



Conference Call 2nd Quarter 2012 Earnings Results

Itaú Unibanco Holding S.A.

Alfredo Egydio Setubal

Executive Vice-President and Investor Relations Officer

Jul | 25 | 2012



1. Results:

- Recurring net income reached R\$ 3.6 billion in the 2ndQ/12 (19.4% ROE), an increase of 8.1% compared to the 2ndQ/11.
- In the 1stH/12, the recurring net income reached R\$ 7.1 billion (19.7% ROE) increasing 2.5% from the same period of the prior year.

2. Loan Portfolio Growth:

- The loan portfolio (including endorsements, sureties and private securities) reached R\$ 432,7 billion on June 30, 2012, a 3.6% growth from March 31, 2012 and 15,2% from June 30, 2011.

R\$ million

	Jun 30, 12	Mar 31, 12	Jun 30, 11	Variation	
				Jun/12– Mar/11	Jun/12– Jun/11
Individuals - Brazil	147,331	147,570	135,942	-0.2%	8.4%
Companies - Brazil	241,145	231,232	208,668	4.3%	15.6%
Argentina/Chile/Uruguay/Paraguay	24,923	21,717	15,497	14.8%	60.8%
Total with endorsements and sureties	413,399	400,519	360,107	3.2%	14.8%
Private Securities (*)	19,339	17,067	15,598	13.3%	24.0%
Adjusted Total Risk	432,738	417,586	375,705	3.6%	15.2%

(*) Includes Debentures, CRI and Commercial Paper

3. Financial Margin with Clients:

- Financial Margin with Clients remained stable in the quarter, at R\$ 12.3 billion.
- Net Interest Margin with Clients decreased 30 basis points in the 2ndQ/12 to 10.9%, mainly because of the fall in the SELIC rate.
- The Credit Spread remained almost flat in the quarter, with a reduction of 10 basis points to 13.4%. The Risk adjusted Credit Spread (Net Spread) presented a 10 basis point increase in the 2ndQ/12, to 7.5%.

4. **Banking Service Fees and Result from Insurance, Pension Plans and Capitalization:**

- Banking service fees plus result from insurance, pension plans and capitalization operations grew 0.6% in the 2ndQ/12 compared to the prior quarter, totaling R\$ 5.8 billion. In the 1stH/12, these revenues increased 11.5% compared to the same period of the prior year and reached R\$ 11.5 billion.

5. **Non-Performing Loans Ratio and Loan Losses:**

- Expenses for allowance for loan and lease losses, net of credit recovery, totaled R\$ 4.9 billion in the 2ndQ/12. The expenses for allowance for loan and lease losses decreased 0.7% compared to the 1stQ/12 and reached R\$ 6.0 billion.

- The 90-day NPL ratio reached 5.2% in the 2ndQ/12, a 10 basis point growth compared to the previous quarter and a 70 basis point increase compared to June 2011.

6. **Non-Interest Expenses:**

- Non-interest expenses increased 3.2% compared to last quarter, totaling R\$ 8.4 billion in the 2ndQ/12. In the 1stH/12, compared to the same period of the prior year, the growth was 5.8%.

7. **Efficiency Ratio:**

- Efficiency ratio in the 2ndQ/12 reached 45.0%, increasing 50 basis points compared to the previous quarter. In the semester, this ratio reached 44.8%, a 280 basis point decrease compared to the 1stH/11.

- During the past 12 months the efficiency ratio reached 45.9%, improving 330 basis points compared to the same period of 2011.

8. **Unrealized Gains**

- Unrealized Gains reached R\$ 5.8 billion, an increase of 40.5% in the quarter, mainly due to higher values from our securities and credit portfolio. The balance of unrealized gains from our available for sale portfolio totaled R\$ 1.5 billion on June, 2012.

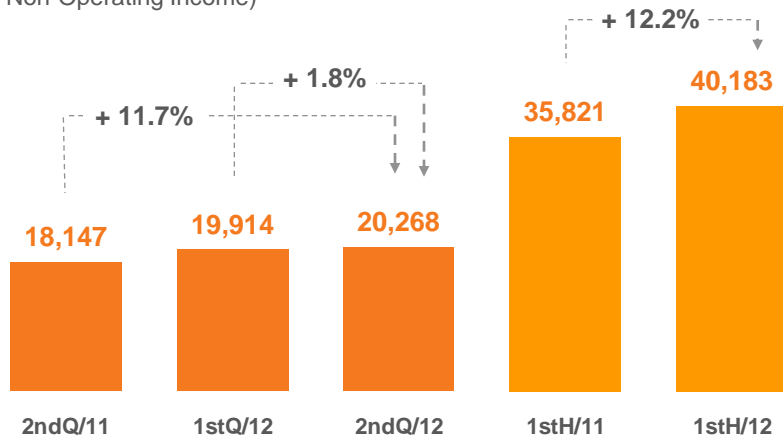
R\$ million

	2 nd Q/12	1 st Q/12	2 nd Q/11	1 st H/12	1 st H/11	2 nd Q/12 - 1 st Q/12	2 nd Q/12 - 2 nd Q/11	1 st H/12 - 1 st H/11
Operating Revenues	20,268	19,914	18,147	40,183	35,821	1.8%	11.7%	12.2%
Financial Margin with Clients	12,340	12,352	11,231	24,692	22,010	-0.1%	9.9%	12.2%
Financial Margin with Market	1,129	954	690	2,084	1,625	18.4%	63.7%	28.3%
Banking Service Fees and Income from Banking Charges	5,078	5,003	4,672	10,082	9,140	1.5%	8.7%	10.3%
Result from Insurance, Pension Plans and Capit. Operations before Retained Claims and Selling Expenses	1,466	1,461	1,279	2,927	2,503	0.3%	14.6%	16.9%
Other Operating Income	84	57	95	141	223	46.6%	-11.3%	-36.5%
Equity in Earnings of Affiliates and Other Investments	151	81	96	233	193	85.8%	58.3%	20.5%
Non-operating Income	19	4	84	24	127	-	-	-
Loan Losses and Retained Claims	(5,374)	(5,304)	(4,118)	(10,678)	(7,693)	1.3%	30.5%	38.8%
Expense for Allowance for Loan Losses	(5,988)	(6,031)	(5,107)	(12,020)	(9,487)	-0.7%	17.3%	26.7%
Recovery of Credits Written Off as Losses	1,126	1,192	1,393	2,318	2,600	-5.6%	-19.1%	-10.8%
Retained Claims	(511)	(465)	(403)	(976)	(805)	10.1%	26.8%	21.2%
Other Operating Expenses	(9,964)	(9,659)	(9,457)	(19,623)	(18,526)	3.2%	5.4%	5.9%
Non-interest Expenses	(8,411)	(8,153)	(7,971)	(16,564)	(15,657)	3.2%	5.5%	5.8%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,050)	(1,041)	(983)	(2,091)	(1,918)	0.8%	6.8%	9.0%
Other Results (*)	(503)	(464)	(503)	(968)	(952)	8.4%	0.0%	1.7%
Income Before Tax on Income	4,930	4,952	4,573	9,882	9,603	-0.4%	7.8%	2.9%
Income Tax and Social Contribution	(1,345)	(1,408)	(1,256)	(2,753)	(2,648)	-4.4%	7.1%	4.0%
Recurring Net Income	3,585	3,544	3,317	7,129	6,955	1.2%	8.1%	2.5%
Non-recurring Events	(281)	(118)	286	(399)	178	-	-	-
Net Income	3,304	3,426	3,603	6,730	7,133	-3.5%	-8.3%	-5.6%

(*) Includes selling expenses with insurance, profit sharing (management members) and minority interest. In the 2ndQ/12 these expenses represented R\$ 245 million, R\$ 52 million and R\$ 207 million, respectively.

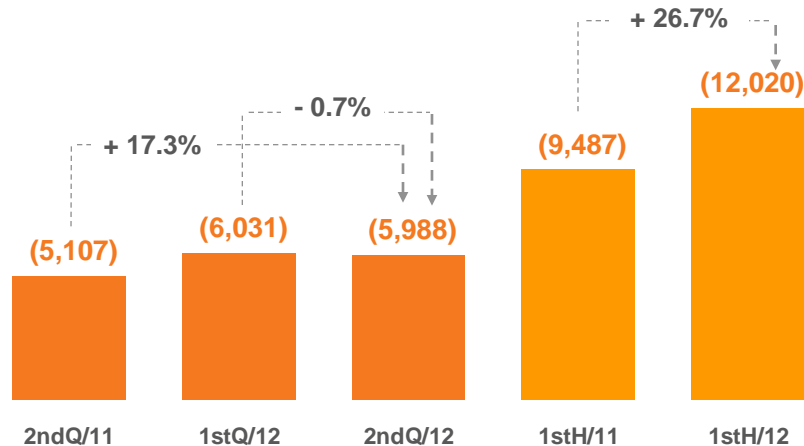
Operating Revenues

(Financial Margin, Banking Service Fees, Result from Insurance, Pension Plans and Capitalization before Retained Claims, Other Income, Equity in Earnings of Affiliates and Non-Operating Income)



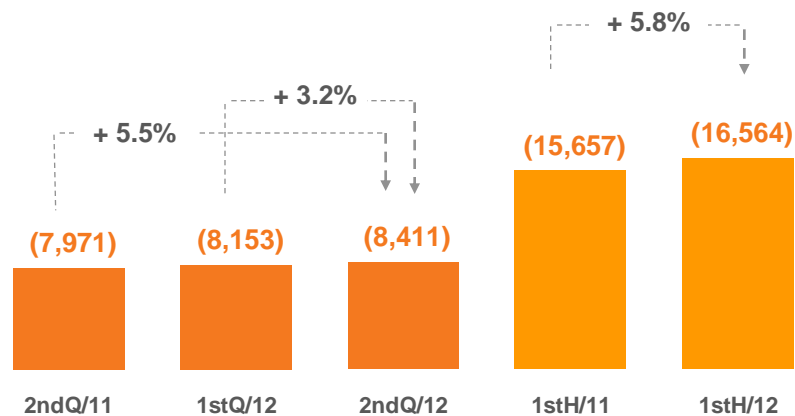
Loan Losses Provision Expenses

R\$ million

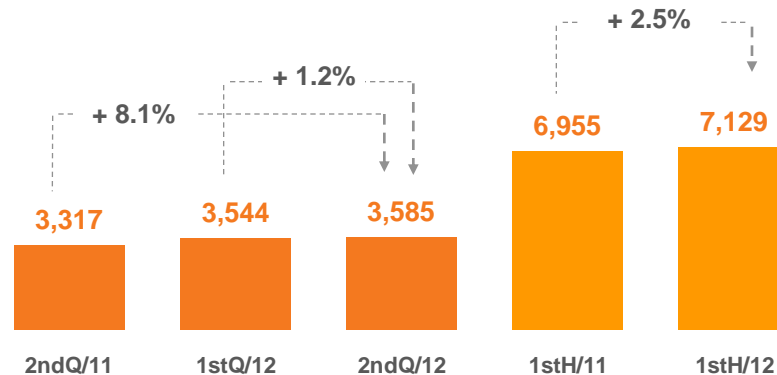


Non-interest Expenses

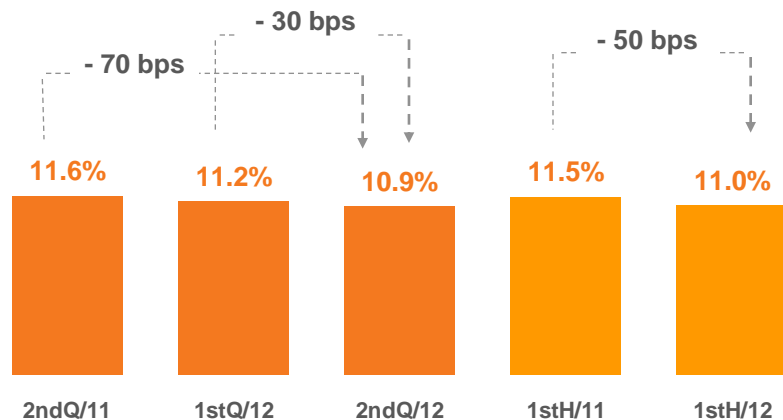
(Personnel, Administrative, Operating and Other Tax Expenses)



Recurring Net Income

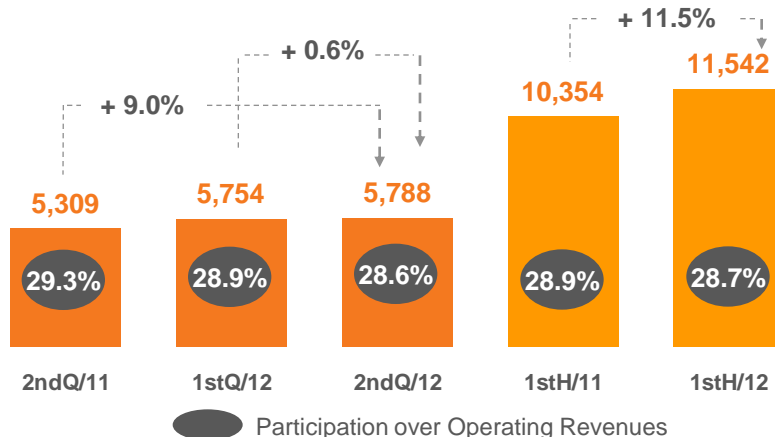


Net Interest Margin (with Clients)

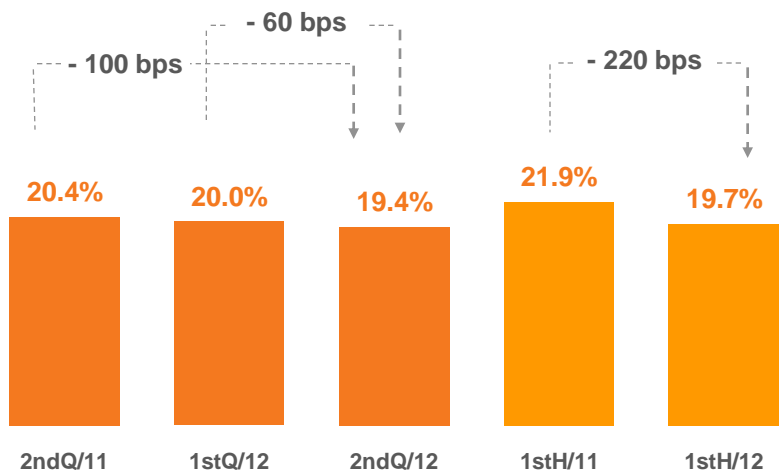


Banking Service Fees and Result from Insurance

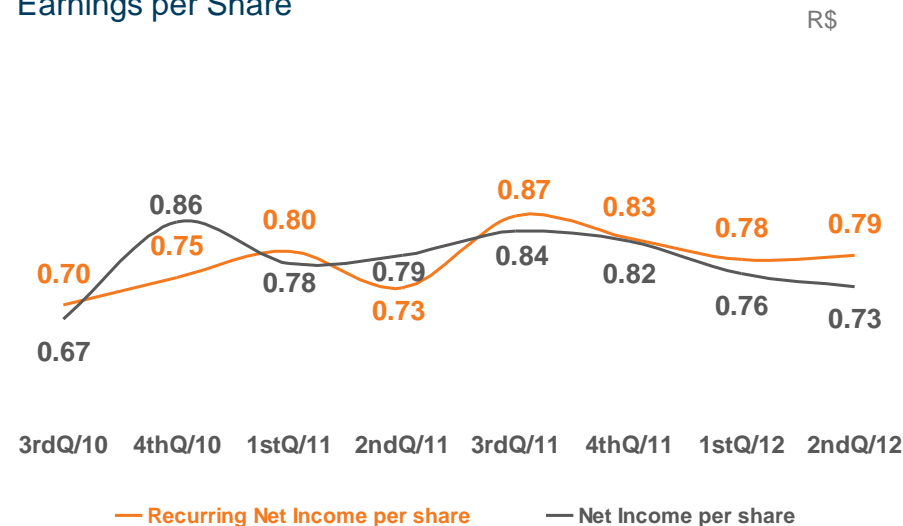
(Banking Service Fees and Result from Insurance, Pension Plans and Capitalization after Retained Claims and selling expenses) R\$ million



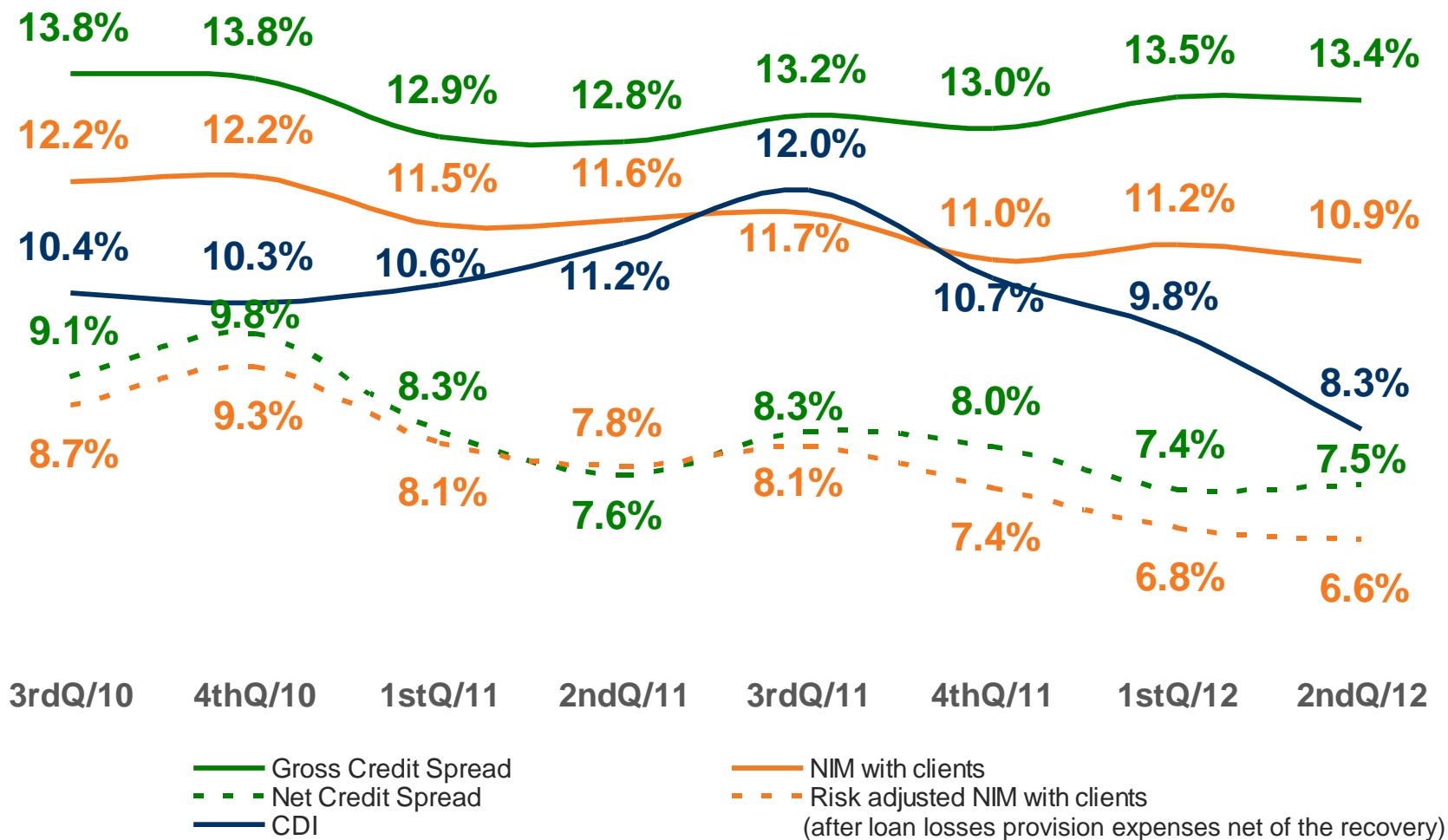
Recurring ROE (average)



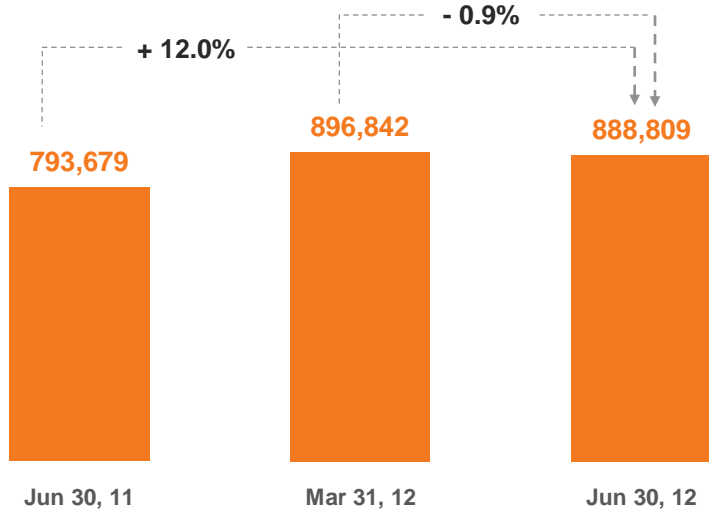
Earnings per Share



Financial Margin

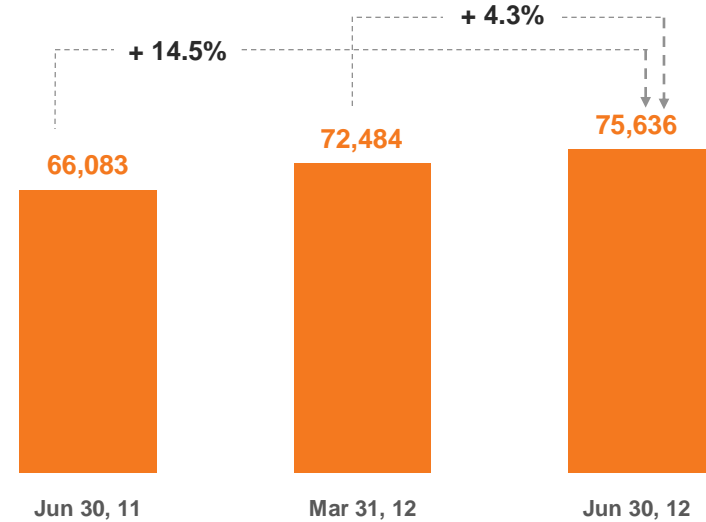


Assets

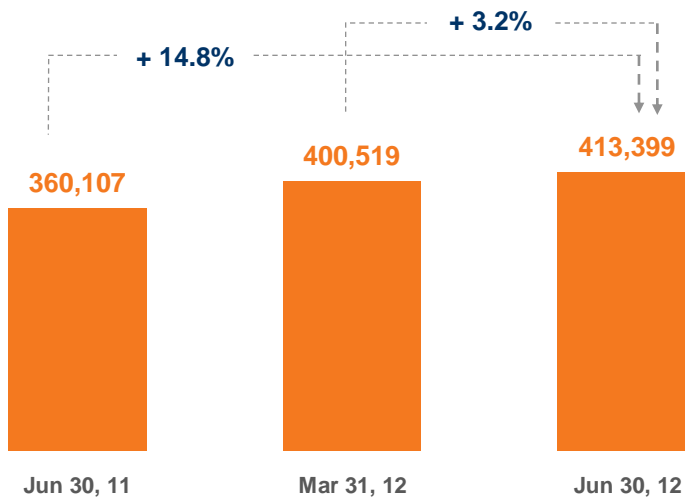


Stockholders' Equity

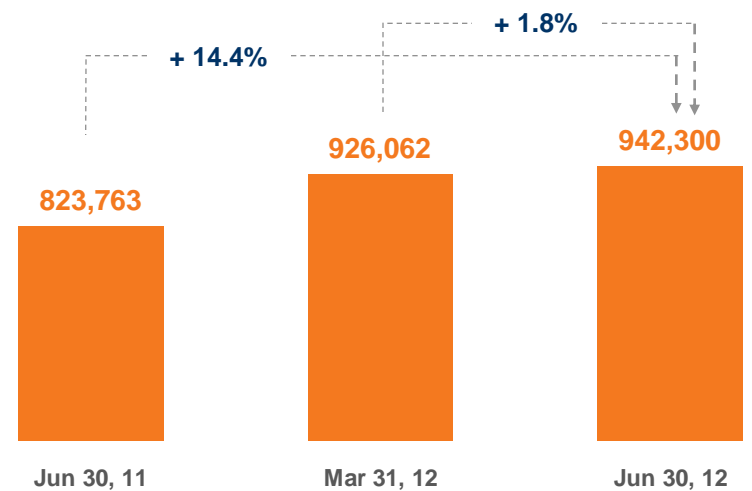
R\$ million



Loan Portfolio (Includes Endorsements and Sureties)



Total Funding with clients (Includes AuA)



Loans by Type of Client / Product



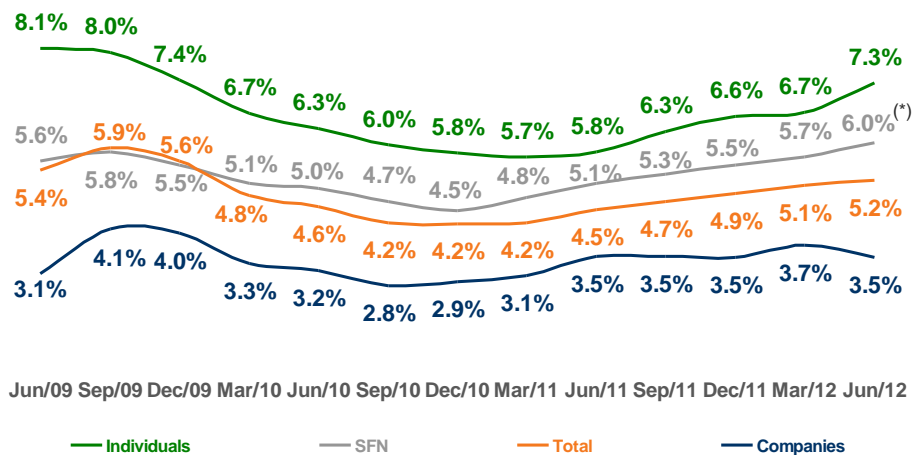
R\$ million

	Jun 30, 12	Mar 31, 12	Dec 30, 11	Jun 30, 11	Variation		
					Jun/12– Mar/11	Jun/12– Dec/11	Jun/12– Jun/11
Individuals - Brazil	147,331	147,570	147,573	135,942	-0.2%	-0.2%	8.4%
Credit Card	36,777	36,574	38,961	34,555	0.6%	-5.6%	6.4%
Personal Loans	38,243	37,351	35,069	30,262	2.4%	9.1%	26.4%
Vehicles	56,575	59,054	60,093	60,141	-4.2%	-5.9%	-5.9%
Mortgage Loans	15,736	14,591	13,450	10,984	7.8%	17.0%	43.3%
Companies - Brazil	241,145	231,232	228,761	208,668	4.3%	5.4%	15.6%
Corporate	149,487	141,253	138,384	122,453	5.8%	8.0%	22.1%
Very Small, Small and Middle Market	91,658	89,979	90,378	86,215	1.9%	1.4%	6.3%
Argentina/Chile/Uruguay/Paraguay	24,923	21,717	20,678	15,497	14.8%	20.5%	60.8%
Total with endorsements and sureties	413,399	400,519	397,012	360,107	3.2%	4.1%	14.8%
Total Retail - Brazil	238,989	237,549	237,950	222,157	0.6%	0.4%	7.6%
Total Retail - Brazil (ex-Vehicles)	182,414	178,495	177,857	162,016	2.2%	2.6%	12.6%
Corporate - Total Risk (*)	168,826	158,320	153,604	138,051	6.6%	9.9%	22.3%
Endorsements and Sureties	56,611	53,150	51,530	43,144	6.5%	9.9%	31.2%
Growth adjusted for the effects of exchange rate changes					1.4%	2.8%	10.4%

(*) Includes private securities (debentures, CRIs and commercial papers).

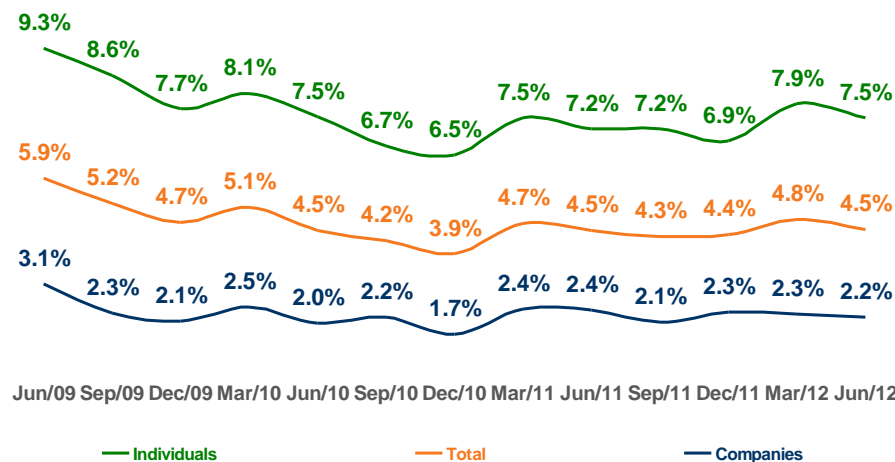
Note: The acquired payroll loan portfolio is considered as corporate risk (balance of R\$ 1,883 million on Jun 30, 2012 with an increase of 8.8% compared with Mar 31, 2012 and of 18.3% compared with Jun 30, 2011).

90-day NPL Ratio

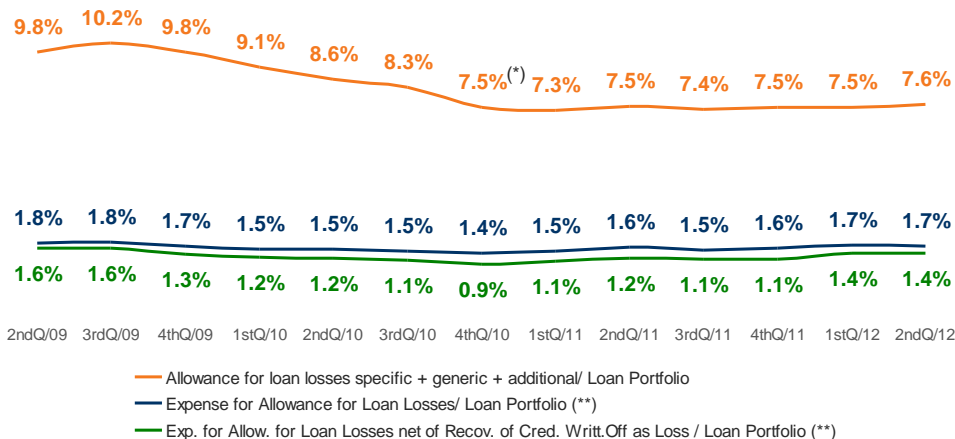


(*)Source: Brazilian Central Bank (June,2012 data refers to May,2012, once June/12 data were not yet available).

15 to 90-day NPL Ratio



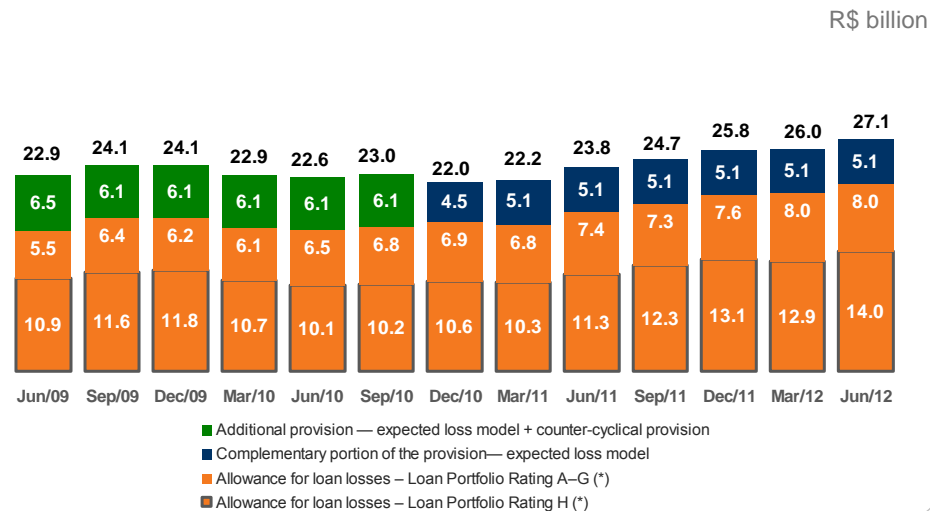
Allowance for Loan Losses



(*)There was an additional provision reversal in the amount of R\$ 1.6 billion in the 4th quarter of 2010.

(**) Average loan portfolio balance considering two quarters.

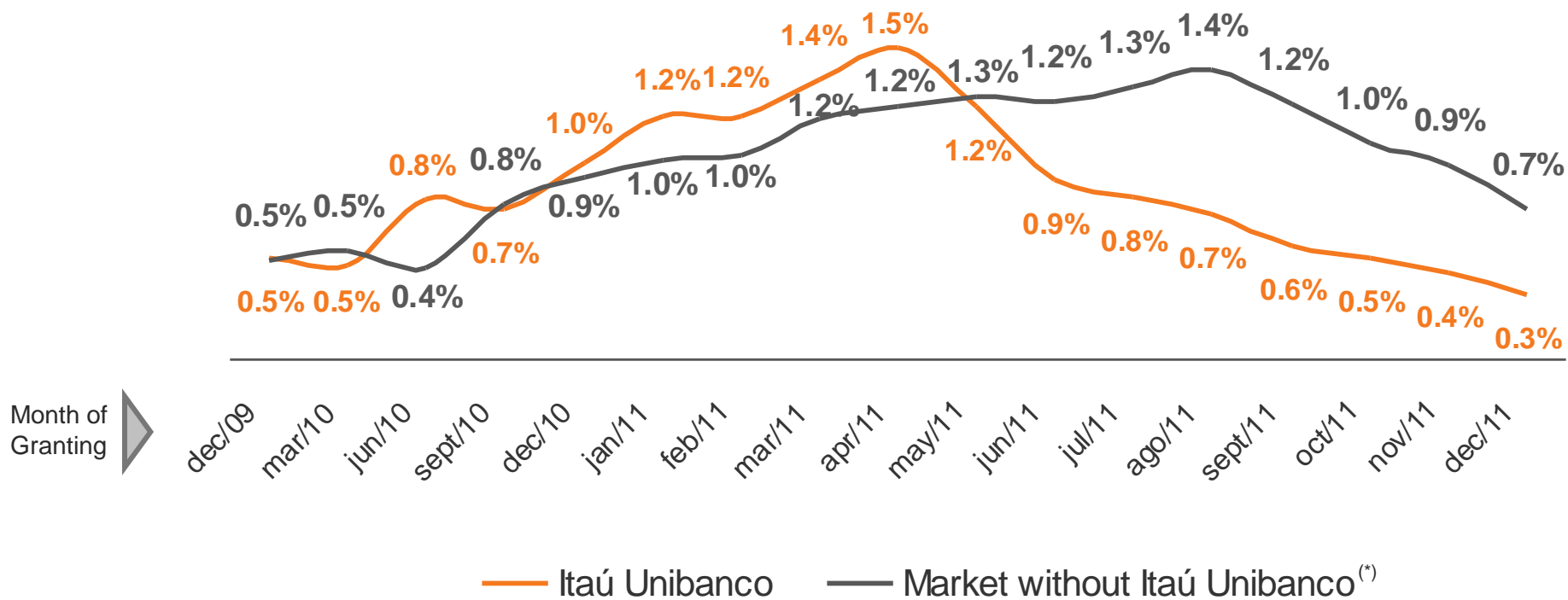
Balance of Allowance for Loan Losses



(*) Resolution 2.682/99 CMN

Individuals Vehicle Portfolio (Delinquency)

90-day NPL Ratio by vintage, 4 months after granting - Vehicles

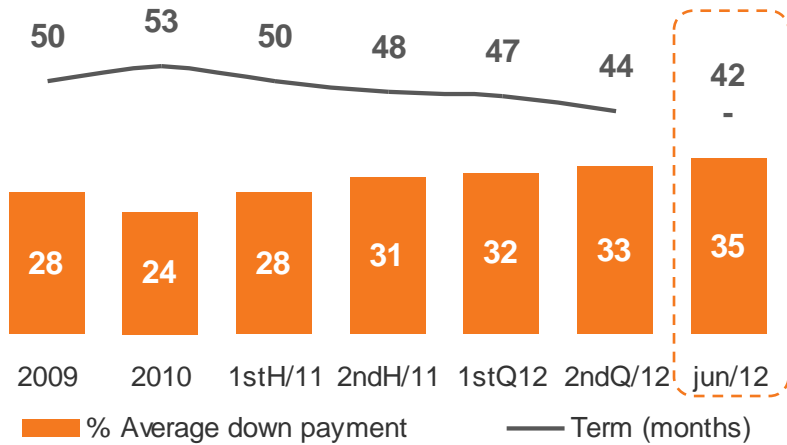


(*) Source: Brazilian Central Bank and Fenabrave (automotive vehicles distribution national federation).

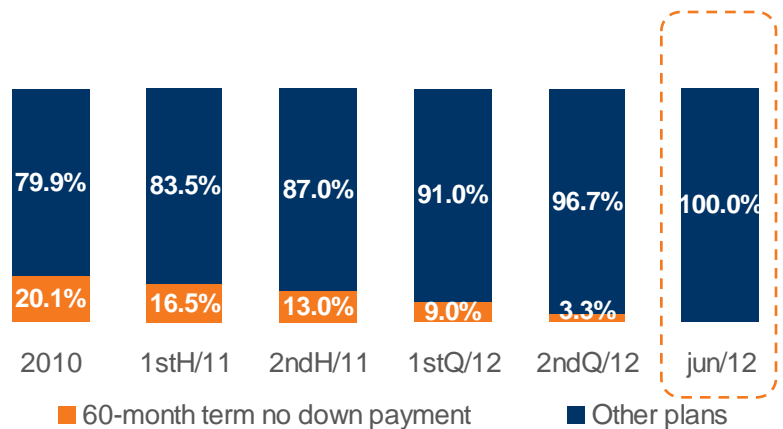
Individuals Vehicle Portfolio

Loan average term and down payment

Decrease in loan terms and increase in average down payments



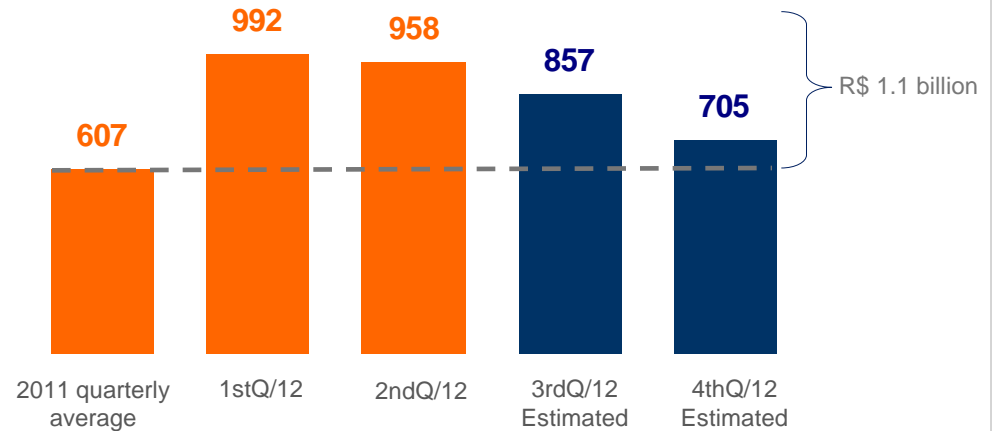
Itaú Unibanco's Origination



Vehicles Loan Losses Provision Expenses

Itaú Unibanco

R\$ million



There was no origination of loans 60-month term and no down payment in June, 2012

Funding and Assets Under Management

R\$ million

				Variation	
	Jun 30, 12	Mar 31, 12	Jun 30, 11	Jun/12– Mar/11	Jun/12– Dec/11
Demand Deposits	31,361	26,903	24,463	16.6%	28.2%
Savings Deposits	73,056	68,488	60,008	6.7%	21.7%
Time Deposits	120,872	127,385	121,641	-5.1%	-0.6%
Debentures (Repurchase Agreements)	115,724	110,480	103,222	4.7%	12.1%
Funds from Bills ⁽¹⁾	38,757	37,318	19,519	3.9%	98.6%
(1) Total - Funding from Institucional Clients and Account Holders ^(*)	379,770	370,574	328,853	2.5%	15.5%
Onlending	34,694	34,932	34,277	-0.7%	1.2%
(2) Total – Funding from Institutional & Account Holders	414,464	405,505	363,130	2.2%	14.1%
Assets Under Administration	422,623	423,205	379,392	-0.1%	11.4%
Technical Provisions for Insurance, Pension Plan and Capitalization	82,553	77,830	66,703	6.1%	23.8%
(3) Total – Clients	919,641	906,540	809,225	1.4%	13.6%
Deposits from Banks	9,686	8,569	2,802	13.0%	245.6%
Funds from Acceptance and Issuance of Securities Abroad	12,973	10,953	11,736	18.4%	10.5%
Total Funds from Clients + Banks	942,300	926,062	823,763	1.8%	14.4%
Repurchase Agreements ⁽²⁾	81,941	103,253	95,684	-20.6%	-14.4%
Borrowings	20,885	17,142	18,670	21.8%	11.9%
Foreign Exchange Portfolio	36,775	49,364	25,458	-25.5%	44.5%
Subordinated Debt	42,948	44,984	37,210	-4.5%	15.4%
Collection and payment of Taxes and Contributions	4,238	5,837	9,385	-27.4%	-54.8%
Free Assets ⁽³⁾	64,608	62,579	57,897	3.2%	11.6%
Free Assets and Other	251,395	283,159	244,306	-11.2%	2.9%
Total Funds (Free, Raised and Managed Assets)	1,193,695	1,209,221	1,068,068	-1.3%	11.8%

(*) Funding from Institucional Clients reached R\$ 25,365 in June, 2012, representing 6.7% of the Total Funding with clients.

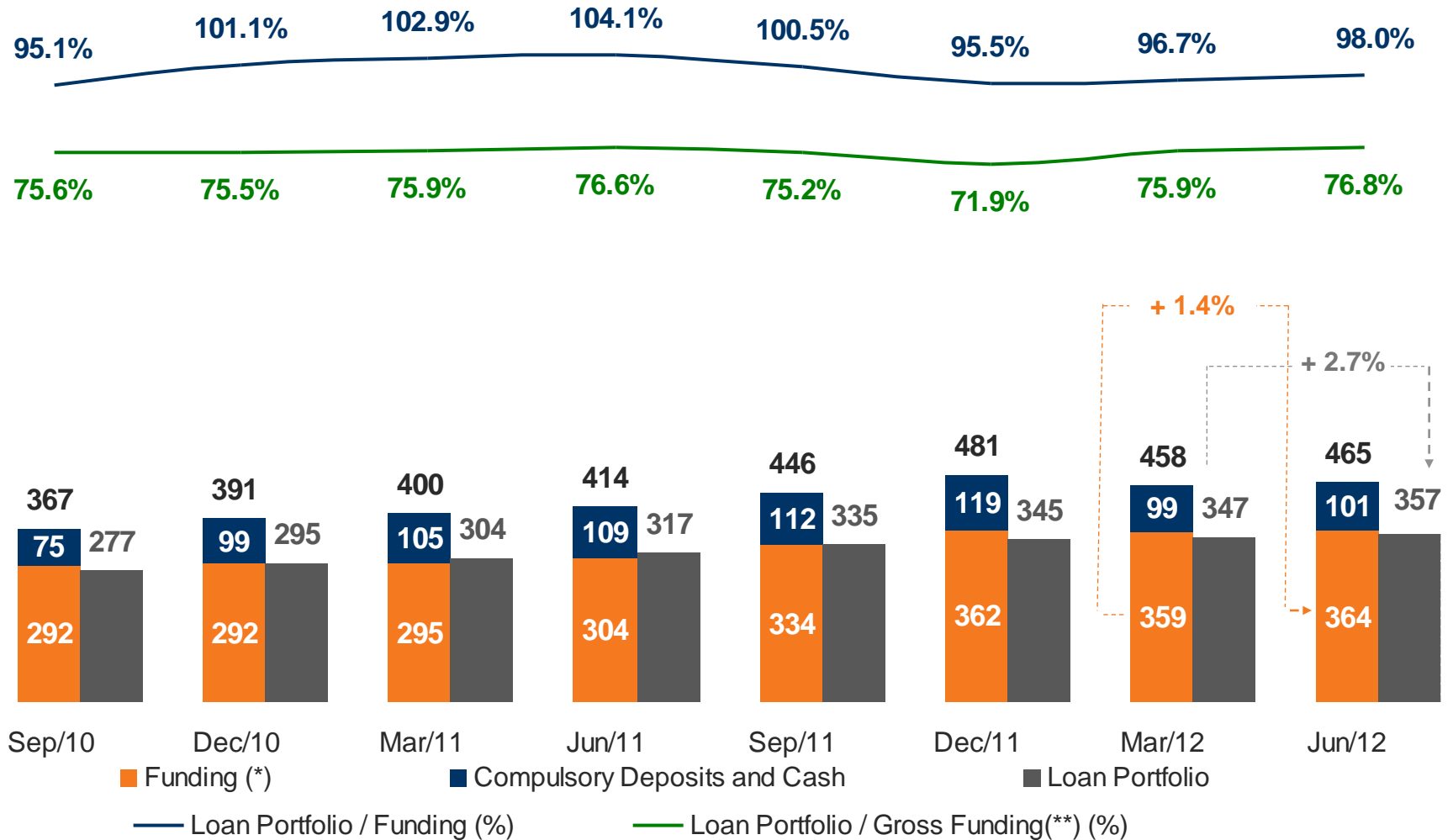
(1) Includes funds from Real estate, mortgage, financial, credit and similar notes.

(2) Does not include own issued Debentures, classified as funding.

(3) Stockholders' Equity + Minority - Permanent Assets.

Ratio between Loan Portfolio and Funding

R\$ billion



(*) Includes resources obtained from account holders and institutional clients, onlending, foreign borrowings and securities, borrowings and subordinated debts that are not included in Tier II Reference Equity. Considers the deductions of compulsory deposits and cash and cash equivalents.

(**) Considers gross funding (disregarding the deductions of compulsory deposits and cash and cash equivalents).

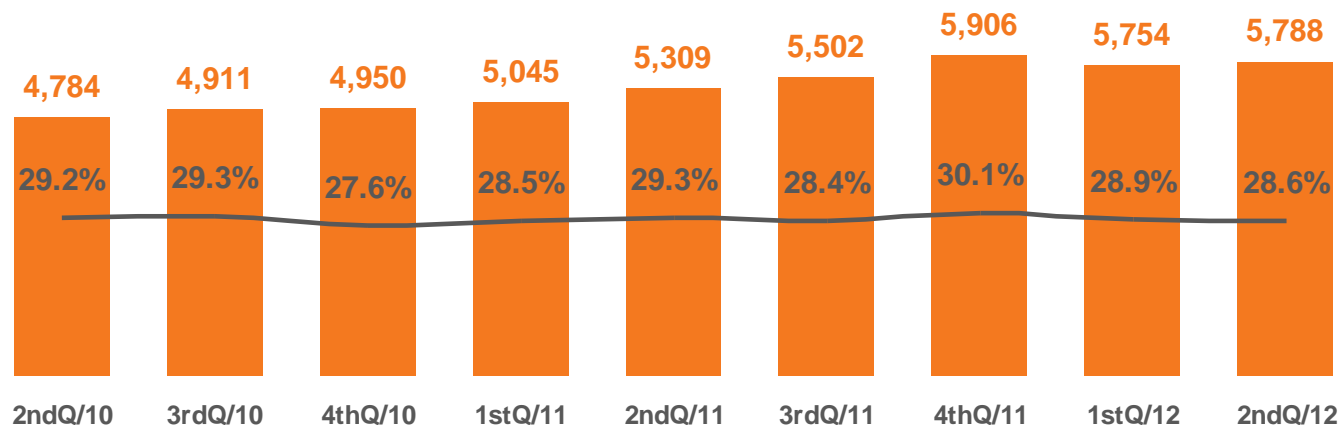
Banking Service Fees and Result from Insurance, Pension Plans and Capitalization

R\$ million

	2 nd Q/12	1 st Q/12	1 st H/12	1 st H/11	2 nd Q/12 - 1 st Q/12	1 st H/12 - 1 st H/11
Asset Management	741	707	1,447	1,275	4.9%	13.5%
Current Account Services	807	750	1,557	1,207	7.6%	29.0%
Loan Operations and Guarantees Provided	656	687	1,343	1,572	-4.5%	-14.6%
Collection Services	355	345	700	631	2.9%	11.0%
Credit Cards	2,029	2,031	4,059	3,496	-0.1%	16.1%
Orbitall's Processing Service ¹	34	115	149	190	-70.4%	-21.6%
Other	491	484	975	959	1.4%	1.7%
Banking Service Fees Income ¹	5,078	5,003	10,082	9,140	1.5%	10.3%
Result from Insurance, Pension Plans and Capitalization ²	710	750	1,460	1,214	-5.4%	20.2%
Total	5,788	5,754	11,542	10,354	0.6%	11.5%

(1) Without the impact of Orbitall's Services, Banking Service Fees Income would have increased 3.2% in the quarter, and 11.0% over the first semester of 2011.

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



■ Banking Service Fees and Income from Banking Charges + Result from Insur., Pens. Plans and Capitalization

— (Banking Service Fees and Income from Banking Charges + Result from Insur., Pens. Plans and Capit.)/Operating Revenues

Non-Interest Expenses and Efficiency Ratio

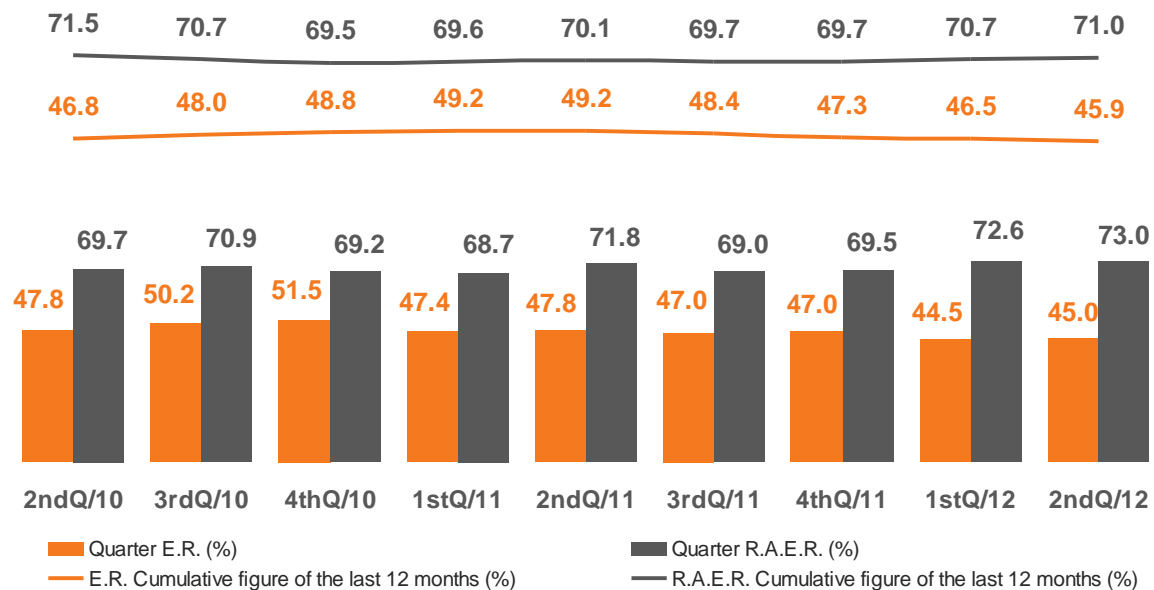
R\$ million

	2 nd Q/12	1 st Q/12	1 st H/12	1 st H/11	2 nd Q/12 - 1 st Q/12	1 st H/12 - 1 st H/11
Personnel Expenses	(3,438)	(3,392)	(6,830)	(6,578)	1.4%	3.8%
Administrative Expenses	(3,659)	(3,428)	(7,087)	(6,682)	6.7%	6.1%
Personnel Expenses and Administrative	(7,098)	(6,820)	(13,918)	(13,260)	4.1%	5.0%
Operating Expenses (*)	(1,181)	(1,234)	(2,415)	(2,235)	-4.3%	8.1%
Other Tax Expenses (**)	(133)	(99)	(232)	(162)	33.3%	43.6%
Non-Interest Expenses	(8,411)	(8,153)	(16,564)	(15,657)	3.2%	5.8%

(*) Considers expenses for provision for contingencies, credit card selling, claims and other.

(**) Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS

Efficiency Ratio and Risk-Adjusted Efficiency Ratio



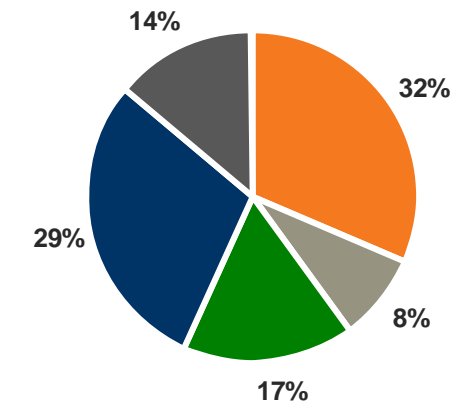
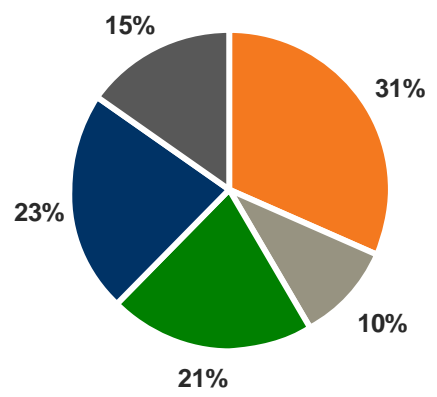
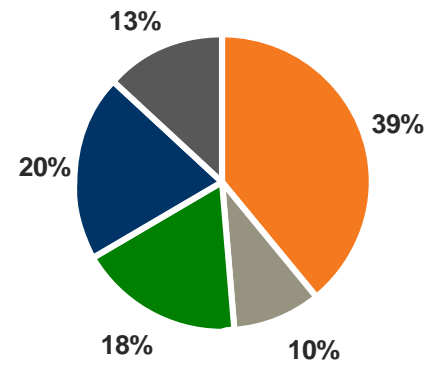
Itaú Unibanco's Recurring Net Income Composition



2ndQ/2011

1stQ/2012

2ndQ/2012



Commercial Bank

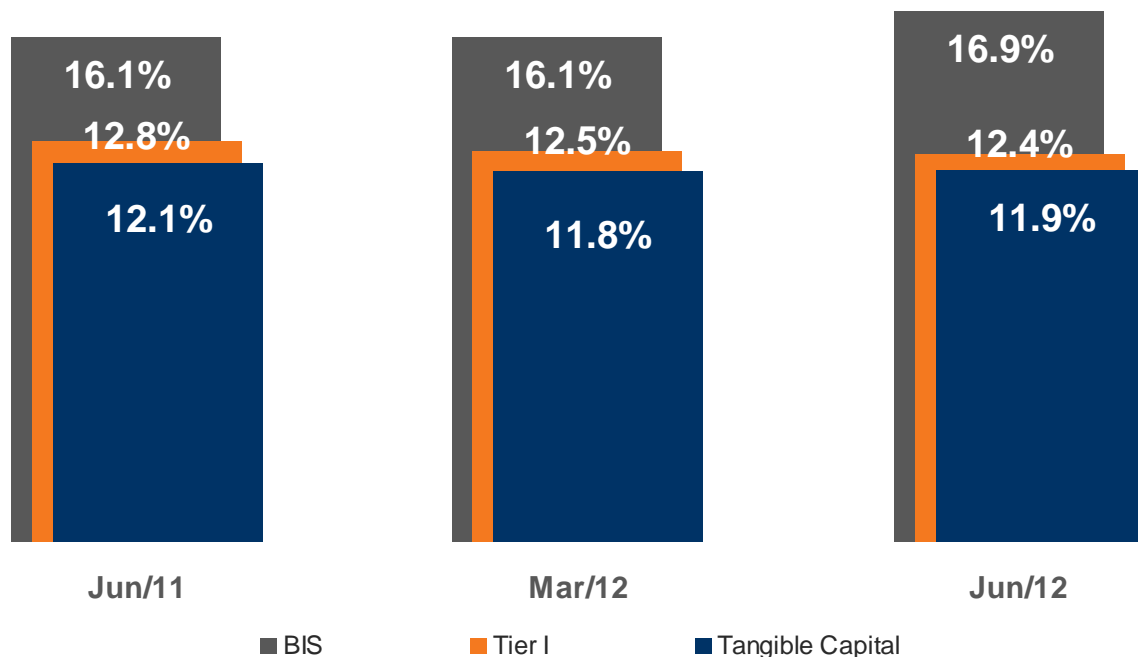
Itaú BBA

Insurance, Pension Plans and Capitalization

Consumer Credit

Activities with the Market + Corporation

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



Quarter Evolution

	R\$ billion		
	RE	RWE	BIS Ratio
March, 2012	94.0	584.8	16.1%
Subordinated Debt approved	5.9		1.0%
Net Income for the period (**)	3.5		0.6%
Asset Valuation Adjustment (AFS)	0.6		0.1%
Interest on Capital and Dividends	-0.7		-0.1%
Other changes in referential equity	-0.7		-0.1%
Changes in risk exposure		21.3	-0.6%
June, 2012	102.5	606.1	16.9%

RE - Referential Equity

RWE = Risk Weighted Exposure

(**) Net Income considered in the Economic Financial Consolidated

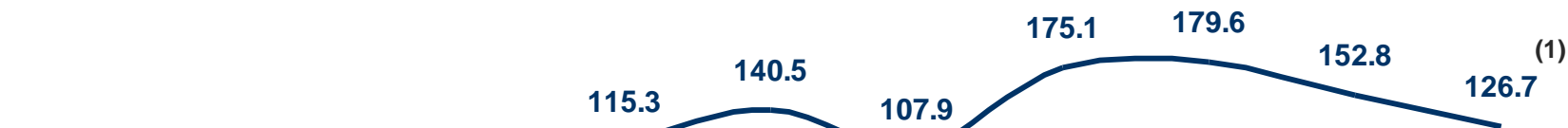
✓ According to the principles of Basel III, the investments in insurance companies must be deducted from the Referential Equity. If they had been fully implemented, such deductions of investments in insurance companies, within the exemptions allowed by the rule (between 10% and 15% of the equity after prudential adjustments), our BIS ratio would have been 15.9% under the financial conglomerate concept ("consolidado operacional").

✓ There are R\$ 1,777 million of subordinated debt still pending approval by the Brazilian Central Bank to compose our Tier II. In case of approval, it would lead our BIS ratio to 17.2% (30 bps increase).

(*)The Tangible Common Equity – TCE is defined internationally as equity less intangible assets, goodwill and non-voting shares. In Brazil, non-voting 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.

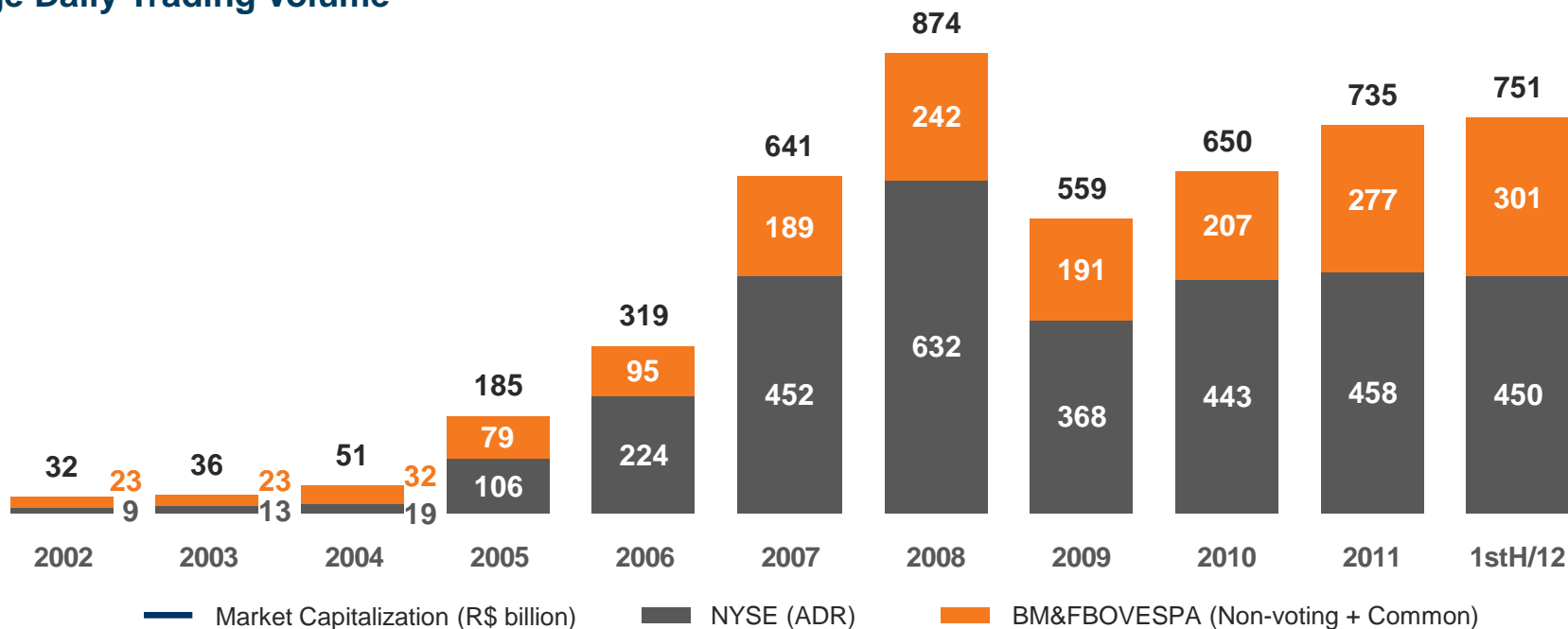
Note: Based on the financial conglomerate concept ("consolidado operacional"), the BIS ratio reached 16.6% on June 30, 2012.

Market Capitalization and Average Daily Trading Volume



Average Daily Trading Volume

R\$ million



⁽¹⁾ As of June 30, 2012, we were the 15th largest bank in the world in terms of market capitalization (Source: Bloomberg)

Conference Call of the 4thQ11

1. Credit growth: 14% – 17%
maintenance of market share among privately owned banks

2. Stable NPL levels in the year
with possible seasonal variations

3. Increase in banking service fees and result from insurance,
pension plan and capitalization operations (*): 10% – 12%

4. Non-interest expenses growth: 4% – 8%

5. Efficiency ratio improvement: 200 – 300 basis points

Revised

Total Credit Portfolio:

- **Ex-Vehicles:** growth of 13% - 15%
- **Vehicles:** decreasing to R\$ 50 - 52 billion

Loan Loss Provision expenses:

- 3rdQ12: between R\$ 6.0 billion and R\$ 6.5 billion
- 4thQ12: between R\$ 5.7 billion and R\$ 6.2 billion

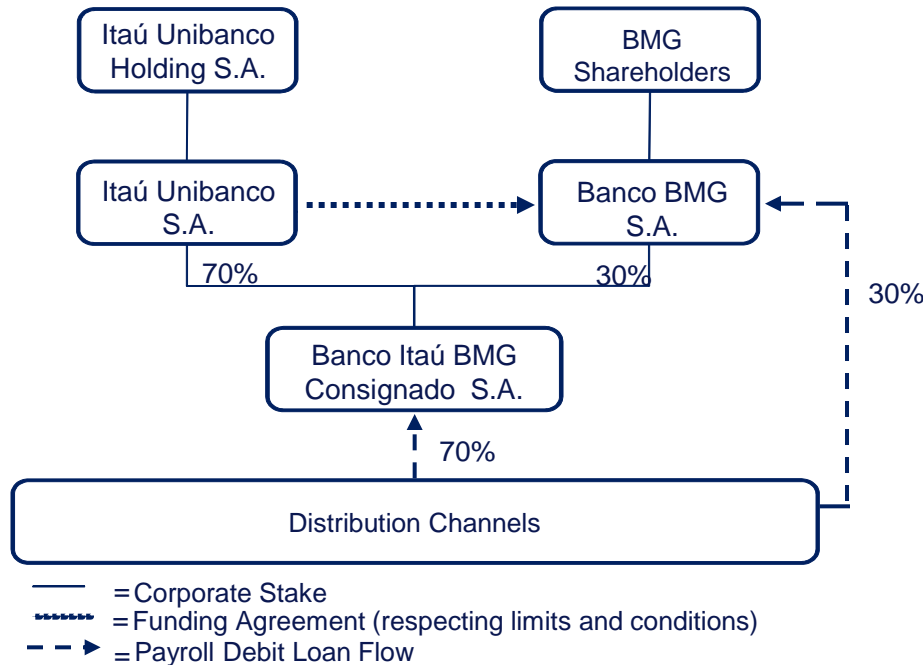
Maintained

Non-interest expenses:

- Growth between 3.5% and 6.5%

Maintained

(*) Banking Service Fees (+) Income from insurance, pension plan and capitalization operations (-) Expenses for claims (-) Selling expenses with insurance, pension plan and capitalization.



Structure: Creation of an association

- ✓ Banco Itaú BMG Consignado S.A.
- ✓ Initial capital: R\$ 1 billion

Objective: Distribution and Commercialization of payroll debit loans;

- ✓ Itaú Unibanco: Economic-financial capacity, administrative and control experience;
- ✓ BMG: commercial and operational competence and technological platform.

Association's expected Credit Portfolio within 2 years:

R\$ 12 billion

Obs: From now on, and for the term of 5 years, Itaú Unibanco shall provide part of the financial resources for BMG's payroll debit loan operation in the monthly amount of up to R\$ 300 million, within limits and conditions.



Conference Call 2nd Quarter 2012 Earnings Results

Itaú Unibanco Holding S.A.

Alfredo Egydio Setubal

Executive Vice-President and Investor Relations Officer

Jul | 25 | 2012

