3rd Quarter, 2011

Executive Summary

Itaú Unibanco Holding S.A.

Executive Summary

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

Highlights

R$ million (except where indicated)

	3rd Q/11	2nd Q/11	3rd Q/10	Jan-Sep/11	Jan-Sep/10
Statement of Income					
Net Income	3,807	3,603	3,034	10,940	9,433
Recurring Net Income	3,940	3,317	3,158	10,895	9,624
Operating Revenues (1)	19,183	17,981	16,638	54,697	48,614
Managerial Financial Margin (2)	12,960	11,923	11,049	36,610	32,019
Shares (R$)					
Net Income per share (3)	0.84	0.79	0.67	2.41	2.08
Recurring Net Income per share (3)	0.87	0.73	0.70	2.40	2.12
Number of Outstanding Shares – in thousands	4,512,243	4,534,669	4,540,463	4,512,243	4,540,463
Book Value per share	15.12	14.57	12.60	15.12	12.60
Dividends/JCP net of taxes (4)	744	687	964	2,115	2,887
Dividends/JCP net of taxes (4) per share	0.16	0.15	0.21	0.47	0.64
Market Capitalization (5)	131,261	164,881	182,209	131,261	182,209
Market Capitalization (5) (US$ Million)	70,784	107,646	107,549	70,784	107,549
Performance Ratios (%)					
Return on Average Equity – Annualized (6)	22.7%	22.2%	21.6%	22.5%	23.3%
Recurring Return on Average Equity – Annualized (6)	23.5%	20.4%	22.5%	22.4%	23.8%
Return on Average Assets – Annualized (7)	1.9%	1.8%	1.8%	1.8%	2.0%
Recurring Return on Average Assets – Annualized (7)	1.9%	1.7%	1.9%	1.8%	2.0%
Solvency Ratio (BIS Ratio) (Economic Financial-Consolidated)	15.5%	16.1%	15.3%	15.5%	15.3%
Annualized Net Interest Margin with clients (8)	11.7%	11.6%	12.2%	11.6%	12.2%
Annualized Net Interest Margin with clients after credit risk (8)	8.1%	7.8%	8.7%	8.0%	8.5%
Nonperforming Loans Index (NPL over 90 days)	4.7%	4.5%	4.2%	4.7%	4.2%
Coverage Ratio (Provision for Loan Losses/Nonperforming Loans over 90 days) (9)	156%	166%	196%	156%	196%
Efficiency Ratio (ER) (10)	47.5%	48.3%	50.6%	47.8%	48.1%
E.R. Cumulative figure of the last 12 months (E.R.) (10)	48.8%	49.6%	48.3%	48.8%	48.3%
Risk Adjusted Efficiency Ratio (RAER) (10)	69.7%	72.5%	71.4%	70.5%	70.1%
Balance Sheet	**Sep 30,11**	**Jun 30,11**	**Sep 30,10**		
Total Assets	836,994	793,679	682,950		
Total Credit Portfolio, including Sureties, Endorsements and Guarantees	382,236	360,107	311,329		
Credit Operations (A)	335,279	316,964	277,175		
Sureties, Endorsements and Guarantees	46,957	43,144	34,155		
Deposits + Debentures + Securities + Borrowings and Onlending (B) (11)	445,558	413,601	366,786		
Credit Operations/Funding (A/B)	75.2%	76.6%	75.6%		
Stockholders' Equity	68,206	66,083	57,225		
Relevant Data					
Investment funds and managed portfolios	390,811	379,392	357,495		
Employees (Individuals)	105,969	107,546	106,879		
Employees in Brazil (Individuals)	99,820	101,531	101,231		
Employees Abroad (Individuals)	6,149	6,015	5,648		
Number of Points of Sale	34,176	34,479	34,314		
Branches (Units)	4,005	3,993	3,929		
CSB – Client Service Branches (Units)	943	943	942		
ATM – Automated Teller Machines (Units) (12)	29,228	29,543	29,443		

Macroeconomic Indicators | Major Indicators

	3rd Q/11	2nd Q/11	3rd Q/10	Jan-Sep/11	Jan-Sep/10
EMBI Brazil Risk	274	147	203	274	203
CDI – In the Period (%)	3.0%	2.8%	2.6%	8.7%	7.0%
Dollar Exchange Rate – Quotation in R$	1.8544	1.5611	1.6942	1.8544	1.6942
Dollar Exchange Rate – Variation in the Period (%)	18.8%	-4.2%	-6.0%	11.3%	-2.7%
Euro Exchange Rate – Quotation in R$	2.4938	2.2667	2.3104	2.4938	2.3104
Euro Exchange Rate – Variation in the Period (%)	10.0%	-2.0%	4.8%	11.9%	-7.9%
IGP-M – In the Period (%)	1.0%	0.7%	2.1%	4.1%	7.9%
Savings Rate– In the Period (%)	1.9%	1.8%	1.8%	5.6%	5.1%

(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. **(2)** Described on page 12. **(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). As of year 2011, the dividends are provisioned by considering the minimum statutory requirement. **(5)** Total number of outstanding shares (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 by the Average Stockholders' Equity. 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 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 Market. See details on page 13. **(9)** Until the third quarter of 2010 the balance for loan and lease losses considered a countercyclical provision, which is now in our Equity, please see page 16 **(10)** For more details on the calculation methodology of both Efficiency and Risk Adjusted Efficiency ratios, please see page 19. **(11)** As described on page 24. **(12)** Includes ESBs (electronic service branches) and service points in third-party establishments.

Net Income and Recurring Net Income

Our net income totaled R$3,807 million in the third quarter of 2011. This amount includes the impact of non-recurring events, which are presented in the table below, leading to recurring net income of R$3,940 million for the period.

Non Recurring Events Net of Tax Effects

R$ million

	3rd Q/11	2nd Q/11	3rd Q/10	Jan-Sep/11	Jan-Sep/10
Recurring Net Income	**3,940**	**3,317**	**3,158**	**10,895**	**9,624**
Non-recurring effects	**(133)**	**286**	**(124)**	**45**	**(190)**
Program for Settlement or Installment Payment of Federal Taxes- Law No.11,941/09 (a)	-	509	-	509	145
Market Value Adjustment – BPI (b)	(77)	(156)	-	(233)	-
Provision for Contingencies – Economic Plans (c)	(55)	(67)	(124)	(230)	(335)
Net Income	**3,807**	**3,603**	**3,034**	**10,940**	**9,433**

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 of the first nine months of 2011 and 2010

(a) Program for Settlement or Installment Payment of Federal Taxes- Law No.11,941/09

Complementary effects from, the enrollment by Itaú Unibanco Holding and its subsidiaries in the Program for Settlement or Installment Payment of Federal Taxes in 2009. This program included the debt administered by the Federal Revenue Service of Brazil and by the Attorney's General Office of the National Treasury.

(b) Market Value Adjustment BPI

The investment held in the *Banco Português de Investimento* was adjusted to recognize its market value based on the share price on September 30, 2011.

(c) Provision for Contingencies - Economic Plans

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

Managerial Statement of Income

The following tables are based on the Managerial Statement of Income, which arises from reclassifications made in the accounting statement of income. Basically, the tax effects of hedges of 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 exchange risk management of capital invested abroad is intended to avoid impacts from exchange variation on net income. 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. It should be noted that, in the third quarter of 2011, the Real depreciated 18.8% against the U.S. Dollar and 10.0% against the Euro, compared to appreciation of 4.2% and 2.0% in the previous quarter, respectively.

Executive Summary

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

Reconciliation between the Accounting and Managerial Statement | 3rd quarter of 2011

R$ million

	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Operating Revenues	**16,415**	**-**	**2,768**	**19,183**
Managerial Financial Margin	10,192	-	2,768	12,960
Financial Margin with Clients	11,824	-	-	11,824
Financial Margin with Market	(1,632)	-	2,768	1,136
Banking Service Fees and Income from Banking Charges	4,820	-	-	4,820
Results from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,319	-	-	1,319
Other Operating Income	84	-	-	84
Loan and Retained Claim Losses net of Recovery	**(4,041)**	**-**	**-**	**(4,041)**
Expenses for Allowance for Loan Losses	(4,972)	-	-	(4,972)
Income from Recovery of Credits Written Off as Losses	1,315	-	-	1,315
Retained Claims	(385)	-	-	(385)
Other Operating Income/(Expenses)	**(9,506)**	**201**	**(187)**	**(9,493)**
Non-interest Expenses	(8,501)	84	-	(8,417)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(759)	-	(187)	(946)
Selling Expenses from Insurance	(253)	-	-	(253)
Equity in Earnings of Affiliates and Other Investments	6	117	-	124
Operating Income	**2,867**	**201**	**2,580**	**5,649**
Non-operating Income	62	-	-	62
Income before Tax and Profit Sharing	**2,929**	**201**	**2,580**	**5,711**
Income Tax and Social Contribution	**1,125**	**(68)**	**(2,580)**	**(1,523)**
Profit Sharing	**(57)**	**-**	**-**	**(57)**
Minority Interests	**(190)**	**-**	**-**	**(190)**
Net Income	**3,807**	**133**	**-**	**3,940**

Reconciliation between the Accounting and Managerial Statement | 2nd quarter of 2011

R$ million

	Itaú Unibanco			
	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial
Operating Revenues	**18,478**	**-**	**(497)**	**17,981**
Managerial Financial Margin	12,420	-	(497)	11,923
Financial Margin with Clients	11,233	-	-	11,233
Financial Margin with Market	1,187	-	(497)	690
Banking Service Fees and Income from Banking Charges	4,672	-	-	4,672
Results from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,279	-	-	1,279
Other Operating Income	106	-	-	106
Loan and Retained Claim Losses net of Recovery	**(4,118)**	**-**	**-**	**(4,118)**
Expenses for Allowance for Loan Losses	(5,107)	-	-	(5,107)
Income from Recovery of Credits Written Off as Losses	1,393	-	-	1,393
Retained Claims	(403)	-	-	(403)
Other Operating Income/(Expenses)	**(9,487)**	**337**	**57**	**(9,093)**
Non-interest Expenses	(8,068)	101	-	(7,967)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,040)	-	57	(983)
Selling Expenses from Insurance	(238)	-	-	(238)
Equity in Earnings of Affiliates and Other Investments	(141)	236	-	96
Operating Income	**4,872**	**337**	**(439)**	**4,770**
Non-operating Income	84	-	-	84
Income before Tax and Profit Sharing	**4,957**	**337**	**(439)**	**4,855**
Income Tax and Social Contribution	**(1,071)**	**(624)**	**439**	**(1,256)**
Profit Sharing	**(71)**	**-**	**-**	**(71)**
Minority Interests	**(211)**	**-**	**-**	**(211)**
Net Income	**3,603**	**(286)**	**-**	**3,317**

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

						Variation					
	3rd Q/11	2nd Q/11	3rd Q/10	Jan-Sep/11	Jan-Sep/10	3rd Q/11 – 2nd Q/11		3rd Q/11- 3rd Q/10		Jan-Sep/11 – Jan-Sep/10	
Operating Revenues	**19,183**	**17,981**	**16,638**	**54,697**	**48,614**	**1,202**	**6.7%**	**2,545**	**15.3%**	**6,082**	**12.5%**
Managerial Financial Margin	12,960	11,923	11,049	36,610	32,019	1,036	8.7%	1,910	17.3%	4,591	14.3%
Financial Margin with Clients	11,824	11,233	10,143	33,850	29,203	590	5.3%	1,681	16.6%	4,646	15.9%
Financial Margin with Market	1,136	690	906	2,760	2,816	446	64.6%	229	25.3%	(55)	-2.0%
Banking Service Fees and Income from Banking Charges	4,820	4,672	4,379	13,960	12,607	148	3.2%	441	10.1%	1,353	10.7%
Result from Insurance, Pension Plans and Capitalization Operations Before Retained Claims and Selling Expenses	1,319	1,279	1,145	3,823	3,604	41	3.2%	175	15.3%	219	6.1%
Other Operating Income	84	106	66	304	384	(23)	-21.4%	18	27.6%	(80)	-20.9%
Loan and Retained Claim Losses net of Recovery	**(4,041)**	**(4,118)**	**(3,273)**	**(11,734)**	**(10,106)**	**77**	**-1.9%**	**(768)**	**23.5%**	**(1,628)**	**16.1%**
Expenses for Allowance for Loan Losses	(4,972)	(5,107)	(4,010)	(14,459)	(11,775)	136	-2.7%	(961)	24.0%	(2,684)	22.8%
Income from Recovery of Credits Written Off as Loss	1,315	1,393	1,114	3,915	2,899	(78)	-5.6%	201	18.0%	1,016	35.0%
Retained Claims	(385)	(403)	(377)	(1,190)	(1,230)	19	-4.6%	(8)	2.0%	40	-3.3%
Operating Margin	**15,142**	**13,863**	**13,365**	**42,963**	**38,508**	**1,279**	**9.2%**	**1,776**	**13.3%**	**4,455**	**11.6%**
Other Operating Income/(Expenses)	**(9,493)**	**(9,093)**	**(8,740)**	**(27,343)**	**(24,461)**	**(400)**	**4.4%**	**(753)**	**8.6%**	**(2,882)**	**11.8%**
Non-interest Expenses	(8,417)	(7,967)	(7,741)	(24,059)	(21,384)	(450)	5.7%	(676)	8.7%	(2,675)	12.5%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(946)	(983)	(888)	(2,864)	(2,668)	37	-3.7%	(58)	6.6%	(195)	7.3%
Selling Expenses From Insurance	(253)	(238)	(236)	(737)	(730)	(15)	6.3%	(18)	7.5%	(7)	1.0%
Equity in earnings of affiliates and Other investments	124	96	125	317	321	28	29.4%	(1)	-0.7%	(4)	-1.3%
Operating Income	**5,649**	**4,770**	**4,625**	**15,620**	**14,047**	**878**	**18.4%**	**1,024**	**22.1%**	**1,573**	**11.2%**
Non-operating Income	62	84	2	189	22	(23)	-26.7%	60	-	167	-
Income before Tax and Profit Sharing	**5,711**	**4,855**	**4,627**	**15,809**	**14,069**	**856**	**17.6%**	**1,083**	**23.4%**	**1,740**	**12.4%**
Income Tax and Social Contribution	**(1,523)**	**(1,256)**	**(1,209)**	**(4,172)**	**(3,615)**	**(268)**	**21.3%**	**(315)**	**26.0%**	**(557)**	**15.4%**
Profit Sharing	**(57)**	**(71)**	**(52)**	**(163)**	**(168)**	**15**	**-20.4%**	**(5)**	**9.0%**	**5**	**-2.9%**
Minority Interests in Subsidiaries	**(190)**	**(211)**	**(208)**	**(579)**	**(662)**	**20**	**-9.7%**	**18**	**-8.7%**	**83**	**-12.5%**
Recurring Net Income	**3,940**	**3,317**	**3,158**	**10,895**	**9,624**	**623**	**18.8%**	**782**	**24.8%**	**1,271**	**13.2%**

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

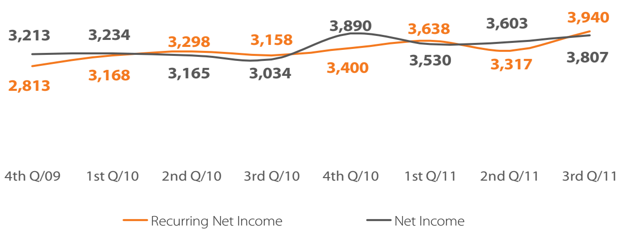
Statement of Income | Managerial Financial Margin Perspective

R$ million

						Variation					
	3rd Q/11	2nd Q/11	3rd Q/10	Jan-Sep/11	Jan-Sep/10	3rd Q/11 – 2nd Q/11		3rd Q/11- 3rd Q/10		Jan-Sep/11 – Jan-Sep/10	
Managerial Financial Margin	**12,960**	**11,923**	**11,049**	**36,610**	**32,019**	**1,036**	**8.7%**	**1,910**	**17.3%**	**4,591**	**14.3%**
Financial Margin with Clients	11,824	11,233	10,143	33,850	29,203	590	5.3%	1,681	16.6%	4,646	15.9%
Financial Margin with Market	1,136	690	906	2,760	2,816	446	64.6%	229	25.3%	(55)	-2.0%
Loan Losses net of Recovery	**(3,657)**	**(3,715)**	**(2,896)**	**(10,544)**	**(8,876)**	**58**	**-1.6%**	**(761)**	**26.3%**	**(1,668)**	**18.8%**
Expenses for Allowance for Loan Losses	(4,972)	(5,107)	(4,010)	(14,459)	(11,775)	136	-2.7%	(961)	24.0%	(2,684)	22.8%
Income from Recovery of Credits Written Off as Loss	1,315	1,393	1,114	3,915	2,899	(78)	-5.6%	201	18.0%	1,016	35.0%
Net Result from Financial Operations	**9,303**	**8,209**	**8,153**	**26,066**	**23,143**	**1,094**	**13.3%**	**1,150**	**14.1%**	**2,923**	**12.6%**
Other Operating Income/(Expenses)	**(3,654)**	**(3,438)**	**(3,528)**	**(10,446)**	**(9,096)**	**(216)**	**6.3%**	**(126)**	**3.6%**	**(1,350)**	**14.8%**
Banking Service Fees and Income from Banking Charges	4,820	4,672	4,379	13,960	12,607	148	3.2%	441	10.1%	1,353	10.7%
Result from Insurance, Pension Plans and Capitalization Operations	681	637	532	1,896	1,643	44	6.9%	150	28.2%	252	15.3%
Non-interest Expenses	(8,417)	(7,967)	(7,741)	(24,059)	(21,384)	(450)	5.7%	(676)	8.7%	(2,675)	12.5%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(946)	(983)	(888)	(2,864)	(2,668)	37	-3.7%	(58)	6.6%	(195)	7.3%
Equity in earnings of affiliates and Other investments	124	96	125	317	321	28	29.4%	(1)	-0.7%	(4)	-1.3%
Other Operating Income	84	106	66	304	384	(23)	-21.4%	18	27.6%	(80)	-20.9%
Operating Income	**5,649**	**4,770**	**4,625**	**15,620**	**14,047**	**878**	**18.4%**	**1,024**	**22.1%**	**1,573**	**11.2%**
Non-operating Income	62	84	2	189	22	(23)	-26.7%	60	-	167	-
Income before Tax and Profit Sharing	**5,711**	**4,855**	**4,627**	**15,809**	**14,069**	**856**	**17.6%**	**1,083**	**23.4%**	**1,740**	**12.4%**
Income Tax and Social Contribution	**(1,523)**	**(1,256)**	**(1,209)**	**(4,172)**	**(3,615)**	**(268)**	**21.3%**	**(315)**	**26.0%**	**(557)**	**15.4%**
Profit Sharing	**(57)**	**(71)**	**(52)**	**(163)**	**(168)**	**15**	**-20.4%**	**(5)**	**9.0%**	**5**	**-2.9%**
Minority Interests in Subsidiaries	**(190)**	**(211)**	**(208)**	**(579)**	**(662)**	**20**	**-9.7%**	**18**	**-8.7%**	**83**	**-12.5%**
Recurring Net Income	**3,940**	**3,317**	**3,158**	**10,895**	**9,624**	**623**	**18.8%**	**782**	**24.8%**	**1,271**	**13.2%**

Executive Summary

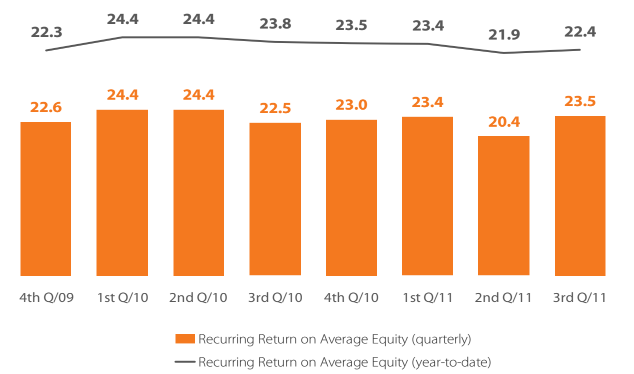
Net Income



The recurring net income for the third quarter of 2011 amounted to R$3,940 million, representing increases of 18.8% quarter-on-quarter and 24.8% from the same period of the prior year.

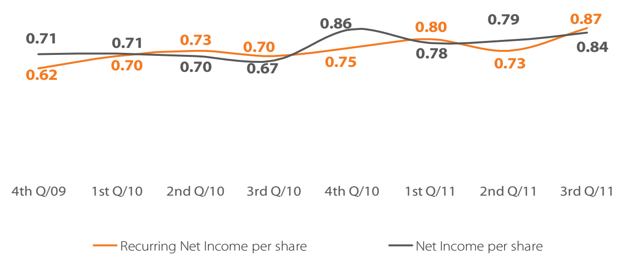
Comparing 2011 to 2010, on a year-to-date basis, recurring net income grew 13.2% in the current period, mainly due to improvements of 15.9% in financial margin with clients and 10.7% in banking service fees and income from banking charges. Also during the period, loan and retained claim losses net of recovery grew 16.1%, while non-interest expenses increased 12.5%.

Annualized Return on Average Equity



On September 30, 2011, stockholders' equity totaled R$ 68,206 million, and recurring return on average equity for the quarter reached 23.5%, and 22.4% year-to-date.

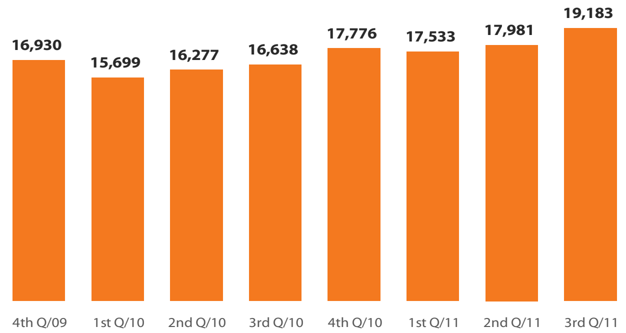
Net Income per Share and Recurring Net Income per Share



Net income per share, for the third quarter of 2011, increased 5.9% compared to the prior quarter, reaching R$0.84. With respect to the year-to-date amounts of 2011, net income per share has evolved to R$2.41, up 15.7% over the previous year. Recurring earnings per share were R$0.87 and R$2.40 in the third quarter of 2011 and year-to-date, respectively.

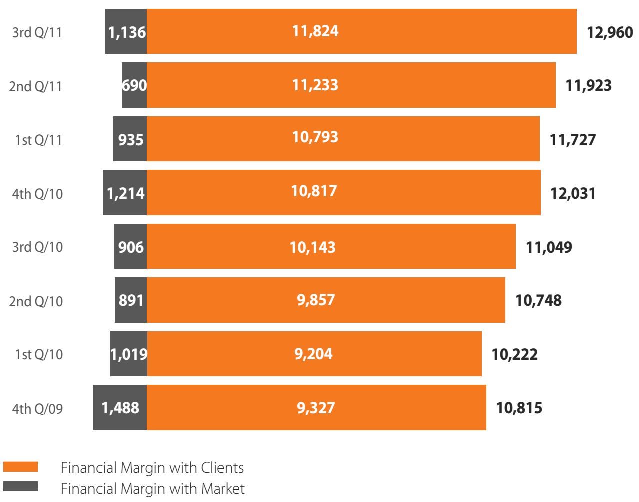
The improvement in net income per share was driven by, in addition to the evolution of results in 2011, the repurchase of 40,970,900 own shares, which occurred until the end of the third quarter of 2011 at an average price of R$31.69 (25,470,900 shares in the third quarter at an average price of R$29.14).

Operating Revenues



In the third quarter of 2011, Operating Revenues, which represent revenues from banking operations and insurance, pension plans and capitalization operations, totaled R$19,183 million. Main components of Operating Revenues and other items of the results are presented next.

Managerial Financial Margin

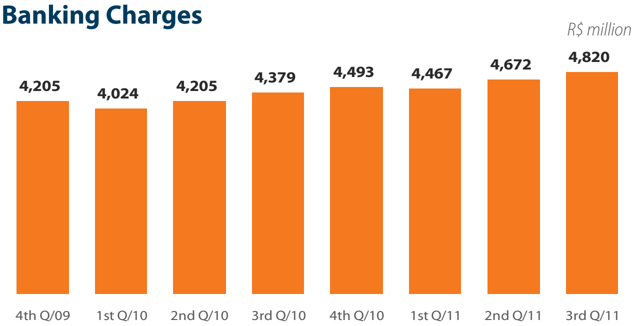


In the third quarter of 2011, the Financial Margin with Clients totaled R$11,824 million, a 5.3% increase from the prior period.

The financial margin with the market amounted to R$1,136 million, growing R$446 million primarily due to higher results with proprietary positions.

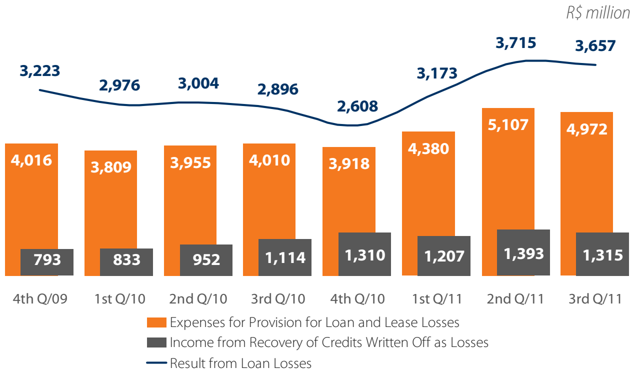
The managerial financial margin totaled R$ 12,960 million in the third quarter of 2011, up R$1,036 million from the second quarter of 2011.

Banking Service Fees and Income from Banking Charges



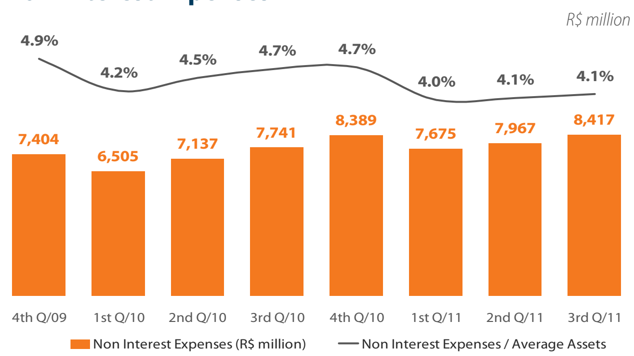
Banking service fees, including income from banking charges, recorded an increase of 3.2% in the third quarter of 2011 compared to the prior quarter, to reach R$4,820 million, mainly driven by revenues from credit cards and collection services.

Result from Loan Losses, Net of Recovery



The expenses with provisions for loan and lease losses reached R$4,972 million in the third quarter of 2011, representing a R$136 million decrease quarter-on-quarter, primarily due to the anticipation of the provisioning created by the expected loss model on the prior quarters and the current level of total provisions, considering the evolution of the risk level of our portfolio. The result from loan losses, net of credit recovery, totaled R$3,657 million in the quarter, an improvement of R$58 million due to a reduction in the expenses with the mentioned provisions despite the slight decrease in the recovery of credits written off as losses.

Non-Interest Expenses

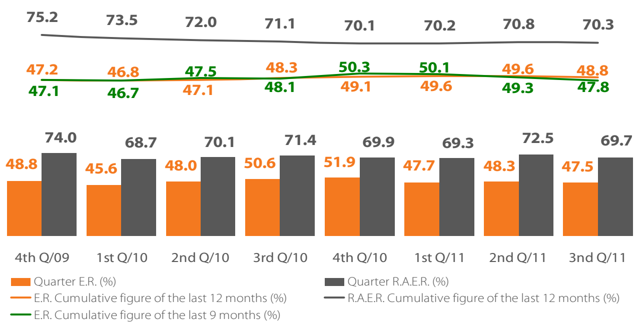


Non-interest expenses amounted to R$ 8,417 million in the third quarter of 2011, a 5.7% growth compared to the prior quarter. The main drivers were personnel, operating and administrative expenses, the latter especially for expenses related to third-party services, facilities and advertising, promotions and publications, explained in detail later on this report.

Personnel expenses increased 4.1% (R$135 million) in the quarter, already considering the provision for the readjustment of 9.0% related to the Collective Bargaining Labor Agreement signed in October, which impacted our expenses by R$164 million. Disregarding this effect, a reduction in these costs would have been observed.

The ratio between non-interest expenses and average assets reached 4.1% in the third quarter of 2011, remaining almost stable quarter-on-quarter.

Efficiency Ratio (E.R.) and Risk Adjusted Efficiency Ratio (R.A.E.R) [(1)]

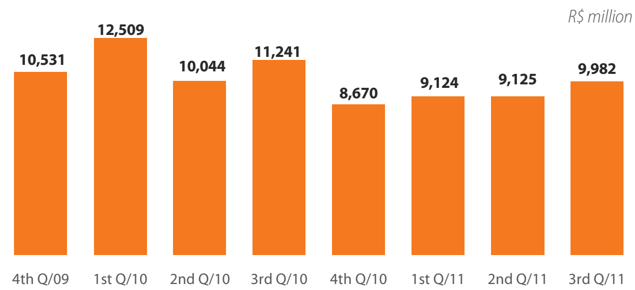


(1) The criteria for calculating the ratios are detailed on page 19.

During the third quarter, the efficiency ratio reached 47.5%, a decrease of 80 basis points compared to the prior quarter and 310 basis points compared to the third quarter of 2011. The decline in the quarter was due to increases in the managerial financial margin, banking service fees and banking charges and the result of insurance, pension plan and capitalization transactions before claims and selling expenses (6.7% compared to the prior quarter) higher than the expenses (5.7% in the same period). Year-to-date, the efficiency ratio reached 47.8%, a 30 basis point better than to the same period of 2010.

The risk-adjusted efficiency ratio for the third quarter was 69.7%, decreasing 280 basis points from the second quarter of 2011, due to the factors that impacted the efficiency ratio, and to a reduction in the expenses for allowance for loan losses. In the last 12 months, the risk-adjusted efficiency ratio reached 70.3%, improving 80 basis points compared to the same period of the previous year and achieving one of the best historical levels since the merger between Itaú and Unibanco.

Unrealized Profits



Unrealized net income totaled R$9,982 million in the third quarter of 2011, a 9.4% increase from the prior quarter. The increase is mainly to the appreciation of Redecard shares on stock exchanges.

In this quarter, we adjusted the shares corresponding to our investment in *Banco Português de Investimento* to its market value. This adjustment, which totaled R$117 million, was treated as non-recurring and impacted net income by R$77 million net of tax effects.

Executive Summary

Balance Sheet | Assets

R$ million

	Sep 30,11	Jun 30,11	Sep 30,10	Variation Sep/11 – Jun/11	Variation Sep/11 – Sep/10
Current and Long-term Assets	**825,794**	**782,732**	**672,198**	**5.5%**	**22.8%**
Cash and Cash Equivalents	11,509	15,186	10,805	-24.2%	6.5%
Short-term Interbank Investments	99,519	98,445	112,879	1.1%	-11.8%
Securities and Derivative Financial Instruments	185,584	180,733	139,690	2.7%	32.9%
Interbank and Interbranch Accounts	101,876	96,245	66,241	5.9%	53.8%
Loan, Lease and Other Credit Operations	335,279	316,964	277,175	5.8%	21.0%
(Allowance for Loan Losses)	(24,719)	(23,775)	(23,018)	4.0%	7.4%
Other Assets	116,746	98,934	88,425	18.0%	32.0%
Foreign Exchange Portfolio	40,274	24,869	20,571	61.9%	95.8%
Other	76,472	74,065	67,855	3.3%	12.7%
Permanent Assets	**11,200**	**10,947**	**10,752**	**2.3%**	**4.2%**
Investments	2,898	2,974	3,345	-2.6%	-13.4%
Fixed and Operating Lease Assets	4,921	4,781	4,424	2.9%	11.2%
Intangible Assets and Goodwill	3,381	3,191	2,983	6.0%	13.4%
TOTAL ASSETS	**836,994**	**793,679**	**682,950**	**5.5%**	**22.6%**

On September 30, 2011, total assets amounted to R$ 837.0 billion, corresponding to increases of 5.5% and 22.6% when compared to the second quarter and to Sep 30, 2010, respectively. The growth in credit portfolio (excluding endorsements and sureties) is to be highlighted, with a 5.8% increase quarter–on–quarter and 21.0% compared to the last twelve months, to reach R$ 335.3 billion. Also significantly, Interbank and Interbranch Accounts grew R$ 35.6 billion, compared to September 30, 2010, mostly as a result of the increased reserve requirements imposed by the Brazilian Central Bank at the end of 2010. In summary, this increase of R$ 43.3 billion in the total bank assets on the quarter is a result of the growth in (a) the credit portfolio of R$ 17.4 billion, (b) the foreign exchange portfolio of R$ 15.4 billion, (c) the reserve requirements by R$ 6.5 billion and (d) of liquidity and securities accounts, mainly.

Balance Sheet | Liabilities and Equity

R$ million

	Sep 30,11	Jun 30,11	Sep 30,10	Variation Sep/11 – Jun/11	Variation Sep/11 – Sep/10
Current and Long-term Liabilities	**765,922**	**723,458**	**621,660**	**5.9%**	**23.2%**
Deposits	220,675	208,914	194,889	5.6%	13.2%
Demand Deposits	26,069	24,463	29,060	6.6%	-10.3%
Savings Deposits	63,334	60,008	54,874	5.5%	15.4%
Interbank Deposits	2,157	2,802	1,258	-23.0%	71.6%
Time Deposits	129,115	121,641	109,697	6.1%	17.7%
Deposits Received under Securities Repurchase Agreements	195,569	197,864	155,654	-1.2%	25.6%
Fund from Acceptances and Issue of Securities	40,965	32,297	23,353	26.8%	75.4%
Interbank and Interbranch Accounts	8,624	8,519	8,028	1.2%	7.4%
Borrowings and Onlendings	57,872	52,947	43,195	9.3%	34.0%
Derivative Financial Instruments	11,211	6,887	9,077	62.8%	23.5%
Technical Provisions for Insurance, Pension Plans and Capitalization	70,170	66,703	57,717	5.2%	21.6%
Other Liabilities	160,836	149,328	129,747	7.7%	24.0%
Subordinated Debt	37,638	37,210	33,017	1.1%	14.0%
Foreign Exchange Portfolio	39,759	25,458	21,399	56.2%	85.8%
Other	83,440	86,659	75,331	-3.7%	10.8%
Deferred Income	**862**	**829**	**631**	**4.0%**	**36.6%**
Minority Interest in Subsidiaries	**2,004**	**3,309**	**3,434**	**-39.4%**	**-41.6%**
Stockholders' Equity	**68,206**	**66,083**	**57,225**	**3.2%**	**19.2%**
TOTAL LIABILITIES AND EQUITY	**836,994**	**793,679**	**682,950**	**5.5%**	**22.6%**

In Liabilities and Equity, compared to the same period of the prior year, the following significant increases were observed: 19.2% in stockholders' equity, 25.6% in funds obtained in the deposits received under securities repurchase agreements, 75.4% in funds from acceptances and issue of securities, 34.0% in borrowings and onlendings, 17.7% in time deposits, and 14.0% in subordinated debt. In summary, the liabilities and equity increase in this quarter is a result of the growth of (a) the deposits of R$ 11.8 billion, (b) foreign exchange portfolio in R$ 14.3 billion and (c) funds from acceptances and issue of securities of R$ 8.7 billion, mainly.

Credit Portfolio with Endorsements and Sureties

The credit portfolio, including sureties and endorsements, amounted to R$382,236 million on September 30, 2011, growing 6.1% quarter-on-quarter, and 22.8% from the same period of the prior year.

In the individuals segment, the highlights were the mortgage and personal loan portfolios, which increased 14.7% and 10.0% in the quarter, respectively. In the last 12 months, the credit card, personal credit and mortgage loan portfolios stood out, with increases of 22.0%, 43.4% and 79.3%, respectively.

The companies portfolio grew 6.2% in the quarter and 22.4% in the last 12 months. Our corporate portfolio increased 9.0% in the quarter and 23.9% in the last 12 months, while the very small, small and middle market companies portfolio increased 2.2% and 20.0%, respectively, in the same periods, driven by the growth of the mid sized companies portfolio, despite the nominal decrease of the very small and small companies portfolio. The balance of sureties and endorsements added up to R$46,957 million on September 30, 2011, representing an increase of 8.8% in the quarter and of 37.5% in the last 12 months, mainly on account of the higher volume of transactions with large companies, which grew 8.0% quarter-on-quarter and 37.2% when compared to September 30, 2010.

R$ million

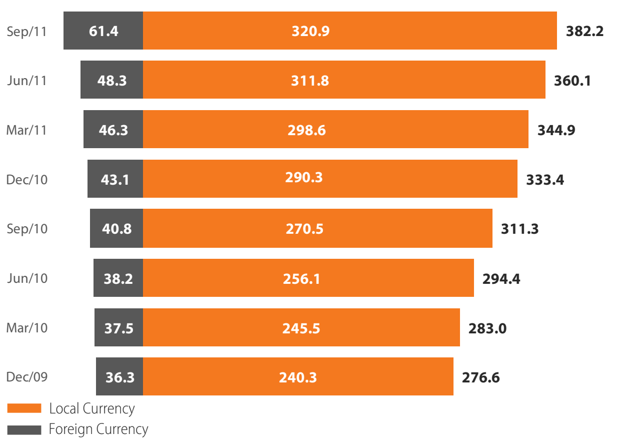
	Sep 30,11	Jun 30,11	Dec 31,10	Sep 30,10	Variation Sep/11– Jun/11	Variation Sep/11– Dec/10	Variation Sep/11– Sep/10
Individuals	**141,475**	**135,942**	**125,079**	**116,666**	**4.1%**	**13.1%**	**21.3%**
Credit Card	35,586	34,555	33,030	29,176	3.0%	7.7%	22.0%
Personal Loans	33,282	30,262	23,864	23,203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

(*) In the third quarter of 2011, we performed the reclassification of some companies between middle market and corporate segments, which are reflected in previous periods; (**) Includes Rural Loans to Individuals. (***) Includes Individuals and Very Small, Small and Middle Market companies.

Note: The acquired payroll credit 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 23.

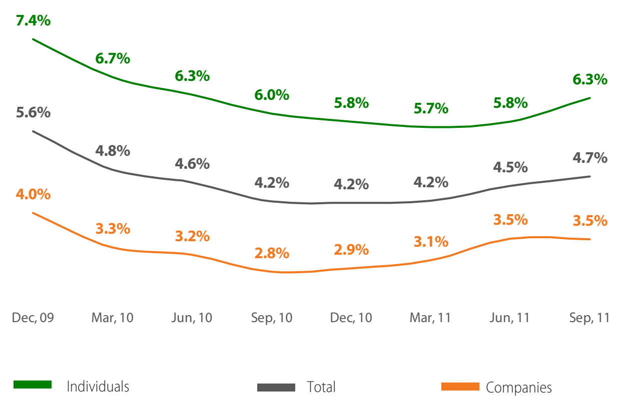
Credit Portfolio – Currency Disclosure

R$ billion



On September 30, 2011, R$61.4 billion of our total credit assets was denominated in, or indexed to, foreign currencies, and the depreciation of the Real against these currencies contributed to the change in the total balance quarter on quarter. This impact is essentially reflected in the 23.3% increase in the credit portfolio of our operations in Chile, Uruguay, Paraguay and Argentina, as well as in the 9.0% growth in the corporate portfolio. Disregarding the exchange variation seen in the period, the total credit portfolio would have grown 3.5% compared to the third quarter of 2011.

NPL Ratio (90 days)



The overall NPL ratio (credit operations more than 90 days overdue) was 4.7% in September 2011, representing a 20 basis point growth compared to June 2011, and a 50 basis point increase compared to September 2010. Disregarding the exchange variation seen in the period, the NPL over 90 days ratio would have reached 4.8%.