3rd Quarter 2010

Executive Summary

Itaú Unibanco Holding S.A.

Executive Summary

Third Quarter of 2010

Information and financial indicators of Itaú Unibanco Holding S.A. (Itaú Unibanco) from the third quarter of 2010 are presented below.

R$ million (except where indicated)

Highlights

Statements of Income	3rd Q/10	2nd Q/10	3rd Q/09	jan-sep/10	jan-sep/09
Net Income – Parent Company	3,034	3,165	2,268	9,433	6,854
Recurring Net Income	3,158	3,298	2,687	9,624	7,677
Managerial Financial Margin (1)	11,204	10,892	10,814	32,485	31,933
Shares (R$)					
Consolidated Net Income per share (2) (3)	0.67	0.70	0.50	2.08	1.52
Consolidated Recurring Net Income per share (2) (3)	0.70	0.73	0.60	2.12	1.70
Number of Outstanding Shares – in thousands (2)	4,540,463	4,533,922	4,523,759	4,540,463	4,523,759
Book Value per share	12.60	12.15	10.80	12.60	10.80
Dividends/JCP net of taxes (4) (R$ Million)	964	973	806	2,887	2,303
Dividends/JCP net of taxes (4) per share	0.21	0.21	0.20	0.64	0.53
Market Capitalization (5) (R$ Million)	182,209	149,619	161,046	182,209	161,046
Market Capitalization (5) (US$ Million)	107,549	83,053	90,572	107,549	90,572
Performance Ratios (%)					
Return on Average Equity – Annualized (6)	21.6%	23.4%	18.9%	23.3%	19.8%
Recurring Return on Average Equity – Annualized (6)	22.5%	24.4%	22.4%	23.8%	22.2%
Return on Average Assets – Annualized (7)	1.8%	2.0%	1.5%	1.9%	1.5%
Recurring Return on Average Assets – Annualized (7)	1.9%	2.1%	1.8%	2.0%	1.7%
Solvency Ratio (BIS Ratio)	15.3%	15.7%	16.3%	15.3%	16.3%
Annualized Net Interest Margin with clients (8)	12.2%	12.6%	12.6%	12.3%	11.8%
Nonperforming Loans Index (NPL over 90 days)	4.3%	4.6%	5.9%	4.3%	5.9%
Coverage Ratio (Provision for Loan Losses/Nonperforming Loans over 90 days)	196%	187%	172%	196%	172%
Efficiency Ratio (ER) (9)	49.2%	47.3%	45.0%	46.9%	45.5%
Risk Adjusted Efficiency Ratio (RAER) (10)	71.6%	70.8%	74.5%	70.4%	75.1%

Balance Sheet	Sep 30,10	Jun 30,10	Sep 30,09
Total Assets	686,248	651,583	612,399
Total Credit Portfolio, including Sureties, Endorsements and Guarantees	313,189	296,192	268,694
Credit Operations (A)	279,035	263,498	237,099
Sureties, Endorsements and Guarantees	34,155	32,694	31,594
Deposits + Debentures + Borrowings and Onlending + Securities (B) (11)	366,833	340,559	308,019
Credit Operations/Funding (A/B)	76.1%	77.4%	77.0%
Stockholders' Equity of Parent Company	57,225	55,074	48,862
Relevant Data			
Assets Under Management (AUM)	357,495	344,689	310,346
Employees (Individuals)	106,879	105,847	102,754
Number of Points of Service	34,991	35,267	35,435
Branches (Units)	3,929	3,931	3,951
CSBs (Units)	942	938	960
Automated Teller Machines (Units) (12)	30,120	30,398	30,524

(1) Described on page 11.
(2) The number of shares outstanding was adjusted to reflect the 10% share bonus that occurred on August 28, 2009.
(3) Calculated based on the weighted average of the number of outstanding shares.
(4) JCP– Interest on Own Capital. Amounts paid/provisioned (Note 16 – b II to the Financial Statements).
(5) Total number of shares outstanding (common shares and non-voting shares) multiplied by the average price of non-voting share on the last trading day in the period.
(6) Annualized Return was calculated by dividing Net Income of the parent company by the Average Stockholders' Equity of the parent company. The quotient of this division was multiplied by the number of periods of the year to derive the annualized index.
(7) Annualized Return was computed by dividing Net Income of the parent company by Average Assets. The quotient of this division was multiplied by the number of periods of the year to arrive at the annual ratio.
(8) Does not include Margin with Market. –See details of criteria change on page 12.
(9) ER = Non-interest Expenses/(Managerial Financial Margin + Banking Fees and Charge Revenues + Result from Operations of Insurance, Pension Plans and Capitalization before Retained Claims + Other Operating Income – Tax Expenses for ISS/PIS/Cofins and Other).
(10) RAER = (Non-interest Expenses + Results from Loan Losses + Retained Claims)/(Managerial Financial Margin + Banking Fees and Charge Revenues + Result from Operations of Insurance, Pension Plans and Capitalization before Retained Claims + Other Operating Income – Tax Expenses for ISS/PIS/Cofins and Other) .
(11) As described on page 22.
(12) Includes ESBs (electronic service branches) and service points in third-party establishments.

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Third Quarter of 2010

Net Income and Recurring Net Income

Itaú Unibanco's consolidated net income amounted to R$ 3,034 million in the third quarter of 2010. This figure incorporates the impact on income of the provision for contingencies – economic plans, as shown in the table below, leading to the recurring net income for the period.

R$ million

	3rd Q/10	2nd Q/10	Jan-Sep/10	Jan-Sep/09
Recurring Net Income	**3,158**	**3,298**	**9,624**	**7,677**
Sale of investments	-	-	-	212
Program for Settlement or Installment Payment of Federal Taxes- Law No.11,941/09	-	-	145	-
Provision for contingencies – economic plans	(124)	(133)	(335)	(166)
Amortization of goodwill (*)	-	-	-	(506)
Itaú Unibanco Association with CBD	-	-	-	(363)
Total non-recurring effects	**(124)**	**(133)**	**(190)**	**(823)**
Net Income	**3,034**	**3,165**	**9,433**	**6,854**

Note:
The 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).
(*) For first nine months of 2009, refers basically to the Redecard operation.

Managerial Statement of Income

The Management Discussion and Analysis Report presented is based on the Managerial Statement of Income, which arises from reclassifications made in the accounting statement of income. Basically, the tax effects of hedge investments abroad, originally included in tax expenses (PIS and Cofins) and income tax and social contribution on net income, were reclassified to financial margin.

Our strategy for management of exchange risk of capital invested abroad is intended to prevent effects on income from Exchange variation. For this purpose, the 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 impacts of all related tax effects. In this third quarter, the Real appreciated 6.0% with respect to the U.S. dollar and depreciated 4.8% with respect to the euro.

Macroeconomic Indices	Sep 30,10	Jun 30,10	Sep 30,09
EMBI Brazil Risk	203	248	234
CDI (In the Quarter)	2.6%	2.2%	2.2%
Dollar Exchange Rate (Quotation in R$)	1.6942	1.8015	1.7781
Dollar Exchange Rate (Var. in the Quarter)	-6.0%	1.2%	-8.9%
Euro Exchange Rate (Quotation in R$)	2.3104	2.2043	2.6011
Euro Exchange Rate (Var. in the Quarter)	4.8%	-8.4%	-5.1%
IGP-M (In the Quarter)	2.1%	2.8%	-0.4%
Savings Rate (In The Quarter)	1.8%	1.6%	1.6%

Third Quarter of 2010

Reconciliation between Accounting and Managerial Statement of Income

R$ million

3rd Quarter/10	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Managerial Financial Margin	**11,972**	**-**	**(768)**	**11,204**
Financial Margin with Clients	10,298	-	-	10,298
Financial Margin with Market	1,674	-	(768)	906
Result of Loan Losses	**(2,935)**	**-**	**-**	**(2,935)**
Expense for Allowance for Loan Losses	(4,069)	-	-	(4,069)
Recovery of Credits Written Off as Losses	1,134	-	-	1,134
Net Result from Financial Operations	**9,037**	**-**	**(768)**	**8,269**
Other Operating Income/(Expenses)	**(3,870)**	**188**	**89**	**(3,593)**
Banking Fees and Charge Revenues	4,451	-	-	4,451
Result from Insurance, Pension Plans and Capitalization Operations	685	-	-	685
Non-interest Expenses	(8,162)	188	-	(7,975)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,002)	-	89	(913)
Equity in earnings of affiliates and other investments	64	-	-	64
Other Operating Income	94	-	-	94
Operating Income	**5,167**	**188**	**(679)**	**4,676**
Non-operating Income	3	-	-	3
Income before Tax and Profit Sharing	**5,171**	**188**	**(679)**	**4,679**
Income Tax and Social Contribution	**(1,868)**	**(64)**	**679**	**(1,253)**
Profit Sharing	**(52)**	**-**	**-**	**(52)**
Minority Interests	**(216)**	**-**	**-**	**(216)**
Net Income	**3,034**	**124**	**-**	**3,158**

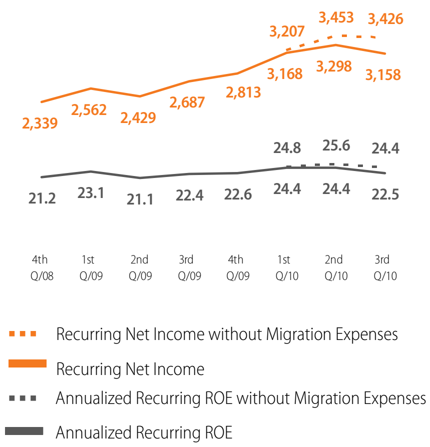
R$ million

2nd Quarter/10	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Managerial Financial Margin	**10,874**	**-**	**18**	**10,892**
Financial Margin with Clients	10,001	-	-	10,001
Financial Margin with Market	873	-	18	891
Result of Loan Losses	**(3,053)**	**-**	**-**	**(3,053)**
Expense for Allowance for Loan Losses	(4,019)	-	-	(4,019)
Recovery of Credits Written Off as Losses	967	-	-	967
Net Result from Financial Operations	**7,822**	**-**	**18**	**7,839**
Other Operating Income/(Expenses)	**(3,325)**	**201**	**4**	**(3,121)**
Banking Fees and Charge Revenues	4,300	-	-	4,300
Result from Insurance, Pension Plans and Capitalization Operations	719	-	-	719
Non-interest Expenses	(7,771)	201	-	(7,570)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(974)	-	4	(970)
Equity in earnings of affiliates and other investments	45	-	-	45
Other Operating Income	357	-	-	357
Operating Income	**4,497**	**201**	**21**	**4,719**
Non-operating Income	(1)	-	-	(1)
Income before Tax and Profit Sharing	**4,495**	**201**	**21**	**4,717**
Income Tax and Social Contribution	**(1,029)**	**(68)**	**(21)**	**(1,119)**
Profit Sharing	**(54)**	**-**	**-**	**(54)**
Minority Interests	**(247)**	**-**	**-**	**(247)**
Net Income	**3,165**	**133**	**-**	**3,298**

Executive Summary

Third Quarter of 2010

Recurring Net Income (R$ million) and Annualized Recurring Return on Average Equity (%)



In the third quarter of 2010, the recurring net income added up to R$ 3,158 million and on a year-to-date basis, the recurring net income totaled R$ 9,624 million, corresponding to a 25.4% growth when compared to the prior period.

On October 24, 2010, less than two years of the association, Itaú Unibanco completed the integration of its entire branch and sales network throughout Brazil. Unibanco branches and client service branches (CSBs) were fully renovated and integrated into Itaú's service points. If migration expenses incurred in 2010 had not been considered, the recurring net income for the third quarter would have been R$ 3,426 million.

As of September 30, 2010, the parent company stockholders' equity totaled R$ 57,225 million and the annualized recurring return on average equity reached 22.5% (without considering migration expenses, the recurring return would have been 24.4%).

Loan Portfolio with Endorsements and Sureties

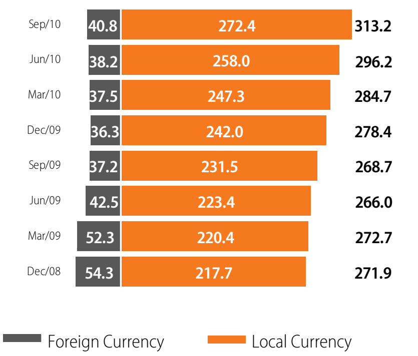
R$ million

	Sep 30,10	Jun 30,10	Dec 31,09	Sep 30,09	Variation (%) Sep/10 – Jun/10	Sep/10 – Dec/09	Sep/10 – Sep/09
Individuals	**118,827**	**114,200**	**107,812**	**102,558**	**4.1%**	**10.2%**	**15.9%**
Credit Card	30,481	29,835	29,313	25,215	2.2%	4.0%	20.9%
Personal Loans	23,686	22,538	20,627	21,297	5.1%	14.8%	11.2%
Vehicles	57,334	55,165	52,276	50,670	3.9%	9.7%	13.2%
Mortgage Loans	7,025	6,342	5,249	4,970	10.8%	33.8%	41.4%
Rural Loans	302	320	348	407	-5.8%	-13.3%	-25.9%
Companies	**180,814**	**169,437**	**158,862**	**155,594**	**6.7%**	**13.8%**	**16.2%**
Corporate	104,411	98,643	95,832	96,833	5.8%	9.0%	7.8%
Very Small, Small and Middle Market	76,402	70,794	63,030	58,761	7.9%	21.2%	30.0%
Argentina/Chile/Uruguay/Paraguay	**13,548**	**12,555**	**11,708**	**10,541**	**7.9%**	**15.7%**	**28.5%**
Total	**313,189**	**296,192**	**278,382**	**268,693**	**5.7%**	**12.5%**	**16.6%**
Total Retail (*)	**195,230**	**184,994**	**170,842**	**161,319**	**5.5%**	**14.3%**	**21.0%**
Endorsements and Sureties	**34,155**	**32,694**	**32,431**	**31,594**	**4.5%**	**5.3%**	**8.1%**
Individuals	186	189	187	181	-1.9%	-0.8%	2.5%
Corporate	30,238	29,135	29,150	28,316	3.8%	3.7%	6.8%
Very Small, Small and Middle Market	2,962	2,577	2,414	2,485	14.9%	22.7%	19.2%
Argentina/Chile/Uruguay/Paraguay	769	792	680	611	-2.9%	13.2%	25.8%

(*) Includes Credit Card, Personal Loans, Vehicles, Rural Loans (Individuals), Mortgage Loans (Individuals) and Very Small, Small and Middle Market.
Note: The acquired payroll credit portfolio started to be considered as corporate risk, and to achieve comparability, the prior quarters were adjusted. Mortgage Loans and Rural Loans portfolios from the businesses segment are allocated according to the client's size. For more details see page 21.

Loan Portfolio (*)

R$ billion

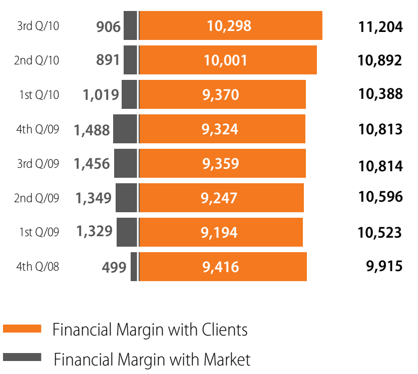


(*) Includes endorsements and sureties.

At September 30, 2010, our loan and financing portfolio, including sureties and endorsements, added up to R$ 313,189 million, growing by 5.7% quarter-on-quarter. When compared to the previous year, the portfolio increased by 16.6%. In the individual segment, the vehicles portfolio stands out with a 3.9% growth, reaching R$ 57,334 million, despite the end of the IPI tax benefit in April 2010. For the 12-month period, our main highlights were the credit card, vehicles and mortgage loans portfolios, which increased by 20.9%, 13.2% and 41.4%, respectively. In the companies segment, our mains highlights in the period ended September 30, 2010 were the turnaround of the corporate subsegment with a 5.8% rise in the portfolio, which totaled R$ 104,411 million, as well as the maintenance of the good performance of the very small, small and middle market subsegment with a 7.9% increase, which reached R$ 76,402 million. Considering a 12-month period, the most significant increase was seen in the very small, small and middle market subsegment, with a 30.0% growth.

Managerial Financial Margin

R$ million



The managerial financial margin for the third quarter of 2010 totaled R$ 11,204 million, corresponding to a 2.9% rise quarter-on-quarter. The managerial financial margin with clients grew by 3.0%, reaching R$ 10,298 million, driven by the increase of the loan portfolio. With respect to the financial margin with the market, we observed a 1.7% increase from the prior period, totaling R$ 906 million.

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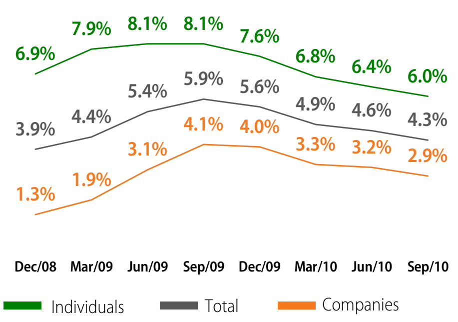
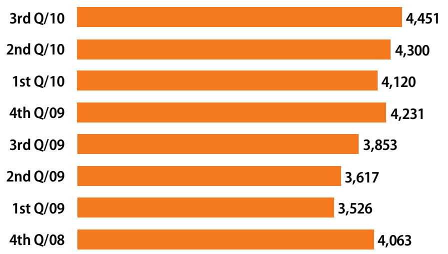
NPL Ratio over 90 days (%)



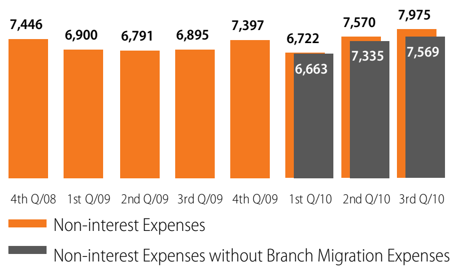
In the third quarter of 2010, the expense from provisions for loan and lease losses amounted to R$ 4,069 million, increasing by R$ 49 million when compared to the prior quarter. The 5.9% growth in the credit portfolio was the main driver of this increase. Once again, the positive evolution of the credit risk performance indicators can be seen in this regard. The total non-performing ratio, considering the balance of transactions more than 90 days overdue, stood at 4.3% in September 2010, or a 130 basis points decrease from December 2009. Delinquency in the individual customer portfolio was 6.0% in the quarter, versus 6.4% in the prior period. Similarly, delinquency in the company customer portfolio stood at 2.9% at the end of September 2010, compared to 3.2% in the second quarter of the year. Revenues from the recovery of credits previously written off as losses totaled R$ 1,134 million, representing a rise of R$ 167 million compared to the prior period.

Banking fees and charge revenues *R$ million*



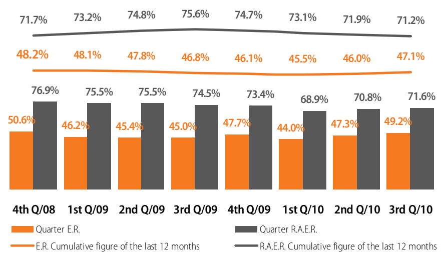
In the third quarter of 2010, revenues from banking service fees and charges totaled R$ 4,451 million, a R$ 152 million improvement quarter-on-quarter. During the period, the customer base grew and operating activities expanded, with impacts on revenues from current account services; revenues from credit transactions and sureties and endorsements provided also increased, driven by the higher volume of vehicle financing and leasing transactions; and finally, credit card revenues grew due to increased invoice discount services provided to merchants, as well as the expanded customer base.

Non-interest Expenses *R$ million*



During the third quarter of 2010, non-interest expenses amounted to R$ 7,975 million, corresponding to a 5.3% growth quarter-on-quarter. The growth was due to the migration of branches and expansion of the service network, higher personnel expenses on account of the Collective Labor Agreement, and the increase in other administrative expenses, driven by higher expenses relating to cards and expanded operating activities. Disregarding the branch migration expenses, the change in non-interest expenses would have been R$ 7,569 million in the quarter.

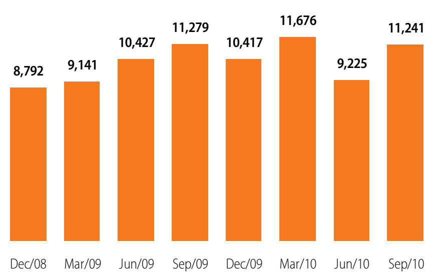
Efficiency Ratio (E.R) and Risk Adjusted Efficiency Ratio (R.A.E.R.) (%) (*)



(*) The criteria for calculating the efficiency ratio and the risk–adjusted efficiency ratio are detailed on page 17.

The efficiency ratio stood at 49.2% in the third quarter of 2010, as a result of higher non-interest expenses, as described above. Disregarding expenses relating to branch migration, the ratio would have been 46.7%. In the past 12 months, the efficiency ratio was 47.1%, compared to 46.8% in the same period ended September 2009. On the other hand, the risk-adjusted efficiency ratio declined by 440 basis points over the past 12 months, due to the improved quality of the credit portfolio.

Unrealized Profits *R$ million*



Unrealized profits in income totaled R$ 11,241 million in the third quarter of 2010, representing a R$ 2,016 million increase when compared to the prior period. Such increase is basically associated with the appreciation of Redecard shares in the capital markets.
Also, during the quarter, the balance of the additional balance of provision for loan and lease losses remained stable at R$ 6,104 million. It should be noted that this allowance is not taken into consideration to determine unrealized profits.

R$ million

Balance Sheet					
ASSETS	**Sep 30,10**	**Jun 30,10**	**Sep 30,09**	**Variation (%) Sep/10 – Jun/10**	**Variation (%) Sep/10 – Sep/09**
Current and Long-term Assets	**675,973**	**641,590**	**602,440**	**5.4%**	**12.2%**
Cash and Cash Equivalents	11,063	12,415	10,325	-10.9%	7.1%
Short-term Interbank Investments	112,483	115,117	137,964	-2.3%	-18.5%
Securities and Derivative Financial Instruments	141,879	128,825	122,576	10.1%	15.7%
Interbank and Interbranch Accounts	66,243	62,204	17,481	6.5%	278.9%
Loans, Lease and Other Credits Operations	279,035	263,498	237,099	5.9%	17.7%
(Allowance for Loan Losses)	(23,284)	(22,900)	(24,068)	1.7%	-3.3%
Other Assets	88,554	82,430	101,062	7.4%	-12.4%
Foreign Exchange Portfolio	20,571	18,238	35,723	12.8%	-42.4%
Others	67,983	64,192	65,339	5.9%	4.0%
Permanent Assets	**10,275**	**9,993**	**9,959**	**2.8%**	**3.2%**
Investments	2,226	2,132	2,284	4.4%	-2.5%
Fixed and Operating Lease Assets	4,702	4,483	4,088	4.9%	15.0%
Intangible Assets and Goodwill	3,347	3,378	3,588	-0.9%	-6.7%
TOTAL ASSETS	**686,248**	**651,583**	**612,399**	**5.3%**	**12.1%**

R$ million

Balance Sheet					
LIABILITIES AND EQUITY	**Sep 30,10**	**Jun 30,10**	**Sep 30,09**	**Variation (%) Sep/10 – Jun/10**	**Variation (%) Sep/10 – Sep/09**
Current and Long-term Liabilities	**625,129**	**592,582**	**559,863**	**5.5%**	**11.7%**
Deposits	194,917	189,657	189,089	2.8%	3.1%
Demand Deposits	29,052	26,398	23,742	10.1%	22.4%
Savings Deposits	54,874	51,852	44,146	5.8%	24.3%
Interbank Deposits	1,293	2,307	2,232	-44.0%	-42.1%
Time Deposits	109,697	109,099	118,969	0.5%	-7.8%
Deposits Received under Securities Repurchase Agreements	155,636	157,261	126,664	-1.0%	22.9%
Funds from Acceptances and Issue of Securities	23,379	18,904	18,538	23.7%	26.1%
Interbank and Interbranch Accounts	8,281	7,402	7,049	11.9%	17.5%
Borrowings and Onlendings	43,259	38,071	32,808	13.6%	31.9%
Derivative Financial Instruments	9,077	6,849	7,458	32.5%	21.7%
Technical Provisions for Insurance, Pension Plans and Capitalization	58,490	56,001	49,978	4.4%	17.0%
Other Liabilities	132,090	118,437	128,278	11.5%	3.0%
Foreign Exchange Portfolio	33,017	28,255	22,773	16.9%	45.0%
Subordinated Debt	21,399	18,793	36,722	13.9%	-41.7%
Others	77,674	71,388	68,784	8.8%	12.9%
Deferred Income	**237**	**187**	**232**	**26.6%**	**2.1%**
Minority Interest in Subsidiaries	**3,658**	**3,740**	**3,443**	**-2.2%**	**6.3%**
Stockholders' Equity of Parent Company	**57,225**	**55,074**	**48,862**	**3.9%**	**17.1%**
TOTAL LIABILITIES AND EQUITY	**686,248**	**651,583**	**612,399**	**5.3%**	**12.1%**

Third Quarter of 2010

R$ million

Income Statement	3rdQ/10	2ndQ/10	jan-sep/10	jan-sep/09	Variation 3rdQ/10 – 2ndQ/10	%	jan-sep/10 – jan-sep/09	%
Managerial Financial Margin	**11,204**	**10,892**	**32,485**	**31,933**	**312**	**2.9%**	**552**	**1.7%**
Financial Margin with Clients	10,298	10,001	29,669	27,800	297	3.0%	1,869	6.7%
Financial Margin with Market	906	891	2,816	4,133	16	1.7%	(1,317)	-31.9%
Result of Loan Losses	**(2,935)**	**(3,053)**	**(9,008)**	**(10,942)**	**118**	**-3.9%**	**1,934**	**-17.7%**
Expenses for Allowance for Loan Losses	(4,069)	(4,019)	(11,954)	(12,383)	(49)	1.2%	428	-3.5%
Income from Recovery of Credits Written Off as Loss	1,134	967	2,946	1,440	167	17.3%	1,506	104.6%
Net Result from Financial Operations	**8,269**	**7,839**	**23,476**	**20,991**	**430**	**5.5%**	**2,486**	**11.8%**
Other Operating Income/(Expenses)	**(3,593)**	**(3,121)**	**(9,259)**	**(9,571)**	**(473)**	**15.2%**	**312**	**-3.3%**
Banking Service Fees and Income from Banking Charges	4,451	4,300	12,870	10,996	152	3.5%	1,874	17.0%
Result from Insurance, Pension Plans and Capitalization Operations	685	719	2,051	1,721	(34)	-4.7%	330	19.2%
Non-interest Expenses	(7,975)	(7,570)	(22,266)	(20,586)	(405)	5.3%	(1,680)	8.2%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(913)	(970)	(2,749)	(2,378)	57	-5.9%	(371)	15.6%
Equity in earnings of affiliates and Other investments	64	45	180	180	19	42.8%	0	0.1%
Other Operating Income	94	357	654	496	(262)	-73.6%	158	31.9%
Operating Income	**4,676**	**4,719**	**14,217**	**11,419**	**(43)**	**-0.9%**	**2,798**	**24.5%**
Non-operating Income	3	(1)	21	53	5	-326.9%	(31)	-59.4%
Income before Tax and Profit Sharing	**4,679**	**4,717**	**14,239**	**11,472**	**(38)**	**-0.8%**	**2,767**	**24.1%**
Income Tax and Social Contribution	**(1,253)**	**(1,119)**	**(3,733)**	**(3,006)**	**(134)**	**12.0%**	**(728)**	**24.2%**
Profit Sharing	**(52)**	**(54)**	**(169)**	**(166)**	**2**	**-3.2%**	**(2)**	**1.3%**
Minority Interests in Subsidiaries	**(216)**	**(247)**	**(713)**	**(623)**	**31**	**-12.4%**	**(90)**	**14.5%**
Recurring Net Income	**3,158**	**3,298**	**9,624**	**7,677**	**(140)**	**-4.2%**	**1,946**	**25.4%**

We present below another perspective on the income statement, highlighting the Managerial Financial Margin plus Banking Service Fees, which is primarily derived from the sum of the main items composing revenues from the banking and insurance, pension plans and capitalization operations.

R$ million

Income Statement	3rdQ/10	2ndQ/10	jan-sep/10	jan-sep/09	Variation 3rdQ/10 – 2ndQ/10	%	jan-sep/10 – jan-sep/09	%
Managerial Financial Margin Plus Banking Service Fees	**17,124**	**16,959**	**50,241**	**47,594**	**166**	**1.0%**	**2,647**	**5.6%**
Financial Margin with Clients	10,298	10,001	29,669	27,800	297	3.0%	1,869	6.7%
Financial Margin with Market	906	891	2,816	4,133	16	1.7%	(1,317)	-31.9%
Banking Service Fees and Income from Banking Charges	4,451	4,300	12,870	10,996	152	3.5%	1,874	17.0%
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims	1,374	1,411	4,233	4,170	(36)	-2.6%	63	1.5%
Other Operating Income	94	357	654	496	(262)	-73.6%	158	31.9%
Loan Losses and Retained Claims	**(3,624)**	**(3,745)**	**(11,190)**	**(13,391)**	**120**	**-3.2%**	**2,201**	**-16.4%**
Expenses for Allowance for Loan Losses	(4,069)	(4,019)	(11,954)	(14,070)	(49)	1.2%	2,115	-15.0%
Reversal (increase) of additional provision for loan losses	-	-	-	1,687	-	-	(1,687)	-100.0%
Income from Recovery of Credits Written Off as Loss	1,134	967	2,946	1,440	167	17.3%	1,506	104.6%
Retained Claims	(689)	(692)	(2,181)	(2,448)	3	-0.4%	267	-10.9%
Operating Margin	**13,500**	**13,214**	**39,052**	**34,204**	**286**	**2.2%**	**4,848**	**14.2%**
Other Operating Income/(Expenses)	**(8,820)**	**(8,497)**	**(24,813)**	**(22,732)**	**(324)**	**3.8%**	**(2,082)**	**9.2%**
Non-interest Expenses	(7,975)	(7,570)	(22,266)	(20,586)	(405)	5.3%	(1,680)	8.2%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(913)	(970)	(2,749)	(2,378)	57	-5.9%	(371)	15.6%
Other Results	67	43	202	233	24	55.4%	(31)	-13.4%
Income before Tax and Profit Sharing	**4,679**	**4,717**	**14,239**	**11,472**	**(38)**	**-0.8%**	**2,767**	**24.1%**
Income Tax and Social Contribution	**(1,253)**	**(1,119)**	**(3,733)**	**(3,006)**	**(134)**	**12.0%**	**(728)**	**24.2%**
Profit Sharing	**(52)**	**(54)**	**(169)**	**(166)**	**2**	**-3.2%**	**(2)**	**1.3%**
Minority Interests in Subsidiaries	**(216)**	**(247)**	**(713)**	**(623)**	**31**	**-12.4%**	**(90)**	**14.5%**
Recurring Net Income	**3,158**	**3,298**	**9,624**	**7,677**	**(140)**	**-4.2%**	**1,946**	**25.4%**

Note: Other Results are composed of Equity in earnings of affiliates and other investments and Non-operating Income.

The recurring net income for the first nine months of 2010 was R$ 9,624 million, up 25.4% from the same period of 2009. This result is primarily attributable to a 6.7% increase in the financial margin with clients, 17.0% growth in revenues from banking service fees and charges, and a 17.7% rise in the result of loan and lease losses. During the period, non-interest expenses increased by 8.2%, mainly due to the migration of Unibanco branches to the Itaú platform, completed in October 2010.