence, the risk-adjusted ROA, which considers the return and total assets weighted for capital allocation requirements, was 2.5% on March 31, 2012, representing a 10 basis point decrease from December 31, 2011.

Ownership Structure

The management of our ownership structure is mainly intended to optimize the capital allocation to the various segments comprising the conglomerate.

The average acquisition cost of treasury shares, as well as the activity of options granted to conglomerate executives under the Stock Option Plan, are set out in Note 16-f of the Complete Financial Statements.

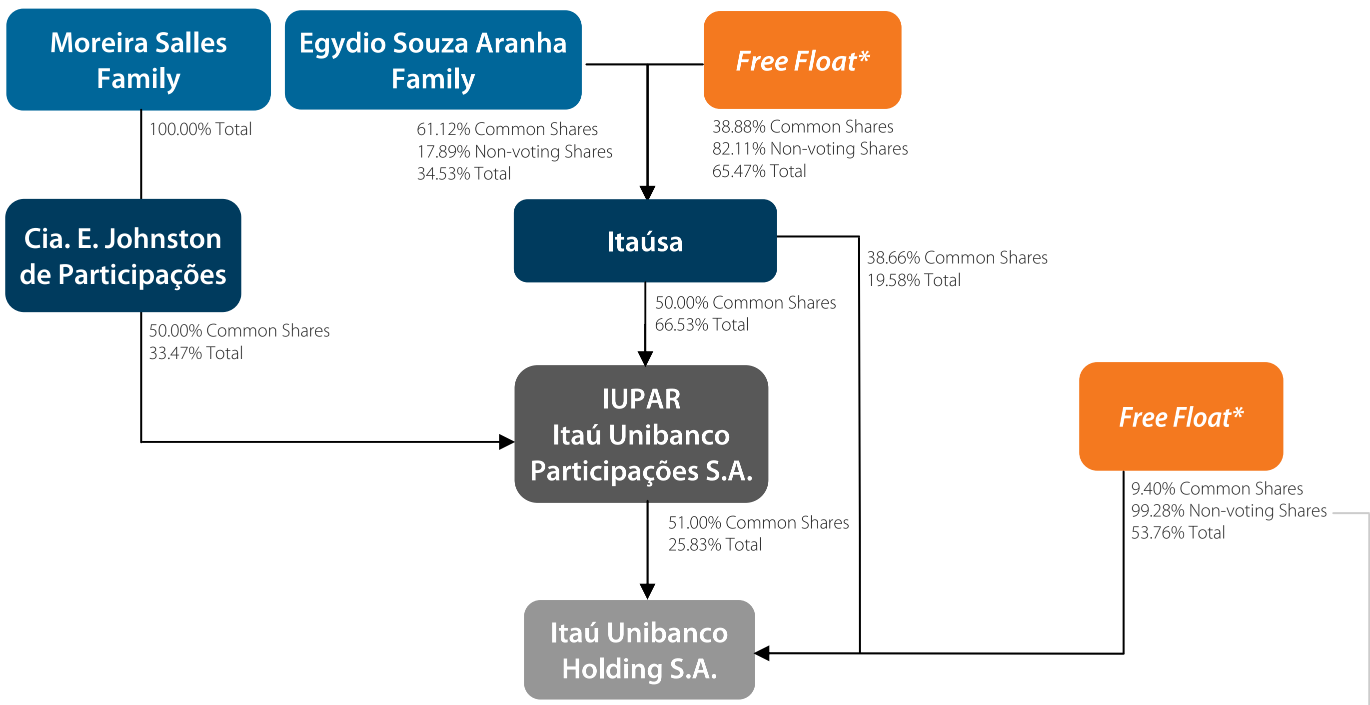
The table below shows the number of shares of capital stock and treasury shares as of March 31, 2012:

Number of Shares | Itaú Unibanco Holding S.A.

In thousands

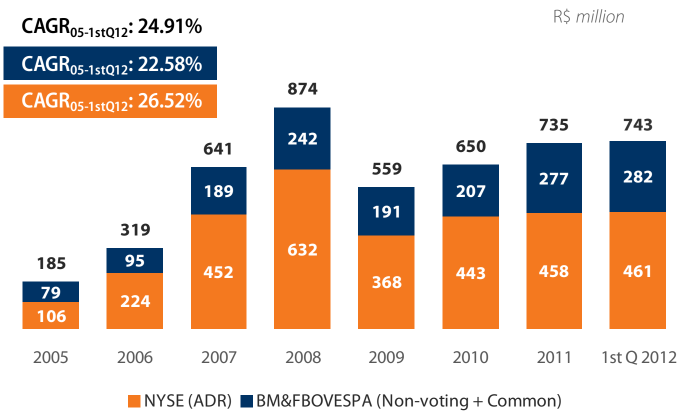
	Common Shares	Non-Voting Shares	Total
Balance of Shartes	2,289,286	2,281,650	4,570,936
Treasury Shares	2	50,831	50,833
Total Shares (-) Treasury	**2,289,284**	**2,230,819**	**4,520,103**

The organization chart below summarizes the current ownership structure on 03/31/2012:

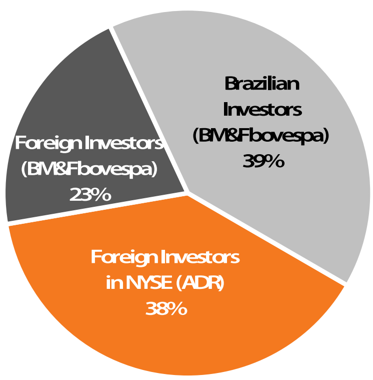


(*) Excluding Controlling Stockholders and Treasury

Average Daily Trading Volume (BM&FBovespa + NYSE)



Non-voting Shares Mix | on 03/31/2012



Performance in the Stock Market

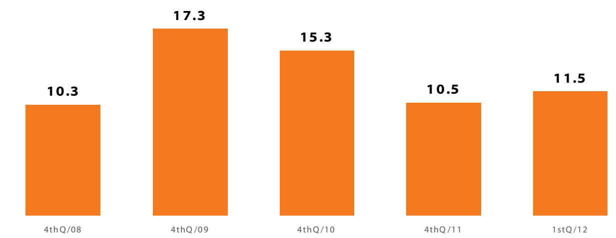
Performance in the Stock Market | 1st Q/12

Our voting and non-voting shares were traded on all BM&FBOVESPA's sessions in 2012. Additionally, our non-voting shares are included in all stock exchange indexes where financial institution shares may be listed.

	(R$) Non-voting Shares ITUB4	(R$) Common Shares ITUB3	(US$) ADRs ITUB
Closing Price at 03/31/2012	**34,93**	**30,30**	**19,19**
Maximum price in quarter*	38,94	33,30	22,00
Average price in quarter	36,40	30,88	20,67
Minimum price in quarter**	27,63	27,63	18,51
Closing Price at 12/31/2011	**33,99**	**27,01**	**18,56**
Maximum price in the last 12 months	39,47	33,30	24,72
Average price in the last 12 months	33,61	28,70	19,97
Minimum price in the last 12 months	25,15	21,51	14,47
Closing Price at 03/31/2011	**38,90**	**32,09**	**24,05**
Change in the last 12 months	**-10,2%**	**-5,6%**	**-20,2%**
Change in 1st Q/12	**2,8%**	**12,2%**	**3,4%**
Average daily trading financial volume - last 12 months (million)	**275**	**7**	**273**
Average daily trading financial volume in 1st Q/12 (million)	**272**	**7**	**235**

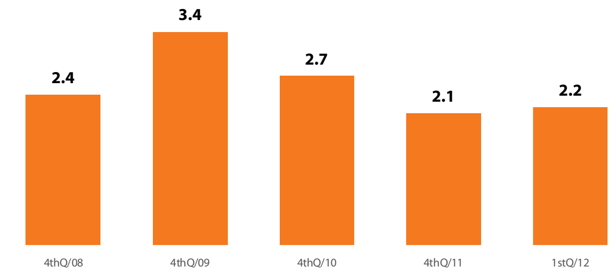
* prices on 03/16/12 for non-voting shares, common shares on 03/19/12 and ADRs on 03/02/12
** prices on 01/02/12 for non-voting shares and common shares and 01/05/12 for ADRs.

Price / Earnings *



(*) Closing price at the period-ended / Earnings per share

Price / Book Value *



(*) Closing price at the period-ended / Book Value per share

Annoucements to the Market | 1st Q/12

On March 30, 2012, we filed the Form 20-F for 2011 with Securities and Exchange Commission (SEC).

The preparation and publication of this document is required from us since we maintain an ADR program at the New York Stock Exchange (NYSE).

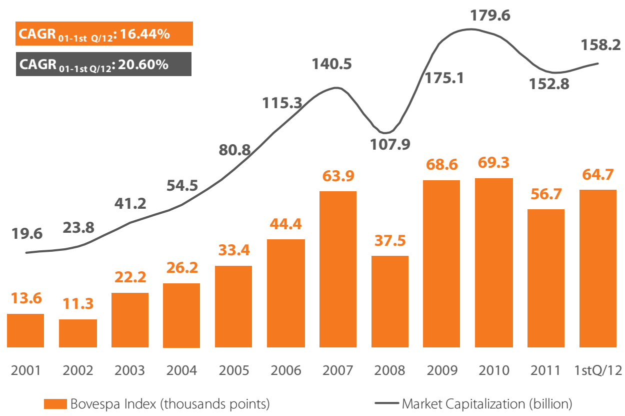
This Form comprises general information on the bank and, for the first time, is presented together with the financial statements under IFRS.

The document is available on the Investor Relations website: www.itau-unibanco.com/ir > Financial Information > SEC Filings > 2011.

Market Capitalization (*) vs. Ibovespa Index

As of March 31, 2012, our market capitalization was R$158,204 million. When compared to 2001, our market capitalization growth was 8.1 times, while Ibovespa grew 4.8 times.

According to the values extracted from *Bloomberg*, as of March 31, 2012, we were the 10th in the ranking of banks by global market capitalization.



(*) Average price of non-voting shares (the most liquid) at the last trading day of the period x total shares outstanding.

Market Consensus

Main market analysts periodically issue their recommendations on shares subject to their analysis. These recommendations help a number of investors to select the best option in which to invest.

Based on information provided by Bloomberg and Thomson Analytics, on April 13, we reproduce in the table below the recommendations on Itaú Unibanco Holding's non-voting shares.

	Thomson	Bloomberg
Buy	11	14
Hold	5	5
Sell	1	1
Number of Analysts	**17**	**20**

Based on Bloomberg data, 16 analysts published their target price estimates for Itaú Unibanco's shares in 2012. The average target price disclosed by the analysts is R$43.82. If we consider the closing price of March 31, there is a 25.5% growth potential of the share price for the period.

Agenda

The Investor Relations area makes our corporate calendar available in our website (www.itau-unibanco.com/ir).

Find below the upcoming scheduled events.

Results	Disclosure of Fianancial Statements	Teleconference
1st Q2012	Apr - 24	Apr - 25
1st Sem.2012	Jul - 24	Jul - 25
3rd Q 2012	Oct -23	Oct -24

Tender Public Offer (OPA)- Redecard

On February 7, we informed the market our intention to acquire shares from the non-controlling stockholders of Redecard S.A. ("Redecard") and cancel its registration as a public-held company. Among other reasons, the OPA arises from the vision that the market in which Redecard is operating has been through significant regulatory, competitive and technology changes, making it more efficient that the business currently conducted by the company may be carried out together with the financial operations and services performed by us. The draft of the OPA call notice is available on the CVM website, as well as the appraisal report of Redecard's shares for its economic value, prepared by the specialized company N M Rothschild & Sons (Brasil) Ltda.

The offered price will be R$35.00 per share, payable in cash, conditioned on (i) acceptance or (ii) express agreement with the voluntary delisting of more than 2/3 of the Company's free float, thus understood as shares comprising the free float of the Company held by stockholders that have expressly agreed to the delisting of the Company or have qualified for the OPA auction ("Auction"), pursuant to article 16, II of CVM Instruction No.361/02.

If this level of minimum acceptance is not reached in the Auction, the OPA will not be concluded, under which circumstances Redecard will remain registered with the CVM as a publicly-held company subject to the differentiated practices of corporate governance required by the Novo Mercado Regulations of BM&FBOVESPA S.A..– Securities, Commodities and Futures Exchange ("BM&FBOVESPA").

On April 16, 2012, we held a teleconference with analysts, investors and other people interested in the Redecard's OPA in order to solve any doubts that may arise about the offer. The teleconference presentation is available on the Investor Relations website (www.itauunibanco.com/ir > Presentations > Teleconference).

Market Relations

On February 13, we held our second Itaú Unibanco Investors' Day meeting. Focused on research analysts and institutional investors, the meeting featured our CEO, Roberto Setubal, and some of our main executives. Each presentation was followed by a Q&A session with the executives.

We started the 2012 Apimec Meeting Cycle on April 3, 2012 in Curitiba. Our first Apimec meeting was held during the financial education fair Expo Money, strengthening our relationship with individual investors and had 300 participants, which was 21% higher than in 2011. In 2012, 22 meetings will be held all over Brazil.

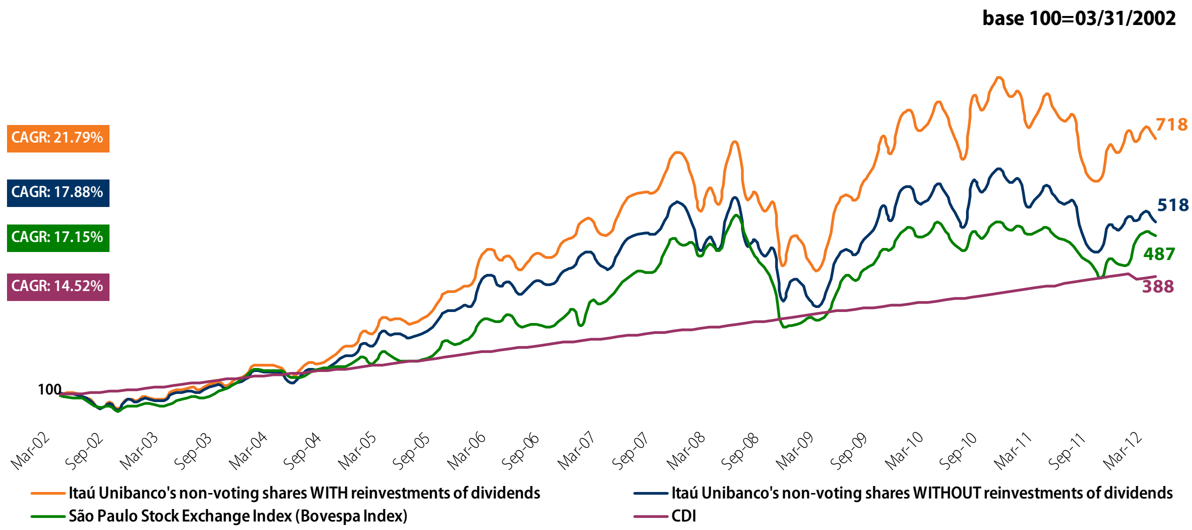
During the Expo Money Curitiba, focused on financial education, several mini-lectures were conducted at our stand and approximately one thousand stocks and shares guides were distributed to individual investors. We will be present in 13 editions of the Expo Money fair this year.

APIMEC Meetings | 2ndQ 2012	
Fortaleza *	Apr-26
Salvador *	May-09
Ribeirão Preto*	May-19
Recife *	May-29
Porto Alegre	Jun- 06
Belo Horizonte	Jun- 12
Brasília	Jun- 13
Rio de Janeiro	Jun- 14
Fortaleza	Jun- 20
Goiânia *	Jun- 22
Florianópolis *	Jun- 27

* Held on Expo Money fairs

Non–voting Shares (PN) Appreciation

The chart below shows the evolution of R$100 invested on March 31, 2001 through March 31, 2012, by comparing our quotations, with and without reinvestment of dividends, to the performance of Ibovespa and CDI (Interbank Deposit Certificate). With an average growth of 22% p.y., our non-voting shares with dividends reinvested appreciated above Ibovespa, CDI.



Annual and Extraordinary Stockholders' Meeting

The information on the ASM and ESMs held on April 20, 2012 has been made available on our Investor Relations website (www.itau-unibanco.com/ir > Financial Information > CVM Instruction 480/481) and include the topics resolved in the meetings, the Call Notice and the items related to the Reference Form of CVM Instruction No. 480.

The following topics were resolved:

i) change of the Stock Option Plan;

ii) election of members to the Board of Directors and Fiscal Council, and the amount allocated to the compensation of their members;

iii) allocation of net income for 2011;

iv) change and consolidation of the Bylaws

The Annual Stockholders' Meeting of April 20, 2012 resolved on and approved the election of the Board of Directors' members with term of office of one year, with new members Messrs. Demosthenes Madureira de Pinho Neto (former Director of International Affairs of the Central Bank of Brazil and former Executive Director of Itaú Unibanco), Nildemar Secches (Chairman of the Board of Directors of BRF – Brasil Foods and former Chief Executive Officer of Perdigão) and Pedro Pullen Parente (Chief Executive Officer of Bunge Brasil and former State Minister).

Online Stockholders' Meeting

In order to encourage the attendance of stockholders at the general meetings, we implemented an electronic plataform which is available on our Investor Relations website (www.itau-unibanco.com/ir), enabling stockholders to exercise their voting rights at a distance and in advance.

The system enabled the vote through online proxy by means of a digital certificate which facilitates the stockholders access to the information of the topics presented for voting.

New Techonology Center

We announced the construction of a new modern Technology Center in the city of Mogi Mirim, state of São Paulo, to support continuously increasing data-processing volumes. The project involves the acquisition of land and construction works, with a total investment of approximately R$800 million. The main purposes and characteristics of this construction are:

- centralizing the technology operations;
- Improving the structure for the medium and long-term growth of our business;
- 60,000 square meters of floor area;
- approximately 400 direct employees expected on site; and
- completion scheduled for 2014.

Increase in Monthly Dividends

On February 6, 2012, we announced the 25% increase in the amount of monthly dividends paid to stockholders, from R$0.012 to R$0.015 per share beginning upon the payment made last April 2.

Awards

New Economy Sustainable Finance Awards

We were the winner in two categories of the award organized by the New Economy magazine, as follows: the most sustainable banking group in Brazil in 2011 and the most sustainable investment manager in Brazil in 2011.

Best Trade Finance Bank in Brazil

For the fourth consecutive year, we won the Best Trade Finance Bank in Brazil award, organized by Global Finance. The award elects the banks offering the best products and conditions for trade finance.

Best Equity House of the Year and Deals of the Year 2011

We were acknowledged by Latin Finance for variable-income issues and merger & acquisition operations carried out in 2011.

Best Managed Companies in Latin America

For the sixth consecutive time, we were granted this award by Euromoney magazine. We were still awarded in two other categories: "Banks and Financial Services" and "Best Institution in Corporate Governance".

Subsequent Event

On April 20, 2012, Itaú Unibanco Holding S.A. ("Itaú Unibanco"), through its subsidiary IPI - Itaúsa Portugal Investimentos, SGPS, Lda. ("IPI"), disposed its full interest, equal to 18.87% in the capital of Banco BPI, S.A. ("BPI") to Caixabank, S.A., a company that is an integral part of the La Caixa Group.

As a result of this operation, La Caixa will pay Itaú Unibanco approximately € 93 million (ninety-three million Euros).

This operation have a positive impact of approximately R$ 100 million in the consolidated stockholders' equity and a negative non-recurring effect of approximately R$ 200 million in net income. These effects will be recorded in the 2nd quarter of 2012. The operation is dependent upon approval by the Banco de Portugal.

analysis of segments

Itaú Unibanco Holding S.A.

1st quarter of 2012
Management Discussion & Analysis

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Pro Forma Adjustments

Adjustments made to the balance sheet and statement of income for the year are based on managerial information from the business units.

The Activities with the Market + Corporation column presents the result from excess of capital, excess of subordinated debt and the net balance of tax assets and liabilities. It also shows the financial margin on market transactions, costs of Treasury operations, equity in the earnings of companies that are not linked to any segment, as well those adjustments relating to minority shareholdings in subsidiaries and our interest in Porto Seguro.

The financial statements were adjusted in order to replace the accounting stockholders' equity with funding at market prices. Subsequently, the financial statements were adjusted in order to include revenues linked to allocated capital at each segment. The cost of subordinated debt and the respective remuneration at market prices were allocated to segments on a *pro rata* basis, in accordance with the economic allocated capital.

Allocated Capital

Impacts related to capital allocation are considered in the *Pro Forma* financial statements by segment. To this end, adjustments were made to the financial statements, using a proprietary model.

As from January 2011, the economic allocated capital model (EAC) was adopted for the *Pro Forma* financial statements by segment, which now considers, in addition to allocated capital Tier I, the allocated capital Tier II (Subordinated Debt) and the effects of the calculation of expected credit losses, additional to that required by the Brazilian Central Bank Circular No. 2,682/99 of the CMN.

Accordingly, the allocated capital considers the following components: credit risk (including expected loss), operational risk, market risk, and insurance underwriting risk, when applicable.

Based on this measure of capital, we determined the Risk Adjusted Return on Capital (RAROC), which corresponds to an operational performance ratio consistently adjusted to the required capital needed to support the risks assumed.

Income Tax Rate

As from the first quarter of 2011, we began to consider the income tax rate of 40%, net of the tax effect of the payment of interest on own capital, for the Commercial Bank, Consumer Credit, Itaú BBA and Activities with the Market. The difference between the amount of income tax determined by segment and the amount of the effective income tax, as indicated in the consolidated financial statement, is allocated to the Activities with the Market + Corporation segment column.

Analysis of Segments

The *pro forma* financial statements of the Commercial Bank, Consumer Credit, Itaú BBA and Activities with the Market + Corporation, presented below, are based on managerial information derived from internal models, so as to more accurately reflect the activities of the business units.

Pro Forma Balance Sheet by Segment | On March 31, 2012

R$ million

	Commercial Bank	Consumer Credit	Itaú BBA	Activities with the Market + Corporation	Itaú Unibanco
Assets					
Current and Long-Term Assets	**636,707**	**100,992**	**183,176**	**86,759**	**885,032**
Cash and Cash Equivalents	10,117	-	435	-	10,551
Short-term Interbank Investments	185,854	-	23,158	3,741	144,399
Short-term Interbank Deposits in the Market	155,105	-	(0)	3,741	144,399
Short-term Interbank Deposits in Intercompany (*)	30,749	-	23,158	-	-
Securities and Derivative Financial Instruments	155,219	0	45,866	33,664	201,616
Interbank and Interbranch Accounts	74,582	4	5,449	-	80,017
Loan, Lease and Other Credit Operations	146,116	101,567	97,081	2,606	347,369
(Allowance for Loan Losses)	(12,562)	(7,589)	(730)	(13)	(20,893)
(Complementary Expected Loss Provisions)	-	-	-	(5,058)	(5,058)
Other Assets	77,380	7,010	11,917	51,820	127,032
Foreign Exchange Portfolio	28,472	-	11,041	29,028	49,092
Others	48,909	7,010	876	22,792	77,939
Permanent Assets	**7,628**	**1,397**	**1,084**	**1,700**	**11,809**
Total Assets	**644,335**	**102,389**	**184,260**	**88,459**	**896,842**
Liabilities and Equity					
Current and Long-Term Liabilities	**611,478**	**90,381**	**173,367**	**68,986**	**821,611**
Deposits	197,893	16	65,907	16,244	231,345
Deposits from Clients	182,497	16	35,158	16,244	231,345
Intercompany deposits (*)	15,395	-	30,749	-	-
Deposits Received under Securities Repurchase Agreements	110,320	70,302	45,116	9,666	212,668
Securities Repurchase Agreements in the Market	102,557	70,302	32,335	9,666	212,668
Securities Repurchase Agreements - Intercompany (*)	7,763	-	12,780	-	-
Funds from Acceptances and Issue of Securities	69,454	-	5,744	-	49,336
Interbank and Interbranch Accounts	6,722	18	2,608	-	9,331
Borrowings and Onlendings	21,143	3,310	28,881	-	52,074
Derivative Financial Instruments	5,310	-	6,321	-	7,623
Other Liabilities	122,807	16,735	18,791	43,076	181,405
Foreign Exchange Portfolio	28,724	-	11,060	29,028	49,364
Subordinated Debt and Other	94,083	16,735	7,731	14,048	132,041
Technical Provisions for Insurance, Pension Plans and Capitalization	77,830	-	-	-	77,830
Deferred Income	**698**	**-**	**145**	**-**	**843**
Minority Interest in Subsidiaries	**-**	**-**	**-**	**1,904**	**1,904**
Economic Allocated Capital - Tier I (**)	**32,159**	**12,008**	**10,748**	**17,569**	**72,484**
Total Liabilities and Equity	**644,335**	**102,389**	**184,260**	**88,459**	**896,842**

(*) The Intercompany operations were eliminated in the Consolidated.
(**) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution as to amount to the net equity.

Pro Forma Income Statement by Segment | 1st Quarter of 2012

R$ million

	Commercial Bank	Consumer Credit	Itaú BBA	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**13,123**	**3,449**	**1,893**	**1,469**	**19,914**
Managerial Financial Margin	8,537	2,053	1,357	1,357	13,307
Banking Service Fees and Income from Banking Charges	2,960	1,405	562	85	5,003
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,468	(12)	5	0	1,461
Other Operating Income	99	11	(39)	-	57
Equity in earnings of affiliates and Other investments	52	-	3	26	81
Non-operating Income	7	(8)	5	0	4
Loan and Retained Claims/ Losses net of Recovery	**(3,948)**	**(1,253)**	**(26)**	**(77)**	**(5,304)**
Expenses for Allowance for Loan Losses	(4,366)	(1,531)	(79)	(55)	(6,031)
Income from Recovery of Credits Written Off as Losses	883	279	53	(22)	1,192
Retained Claims	(465)	-	-	-	(465)
Operating Margin	**9,175**	**2,197**	**1,867**	**1,393**	**14,610**
Other Operating Income/(Expenses)	**(6,771)**	**(1,749)**	**(785)**	**(128)**	**(9,440)**
Non-interest Expenses	(5,851)	(1,521)	(688)	(86)	(8,153)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(673)	(229)	(97)	(42)	(1,041)
Selling Expenses From Insurance	(246)	-	-	-	(246)
Income before Tax and Profit Sharing	**2,404**	**447**	**1,082**	**1,265**	**5,170**
Income Tax and Social Contribution	**(751)**	**(86)**	**(361)**	**(211)**	**(1,408)**
Profit Sharing	**(26)**	**(5)**	**5**	**(1)**	**(28)**
Minority Interests in Subsidiaries	**-**	**-**	**-**	**(219)**	**(191)**
Recurring Net Income	**1,627**	**357**	**727**	**834**	**3,544**
(RAROC) – Return on Average Tier I Allocated Capital	**21.4%**	**13.2%**	**27.5%**	**17.4%**	**20.0%**
Efficiency Ratio (ER)	**49.0%**	**47.2%**	**38.3%**	**6.0%**	**44.5%**

Note: Non-interest Expenses item is made up of Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.
The Consolidated figures do not represent the sum of the parts, because there are operations between the companies that were eliminated only in the Consolidated figures.

Analysis of Segments

The *pro forma* financial statements of the Commercial Bank, Consumer Credit, Itaú BBA and Activities with the Market + Corporation, presented below, are based on managerial information derived from internal models, so as to more accurately reflect the activities of the business units.

Pro Forma Balance Sheet by Segment | On December 31, 2011

R$ million

	Commercial Bank	Consumer Credit	Itaú BBA	Activities with the Market + Corporation	Itaú Unibanco
Assets					
Current and Long-Term Assets	**563,377**	**100,318**	**190,433**	**113,521**	**839,422**
Cash and Cash Equivalents	10,288	-	346	0	10,633
Short-term Interbank Investments	165,285	-	30,448	4,396	116,082
Short-term Interbank Deposits in the Market	136,476	-	0	4,396	116,082
Short-term Interbank Deposits in Intercompany (*)	28,809	-	30,448	-	-
Securities and Derivative Financial Instruments	104,170	0	50,263	68,577	187,880
Interbank and Interbranch Accounts	92,032	4	6,901	0	98,923
Loan, Lease and Other Credit Operations	147,740	99,600	96,154	1,989	345,483
(Allowance for Loan Losses)	(13,225)	(6,643)	(836)	(9)	(20,713)
(Complementary Expected Loss Provisions)	-	-	-	(5,058)	(5,058)
Other Assets	57,087	7,357	7,157	43,626	106,193
Foreign Exchange Portfolio	16,381	-	6,694	10,660	26,450
Others	40,706	7,357	463	32,967	79,743
Permanent Assets	**7,938**	**1,135**	**1,187**	**1,650**	**11,909**
Total Assets	**571,315**	**101,453**	**191,620**	**115,171**	**851,332**
Liabilities and Equity					
Current and Long-Term Liabilities	**541,996**	**91,819**	**181,095**	**90,723**	**777,407**
Deposits	209,698	27	81,208	7,168	242,636
Deposits from Clients	185,713	27	52,399	7,168	242,636
Intercompany deposits (*)	23,985	-	28,809	-	-
Deposits Received under Securities Repurchase Agreements	58,550	71,669	33,374	56,940	188,819
Securities Repurchase Agreements in the Market	52,088	71,669	10,343	56,940	188,819
Securities Repurchase Agreements - Intercompany (*)	6,463	-	23,031	-	-
Funds from Acceptances and Issue of Securities	68,559	-	12,158	0	51,557
Interbank and Interbranch Accounts	1,243	18	2,802	(0)	4,048
Borrowings and Onlendings	23,735	3,026	30,761	(0)	56,602
Derivative Financial Instruments	4,377	-	5,436	(0)	6,807
Other Liabilities	102,079	17,079	15,357	26,615	153,183
Foreign Exchange Portfolio	16,374	-	6,432	10,660	26,182
Subordinated Debt and Other	85,705	17,079	8,925	15,956	127,001
Technical Provisions for Insurance, Pension Plans and Capitalization	73,754	-	-	0	73,754
Deferred Income	**705**	**-**	**131**	**(0)**	**836**
Minority Interest in Subsidiaries	**-**	**-**	**-**	**1,741**	**1,741**
Economic Allocated Capital - Tier I (**)	**28,613**	**9,634**	**10,394**	**22,707**	**71,347**
Total Liabilities and Equity	**571,315**	**101,453**	**191,620**	**115,171**	**851,332**

(*) The Intercompany operations were eliminated in the Consolidated.
(**) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution as to amount to the net equity.

Pro Forma Income Statement by Segment | 4th Quarter of 2011

R$ million

	Commercial Bank	Consumer Credit	Itaú BBA	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**12,738**	**3,455**	**1,784**	**1,741**	**19,676**
Managerial Financial Margin	8,220	1,972	1,305	1,526	12,993
Banking Service Fees and Income from Banking Charges	3,002	1,499	518	76	5,088
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,406	(13)	(0)	(0)	1,392
Other Operating Income	145	7	(39)	(0)	108
Equity in earnings of affiliates and Other investments	(42)	-	(0)	136	93
Non-operating Income	7	(10)	1	4	2
Loan and Retained Claims/ Losses net of Recovery	**(2,970)**	**(1,156)**	**(24)**	**(52)**	**(4,202)**
Expenses for Allowance for Loan Losses	(3,983)	(1,366)	(45)	(59)	(5,453)
Income from Recovery of Credits Written Off as Losses	1,336	209	21	7	1,574
Retained Claims	(322)	-	-	0	(322)
Operating Margin	**9,769**	**2,299**	**1,760**	**1,689**	**15,474**
Other Operating Income/(Expenses)	**(7,024)**	**(1,733)**	**(670)**	**(352)**	**(9,774)**
Non-interest Expenses	(6,119)	(1,492)	(590)	(351)	(8,547)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(654)	(240)	(80)	(1)	(976)
Selling Expenses From Insurance	(252)	-	-	0	(251)
Income before Tax and Profit Sharing	**2,744**	**568**	**1,089**	**1,337**	**5,700**
Income Tax and Social Contribution	**(921)**	**(186)**	**(378)**	**(204)**	**(1,689)**
Profit Sharing	**(21)**	**(1)**	**(5)**	**(1)**	**(29)**
Minority Interests in Subsidiaries	**-**	**-**	**-**	**(273)**	**(237)**
Recurring Net Income	**1,802**	**380**	**706**	**859**	**3,746**
(RAROC) – Return on Average Tier I Allocated Capital	**26.1%**	**16.3%**	**28.3%**	**15.7%**	**21.8%**
Efficiency Ratio (ER)	**52.7%**	**46.4%**	**34.6%**	**20.1%**	**47.0%**

Note: Non-interest Expenses item is made up of Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.
The Consolidated figures do not represent the sum of the parts, because there are operations between the companies that were eliminated only in the Consolidated figures.

Analysis of Segments

Commercial Bank

The Commercial Bank segment results derive from the offering of banking products and services to a diversified client base, including individuals and companies. The segment includes retail clients, high income clients, high-net worth clients (private bank) and very small, small and mid-sized companies.

In the first quarter of 2012, the Commercial Bank's recurring net income totaled R$1,627 million, representing a 9.7% decrease as compared to the last quarter of 2011. Operating revenues grew 3.0%, mainly driven by the 3.9% increase in the financial margin and the 4.4% increase in the result of insurance, pension plan and capitalization transactions. Banking service fees remained practically stable, presenting a slight decrease due to seasonality, and non-interest expenses decreased 4.4%. Loan and retained claims losses increased 32.9%, in particular in the individuals segment (installment payment plans and overdraft accounts).

The credit portfolio totaled R$ 146,116 million at the end of the first quarter of 2012, increasing 14.6% as compared to the same period of the previous year. In the first quarter of 2012, the Commercial Bank return on allocated capital reached 21.4% per year and the efficiency ratio was 49.0%, a 370 basis-point improvement from the previous quarter.

Some additional Commercial Bank Highlights:

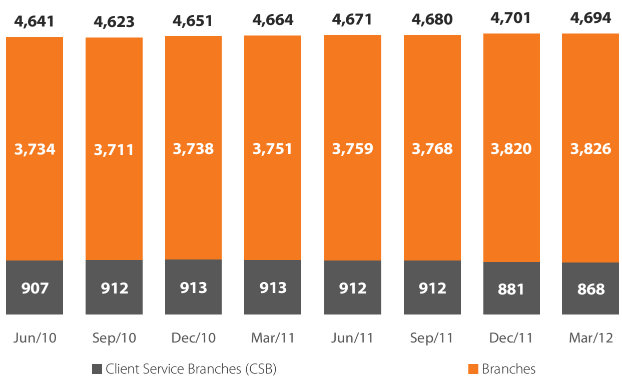
Branch Network (*) | Individuals

Our service network is nationwide and adopts a segmentation strategy, including structures, products and services that are developed to meet the specific requirements of our diversified client profile. Our segments are: Itaú, Itaú Uniclass, Itaú Personnalité and Itaú Private Bank.

Our products are available through our branch network and "30 Horas" electronic channels and include current accounts, investments, credit cards, personal loans, insurance, mortgage, vehicle financing, and other banking products.

During the first three months of the year, we opened 11 branches, and at the end of the quarter our branch network in Brazil was comprised of 4,694 points of service, including regular branches and Client Service Branches (CSB).

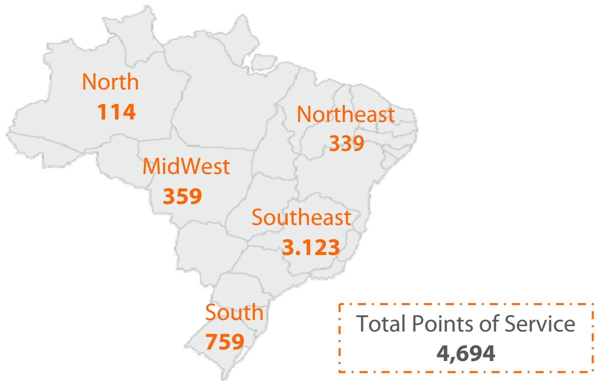
Retail Points of Service in Brazil (*)



(*) Does not include branches and CSBs abroad and Itaú BBA.

Geographical Distribution of Service Network (*)

Number of Branches and Client Service Branches **(CSB)**



Credit Portfolio

At the end of the first quarter of 2012, the credit portfolio of the individuals segment totaled R$60,712 million, a 2.2% decrease from the previous quarter and a 24.8% increase if compared to the same period of 2011.

In the quarter ended March 31, 2012, the credit portfolio of the companies segment, comprised of very small, small and mid-sized companies with sales of up to R$150 million, remained practically stable from the last quarter of 2011, and rose 8.4% when compared to the same period of the previous year, reaching R$85,404 million.

Mortgage Loans

At the end of the first quarter of 2012, the mortgage loans portfolio amounted to R$21,698 million, with a growth of 8.0% and 45.9%, in the quarter, as compared to December 2011 and March 2011. The individuals portfolio, totaling R$15,086 million at the end of the first quarter, increased 7.9% as compared to the previous quarter and a 62.6% as compared to the same period of the previous year, thus keeping the blistering pace of expansion which has marked out the real estate market in the previous quarters. At the end of March 2012, the companies' portfolio totaled R$6, 612 million.

Between January and March 2012, the volume of new mortgage loan financing contracts for individuals was R$1,798 million, while financing to companies added up to R$1,016 million, totaling R$2,814 million in the period, a 1.8% growth when compared to the same period of 2011.

Origination Volume

R$ million

	1st Q/12	4th Q/11	1st Q/11
Individuals	1,798	1,975	1,611
Companies	1,016	3,312	1,155
Total	**2,814**	**5,287**	**2,765**

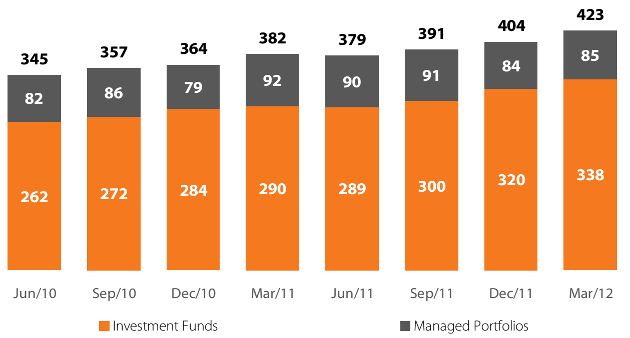
Asset Management (*)

In February 2012, we reached R$317.7 billion of assets under management, including investment funds and managed portfolios, corresponding to a 15.7% market share. We are leaders in Corporate and Private Bank segments, and have a significant presence in all other segments, serving approximately 1.7 million clients.

Assets Administration

We administer Privatization, Fixed Income and Equity Funds, Investment Clubs and Portfolios, both in Brazil and abroad.

R$ billion



At the end of the first quarter of 2012, assets under administration totaled R$ 423.2 billion, a 4.8% rise compared to the previous quarter and a 10.9% growth compared to the same period of 2011.

According to ANBIMA, in February 2012 we ranked second in the global ranking of fund management and managed portfolios, with a 20.0% market share, a slight increase as compared to 19.7% in December 2011.

Solutions for Capital Markets

We offer several financial solutions for Capital Markets, including fiduciary administration of investment funds, custody (funds, ADRs, Promissory Notes and bank credit notes), representation for non-resident investors and asset bookkeeping. We also act as guarantee agent in operations of Project Finance, Escrow Accounts, Loan and financing contracts and as a depositary of Brazilian Depositary Receipts (BDR) programs.

We are leaders in custody services, with a 25.3% market share(*) and a total of R$879.6 billion in assets under custody (15% increase from March 2011). Our domestic custody totaled R$625.9 billion and our international custody added up to R$253.7 billion at the end of the first quarter. We are also leaders in share bookkeeping, providing services to 234 companies listed in the BM&F Bovespa (63% of the total). In February 2012, we reached R$2.9 trillion in assets under services, including all businesses in which we operate.

In 2011, we were elected by the Global Custodian magazine as the Best Custody Services Provider in Brazil for domestic (4th consecutive time) and international (3rd consecutive time) clients.

(*) Source: ANBIMA (Brazilian Financial and Capital Markets Association) - February/2012

Consumer Credit

The Consumer Credit segment results come from financial products and services offered to our non-account holder clients. In the first quarter of 2012, the segment recorded a recurring net income of R$357 million, a 6.0% decrease as compared to the previous period. The return on allocated capital was 13.2% per annum, and the efficiency ratio reached 47.2% in the period. As of March 31, 2012, the credit portfolio totaled R$101,567 million, which represented a 2.0% growth as compared to the previous period.

Vehicle Financing

The Vehicle Financing portfolio to individuals amounted to R$59,054 million at the end of March 2012. New vehicle financing and leasing transactions added up to R$5,782 million, which represents a 20.3% decrease, following the 19.3% drop in the production of the vehicles market. Our market share, considering the balance of the portfolio, was 32.6%.

As of February 29, 2012, 59.0% of our vehicle portfolio corresponded to the financing of new vehicles, with a slight growth as compared to the prior quarter.

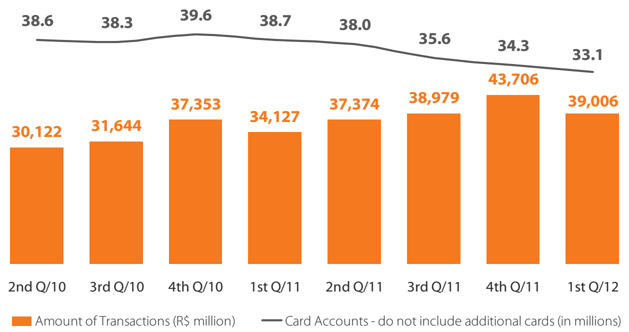
Cards and Partnerships (1)

Through proprietary and partnership operations, we offer a wide range of credit and debit cards to more than 57.1 million current account holders and non-account holders (in number of accounts). In the first quarter of 2012, the volume of transactions amounted to R$51,144 million, a 16.5% increase from the same period of the previous year.

Credit Cards

We are the leading player in the Brazilian credit card market. Through Itaucard, Hipercard, Joint Ventures, and commercial agreements with major retailers in the Brazilian market, we have reached a number of 33.1 million client accounts, including both current account and non-account holders. During the first quarter of 2012, we continued to reduce the number of partnerships to concentrate on businesses of larger scale, following the efficiency target of the conglomerate. In this period, the volume of credit card transactions amounted to R$39,006 million, which corresponds to a 14.3% increase from the same period of the previous year.

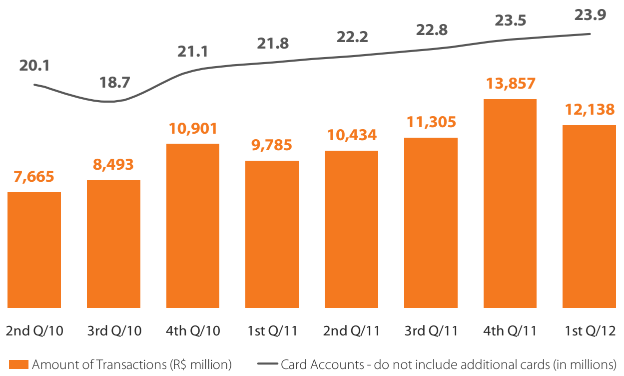
The decrease in the number of credit card accounts, observed since the first quarter of 2011, is the result of an equalization of concepts regarding account activation and other effects on different products in this portfolio. In addition, the impact of the termination of smaller-scale partnerships, during the first quarter of 2012, has contributed to this effect.



(1) Personal Loan and Consumer Credit products are not considered in the transacted amounts and in number of accounts. Figures for March 2012 are preliminary, calculated based on results obtained in a date prior to the end of the period; For demonstration purposes, the volumes and results presented include the portion corresponding to current account holders, although these clients are segmented in the *Pro Forma* Statement of Income under the Commercial Bank segment.

Debit Cards

In the debit card segment, which includes only current account holders, we have 23.9 million accounts. The volume of debit card transactions amounted to R$12,138 million in the first quarter of 2012, a 24.1% increase from the first quarter of 2011.



Itaú BBA

The Itaú BBA segment is responsible for banking transactions with large companies and for investment bank services. Itaú BBA's net income totaled R$727 million in the first quarter of 2012, a 3.0% growth when compared to the previous quarter. Return on allocated capital reached 27.5% per year.

Managerial financial margin reached R$1,357 million in the first quarter, growing 4.0% when compared to the previous quarter. Banking service fees and income from banking charges added up to R$562 million, an 8.6% increase from the previous quarter, basically driven by the increase in income from revenues from credit operations and guarantees provided.

The credit portfolio increased 1.0% from the fourth quarter of 2011 and 22.2% when compared to the same period of the previous year, reaching R$97.1 billion. This increase is basically due to Itaú BBA's commercial effort for the expansion in customer relationships; noteworthy were (i) foreign trade financing, which grew 35.1%, and (ii) sureties and endorsements portfolio which increased 32.6%.

We also highlight the quality level of the loan portfolio, with 97.5% of the credits ascribed as "AA", "A" and "B" risk ratings, in accordance with the criteria set forth in the Brazilian Monetary Council Resolution No. 2.682. In this context, the results from loan and lease losses totaled R$26 million in the first quarter of 2012.

In the investment banking area, we highlight:

Domestic Fixed Income Offerings: 1st place in ANBIMA distribution ranking, for the participation in debenture, commercial paper and securitization transactions which totaled R$5.2 billion, corresponding to a 24.2% market share.

Mergers and Acquisitions: We provided financial advisory on ten transactions, closing the first quarter of 2012 in the leadership of the Thomson Reuters ranking in volume and number of operations, accumulating the amount of US$8.4 billion.

In the corporate banking area, we highlight the following Itaú BBA operations:

Derivatives: We maintained the leadership in CETIP (Clearing House for the Custody and Financial Settlement of Securities) in over-the-counter derivative operations with companies, mainly focused on operations hedging the exposures to foreign currencies, interest rates and commodities with clients.

Cash Management: Traded volumes posted a 28% increase in the period between January and March 2012 as compared to the same period of 2011.

Project Finance: We closed the first quarter of 2012 with 49 projects that total R$65.7 billion in new investments. Of this total, R$26.9 billion correspond to the oil and gas sector, which accounted for 41% of total financial volume.

insurance, life and pension plans & capitalization

Itaú Unibanco Holding S.A.

1st quarter of 2012

Management Discussion & Analysis

Insurance, Life and Pension Plans & Capitalization

The Pro Forma financial statements below were prepared based on Itaú Unibanco's managerial information and are intended to explain the performance of the insurance-related businesses.

The numbers presented in this chapter are part of the Commercial Bank segment and do not include the results of the association with Porto Seguro, which were included in the Activities with the Market and Corporation segment.

Consolidated Pro Forma of Insurance, Life and Pension Plans and Capitalization

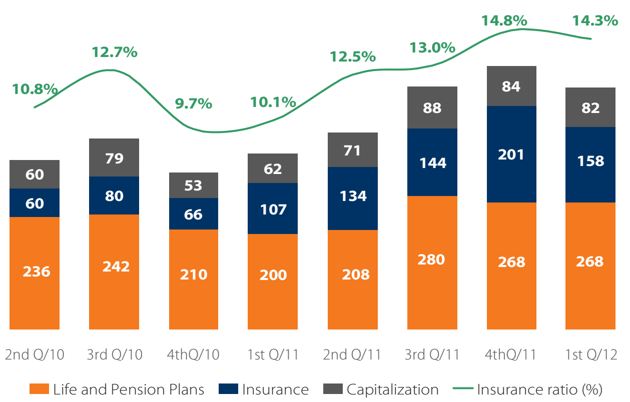
R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 - 4th Q/11	
Earned Premiums (a)	**1,314**	**1,258**	**57**	**4.5%**
Result of Pension Plans and Capitalization (b)	**158**	**147**	**10**	**7.0%**
Retained Claims (c)	**(462)**	**(322)**	**(140)**	**43.4%**
Selling Expenses (d)	**(353)**	**(400)**	**47**	**-11.8%**
Other Operating Income/(Expenses) of Insurance Operations (e)	**(17)**	**(7)**	**(10)**	**-**
Underwriting Margin (f=a+c+d+e)	**482**	**528**	**(46)**	**-8.7%**
Result from Insurance, Pension Plans and Capitalization (g=b+f)	**640**	**675**	**(36)**	**-5.3%**
Managerial Financial Margin	325	330	(4)	-1.3%
Banking Service Fees and Income From Banking Charges	191	179	12	6.9%
Non-interest Expenses	(274)	(314)	40	-12.8%
Tax Expenses for ISS, PIS and Cofins and other taxes	(79)	(52)	(27)	52.2%
Other Operating Income	(1)	17	(17)	-
Operating Income	**802**	**834**	**(32)**	**-3.8%**
Non-operating Income	11	10	1	11.8%
Income Before Income Tax and Social Contribution	**813**	**844**	**(31)**	**-3.6%**
Income Tax/Social Contribution	(304)	(290)	(14)	4.8%
Profit Sharing	(1)	(1)	(0)	49.7%
Recurring Net Income	**508**	**553**	**(45)**	**-8.1%**
(RAROC) — Return on Average Tier I Allocated Capital	**40.4%**	**45.1%**		**-470 bps**
Efficiency Ratio (ER)	**33.8%**	**38.4%**		**-460 bps**

Note: Retained Claims are different from Consolidated Retained Claims, because they do not consider the operations of the activities abroad.
The Underwriting Margin refers to Insurance and Life and Pension Plans.
Non-interest Expenses comprise Personnel Expenses, Administrative Expenses, Tax Expenses, and Other Operating Expenses.

Recurring Net Income and Insurance Ratio

R$ million



Insurance Ratio (%) = Insurance, Life and Pension Plans and Capitalization segment's recurring net income/ Itaú Unibanco's recurring net income

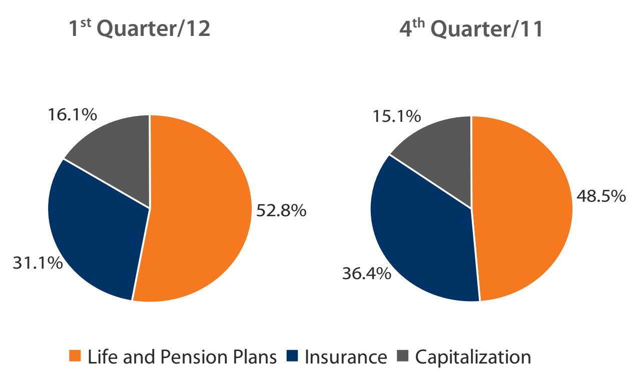
In the first quarter of 2012, the Insurance, Life and Pension Plan and Capitalization segment's recurring net income totaled R$ 508 million, decreasing 8.1% from the previous quarter. When compared to the same period of the previous year, this recurring net income increased 37.6%. The return on allocated capital reached 40.4% in the period, a 470 basis point decrease from the previous quarter.

When compared to the previous quarter, the main factor that impacted the net income was the decrease in the underwriting margin, mainly influenced by lower expenses with retained claims in the previous quarter.

The insurance ratio (which does not consider the 30% interest in Porto Seguro) represents the share of recurring net income from Insurance, Life and Pension Plans and Capitalization in Itaú Unibanco Holding's recurring net income.

In the first quarter of 2012, the insurance ratio reached 14.3%, decreasing 50 basis points from the previous quarter.

Composition of Recurring Net Income of Insurance, Life and Pension Plans and Capitalization



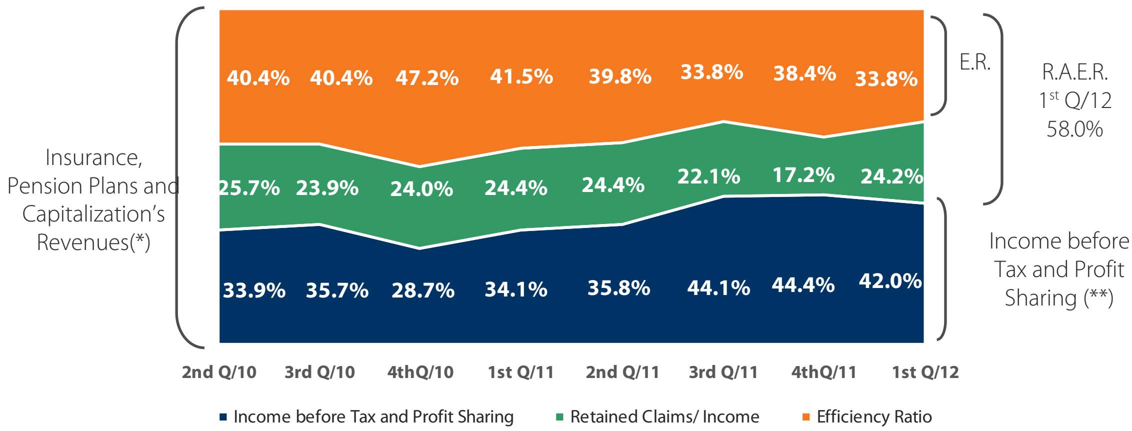
In this quarter the Life and Pension Plans subsegment increased its participation in the composition of the recurring net income in 430 basis points compared to the previous quarter.

Insurance, Life and Pension Plans & Capitalization

Efficiency Ratio

In the first quarter, the efficiency ratio was 33.8%, corresponding to a 460 basis point improvement from the previous period, mainly as a result of decreased non-interest expenses and selling expenses.

The risk-adjusted efficiency ratio adds to the formula the impacts of risk portions associated with Insurance and Life and Pension Plans (claims). In the first quarter, the index was 58.0%, an increase of 240 basis points from the fourth quarter of 2011.



(*) Net of Tax Expenses for ISS, PIS and Cofins and Other.
(**) Does not include Equity in Earnings of Affiliates and Other Investments and Non-operating Income.

Pro Forma Insurance, Pension Plans and Capitalization Balance Sheet

The Balance Sheet of the Insurance, Pension Plan and Capitalization segments is presented below. On March 31, 2012, total assets amounted to R$ 88.7 billion, increasing approximately R$ 4.4 billion from the fourth quarter of 2011. Technical provisions added up to R$ 77.8 billion, a 5.5% increase from the previous quarter, mainly due to the increase in growth in the technical provisions of the VGBL product. We reiterate that these numbers do not include the operations of the activities abroad and the 30% interest in Porto Seguro.

R$ million

	Mar 31, 12				Dec 31,11				Variation Mar 31, 12 - Dec 31,11	
	Insurance	Life and Pension Plans	Capitalization	Total	Insurance	Life and Pension Plans	Capitalization	Total	Total	
Assets										
Current and Long-Term Assets	**10,729**	**73,034**	**3,234**	**88,243**	**11,721**	**68,861**	**3,270**	**83,825**	**4,418**	**5.3%**
Cash and Cash Equivalents	70	19	2	**91**	48	14	12	**74**	17	**22.5%**
Securities	4,094	72,193	3,157	**79,441**	3,723	68,068	3,185	**74,973**	4,468	**6.0%**
Other Assets (mainly receivables from insurance)	6,565	822	74	**8,711**	7,949	780	72	**8,778**	(67)	**-0.8%**
Permanent Assets	**392**	**81**	**38**	**503**	**394**	**81**	**38**	**506**	**(3)**	**-0.7%**
Total Assets	**11,121**	**73,115**	**3,272**	**88,746**	**12,115**	**68,942**	**3,308**	**84,332**	**4,414**	**5.2%**
Liabilities and Equity										
Current and Long – Term Liabilities	**9,972**	**69,399**	**3,073**	**83,683**	**10,881**	**65,380**	**3,101**	**79,328**	**4,354**	**5.5%**
Technical Provisions – Insurance	5,531	904	-	**7,707**	6,779	860	-	**7,631**	76	**1.0%**
Technical Provisions – Pension Plans and VGBL	526	66,714	-	**67,240**	522	62,753	-	**63,275**	3,965	**6.3%**
Technical Provisions – Capitalization	-	-	2,871	**2,856**	-	-	2,847	**2,847**	9	**0.3%**
Other Liabilities	3,915	1,782	202	**5,880**	3,580	1,767	254	**5,575**	305	**5.5%**
Allocated Tier I Capital	**1,148**	**3,716**	**199**	**5,064**	**1,234**	**3,563**	**207**	**5,004**	**60**	**1.2%**
Total Liabilities and Equity	**11,121**	**73,115**	**3,272**	**88,746**	**12,115**	**68,942**	**3,308**	**84,332**	**4,414**	**5.2%**

Note: The Insurance, Pension Plans and Capitalization Technical Provisions are different from the Consolidated Technical Provisions, because they do not consider the operations of the activities abroad and the 30% interest in Porto Seguro.

The Consolidated does not represent the sum of the parties because there are transactions between companies that were eliminated.

Insurance

The numbers presented in this chapter are part of the Commercial Bank segment and do not include the results of the association with Porto Seguro, which were included in the Activities with the Market and Corporation segment.

Pro Forma Insurance Recurring Income Statement

R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 - 4th Q/11	
Earned Premiums (a)	**1,074**	**1,035**	**39**	**3.8%**
Retained Claims (b)	**(372)**	**(264)**	**(108)**	**40.8%**
Selling Expenses (c)	**(335)**	**(353)**	**19**	**-5.3%**
Other Operating Income/(Expenses) of Insurance Operations (d)	**(19)**	**(32)**	**13**	**-40.9%**
Underwriting Margin (e=a+b+c+d)	**349**	**386**	**(37)**	**-9.6%**
Result from Insurance	**349**	**386**	**(37)**	**-9.6%**
Managerial Financial Margin	118	101	17	16.8%
Non-interest Expenses	(168)	(173)	5	-3.2%
Tax Expenses for ISS, PIS and Cofins and other taxes	(48)	(16)	(32)	-
Other Operating Income	(2)	10	(13)	-
Operating Income	**249**	**308**	**(59)**	**-19.3%**
Non-operating Income	7	11	(4)	-38.4%
Income Before Income Tax and Social Contribution	**256**	**319**	**(64)**	**-20.0%**
Income Tax/Social Contribution	(97)	(117)	20	-17.4%
Profit Sharing	(1)	(1)	(0)	49.7%
Recurring Net Income	**158**	**201**	**(44)**	**-21.7%**
(RAROC) — Return on Average Tier I Allocated Capital	**52.9%**	**65.9%**		**-1,300 bps**
Efficiency Ratio (ER)	**45.7%**	**49.4%**		**-370 bps**

We carry out significant business with large industrial and commercial clients. Our Corporate Solution area provides dedicated service and specific products for the civil construction, chemicals and petrochemicals, energy generation, infrastructure, transportation, aviation and other industries. For individuals, and small and mid-sized companies, our focus is to simplify the product portfolio and use electronic means, to better meet the clients' requirements with straightforward, easy to understand type of products.

The customer relationship management area has implemented a number of projects, by tailoring specific products to each client's profile, which enables the more efficient use of different relationship channels. Also this area seeks to continuously improve its operational efficiency, by managing costs, investing in new technologies and optimizing processes.

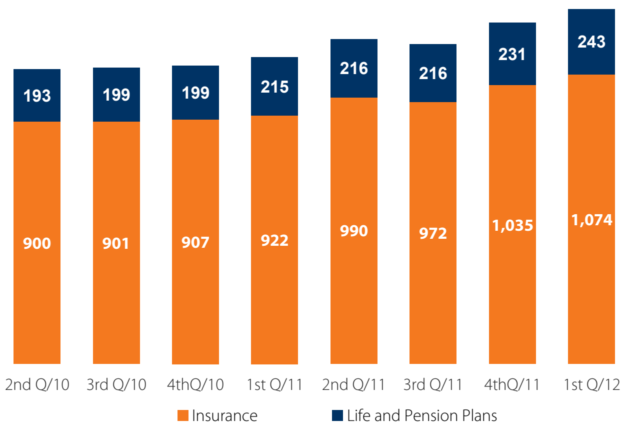
In relation to the accumulated totals from January to February 2012, our market share reached 13.4%, based on information disclosed by SUSEP (Superintendency of Private Insurance, which regulates all insurance lines, except for Health Insurance, which is regulated by ANS, the National Health Agency) and insurance premiums reached R$ 1,224 million (not considering our 30% interest in Porto Seguro).

Products to be highlighted include, in the companies segment, Group Life and Corporate Solutions, and in the Individuals segment, Life and Extended Warranty.

In this quarter, the Insurance segment's recurring net income reached R$ 158 million, a 21.7% decrease from the previous quarter driven by the underwriting margin decrease, mainly influenced by the lower retained claims observed in the previous quarter.

Earned Premiums

R$ million

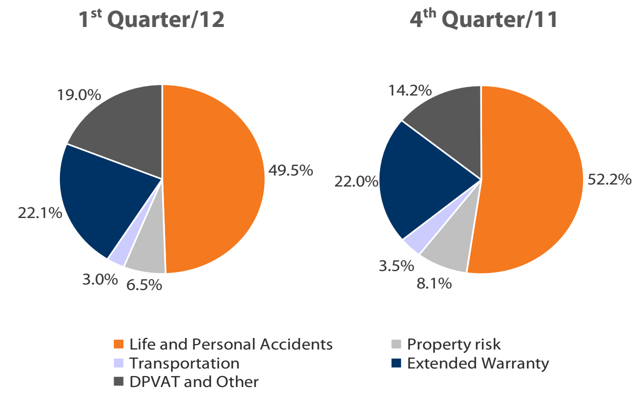


In the first quarter of 2012, earned premiums added up to R$1,074 million in the Insurance subsegment, a 3.8% increase when compared to the previous quarter as a result of the good performance of the extended warranty product. Earned premiums in the Life and Pension Plans subsegment added up to R$ 243 million, a 5.2% increase when compared to the previous quarter.

The number of policies reached 9.2 million in the first quarter, with a slight decrease when compared to the previous quarter but with larger representation in the portfolio of Life and Personal Accidents products.

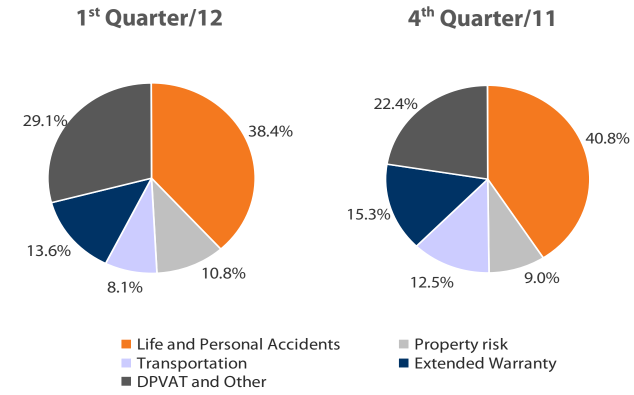
Insurance

Composition of Earned Premiums



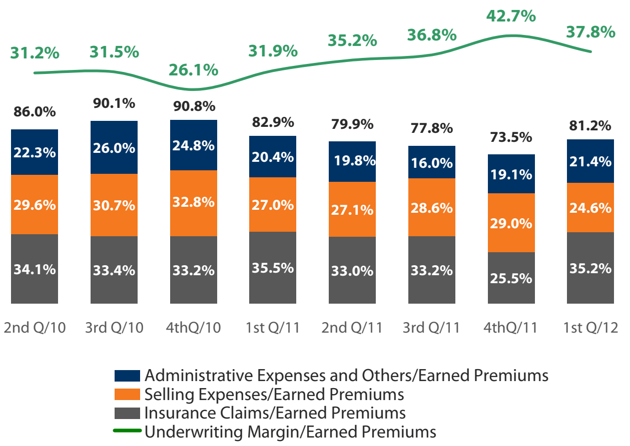
Note: the charts do not include the Itauseg Saúde company and does include Life product of Itaú Vida e Previdência S.A.

Composition of Retained Claims



Note: the charts do not include the Itauseg Saúde company and include Life product of Itaú Vida e Previdência S.A.

Combined Ratio and Underwriting Margin



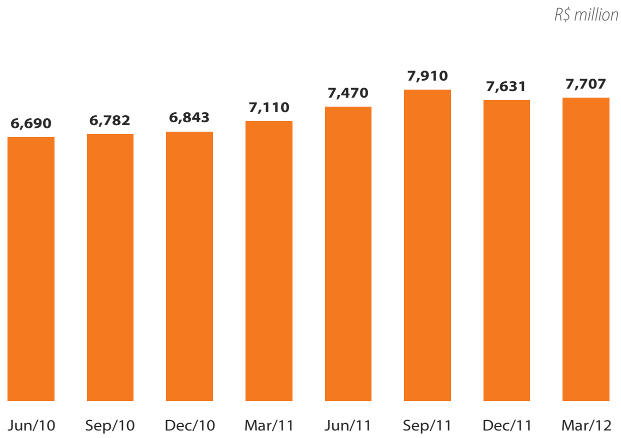
Note: The combined ratio is the sum of the following ratios: retained claims/ earned premiums, selling expenses/ earned premiums and administrative expenses and other operating income and expenses /earned premiums.
The underwriting margin is the sum of: earned premiums, retained claims, selling expenses and other operating income (expenses) of insurance operations.
Note: the charts do not include the Itauseg Saúde company and does include Life of Itaú Vida e Previdência S.A.

The consolidated underwriting margin (which includes Insurance and Life of Itaú Vida e Previdência S.A.) amounted to R$ 484 million in the first quarter of 2012, a decrease of 8.4% when compared to the previous quarter. Disregarding the health insurance (in process of discontinuation), the underwriting margin totaled R$ 488 million. The ratio of underwriting margin to earned premiums reached 37.8%, a 490 basis point decrease from the prior period; however, it reached a higher level when compared to the other quarters of 2011.

The combined ratio, which reflects the efficiency of the operating expenses in relation to income from earned premiums was 81.2%, a 770 basis point increase from the previous quarter, mainly influenced by lower expenses with claims in the previous quarter.

Insurance Technical Provisions

On March 31, 2012, insurance technical provisions added up to R$ 7,707 million, remaining practically unchanged in relation to the previous quarter, but growing 8.4% from the same period of the prior year.



Life and Pension Plans

Pro Forma Life and Pension Plans Recurring Income Statement

R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 - 4th Q/11	
Earned Premiums (a)	**243**	**231**	**12**	**5.2%**
Result of Pension Plans (b)	**27**	**13**	**14**	**-**
Retained Claims (c)	**(90)**	**(58)**	**(32)**	**55.1%**
Selling Expenses (d)	**(16)**	**(37)**	**21**	**-57.8%**
Other Operating Income/(Expenses) of Insurance Operations (e)	**(2)**	**1**	**(4)**	**-**
Underwriting Margin (f=a+c+d+e)	**135**	**137**	**(2)**	**-1.4%**
Result from Insurance, Pension Plans (g=b+f)	**162**	**150**	**12**	**8.2%**
Managerial Financial Margin	160	175	(15)	-8.6%
Banking Service Fees and Income From Banking Charges	191	179	12	6.9%
Non-interest Expenses	(68)	(93)	25	-27.0%
Tax Expenses for ISS, PIS and Cofins and other taxes	(24)	(24)	(1)	3.3%
Other Operating Income	(0)	3	(3)	-
Operating Income	**421**	**390**	**31**	**8.0%**
Non-operating Income	1	0	1	-
Income Before Income Tax and Social Contribution	**422**	**390**	**32**	**8.1%**
Income Tax/Social Contribution	(154)	(122)	(31)	25.8%
Recurring Net Income	**268**	**268**	**0**	**0.0%**
(RAROC) — Return on Average Tier I Allocated Capital	**29.5%**	**30.8%**		**-130 bps**
Efficiency Ratio (ER)	**14.4%**	**22.4%**		**-800 bps**

Product innovation has played a significant role in the sustainable growth of our pension plan operations. For individuals, multimarket and multi-strategy products are to be highlighted, as they allow for the investment of funds on a long-term basis, while selecting the best short-term investment strategies. In pension plans for companies, we offer specialized advisory services in order to implement the best solution for each company, while maintaining relationships with the human resources area and the employees following the implementation of the benefit.

Income before income tax and social contribution was 8.1% higher where as Life and Pension Plan subsegment's recurring net income remained steady in the amount of R$268 million due to a higher effective income tax and social contribution rate.

Total contributions to pension plans reached R$3,846 million, growing 3.3% when compared to the previous quarter. In relation to the same period of the previous year, contributions increased 35.2%, chiefly on account of the 41.9% growth in contributions to the VGBL product. Net contributions, which comprise total contributions less redemptions and external portabilities, increased 16.3% from the previous quarter.

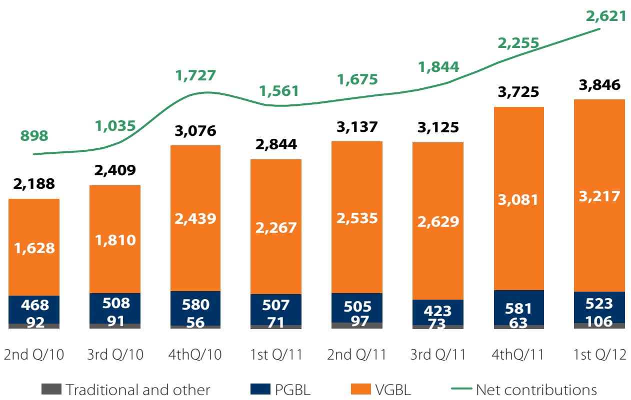
Pension Plan Technical Provisions and Administration Fees

Pension plan technical provisions totaled R$67,240 million on March 31, 2012, representing an increase of 6.3% and 25.0% when compared to the previous quarter and the same period of the previous year, respectively.

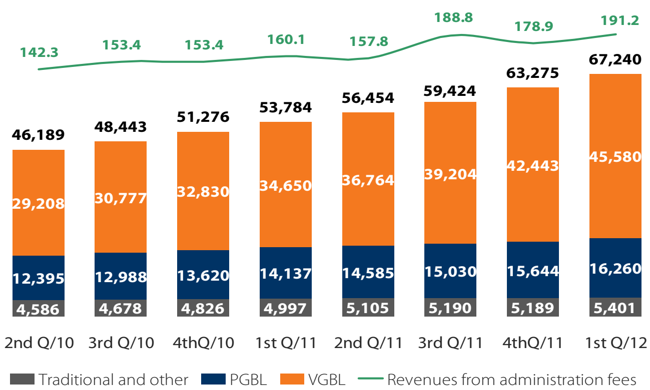
Revenues from administration fees totaled R$191.2 million in the first quarter of 2012, a 6.9% increase from the previous quarter and a 19.4% increase from the same period of 2011.

Evolution of Contributions and Net Contributions

R$ million



R$ million



Capitalization

Pro Forma Capitalization Recurring Income Statement

R$ million

	1st Q/12	4th Q/11	Variation 1st Q/12 - 4th Q/11	
Result of Capitalization (a)	**131**	**135**	**(4)**	**-2.9%**
Selling Expenses (b)	**(3)**	**(10)**	**7**	**-74.9%**
Result from Capitalization Operations (c=a+b)	**128**	**125**	**4**	**2.8%**
Managerial Financial Margin	47	48	(1)	-3.0%
Non-interest Expenses	(36)	(47)	11	-23.5%
Tax Expenses for ISS, PIS and Cofins and other taxes	(7)	(13)	6	-44.0%
Other Operating Income	1	19	(18)	-
Operating Income	**132**	**131**	**1**	**0.7%**
Non-operating Income	3	3	0	10.9%
Income Before Income Tax and Social Contribution	**135**	**134**	**1**	**0.9%**
Income Tax/Social Contribution	(53)	(50)	(3)	6.2%
Recurring Net Income	**82**	**84**	**(2)**	**-2.2%**
(RAROC) — Return on Average Tier I Allocated Capital	**161.0%**	**163.8%**		**-280 bps**
Efficiency Ratio (ER)	**22.7%**	**30.5%**		**-780 bps**

The Capitalization Certificate (PIC) product is targeted at clients that like to compete for prizes. It may be purchased through a single or monthly payment, in accordance with the individual clients' profiles.

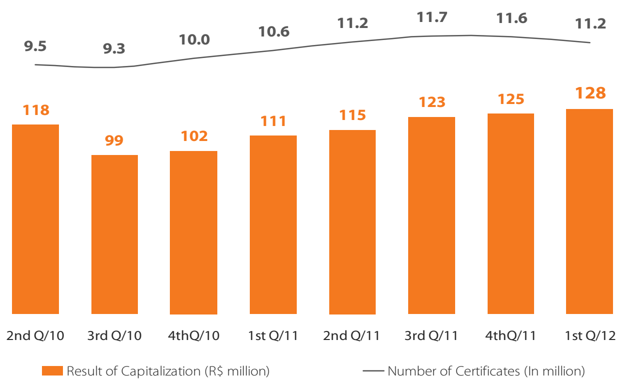
The product was reformulated in mid 2011 and increased the chances of rewarding its clients. Currently, the product is effective for shorter terms and clients may receive higher prizes. The product was also launched to companies as "PIC Empresas".

In the period between January and March 2012, 879 clients received prizes in the aggregate amount of R$ 9.5 million.

The capitalization segment net income reached R$ 82 million, a 2.2% decrease from the fourth quarter of 2011. The slight decrease in the result of capitalization was not offset by the decrease in non-interest expenses.

Result of Capitalization

R$ million

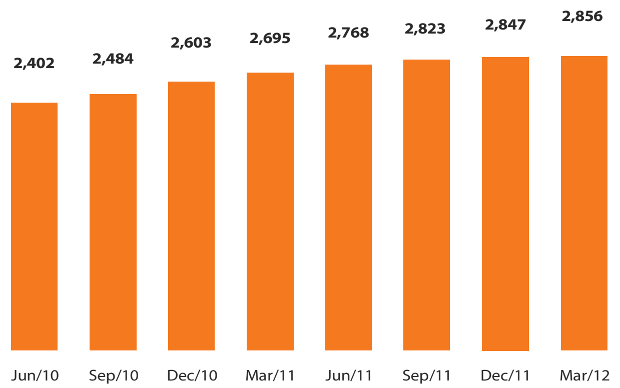


Note: The result of capitalization is net of expenses for prizes.

Capitalization Technical Provisions

On March 31, 2012, capitalization technical provisions added up to R$ 2,856 million, remaining practically unchanged in relation to the fourth quarter of 2011, but growing 5.9% from the same period of the previous year.

R$ million



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activities abroad

Itaú Unibanco Holding S.A.

Itaú

1st quarter of 2012

Management Discussion & Analysis

Activities Abroad

International Presence

Our operations are mainly carried out in Brazil, though our broad international presence confirms our regional-global ambitions and enables us to provide high-quality service to our clients, particularly to Brazilians operating abroad.

We are present in 19 countries besides Brazil. In Latin America we have operations in Argentina, Chile, Paraguay and Uruguay, focusing on commercial bank activities, both for individuals and companies, and in Mexico in credit card operations. We also have a representation office in Peru and, in February 2012, we were authorized by the regulatory authorities in Colombia to open a representation office of Itaú BBA in that location. The target market is composed of institutional investors and large companies with presence in that country. The products portfolio will include loan operations, foreign trade financing, foreign exchange and derivatives, and investment bank activities, such as advisory on mergers and acquisitions and access to capital markets. This action is another significant step in the process of expanding the investment bank's operations abroad and it strengthens our operation in Latin America.

Additionally, we have operations in Europe (Portugal, United Kingdom, Luxembourg, Spain, France, Germany and Switzerland), the United States (Miami and New York), the Caribbean (Cayman Islands and Bahamas), Middle East (Dubai) and Asia (Hong Kong, Shanghai and Tokyo). These are mainly operations serving institutional, corporate and private banking clients. Selected information on our international operations (including results, assets and liabilities in our foreign branches) can be found below:

Highlights

Statement of Income

R$ million (except where indicated)

	1st Q/12	4th Q/11	1st Q/11	1st Q/12 – 4th Q/11	1st Q/12 – 1st Q/11
Recurring Net Income	**533**	**714**	**529**	**-25.5%**	**0.6%**
Operating Revenues	**1,147**	**1,301**	**961**	**-11.9%**	**19.3%**
Financial Margin	**803**	**991**	**669**	**-18.9%**	**20.1%**

Balance Sheet

	Mar 31,12	Dec 31,11	Mar 31,11	Mar/12 – Dec/11	Mar/12 – Mar/11
Total Assets	**183,019**	**162,143**	**131,326**	**12.9%**	**39.4%**
Loans, Leases and Other Credit Operations	61,377	61,764	40,503	-0.6%	51.5%
Deposits	**60,245**	**58,883**	**37,468**	**2.3%**	**60.8%**
Stockholders' Equity	**24,964**	**26,678**	**21,783**	**-6.4%**	**14.6%**

Relevant Data

	Mar 31,12	Dec 31,11	Mar 31,11	Mar/12 – Dec/11	Mar/12 – Mar/11
Employees (Individuals)	**6,400**	**6,284**	**5,814**	**1.8%**	**10.1%**
Number of Points of Service (Units)	**796**	**779**	**720**	**2.2%**	**10.6%**
Branches (*)	245	243	222	0.8%	10.4%
Client Service Branches	31	31	32	0.0%	-3.1%
Automated Teller Machines	520	505	466	3.0%	11.6%

(*) Does not include Itaú BBA.

Activities Abroad

Latin America

Our operations in Latin America were originated from acquisitions of Itaú and Unibanco before the merger and went through a process of expansion in a sustainable way, with strong ties to their local markets. We have earned the trust and satisfaction of more than one million customers in Argentina, Chile, Paraguay and Uruguay. In Paraguay, we were considered "top of mind" in the bank category in a survey conducted by the consulting firm AnEmp consulting in January and February 2012, and we also received the "BeyondBanking" award granted by the IDB, for the series "Learning Economics and Finance in 60 seconds" broadcasted in several local radio stations.

In the credit card segment, we surpassed one million cards issued in the region, of which 47% are in Uruguay. The remaining cards are in Argentina (24%), Chile (9%), Mexico (2%) and Paraguay (18%). The expectation is that this client base will grow further due to the commercial partnerships in place.

The current scenario shows the great potential that we can still develop in Latin America, and one of our goals is to maximize the results that the retail operations in the four Southern Cone countries are already showing.

Below are some highlights of our operations in the region:

Latin America Statement of Income

R$ million

	Argentina		Chile		Paraguay		Uruguay	
	1st Q/12	4th Q/11	1st Q/12	4th Q/11	1st Q/12	4th Q/11	1st Q/12	4th Q/11
Operating Revenues	**127**	**123**	**211**	**182**	**84**	**100**	**115**	**114**
Financial Margin	86	84	156	132	61	74	47	45
Banking Service Fees and Income from Banking Charges	41	38	44	35	24	26	67	70
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	-	-	5	9	-	-	-	-
Other Operating Income	1	1	4	4	0	(0)	0	0
Non-operating Income	0	0	1	3	(1)	0	0	0
Loans and Retained Claims Losses net of Recovery	**(8)**	**(5)**	**(25)**	**4**	**7**	**(15)**	**12**	**(8)**
Operational Margin	**119**	**118**	**186**	**186**	**91**	**85**	**127**	**106**
Other Operating Expenses	**(107)**	**(110)**	**(112)**	**(130)**	**(42)**	**(40)**	**(79)**	**(83)**
Non-interest Expenses	(107)	(110)	(112)	(130)	(42)	(40)	(79)	(83)
Income before Tax and Profit Sharing	**12**	**8**	**73**	**55**	**49**	**45**	**48**	**24**
Income Tax and Social Contribution	**(7)**	**(3)**	**(15)**	**(5)**	**(3)**	**(2)**	**(12)**	**(11)**
Recurring Net Income	**5**	**5**	**59**	**51**	**46**	**42**	**36**	**12**
Return on Average Equity – Annualized	6.3%	6.1%	12.0%	10.6%	38.0%	38.2%	36.8%	13.1%
Return on Average Assets – Annualized	0.5%	0.6%	1.4%	1.3%	4.8%	4.6%	3.0%	1.0%
Efficiency Ratio	84.0%	89.5%	53.3%	71.6%	49.7%	40.3%	68.6%	72.3%

The result of our main operations in Latin America increased R$35 million in the first quarter. In Chile, the growth occurred due to better results from operating revenues, mainly treasury operations, increased revenues resulting from higher volumes of loans and commissions in the Corporate segment. The improvement in Uruguay's result was due to the reduction of the allowance for loan losses as a consequence of new rules for classification and provisioning issued by the Central Bank of Uruguay that came into force in January 2012. The results of Argentina and Paraguay remained in line with the last quarter of last year.

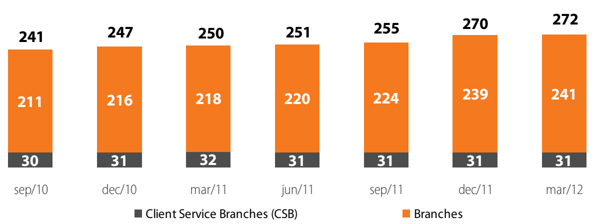
Service Network | Geographical Distribution

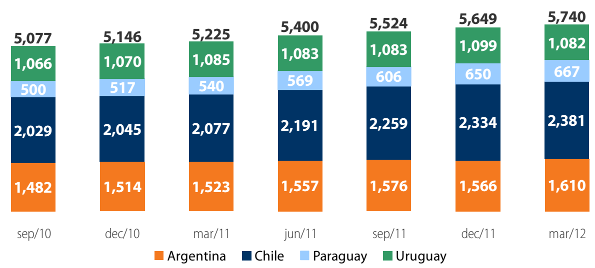
Service Network

To support services to our portfolio of more than 1 million customers in the area, we have a network of 272 branches and client service branches (CBSs). It is worth to mention that Chile inaugurated an additional branch, and reached a network of 89 branches by the end of the first quarter. Argentina continued with 81 branches, Paraguay ended March 2012 with 26 and Uruguay finished the first quarter of the year with 45 (22 of Banco Itaú Uruguay and 23 of OCA).

Employees

The number of employees in our major units in Latin America grew from 5,649 in December 2011 to 5,740 in March 2012 and is regionally distributed according to the chart below:





Activities Abroad

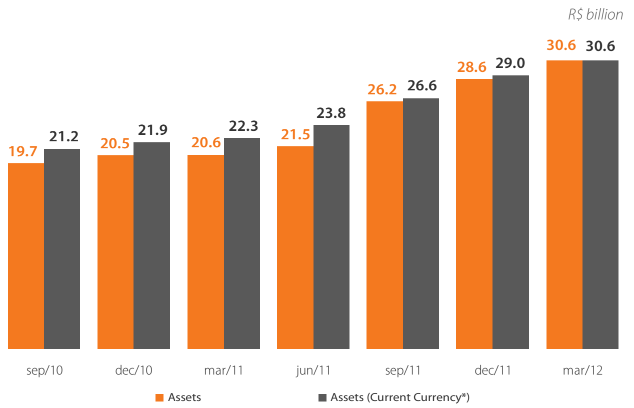
R$ million

Latin America Balance Sheet

	Argentina		Chile		Paraguay		Uruguay	
	Mar 31,12	Dec 31,11	Mar 31,12	Dec 31,11	Mar 31,12	Dec 31,11	Mar 31,12	Dec 31,11
Assets								
Current and Long-term Assets	**3,443**	**3,308**	**17,850**	**16,378**	**3,843**	**3,692**	**4,993**	**4,788**
Cash and Cash Equivalents	174	162	441	893	413	369	892	828
Short-term Interbank Investments	236	249	27	57	64	33	873	817
Securities and Derivative Financial Instruments	155	228	2,872	1,891	329	344	444	309
Interbank and Interbranch Accounts	427	439	670	657	515	463	701	640
Loans, Lease and Other Credit Operations	2,358	2,162	13,458	12,537	2,400	2,364	2,103	2,201
(Allowance for Loan Losses)	(49)	(45)	(240)	(230)	(49)	(60)	(93)	(108)
Other Assets	143	112	623	573	169	178	73	101
Foreign Exchange Portfolio	49	20	283	306	111	128	2	21
Other Assets	94	92	340	266	59	51	71	80
Permanent Assets	**103**	**108**	**295**	**291**	**31**	**33**	**26**	**27**
Total Assets	**3,546**	**3,416**	**18,145**	**16,669**	**3,874**	**3,725**	**5,019**	**4,815**
Liabilities and Equity								
Current and Long-term Liabilities	**3,244**	**3,105**	**16,188**	**14,712**	**3,373**	**3,268**	**4,603**	**4,433**
Deposits	2,764	2,599	11,767	10,655	2,749	2,665	3,953	3,691
Deposits Received under Securities Repurchase Agreements	34	71	137	106	-	-	-	-
Funds from Acceptances and Issue of Securities	-	-	1,527	1,321	-	-	-	-
Interbank and Interbranch Accounts	-	-	10	18	77	11	66	100
Borrowings and Onlendings	96	96	1,327	1,304	308	322	25	30
Derivative Financial Instruments	1	0	200	184	-	-	2	1
Foreign Exchange Portfolio	49	20	282	306	111	128	2	21
Other Liabilities	301	318	912	804	127	142	555	590
Technical Provisions for Insurance, Pension Plans and Capitalization	-	-	27	16	-	-	-	-
Deferred Income	**-**	**-**	**5**	**6**	**0**	**0**	**4**	**4**
Minority Interest in Subsidiaries	**8**	**9**	**0**	**0**	**-**	**-**	**-**	**-**
Stockholders' Equity	**294**	**303**	**1,952**	**1,951**	**501**	**457**	**412**	**378**
Total Liabilities and Equity	**3,546**	**3,416**	**18,145**	**16,669**	**3,874**	**3,725**	**5,019**	**4,815**

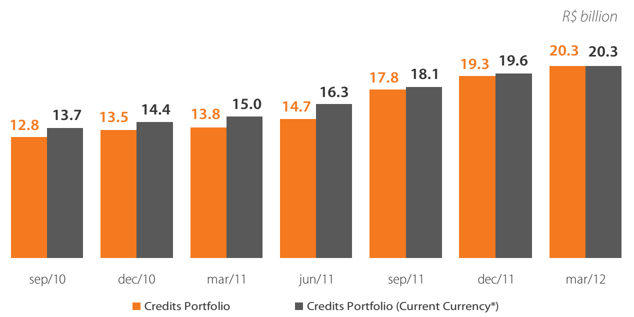
Assets

Our assets in Latin America as of March 31, 2012, reached R$ 30.6 billion, an increase of 6.8% compared to December 31, 2011. The asset growth of 8.9% in Chile was noteworthy, due to an increase in loan operations and in the securities portfolio.

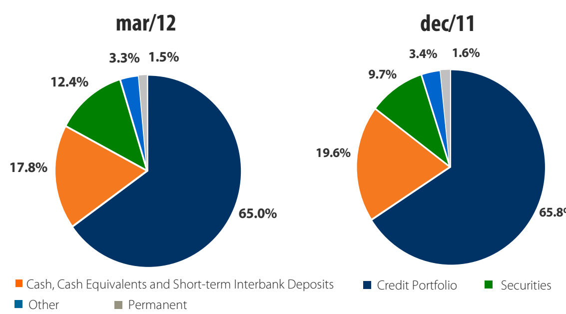


Credit Portfolio

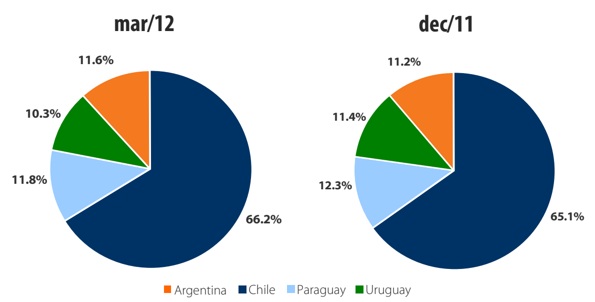
The Credit portfolio increased 5.5% compared to the fourth quarter of the previous year, amounting to R$20.3 billion, which is explained mainly by the 7.3% growth of the credit portfolio in Chile, that reached R$ 13.5 billion. This evolution is due to specific operations in the Corporate segment and to the increase in operations in the Consumer Credit segment. We also highlight the 9.0% growth of the credit portfolio in Argentina, which amounted to R$ 2.4 billion, mainly in loans, credit cards and exports and imports operations.



Assets Breakdown



Credit Portfolio | Geographical Distribution



(*) Current Currency for mar/12.

Activities Abroad

Europe, Caribbean Islands and Miami

Our banking activities under Banco Itaú BBA International S.A.'s legal structure are carried out throughout Europe (United Kingdom, Switzerland and Luxembourg) and outside Europe (Miami, the Cayman Islands and the Bahamas), mainly dedicated to two business lines:

- Corporate & Investment Banking: we attend the financial needs of companies with international presence and operations, with a focus on operations related to financing and investment relations between companies in Latin America and Europe. We offer several services including origination of structured financing and risk hedging operations, export financing and advisory for European companies investing in Latin America and Latin American companies in process of internationalization.

- Private Banking: International Private Banking develops its activities in Luxembourg, Miami, Bahamas and Switzerland. This segment offers a wide and specialized range of financial and asset management services for high net-worth clients, including negotiation and management of securities and other financial instruments, trusts and investment vehicles, on behalf of clients. As part of our strategy, we are reducing our activities in Luxembourg, and private banking operations currently carried out in that country will be gradually transferred either to Switzerland or to Miami.

Information on our operations consolidated in of Banco Itaú BBA International are presented below:

Itaú BBA International Statement of Income

R$ million

	Itaú BBA International	
	1st Q/12	4th Q/11
Operating Revenues	**87**	**77**
Financial Margin	27	35
Banking Service Fees and Income from Banking Charges	51	45
Other Operating Income	2	2
Equity in Earnings of Affiliates and Other Investments	7	(4)
Non-operating Income	0	(2)
Loans and Retained Claims Losses net of Recovery	**0**	**(0)**
Operational Margin	**87**	**77**
Other Operating Expenses	**(73)**	**(86)**
Income before Tax and Profit Sharing	**15**	**(10)**
Income Tax and Social Contribution	**(7)**	**3**
Profit Sharing	**(2)**	**(3)**
Recurring Net Income	**6**	**(11)**
Return on Average Equity – Annualized	1.9%	-3.1%
Return on Average Assets – Annualized	0.2%	-0.3%
Efficiency Ratio	83.3%	112.4%

The recurring net income for the quarter amounted to R$ 6 million, representing an increase of R$ 16 million from the previous quarter. This growth is due that higher personnel costs and lower results from investments in affiliated companies in the last quarter of 2011, besides the growth in service revenues in the first quarter of 2012 due to the increase in fees charged to customers for portfolio management. On the other hand, financial margin this quarter was impacted negatively by fluctuations in trading portfolios.

Itaú BBA International Balance Sheet

R$ million

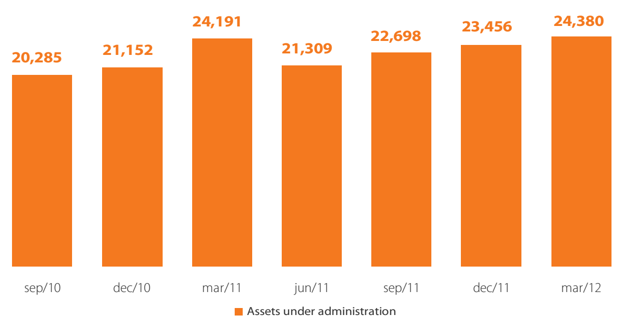
	Itaú BBA International	
	Mar 31,12	Dec 31,11
Assets		
Current and Long-term Assets	**13,790**	**14,606**
Cash and Cash Equivalents	250	399
Short-term Interbank Investments	2,108	2,691
Securities and Derivative Financial Instruments	1,585	1,730
Interbank and Interbranch Accounts	-	13
Loans, Lease and Other Credit Operations	7,246	7,419
(Allowance for Loan Losses)	(12)	(12)
Other Assets	2,613	2,367
Foreign Exchange Portfolio	2,311	2,224
Other Assets	301	143
Permanent Assets	**282**	**288**
Total Assets	**14,072**	**14,895**
Liabilities and Equity		
Current and Long-term Liabilities	**12,718**	**13,542**
Deposits	5,399	6,193
Funds from Acceptances and Issue of Securities	3,435	3,387
Interbank and Interbranch Accounts	2	1
Borrowings and Onlendings	560	561
Derivative Financial Instruments	539	700
Foreign Exchange Portfolio	2,312	2,220
Other Liabilities	471	481
Deferred Income	**22**	**23**
Stockholders' Equity	**1,331**	**1,329**
Total Liabilities and Equity	**14,072**	**14,895**

On March 31, 2012, assets amounted to R$ 14,1 billion. The macroeconomic environment in Europe, especially the financing conditions in the interbank market, continued to show an impact on deposits and, consequently, on resources available for short-term, which decreased in the first quarter of 2012.

Assets under Administration Private Banking

Assets under administration from our activities in the private banking segment reached R$ 24.4 billion, an increase of 3.9% from the last quarter of 2011. This growth is mainly due to inflows of new assets and the market value appreciation of managed portfolios.

R$ million



Products and services for Foreign Institutional Clients

We also serve our international institutional clients with a comprehensive range of products and services, such as asset management, custody, alternative investment products, private equity funds, equities, fixed-income, and other treasury products. Our clients are served globally by relationship managers based in New York, London, Hong Kong, Tokyo and Dubai, as well as by our specialized-products teams.

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(A free translation of the original in Portuguese)

Report of independent accountants on supplementary information

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

Introduction

In connection with our review of the financial statements of Itaú Unibanco Holding S.A. (Bank) and Itaú Unibanco Holding S.A. and its subsidiary companies (Consolidated) as of March 31, 2012, on which we issued a report without exceptions dated April, 23, 2012, we performed a review of the accounting information contained in the supplementary information included in the Management Discussion and Analysis Report of Itaú Unibanco Holding S.A. and its subsidiaries for the three-month period ended March 31, 2012.

Scope of the Review

We conducted our review in accordance with Brazilian standards issued by the Federal Accountancy Council. Our review mainly comprised: (a) inquiry of, and discussion with, management responsible for the accounting, financial and operational areas of the Bank and its subsidiaries with regard to the main criteria adopted for the preparation of the accounting information presented in the supplementary information and (b) review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and the operations of the Bank and its subsidiaries. The supplementary information included in the Management Discussion and Analysis Report is presented to permit additional analysis. Notwithstanding, this information should not be considered an integral part of the financial statements.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accounting information contained in this supplementary information, in order for it to be adequately presented, in all material respects, in relation to the financial statements at March 31, 2012, taken as a whole, prepared in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

São Paulo, April 23, 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Paulo Sergio Miron
Contador CRC 1SP173647/O-5

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