ITAÚSA

Duratex | Elekeiroz | Itautec | Itaú

Complete Financial Statements

September 30, 2013

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

MANAGEMENT REPORT – January to September 2013

We hereby present the Management Report and the Financial Statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the period from January 1 to September 30 2013, prepared in accordance with the standards established by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), as well as the International Financial Reporting Standards (IFRS).

The financial statements were reviewed by PricewaterhouseCoopers, and have the favorable opinion of both the external auditors and of the Fiscal Council.

The financial statements were made available to CVM and to BM&FBovespa.

1) HIGHLIGHTS

Itaúsa

For the 10th year, Itaúsa was selected to make up the portfolio of Dow Jones Sustainability World Index (DJSI), the main sustainability index in the world. In its 2013/2014 edition, the portfolio is made up by 333 companies of 25 countries, of which only eight are Brazilian companies - among which Itaú Unibanco Holding S.A. This was the first year in which Itaúsa was classified in the Banking sector in previous years Itaúsa was classified in the Financial Services sector. Itaúsa achieved the best rate in the following criteria: “Policies/Anti-crime actions”, “Brand management”, “Financial Stability and Systemic Risk”, and “Development of Human Capital”.

In addition, Itaúsa, Itaú Unibanco and Duratex were also selected to make up the portfolio of the Dow Jones Sustainability Emerging Markets Index.

Itaúsa was acknowledged by Carbon Disclosure Project - CDP Latin America as a Leader in Transparency in accordance with CDP’s global scoring methodology applied to the “Climate Changes 2013 Edition” survey. This study gathers data and analyses on gas emissions and how companies address the climate change theme in their management.

Itaú Unibanco Holding

In the third quarter of 2013, Itaú Unibanco acquired over 14.5 million preferred shares of own issue in the total amount of R$ 406.3 million at the average price of R$ 28.02 per share. In the year-to-date, 23.5 million preferred shares of own issue were acquired at the average price of R$ 28.18.

On August 20, 2013, Itaú Unibanco Holding renewed for another 10 years the commercial cooperation agreement entered into with Fiat car maker, the leader in sales of vehicles in Brazil. This agreement sets forth an exclusive financing offer in promotional campaigns held by Fiat for the sale of new automobiles and the exclusive use of Fiat brand in vehicle-financing related activities.

In August, Itaú Unibanco reported to the market that the Federal Reserve Service if Brazil (RFB) had issued a tax assessment notice in the approximate amount of R$ 18 billion related to the Itaú and Unibanco corporate association operation.

RFB disagrees with the type of business organization adopted to unify Itaú’s and Unibanco’s operations. However, the operation format suggested by RFB fails to be supported by the standards applicable to financial institutions in Brazil. Accordingly, Itaú Unibanco has challenged said tax assessment notice, by claiming that the operations carried out were adequate and that RFB's understanding that there was an undue tax gain was flawed. Itaú Unibanco considers the risk of loss associated to said tax procedure as remote, and this understanding is supported by its lawyers and external advisors.

Itaú Unibanco reinforces that the operations carried out in 2008 were legitimate, and approved by the management bodies of the involved companies and respective stockholders and subsequently by the applicable authorities (CVM, BACEN and the Administrative Council for Economic Defense (CADE)).

Itaú Unibanco was selected for the 14th consecutive year to make up the Dow Jones Sustainability World Index (DJSI) portfolio, the main sustainability index in the world, in its 2013/2014 edition. In this edition, Itaú Unibanco reached the best rate in the banking sector in the criteria “Policies/Anti-crime actions”, “Brand management” and “Financial Stability and Systemic Risk”. Itaú Unibanco is the only Latin America bank to take part in the index since its creation.

Redecard is now Rede – Itaú Unibanco has built a new brand, a new positioning and a new business strategy. Rede, a simpler and more direct name – meaning network – summarizes the company’s key attributes, evoking technology, agility and modernity, in addition to creating a young and connected personality. The company's focuses has been revised, it will continue serving the merchant, but also concerned with the end clients and therefore make a closer, quicker and more technology-based service available through digital and mobile media.

Last October Itaú Unibanco launched the new credit card brand available for all Brazilian consumers, Hiper, accepted in over one million establishments accredited by Rede throughout the Brazilian territory. Hiper is an evolution from Hipercard, the largest Brazilian card brand, and arrives to serve consumers searching for a product with immediate benefits. The first issuer that will flag Hyper is Itaucard for account holders and non-account holders of Itaú Unibanco. Among the benefits are:

- conversion of 120% of the annuity amount into bonus for mobile phone, applicable to all telephony operators working with such bonus system;
- cards with the Itaucard 2.0 concept.

Duratex

In the first nine months of 2013, investments totaled R$ 475.0 million in projects for the expansion of capacity, acquisition of Thermosystem and the maintenance of current operations. In the Panel Division, noteworthy was the completion of the new MDF board unit, in the city of Itapetininga (state of São Paulo), and the debottlenecking works of the MDP manufacturing in the city of Taquari (state of Rio Grande do Sul). In the Deca Division, the expansion in the metal fixtures manufacturing capacity in the city of Jundiaí (state of São Paulo) and sanitary porcelain manufacturing capacity in the city of Queimados (state of Rio Janeiro) were completed. All these projects were under a technical ramp-up stage in the third quarter, and their full capacity occupation from the second half of 2016 is expected.

Duratex was selected for the second consecutive time to make up the portfolio of the Dow Jones Sustainability Emerging Markets Index 2013/2014, included in the Materials industrial group, in the Paper & Forest Products sector.

Elekeiroz

In the year, the company invested R$ 21 million, particularly in the project to update the integrated corporate system, in the maintenance shut-off of the sulfuric acid and phthalic-anhydride units and in the expansion of the polyester resin unit.

Itautec

In the period from January to September, Itautec invested R$ 60.3 million, of which R$ 49.6 million in research and development (R&D), mainly focused on the development of products of the commercial and banking automation segments, including hardware and software, and R$ 10.7 million in fixed assets.

Itautec Strategic Repositioning

In the period, the processes in connection with Itautec’s operating reorganization were completed, with the purpose of making the company ready for the implementation of the strategic partnership with OKI Electric Industry Co. Ltd. (OKI).

Accordingly, a new company was set up, with the name of BR Indústria e Comércio de Produtos e Tecnologia em Automação S.A.. (BR Automação), which was provided with the full support needed to operate in the market, including Technologies, patents, intellectual property and other assets, including agreements, and the transfer of employees and experts in the Automation and Services segments.

From September 1st, BR Automação has been in charge of the supply of equipment, software and services, in addition to the demanded warranty and maintenance related to the Automation and Services segments.

After the strategic partnership is implemented, OKI will hold an interest of 70% in BR Automação, and Itautec S.A., its wholly-owned subsidiary, Itautec Participações e Comércio S.A., will hold the remaining 30% interest.

In connection with the gradual decommission of activities of the Computing Unit, this quarter witnessed the conclusion of the sales of the products of the personal computing segment. This decommission of the Unit will not give rise to any prejudice to the full compliance with all agreements and obligations to supply Itautec/InfoWay-branded equipment, nor with the customer service and maintenance-related services.

2) BUSINESS PERFORMANCE

Recurring net income for the period from January 1 to September 30 2013 amounted to R$ 4,357 million, with recurring annualized return on average equity of 18.8%. Net income for the same period reached R$ 3,922 million, with annualized return of 16.9%.

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

	Parenty company		Non-controlling interests		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Net income	3,922	3,502	271	198	4,193	3,700
Recurring net income	4,357	3,650	284	198	4,641	3,848
Stockholders' equity	32,199	29,479	2,856	2,593	35,055	32,072
Annualized return on average equity (%)	16.9%	15.7%	13.2%	10.3%	16.6%	15.2%
Annualized recurring return on average equity (%)	18.8%	16.3%	13.8%	10.3%	18.4%	15.8%

MAIN FINANCIAL INDICATORS

	09/30/2013	09/30/2012	Evolução %
Indicators per share - in R$			
Net income of parent company	0.73	0.68	7.4%
Recurring net income of parent company	0.81	0.71	14.4%
Book value of parent company	5.89	5.53	6.5%
Dividends/ interest on capital, net	0.17	0.16	9.2%
Price of preferred share (PN) (1)	9.03	8.17	10.5%
Market capitalization (2) – in millions of Brazilian reais - R$	49,400	43,579	13.4%

(1) Calculated based on the average quotation of preferred shares on the last day of the period.

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

Note: The number of outstanding shares and the quotation of the share were adjusted to reflect the 10% bonus declared out on April 30, 2013.

Reconciliation of recurring net income

In order to allow the appropriate analysis of the financial statements for the period, we present the net income with exclusion of the following main non-recurring effects, net of respective tax effects:

	Parent company		Non-controlling interests		Consolidated	
	01/01 a 09/30/2013	01/01 a 09/30/2012	01/01 a 09/30/2013	01/01 a 09/30/2012	01/01 a 09/30/2013	01/01 a 09/30/2012
Net Income	**3,922**	**3,502**	**271**	**198**	**4,193**	**3,700**
Inclusion / (Exclusion) of non-recurring effects	**435**	**148**	**13**	**-**	**448**	**148**
Arising from purchase of stockholding interest in Itaú Unibanco Holding	**187**	**160**	**-**	**-**	**187**	**160**
Change in treasury shares	110	13	-	-	110	13
Realization of purchase price allocation Itaú Unibanco x Redecard	38	-	-	-	38	-
Provision (Tax/Civil lawsuits/Economic Plans/Labor claims/Other)	39	43	-	-	39	43
Sale of interest/Adjustment to market value - BPI	-	104	-	-	-	104
Resulting from the ownership interest in Itautec	**269**	**(12)**	**18**	**-**	**287**	**(12)**
Pension plan' surplus (defined benefit)	(21)	-	(1)		(22)	-
Write-off of the pension plan' surplus (defined contribution)	67	-	3	-	70	-
Provision for non-realization of deferred tax assets	107	-	7	-	114	-
Provision for obsolescence of IT inventories	20	-	2	-	22	-
Provision for reorganization of the IT segment and other	25	-	2	-	27	-
Discontinued Operations (banking automation and commercial and the services)	71	(12)	5	-	76	(12)
Resulting from the ownership interest in Duratex	**-**	**-**	**(4)**	**-**	**(4)**	**-**
Change in treasury shares	2	-	-	-	2	-
Pension plan' surplus (defined benefit)	(10)	-	(18)	-	(28)	-
Discontinued Operations (Deca Piazza - operations in Argentina)	7	2	13	2	20	4
Other	1	(2)	1	(2)	2	(4)
Arising from interest in other controlled companies	**(21)**	**-**	**(1)**	**-**	**(22)**	**-**
Elekeiroz	(16)	-	(1)	-	(17)	-
Itaúsa Empreendimentos	(5)	-	-	-	(5)	-
Recurring net income	**4,357**	**3,650**	**284**	**198**	**4,641**	**3,848**

MAIN INDICATORS OF THE ITAÚSA CONGLOMERATE COMPANIES

	January to September	FINANCIAL SERVICES AREA	INDUSTRIAL AREA			CONSOLIDATED ITAUSA (1)
		Itaú Unibanco Holding	Duratex	Elekeiroz	Itautec (5)	
Total assets	**2013**	**990,206**	**8,100**	**707**	**702**	**40,369**
	2012	878,838	7,485	685	1,082	38,051
Operating revenues (2)	**2013**	**86,002**	**2,865**	**738**	**364**	**8,004**
	2012	93,942	2,442	658	527	7,127
Net income	**2013**	**11,516**	**450**	**33**	**(325)**	**4,193**
	2012	9,715	310	(5)	(18)	3,700
Stockholders' equity	**2013**	**80,340**	**4,377**	**510**	**219**	**35,055**
	2012	74,610	3,946	471	524	32,072
Annualized return on average equity (%) (3)	**2013**	**19.9%**	**14.3%**	**9.1%**	**-109.7%**	**16.6%**
	2012	17.3%	10.9%	-1.3%	-4.6%	15.2%
Internal fund generation (4)	**2013**	**31,766**	**873**	**64**	**(116)**	**580**
	2012	36,234	701	30	0	324

(1) Itaúsa Conglomerate includes: the consolidation of 100% of the subsidiaries and is net of consolidation elimination and unrealized results of intercompany transactions.
The amounts for Itaú Unibanco that were not consolidated and are now being accounted for under the equity method.

(2) Operating revenue by area of operations was obtained as follows:

- *Itaú Unibanco Holding: Interest and similar income, dividend income, net gain (loss) from investment securities and derivatives, banking service fees, income from insurance, private pension and capitalization operations before claim and selling expenses and other income.*
- *Duratex, Itautec and Elekeiroz: Sales of products and services.*
- *Itaúsa Conglomerate: Sales of products and services and share income of associates and joint ventures.*

(3) Represents the ratio of net income for the period and the average equity ((Dec + Mar + June + Sep)/4).

(4) Refers to funds arising from operations, according to the statement of cash flows.

(5) At Duratex and Itautec, the amounts presented do not consider the Operating Income classified in Result of Decommissioned Operations.

Accounting Policies

CPC 19, Joint Arrangements, determines that companies with investments in jointly-controlled entities will no longer have the option of accounting for them under the proportional consolidation method. These companies will be required to use the equity method for all joint ventures.

The Consolidated Financial Statements of Itaúsa no longer consider the proportional consolidation of the joint-controlled companies (Itaú Unibanco and IUPAR), as both will be accounted for through the equity method.

We show below the main effects on the financial statements at September 30, 2012, which were adjusted for comparison purposes:

BALANCE SHEET	Itaúsa Consolidated As Previously Published	Portion of Itaú Unibanco and IUPAR included in Itaúsa Consolidated	Itaúsa Consolidated without the proportional consolidation of Itaú Unibanco and IUPAR	Itaúsa Consolidated
	09/30/2012			09/30/2013
ASSETS				
Cash and deposits on demand	4,855	(4,767)	88	36
Central Bank compulsory deposits	23,674	(23,674)	-	-
Interbank deposits	6,680	(6,680)	-	-
Money market	54,463	(54,463)	-	-
Held-for-trading financial assets	48,110	(46,593)	1,517	1,395
Financial assets designated at fair value through profit or loss	136	(136)	-	-
Derivatives	3,766	(3,766)	-	-
Available-for-sale financial assets	24,289	(24,289)	-	-
Held-to-maturity financial assets	1,164	(1,164)	-	-
Loan and lease operations, net	123,177	(123,177)	-	-
Other financial assets	15,225	(14,964)	261	247
Inventories	815	-	815	674
Investments in unconsolidated companies	1,294	25,543	26,837	28,955
Fixed assets, net	5,318	(1,796)	3,522	3,785
Biological assets	1,103	-	1,103	1,130
Intangible assets, net	3,156	(2,106)	1,050	1,048
Tax assets	12,767	(11,514)	1,253	1,150
Other assets	4,709	(3,104)	1,605	1,632
Descontinued Operations Assets	-	-	-	317
TOTAL ASSETS	**334,701**	**(296,650)**	**38,051**	**40,369**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Raised funds	226,641	(225,973)	668	112
Derivatives	3,341	(3,341)	-	-
Other financial liabilities	16,550	(16,550)	-	-
Reserves for insurance and private pension	31,039	(31,039)	-	-
Liabilities for capitalization plans	1,067	(1,067)	-	-
Provisions	6,748	(6,355)	393	516
Tax liabilities	4,336	(3,607)	729	673
Other liabilities	12,787	(8,598)	4,189	3,877
Descontinued Liabilities Operations	-	-	-	136
Total Liabilities	**302,509**	**(296,530)**	**5,979**	**5,314**
Total stockholders’ equity attributed to owners of the parent company	**29,479**	**-**	**29,479**	**32,199**
Stockholders’ equity of non-controlling interests	2,713	(120)	2,593	2,856
Stockholders’ equity	**32,192**	**(120)**	**32,072**	**35,055**
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	**334,701**	**(296,650)**	**38,051**	**40,369**

STATEMENT OF INCOME	01/01 to 09/30/2012			01/01 to 09/30/2013
Sales of products and services	4,022	(442)	3,580	3,947
Cost of products and services	(2,721)	645	(2,076)	(2,349)
Interest and similar income	26,611	(26,450)	161	155
Interest and similar expense	(13,654)	13,608	(46)	(205)
Dividends income	69	(67)	2	-
Net gain (loss) from financial assets and liabilities	952	(955)	(3)	-
Foreign exchange results and exchange variation on foreign operations	1,119	(1,116)	3	-
Banking service fees	5,188	(5,188)	-	-
Income from insurance, pension plan and capitalization operations before expenses for claims	1,650	(1,650)	-	-
Other operating income	362	(186)	176	381
Losses on loans and claims	(5,885)	5,885	-	-
Other operating expenses	(2,516)	1,912	(604)	(299)
General and administrative expenses	(8,849)	7,941	(908)	(1,161)
Tax expenses	(1,364)	1,240	(124)	(130)
Share of comprehensive income of unconsolidated companies	57	3,490	3,547	4,057
Income before income tax and social contribution	**5,041**	**(1,333)**	**3,708**	**4,396**
Income tax and social contribution	(1,140)	1,124	(16)	(106)
Net Income of Discontinued Operations	**3,901**	**(209)**	**3,692**	**4,290**
Discontinued Operations	**-**	**8**	**8**	**(97)**
NET INCOME	**3,901**	**(201)**	**3,700**	**4,193**
Net income of controlling interests	3,502	-	3,502	3,922
Net income of minority interests	399	(201)	198	271

2.1) FINANCIAL SERVICES AREA

Itaú Unibanco Holding

The amounts commented on below, when related to the accounting information, were determined according to the International Financial Reporting Standards (IFRS) and are not proportionalized to reflect the ownership of 36.88% held by Itaúsa.

Results

Net income for the period from January to September 2013 attributable to controlling stockholders totaled R$ 11,516 billion and was 18.5% higher than in the same period of previous year, with annualized return of 19.9% on average equity (17.3% in 2012). In the first nine months of 2013, recurring net income reached R$ 11.622 billion, a 14.9% increase as compared to the period from January to September 2012, with recurring return on average equity of 20.1%.

The increases of 16.9% in banking service fees and income from banking charges, and of 11.5% in income from insurance, pension plan and capitalization operations before claim and selling expenses, as compared to the same period of 2012, contributed to the increased result for the period. Between January and September 2013, total interest and similar income and interest and similar expense decreased 2.2% as compared to the same period of 2012.

The control over general and administrative expenses, which increased only 3.3% in the period, and the lower losses with loans and claims, which decreased 25.1%, also contributed to the growth in net income, when comparing the first nine months of 2013 and 2012.

Assets

Total consolidated assets reached R$ 990.2 billion, a 12.7% increase in the last twelve months, and stockholders' equity attributable to controlling stockholders totaled R$ 80.3 billion, with increases of 7.7% in the twelve-month period and 5.8% in 2013, respectively.

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

Loan Portfolio

At September 30, 2013, the loan portfolio, including endorsements, sureties and private securities, reached R$ 481.6 billion, a 9.8% increase as compared to September 30, 2012, as shown in the table below:

R$ million

Loan Portfolio	September 30, 2013	December 31, 2012	September 30/2012	Change (%) Sep/ 2013 Dec/ 2012	Change (%) Sep/2013 Sep/ 2012
Individuals	**156,752**	**151,081**	**148,934**	**3.8%**	**5.2%**
Credit card	43,078	40,531	36,699	6.3%	17.4%
Personal loans	27,214	27,348	28,512	-0.5%	-4.6%
Payroll advance loans	20,579	13,508	12,547	52.3%	64.0%
Vehicles	43,060	51,646	54,489	-16.6%	-21.0%
Mortgage loans	22,820	18,047	16,687	26.4%	36.8%
Companies	**264,031**	**246,913**	**242,031**	**6.9%**	**9.1%**
Corporate	178,249	157,955	152,583	12.8%	16.8%
Very small, small and medium-market companies	85,782	88,959	89,448	-3.6%	-4.1%
Latin America (*)	**36,363**	**29,300**	**27,454**	**24.1%**	**32.4%**
Total with endorsements and sureties	**457,145**	**427,294**	**418,419**	**7.0%**	**9.3%**
Corporate – Private securities (**)	24,455	22,652	20,030	8.0%	22.1%
Total with endorsements, sureties and private securities	**481,600**	**449,946**	**438,449**	**7.0%**	**9.8%**

Total with endorsements, sureties and private securities (excluded Vehicles)	**438,540**	**398,300**	**383,960**	**10.1%**	**14.2%**

(*) Includes Argentina, Chile, Colombia, Paraguay and Uruguay.

(**) Includes debentures, securitized real estate loans (CRI) and Commercial Paper.

Individuals Segment – In Brazil, the loan portfolio of Itaú Unibanco to individuals reached R$ 156.8 billion at September 30, 2013, a 5.2% increase when compared to September 30, 2012. At the end of September 2013, the balance of this loan portfolio reflects Itaú Unibanco's strategy to prioritize portfolios with lower risks. Highlights:

- Itaú Unibanco is the leader in the credit card segment in Brazil. From January to September 2013, the transacted amount in debit and credit cards reached R$ 181.5 billion, a 11.8% increase as compared to the same period of 2012. The balance of the loan portfolio reached R$ 43.1 billion, an increase of 17.4% as compared to the same period of the previous year.

- The payroll advance loans portfolio recorded a significant increase of 64.0% when compared to September 30, 2012, and has already reached 4.5% of the portfolio added up to endorsements and sureties, thus reaching R$ 20.6 billion. Banco Itaú BMG Consignado S.A. started operations in December 2012 and has activities throughout the Brazilian, reaching R$ 5.6 billion of the estimated R$ 12.0 billion expected for the next two years, when the new institutions was announced.

- Itaú Unibanco regained leadership in financing granted for new vehicles. The risk reduction started last year has provided for the improvement in the portfolio quality, with the most recent loan operation results recording lower default rates. Itaú Unibanco ended the period with a balance of R$ 43.1 billion, 21.0% lower than in the same period of the previous year. In the third quarter of 2013, new financing, leasing and Finame totaled R$ 5.2 billion, a 3.5% increase as compared to the same period of the previous year.

- Itaú Unibanco is also the leader in mortgage loans to individuals among the Brazilian private banks. These loans is offered by the network of branches, development companies and real estate agencies, as well as partnerships. By the end of September, the bank has carried out approximately 27 thousand mortgage loans, a 34% increase as compared to the same period of the previous year. The mortgage loan portfolio reached a balance of R$ 32.0 billion, with a 33.1% increase as compared to September 2012, especially the increase of 34.9% in the portfolio of loans to individuals in the same period.

Companies – In Brazil, the portfolio of loan operations to companies reached R$ 264.0 billion at September 30, 2013, a 9.1% increase as compared to the same period of 2012.

- The Corporate portfolio, managed by Itaú BBA, is composed of loans in national and foreign currency, mandatory loans (BNDES onlending, rural credit and mortgage loans) and guarantees. In the period from January to September, noteworthy are transactions in foreign currency that posted a 10.6% growth, particularly due to the exchange devaluation, and mandatory loans, which increase was 28.7% as compared to the same period of the previous year. Also noteworthy is the income from hedging services for clients, focusing on operations hedging exposures to foreign currencies, interest rates and commodities with clients that export or with prices pegged to the movements of international markets. The volume of transactions contracted from January to September 2013 was 33.9% higher than the same period of the previous year.

Latin America (Argentina, Chile, Colombia, Paraguay and Uruguay) – the loan portfolio recorded a significant increase of 32.4% as compared to September 2012. Noteworthy is the increase in the loan portfolio in the companies segment in Chile, Uruguay and Argentina, which increased 32.7%, 55.4% and 35.1% respectively. In the individuals segment, noteworthy is the 27.1% increase in the Chile portfolio as compared to the same period of the previous year.

At September 30, 2013, total default ratio, considering the nonperforming loans over 90 days, recorded the lowest level since the Itaú and Unibanco merger, reaching 3.9%, a 120 bps decrease as compared to the end of September 2012. In a twelve-month period, the default ratio decreased 150 bps for the loans to individuals and 100 bps for loans to companies.

Funding

At September 30, 2013, free, raised and managed assets totaled R$ 1.5 trillion, a 15.9% increase as compared to the same period of 2012.

Capital Strength

Basel ratio – At the end of September 2013, the ratio reached 17.5%, remaining unchanged as compared to the same period in 2012, an event that evidences the strength in the capital base.

Rating Agency – in the beginning of October, Moody's disclosed the change in the outlook of the Brazilian sovereign rating from positive to stable, based on the following considerations: (i) the main credit metrics are deteriorating; (ii) the economy is going through an extended low-growth period; and (iii) deterioration in the reporting quality of government accounts.

As a consequence of this change, the rating agency downgraded from positive to stable the outlook the ratings (i) of the issuer and long-term deposit on a global scale and local currency; and (ii) of long-term deposit, senior and subordinated debt in foreign currency of Itaú Unibanco Holding S.A.

Additionally, in view of the reassessment conducted by the agency on the Brazilian government's capability to provide system support to the financial system, Moody's downgraded the ratings: (i) of the long-term issuer on a global scale and local currency, and (ii) of long-term programs/senior debt on a global scale and foreign currency of Itaú Unibanco Holding S.A.

For additional information on ratings, access www.itau-unibanco.com.br/ri > Market Opinion > Ratings.

2.2) INDUSTRIAL AREA

Duratex

Duratex has posted a good performance in a highly challenging environment, as a result of the increase in interest rates, higher foreign exchange volatility and debt of domestic consumers, in addition to inflationary pressures on its cost structure.

In the period from January to September 2013, shipped volume grew 12.2% in Deca Division and 0.8% in Panels. Consolidated net revenue increased 17.3%, to R$ 2,865 million; and EBITDA, calculated based on the methodology established by CVM Instruction Number. 527/12, reached R$ 1,081 million, a 29.2% increase, with an EBITDA margin of 37.7% (34.3% in the same period of the previous year).

Net income totaled R$ 450 million, a 45.0% increase when compared with the first nine months of 2012; annualized return on average equity was 14.3%, as compared to 10.9% in the same period of 2012. Recurring net income, of R$ 444 million, represented a 42.9% increase, with a recurring net margin of 15.5% (12.7% accumulated in the previous year).

Elekeiroz

The increase of 19% in the internal sales in the period from January to September propelled net revenue to R$ 738 million, a 12.1% increase as compared to the same period of the previous year. Exports, however, posted a drop of 20.0%.

Net income reached R$ 33 million until September, as compared to a loss of R$ 5 million in the first nine months of 2012. EBITDA totaled R$ 68 million, a 253.0% increase, and the EBITDA margin was 9.2%, as compared to 2.9% in 2012.

At September 30, 2013, total short-term and long-term debt to financial institutions totaled R$ 110.2 million, equivalent only to 22% of the company's stockholders' equity.

Itautec

The analysis of the Company’s performance in the periods ended September 2013 and 2012 considers the consolidated financial information before the reclassification of results, assets and liabilities of the Automation and Technological Services operations.

Consolidated selling and services revenue recorded in the third quarter of 2013 was R$ 208.1 million, 42.9% lower as compared to the third quarter of 2012, particularly due to the reductions in the scope and contractual renegotiation with clients from the banking sector, which affected the performance of the Technological Services Unit and due to the gradual decommissioning of the Computing Unit, which resulted in a decrease in the number of equipment items shipped in the period. In the Automation segment, despite the 147.2% increase in the number of ATMs shipped, as compared to the third quarter of 2012, net revenue as compared to the same period of prior year decreased 18.5%, and in that period a portion of net revenue related to an important biometric project to a Brazilian private bank was recognized.

Consolidated selling and services revenue in the first nine months of 2013 was R$ 805.7 million, 30.9% lower than in the same period of 2012. In addition to the events reported above and that influenced the performance of the Technological Services and Computing Units, accumulated net revenue for 2013 was also affected by the issue of a smaller number of ATMs shipped in relation to the same period of the previous year and, as described in previous reports, by the loss of a logistics service agreement as from the second quarter of 2012.

Gross profit in the third quarter of 2013 was R$ 16.3 million, 67.4% lower than that reported in the same period of 2012, due to a decrease in the margin of the Computing Solutions Unites, as a result of the beginning of decommissioning of the operation, and of Technological Services, due to reductions in net revenue. Gross profit accumulated from January to September reached R$ 44.0 million.

Bu virtue of the aforementioned factors, including the financial impacts related to the Company’s restructuring, net result for the third quarter of 2013 was a loss of R$ 51.0 million.

3) PEOPLE MANAGEMENT

We employed approximately 112 thousand people at the end of September 2013, including approximately 6 thousand employees in foreign units. The employee’s fixed compensation plus charges and benefits totaled R$ 8.6 billion for the period.

4) SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Itaú Unibanco Holding

Itaú Unibanco was elected as one of the companies with the best environmental practices in Brazil in the Época Empresa Verde (Green Company Época) Award (Época magazine), as one of the leading companies in the Época Climate Change award, and acknowledged in six categories of the Empresário Amigo do Esporte 2013 (Entrepreneur Friend of Sport) Award, from the Ministry of Sport, and it is one of the companies that invest more in this sector under the Sports Incentive Law by supporting sports and para-sports projects.

In this last quarter Itaú Unibanco published the Itaú Social Welfare 2013 index. Designed by the economy research team, this index takes into consideration human conditions and income distribution in Brazil, in addition to economy conditions.

In October, Itaú Unibanco redesigned the national campaign to encourage reading among children. In this action, adults will be invited to read for children and, to support this invitation, Itaú will offer 4.4 million children's books free of charge. The purpose is to mobilize society for the importance of reading to a child, showing how this gesture may contribute to ensure their rights, develop their capacity to learn, and express themselves, in additional to strengthening the affective bond between the child and the adult, and developing the taste for reading from an early age. Since 2010, over 30 million books have been delivered by the program.

Duratex

Duratex allocated R$ 22.2 million in environmental actions in the period from January to September, am amount 9.6% higher than that invested in the same period of 2012, particularly in the treatment of effluents, collection of residues, and maintenance of forest lands.

In the period, Duratex presented the 2016 Sustainability Platform, which describes the strategic planning for the theme and held the 2nd Stakeholders Meeting. The referred event met the executives (board) of the company and opinion formers of multiple sectors, such capital markets, non governamental organization and groups of civil society. The purpose of this event was to show and discuss the Duratex strategic sustainability planning for the next years throught the presentantion of sustainability 2016 platform. The results of this work will be shown in the next annual reports and the sustainability report of Duratex.

Elekeiroz

Elekeiroz was one of the sponsors of the 16th Week of Chemical Engineering of the University of Campinas (Unicamp), which topic for this year was Diversity of Chemical Engineering. During this event, the company's stand was visited by students interested in knowing the activities and job opportunities then offered. In addition, a visit of students from Unicamp and the State University of São Paulo (UNESP) to the Várzea Paulista site (SP) was organized.

5) AWARDS AND RECOGNITION

Itaú Unibanco Holding

As Melhores da Dinheiro 2013 (the best of Money 2013) – promoted by *Isto é Dinheiro* magazine, this ranking awards the best companies of the year by using management criteria, as follows: financial sustainability, human resources, innovation and quality, social and environmental responsibility and corporate governance. Itaú Unibanco also won the banking sector ranking for the seventh time.

Época Negócios 360º – organized by *Época* magazine, this guide is organized in partnership with Dom Cabral Foundation, which carries out a thorough assessment of the best companies of Brazil by considering as criteria: financial performance, corporate governance, human resources practices, innovation, vision of future and social and environmental responsibility. Once again, we achieved the first place in the bank sector in this guide, which is already in its second edition.

*1000 Melhores Fundos de Investimento 2013 (*The 1,000 Best Investment Funds of 2013*)* – promoted by the *Exame* Guide of Personal Investments, in a survey conducted by the Center of Finance Studies of FGV (GVCef-FGV), Itaú Unibanco was elected the Best Manager of the Year. This award highlighted the best managers for retail, high-end clients, companies and institutional investors. Among 1,000 open-end funds analyzed, Itaú Unibanco was also elected in the Best Manager categories:

- Funds in which investors invest between R$ 50,000 e 250,000 reais (selective retail);
- Interbank rate (DI) and short-term funds;
- Indexed equity funds; and
- Multimarket investment funds.

Latin American Executive Team 2013 – organized by the Institutional Investor Magazine, this ranking is achieved on a survey conducted with over 800 managers of investment and pension funds (buy side analysts), brokers and investment banks (sell side analysts) operating in Latin America. Disclosed on August 20, Itaú Unibanco was the winner in six out of the eight ranking categories: Best Investor Relations by the Sell and Buy Sides; the Best CEO by the Sell and Buy Sides; the Best Bank CFO by the Buy Side and the Best Investor Relations Professional by the Buy Side.

Latin America Research Team 2013 – for the first time Itaú BBA was ranked as the number one Research team of Latin America.

Best Cash Management Bank in Brazil – Itaú Unibanco was recognized for the sixth consecutive year by Euromoney magazine, one of the most important financial market publications.

Duratex

Awarded among the Best Companies for Stockholders in 2013, by *Capital Aberto* magazine, it ranked first in the Companies with assets between R$ 5 billion and R$ 15 billion category.
Abrasca Award, in the Highlight of the Sector 2013 – Pulp and Paper category, as the best value-creation case between 2009 and 2012.

Época Empresa Verde (Green Company Época) Special Highlight Award, in the Climate Changes category, for keeping a history of inventory of greenhouse gas for 13 years, establishing goals for reducing emissions and having the inventories audited by an independent company. The award is granted by the *Época* magazine with the support and advisory of PriceWaterhouseCooopers (PWC).

Highlight in the Corporate Governance Dimension, in the *Época Negócios 360º*, a Yearly Issue of Época Magazine and Dom Cabral Foundation. The transparency in the CEO succession process stood out as an example of improvement in the company's governance.

Itautec

Itautec was nominated as finalist in the Communication and Transparency category of the 2013 edition of the Ethics in Business Award. Organized by the Brazilian Institute of Ethics in Business, currently in its fourth edition, this award acknowledges the organizations' initiatives to promote ethics in the corporate environment.

The choice of the Company as a finalist considered the concern and care to provide the internal and external audience, including business partners and other stakeholders, with specific information on the strategic repositioning of Itautec and the announcement of the partnership with OKI Electric.

6) INDEPENDENT AUDITORS – CVM INSTRUCTION No. 381

Procedures adopted by the Company

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

During the period from January to September 2013, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

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

- January 7, March 20, July 31, and August 28 – acquisition of technical material;
- February 28 – review of aspects related to the business continuity program;
- May 27 – review of the completed Corporate Income Tax Return 2013;
- August 15 and 16 – taking part in a finance and accounting course, open to the public.

Summary of the Independent Auditors’ justification - PricewaterhouseCoopers

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

7) ACKNOWLEDGEMENTS

We thank our stockholders and clients for their trust, which we always try to pay back by obtaining results differentiated from those of the market, and making available quality products and services, and our employees for their talent, which has enabled the sustainable growth of our business.

(Approved at the Board of Directors' Meeting of November 4, 2013).

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

BOARD OF DIRECTORS

Chairman

CARLOS DA CAMARA PESTANA

Vice-Chairman

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ALFREDO EGYDIO SETUBAL

Members

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PAULO SETUBAL

RODOLFO VILLELA MARINO

Alternate members

RICARDO EGYDIO SETUBAL

RICARDO VILLELA MARINO

EXECUTIVE BOARD

Chief Executive Officer

ALFREDO EGYDIO ARRUDA VILLELA FILHO

Executive Vice-Presidents

HENRI PENCHAS (*)

ROBERTO EGYDIO SETUBAL

(*) Investors Relations Officer

FISCAL COUNCIL

President

TEREZA CRISTINA GROSSI TOGNI

Members

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PAULO RICARDO MORAES AMARAL

Alternate members

JOSÉ ROBERTO BRANT DE CARVALHO

LUIZ ANTONIO CARELI

JOÃO COSTA

Accountant

ARY GOMES FILHO

CRC 1SP - 144.366/O-8

ITAÚ UNIBANCO HOLDING S.A.

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Vice-Chairman

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ROBERTO EGYDIO SETUBAL

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CANDIDO BOTELHO BRACHER
DEMONSTHENES MADUREIRA DE PINHO NETO
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NILDEMAR SECCHES
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President

GUSTAVO JORGE LABOISSIÈRE LOYOLA

Members

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FISCAL COUNCIL

President

IRAN SIQUEIRA LIMA

Members

ALBERTO SOZIN FURUGUEM
LUIZ ALBERTO DE CASTRO FALLEIROS

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ROBERTO EGYDIO SETUBAL

Executive Vice-Presidents

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Executive Directors

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Directors

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EMERSON MACEDO BORTOLOTO
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(*) Investor Relations Officer

DURATEX S.A.

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Vice-Chairmen
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RICARDO EGYDIO SETUBAL

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HELIO SEIBEL
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Directors
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(*) Investor Relations Officer

ITAUTEC S.A. - GRUPO ITAUTEC

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Vice-Chairman
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REINALDO RUBBI
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Alternate members
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Chief Executive Officer
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Executive Vice-Presidents
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JOSÉ ROBERTO FERRAZ DE CAMPOS
RICARDO HORÁCIO BLOJ
SILVIO ROBERTO DIREITO PASSOS
WILTON RUAS DA SILVA

Director
GUILHERME TADEU PEREIRA JÚNIOR (*)

(*) Investor Relations Officer

ELEKEIROZ S.A.

BOARD OF DIRECTORS

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Vice-chairman
OLAVO EGYDIO SETUBAL JÚNIOR

Members
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HENRI PENCHAS
REINALDO RUBBI
RICARDO EGYDIO SETUBAL
ROGÉRIO ALMEIDA MANSO DA COSTA REIS

Alternate members
PAULO SETUBAL
RICARDO VILLELA MARINO

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Directors
CARLOS CALVO SANZ
ELDER ANTONIO MARTINI
RICARDO JOSÉ BARALDI

(*) Investor Relations Officer

ITAÚSA - INVESTIMENTOS ITAÚ S.A

Consolidated Balance Sheet as at September 30, 2013 and December 31, 2012

(In millions of Reais)

ASSETS	NOTE	09/30/2013	12/31/2012	01/01/2012
Cash and cash equivalents	3	1,006	1,382	1,265
Financial assets held for trading	4	425	429	328
Trade accounts receivable	12	1,273	1,181	1,038
Other financial assets	11a	247	621	551
Inventories	5	674	790	771
Investments in associates and jointly controlled entities	6 IIa	28,955	27,304	26,526
Fixed assets, net	7	3,785	3,636	3,325
Biological assets	8	1,130	1,102	1,094
Intangible assets, net	9	1,048	1,055	1,064
Tax assets		1,150	1,203	1,090
Income tax and social contribution - current		238	364	292
Income tax and social contribution - deferred	17b	740	653	631
Other		172	186	167
Other assets	11a	359	347	364
Assets of Discontinued Operations	25	317	-	-
TOTAL ASSETS		**40,369**	**39,050**	**37,416**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A
Consolidated Balance Sheet as at September 30, 2013 and December 31, 2012
(In millions of Reais)

LIABILITIES AND STOCKHOLDERS' EQUITY	NOTE	09/30/2013	12/31/2012	01/01/2012
Liabilities				
Social and statutory		617	1,130	903
Debentures and promissory notes	10	112	682	751
Provisions	21	516	436	334
Tax liabilities		673	759	681
Income tax and social contribution - current		71	12	18
Income tax and social contribution - deferred	17b	515	495	509
Other		87	252	154
Loans and financing	13	2,525	2,539	2,204
Other liabilities	11b	735	830	768
Liabilities of Discontinued Operations	25	136	-	-
Total Liabilities		**5,314**	**6,376**	**5,641**
STOCKHOLDERS' EQUITY				
Capital	14a	22,000	16,500	13,678
Treasury shares		-	-	(80)
Reserves	14c	10,754	13,233	16,083
Cumulative other comprehensive income		(555)	294	(340)
Total stockholders’ equity attributable to owners of the parent company		**32,199**	**30,027**	**29,341**
Non-controlling interests		2,856	2,647	2,434
Total stockholders’ equity		**35,055**	**32,674**	**31,775**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**40,369**	**39,050**	**37,416**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A
Consolidated Statement of Income
Periods ended September 30, 2013 and 2012
(In millions of Reais, except per share information)

	NOTE	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
Sales of products and services		1,327	3,947	1,308	3,580
Cost of products and services		(810)	(2,349)	(793)	(2,076)
Financial results		(16)	(50)	(32)	(84)
Other operating income		186	381	57	176
General and administrative expenses	16	(350)	(1,161)	(310)	(908)
Other operating expenses		(100)	(299)	(128)	(403)
Tax expenses		(22)	(130)	(23)	(124)
Share of income in associates and jointly controlled entities	6 IIa	1,485	4,057	1,218	3,547
Income before income tax and social contribution		**1,700**	**4,396**	**1,297**	**3,708**
Current income tax and social contribution	17a	(44)	(135)	(123)	(185)
Deferred income tax and social contribution	17b	28	29	123	169
Net Income of Continued Operations		**1,684**	**4,290**	**1,297**	**3,692**
Discontinued Operations	25	(53)	(97)	(8)	8
NET INCOME		**1,631**	**4,193**	**1,289**	**3,700**
Net income attributable to owners of the parent company		1,525	3,922	1,210	3,502
Net income attributable to non-controlling interests		106	271	79	198
EARNINGS PER SHARE - BASIC AND DILUTED					
Common		0.28	0.73	0.23	0.68
Preferred		0.28	0.73	0.23	0.68
Weighted average number of shares outstanding – basic and diluted					
Common		2,106,226,703	2,076,611,040	2,052,918,509	1,990,708,857
Preferred		3,364,440,558	3,317,133,144	3,279,287,212	3,179,914,872

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A
Consolidated Statement of Comprehensive Income
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
NET INCOME	**1,631**	**4,193**	**1,289**	**3,700**
Available-for-sale financial assets and Foreign exchange differences on foreign investments	1	2	-	3
Share of other comprehensive income of associates and joint ventures	(134)	(877)	240	488
Total comprehensive income	**1,498**	**3,318**	**1,529**	**4,191**
Comprehensive income attributable to owners of the parent company	1,392	3,047	1,450	3,993
Comprehensive income attributable to non-controlling interests	106	271	79	198

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

ITAÚSA- INVESTIMENTOS ITAÚ S.A.
Consolidated Statement of Cash Flows
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	Note	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
Adjusted Net Income		**331**	**580**	**8**	**324**
Net income		1,631	4,193	1,289	3,700
Adjustments to net income:		(1,300)	(3,613)	(1,281)	(3,376)
Interest on debentures		-	11	7	41
Interest on promissory notes		-	3	5	5
Interest, foreign exchange and monetary variations, net		51	142	40	133
Depreciation, amortization and depletion	7, 8 and 9	217	456	232	479
Share of income in associates and jointly controlled entities	6 IIa	(1,485)	(4,057)	(1,218)	(3,547)
Deferred income tax and social contribution		(28)	(29)	(123)	(169)
Change in fair value of biological assets		(74)	(151)	(75)	(144)
Allowance for loan losses		(2)	(3)	-	1
Income from the sale of fixed assets		1	2	1	4
Other		20	13	(150)	(179)
Variations in assets and liabilities		**(253)**	**(291)**	**(581)**	**(499)**
(Increase)/decrease in financial assets		641	762	(177)	(37)
(Increase)/decrease in other financial assets		30	75	21	(34)
(Increase)/ decrease in inventories		(5)	(76)	(3)	(48)
(Increase)/ decrease in tax assets		(51)	(9)	(2)	7
(Increase)/ decrease in other non-financial assets		(830)	(235)	(206)	(324)
Increase/(decrease) in tax and labor liabilities		19	142	39	94
Increase/(decrease) in other non-financial liabilities		(51)	(856)	(244)	(103)
Payment of income tax and social contribution		(6)	(94)	(9)	(54)
Net cash from operating activities		**78**	**289**	**(573)**	**(175)**
Purchase of investments		(1)	(34)	(8)	(8)
Acquisition of intangibles	9	-	(38)	(6)	(11)
Sale of intangibles	9	1	13	-	-
Purchase of fixed assets	7	(241)	(370)	(137)	(438)
Sale of fixed assets	7	13	16	2	10
Interest on capital and dividends received		509	1,635	556	1,872
Assets of Discontinued Operations		(30)	(35)	-	-
Net cash from investment activities		**251**	**1,187**	**407**	**1,425**
Subscription of shares		4	315	-	-
Interest on capital and dividends paid		(491)	(1,551)	(144)	(1,302)
Payment of promissory notes		-	(210)	(202)	(202)
Borrowings and financing		171	577	245	455
Payment of borrowings and financing		(102)	(601)	(78)	(305)
Issue of debentures		(6)	(6)	399	501
Payment of debentures		6	(377)	1	(432)
Sale of treasury shares		-	-	1	1
Net cash from financing activities		**(418)**	**(1,853)**	**222**	**(1,284)**
Increase/(decrease) of cash and cash equivalents		**(89)**	**(377)**	**56**	**(34)**
Cash and cash equivalents at the beginning of the period	3	1,095	1,382	1,176	1,265
Effects of changes in exchange rates on cash and cash equivalents		-	1	-	1
Cash and cash equivalents at the end of the period	3	1,006	1,006	1,232	1,232

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Consolidated Statement of Added Value
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	07/01 to 09/30/2013	%	01/01 to 09/30/2013	%	07/01 to 09/30/2012	%	01/01 to 09/30/2012	%
INCOME	**1,511**		**4,387**		**1,397**		**3,929**	
Sales of products and services	1,327		3,947		1,308		3,580	
Income from financial operations and securities	51		156		39		162	
Interest, income, dividends and provision of financial services	-		-		-		2	
Other	133		284		50		185	
EXPENSES	**(180)**		**(611)**		**(219)**		**(697)**	
Interest and similar expense	(66)		(205)		(73)		(247)	
Other	(114)		(406)		(146)		(450)	
INPUTS PURCHASED FROM THIRD PARTIES	**(525)**		**(1,847)**		**(675)**		**(1,733)**	
Cost of products and services	(464)		(1,681)		(629)		(1,577)	
Third-party services	(26)		(65)		(20)		(45)	
Other	(35)		(101)		(26)		(111)	
Data processing and telecommunications	(3)		(9)		(3)		(9)	
Advertising, promotions and publicity	(5)		(19)		(7)		(20)	
Transportation	(10)		(33)		(11)		(36)	
Travel expenses	-		(2)		(1)		(2)	
Legal and judicial	-		-		(3)		(10)	
Other	(17)		(38)		(1)		(34)	
GROSS ADDED VALUE	**806**		**1,929**		**503**		**1,499**	
DEPRECIATION, AMORTIZATION AND DEPLETION	**(244)**		**(483)**		**(133)**		**(381)**	
NET ADDED VALUE PRODUCED BY THE COMPANY	**562**		**1,446**		**370**		**1,118**	
ADDED VALUE RECEIVED FROM TRANSFER	**1,485**		**4,057**		**1,218**		**3,547**	
Share of income in associates and jointly controlled entities	1,485		4,057		1,218		3,547	
TOTAL ADDED VALUE TO BE DISTRIBUTED	**2,047**		**5,503**		**1,588**		**4,665**	
DISTRIBUTION OF ADDED VALUE	**2,047**	**100.00%**	**5,503**	**100.00%**	**1,588**	**100.00%**	**4,665**	**100.00%**
Personnel	297	14.51%	837	15.21%	244	15.37%	727	15.58%
Compensation	228		682		202		602	
Benefits	35		93		28		84	
FGTS – Government severance pay fund	34		62		14		41	
Taxes, fees and contributions	119	5.81%	473	8.60%	55	3.46%	238	5.10%
Federal	118		456		52		233	
State	1		16		3		5	
Municipal	-		1		-		-	
Return on own assets	1,631	79.68%	4,193	76.20%	1,289	81.17%	3,700	79.31%
Dividends and interest on capital paid/provided for	412		1,053		326		940	
Retained earnings for the period	1,113		2,869		884		2,562	
Non-controlling interests in retained earnings	106		271		79		198	

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Individual Balance Sheet Periods ended September 30, 2013 and 2012

(In millions of Reais)

ASSETS	NOTE	09/30/2013	12/31/2012
Financial assets		494	918
Financial assets held for trading		425	429
Dividends and Interest on capital receivable		69	489
Investments		31,193	29,692
Investments in associates and jointly controlled entities	6	31,189	29,688
Other investments		4	4
Fixed assets, net		70	71
Intangible assets, net	9	460	460
Tax assets		774	732
Income tax and social contribution - current		153	251
Income tax and social contribution - deferred		619	479
Other		2	2
Other assets		96	91
TOTAL ASSETS		**33,087**	**31,964**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Individual Balance Sheet Periods ended September 30, 2013 and 2012

(In millions of Reais)

LIABILITIES AND STOCKHOLDERS' EQUITY	NOTE	09/30/2013	12/31/2012
Liabilities			
Social and statutory		593	1,046
Debentures and Promissory notes	10	-	573
Provisions		257	180
Tax liabilities		36	137
Income tax and social contribution - current		27	-
Income tax and social contribution - deferred		5	4
Other		4	133
Other liabilities		2	1
Total Liabilities		**888**	**1,937**
Stockholders' equity			
Capital	14a	22,000	16,500
Reserves	14c	10,754	13,233
Cumulative other comprehensive income		(555)	294
Total stockholders' equity		**32,199**	**30,027**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**33,087**	**31,964**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Individual Statement of Income

Periods ended September 30, 2013 and 2012

(In millions of Reais, except per share information)

	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
Financial results	6	12	(6)	(15)
Other operating income	2	6	1	3
General and administrative expenses	(7)	(30)	(9)	(27)
Other operating expenses	-	(1)	-	-
Tax expenses	(21)	(114)	(20)	(119)
Share of income in associates and jointly controlled entities	1,504	3,937	1,218	3,610
Income before income tax and social contribution	**1,484**	**3,810**	**1,184**	**3,452**
Current income tax and social contribution	(28)	(28)	(104)	(105)
Deferred income tax and social contribution	69	140	130	155
NET INCOME	**1,525**	**3,922**	**1,210**	**3,502**
EARNINGS PER SHARE - BASIC AND DILUTED				
Common	0.28	0.73	0.23	0.68
Preferred	0.28	0.73	0.23	0.68
Weighted average number of shares outstanding – basic and diluted				
Common	2,106,226,703	2,076,611,040	2,052,918,509	1,990,708,857
Preferred	3,364,440,558	3,317,133,144	3,279,287,212	3,179,914,872

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A
Individual Statement of Comprehensive Income
Periods ended September 30, 2013 and 2012
(In millions of Reais, except per share information)

	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
NET INCOME	**1,525**	**3,922**	**1,210**	**3,502**
Available-for-sale financial assets and Foreign exchange differences on foreign investments	1	2	-	3
Share of other comprehensive income of associates and joint ventures	(134)	(877)	240	488
Total comprehensive income	**1,392**	**3,047**	**1,450**	**3,993**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A
Statement of Changes in Stockholders' Equity (Note 14)
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	Attributable to owners of the parent company										
							Comprehensive income				
	Capital	Treasury shares	Appropriated reserves / Capital and revenue	Unappropriated reserves	Proposal for distribution of additional dividends	Retained earnings (accumulated deficit)	Other comprehensive income	Share of other comprehensive income of unconsolidated companies	Total stockholders' equity – owners of the parent company	Total stockholders' equity – non-controlling interests	Total
Balance at 01/01/2012	**13,678**	**(80)**	**11,788**	**3,744**	**551**	**-**	**-**	**(340)**	**29,341**	**2,434**	**31,775**
Transactions with owners	2,822	80	(2,852)	-	(551)	(940)	-	-	**(1,441)**	-	**(1,441)**
Increase in capital with reserves	2,822	-	(2,822)	-	-	-	-	-	**-**	-	**-**
(-) Treasury shares	-	80	(80)	-	-	-	-	-	**-**	-	**-**
Granting of stock options	-	-	50	-	-	-	-	-	**50**	-	**50**
Dividends and interest on capital	-	-	-	-	-	(940)	-	-	**(940)**	-	**(940)**
Dividend – amount to be proposed in addition to the minimum mandatory	-	-	-	-	(551)	-	-	-	**(551)**	-	**(551)**
Change in non-controlling interests	-	-	-	-	-	-	-	-	**-**	(39)	**(39)**
Corporate reorganizations	-	-	(2,423)	-	-	-	-	-	**(2,423)**	-	**(2,423)**
Other	-	-	9	-	-	-	-	-	**9**	-	**9**
Transfers	-	-	3,744	(3,744)	-	-	-	-	**-**	-	**-**
Total comprehensive income	-	-	-	-	-	3,502	3	488	**3,993**	198	**4,191**
Net income	-	-	-	-	-	3,502	-	-	**3,502**	198	**3,700**
Other comprehensive income	-	-	-	-	-	-	3	488	**491**	-	**491**
Appropriations:											
Legal reserve	-	-	175	-	-	(175)	-	-	**-**	-	**-**
Unappropriated reserves	-	-	-	2,387	-	(2,387)	-	-	**-**	-	**-**
Balance at 09/30/2012	**16,500**	**-**	**10,441**	**2,387**	**-**	**-**	**3**	**148**	**29,479**	**2,593**	**32,072**
Balance at 01/01/2013	**16,500**	**-**	**10,215**	**2,408**	**610**	**-**	**1**	**293**	**30,027**	**2,647**	**32,674**
Transactions with owners	5,500	-	(4,538)	-	(610)	(1,053)	-	-	**(701)**	-	**(701)**
Subscription of shares	900	-	-	-	-	-	-	-	**900**	-	**900**
Increase in capital with reserves	4,600	-	(4,600)	-	-	-	-	-	**-**	-	**-**
Granting of stock options	-	-	62	-	-	-	-	-	**62**	-	**62**
Dividends and interest on capital	-	-	-	-	-	(1,053)	-	-	**(1,053)**	-	**(1,053)**
Dividend – amount in addition to the minimum mandatory dividend for prior years	-	-	-	-	(610)	-	-	-	**(610)**	-	**(610)**
Change in non-controlling interests	-	-	-	-	-	-	-	-	**-**	(62)	**(62)**
Corporate reorganizations	-	-	(173)	-	-	-	-	-	**(173)**	-	**(173)**
Other	-	-	(1)	-	-	-	-	-	**(1)**	-	**(1)**
Transfers	-	-	2,408	(2,434)	-	-	-	26	**-**	-	**-**
Total comprehensive income	-	-	-	-	-	3,922	2	(877)	**3,047**	271	**3,318**
Net income	-	-	-	-	-	3,922	-	-	**3,922**	271	**4,193**
Other comprehensive income	-	-	-	-	-	-	2	(877)	**(875)**	-	**(875)**
Appropriations:											
Legal reserve	-	-	196	-	-	(196)	-	-	**-**	-	**-**
Unappropriated reserves	-	-	-	2,673	-	(2,673)	-	-	**-**	-	**-**
Balance at 09/30/2013	**22,000**	**-**	**8,107**	**2,647**	**-**	**-**	**3**	**(558)**	**32,199**	**2,856**	**35,055**

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Individual Statement of Cash Flows
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
ADJUSTED NET INCOME	**(47)**	**(139)**	**(125)**	**(215)**
Net income	1,525	3,922	1,210	3,502
Adjustments to net income:	(1,572)	(4,061)	(1,335)	(3,717)
Interest on debentures	-	11	7	41
Interest on promissory notes	-	3	5	5
Share of income in associates and jointly controlled entities	(1,504)	(3,937)	(1,218)	(3,610)
Deferred income tax and social contribution	(69)	(140)	(130)	(155)
Depreciation and amortization	1	2	1	2
CHANGE IN ASSETS AND LIABILITIES	**(70)**	**135**	**(548)**	**(266)**
(Increase) decrease in other assets	643	765	(179)	(44)
(Decrease) increase in provisions and other liabilities	(704)	92	(63)	(92)
Payment of income tax and social contribution	(9)	(722)	(306)	(130)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**(117)**	**(4)**	**(673)**	**(481)**
Purchase of investments	-	-	(8)	(8)
Purchase of fixed assets	-	-	(1)	(1)
Interest on capital/dividends received	538	1,693	556	1,894
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**538**	**1,693**	**547**	**1,885**
Subscription of shares	5	315	-	-
Interest on capital and dividends paid	(426)	(1,417)	(72)	(1,170)
Payment of debentures	-	(377)	-	(432)
Issue of promissory notes	-	-	400	400
Payment of promissory notes	-	(210)	(202)	(202)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(421)**	**(1,689)**	**126**	**(1,404)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the period	-	-	-	-
Cash and cash equivalents at the end of the period	-	-	-	-

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Individual Statement of Added Value
Periods ended September 30, 2013 and 2012
(In millions of Reais)

	07/01 to 09/30/2013	%	01/01 to 09/30/2013	%	07/01 to 09/30/2012	%	01/01 to 09/30/2012	%
INCOME	**8**		**33**		**6**		**34**	
Net gain from financial assets	6		27		6		31	
Other operating income	2		6		-		3	
EXPENSES	**-**		**(19)**		**(12)**		**(51)**	
Other expenses	-		(19)		(12)		(51)	
Financial	-		(15)		(12)		(46)	
Other	-		(4)		-		(5)	
INPUTS PURCHASED FROM THIRD PARTIES	**(4)**		**(19)**		**(4)**		**(12)**	
Third-party services	(2)		(10)		(2)		(3)	
Other	(2)		(9)		(2)		(9)	
Agreement for apportionment of common costs	(1)		(7)		(2)		(8)	
Advertising, promotions and publicity	(1)		(2)		-		(1)	
GROSS ADDED VALUE	**4**		**(5)**		**(10)**		**(29)**	
DEPRECIATION, AMORTIZATION AND DEPLETION	1		-		(1)		(2)	
NET ADDED VALUE PRODUCED BY THE COMPANY	**5**		**(5)**		**(11)**		**(31)**	
ADDED VALUE RECEIVED FROM TRANSFER	**1,504**		**3,937**		**1,218**		**3,610**	
Share of income	1,504		3,937		1,218		3,610	
TOTAL ADDED VALUE TO BE DISTRIBUTED	**1,509**	**100.00%**	**3,932**	**100.00%**	**1,207**	**100.00%**	**3,579**	**100.00%**
DISTRIBUTION OF ADDED VALUE	**1,509**		**3,932**		**1,207**		**3,579**	
Personnel	3	0.20%	7	0.18%	3	0.25%	8	0.22%
Compensation	3		7		3		8	
Taxes, fees and contributions	(19)	-1.26%	3	0.08%	(6)	-0.50%	69	1.93%
Federal	(20)		2		(6)		69	
Municipal	1		1		-		-	
Return on own assets	1,525	101.06%	3,922	99.75%	1,210	100.25%	3,502	97.85%
Dividends / Interest on capital	412		1,053		326		940	
Retained earnings for the period	1,113		2,869		884		2,562	

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

ITAÚSA – INVESTIMENTOS ITAÚ S.A
Notes to the Consolidated Financial Statements
At September 30, 2013
(In millions of Reais)

NOTE 1 – OVERVIEW

Itaúsa – Investimentos Itaú S.A. (“ITAÚSA”) is a publicly-held company, organized and existing under the Laws of Brazil, and is located at Praça Alfredo Egydio de Souza Aranha, No. 100, Jabaquara, Torre Olavo Setubal, in the city of São Paulo, Brazil.

ITAÚSA has as its main objective supporting the companies in which it holds an equity interest, through studies, analyses and suggestions on the operating policy and projects for the expansion of the mentioned companies, obtaining resources to meet the related additional needs of risk capital through subscription or acquisition of securities issued, to strengthen their position in the capital market and related activities or subsidiaries of interest of the mentioned companies, except for those restricted to financial institutions.

Through its controlled and joint-controlled companies, ITAÚSA operates in the following markets, financial services (Itaú Unibanco Holding), wood panels, bathroom porcelains and metals (Duratex), information technology (Itautec), and in the chemical products (Elekeiroz) – as shown in Note 22 “Segment Information”.

ITAÚSA is a holding company controlled by the Egydio de Souza Aranha family who holds 61.1% of the common shares and 17.1% of the preferred shares, 34.0% of the total.

These Interim, Individual and Consolidated Financial Statements were approved by the Board of Directors of ITAÚSA – Investimentos Itaú S.A. on November 04, 2013.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these interim, individual and consolidated financial statements are set out below.

2.1 BASIS OF PREPARATION

Consolidated financial statements

The consolidated financial statements of Itaúsa and its subsidiaries (ITAÚSA CONSOLIDATED) were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These consolidated financial statements were prepared in accordance with CPC 21 (R1) – Interim Financial Statement, with the option of presenting the complete consolidated financial statements in lieu of the condensed consolidated financial statements.

Individual financial statements

The individual financial statements of the parent were prepared in accordance with the Brazilian accounting practices issued by the CPC and are published together with the consolidated financial statements.

In the individual financial statements, controlled and jointly controlled entities companies are accounted for by the equity method. The same adjustments are made in both the individual and consolidated financial statements to arrive at the same income and stockholders' equity attributable to the stockholders of the parent company. In the case of ITAÚSA, the accounting practices adopted in Brazil, applied in the individual financial statements, differ from the IFRS applicable to the separate financial statements, only in relation to the measurement of investments in controlled and affiliated companies under the equity method, whereas under IFRS it would be at cost or fair value.

All references to the Pronouncements of the CPC shall also be understood as references to the corresponding IFRS Pronouncements, and vice versa, and it should be noted that, in general, the early adoption of revisions or new IFRSs is not available in Brazil.

The preparation of financial statements requires the Company's Management to use certain critical accounting estimates and exercise judgment in the process of application of accounting policies of ITAÚSA and its subsidiaries. The areas that require a higher degree of judgment and have higher complexity, as well as those in which assumptions and estimates that are significant to the consolidated financial statements are disclosed in Note 2.3.

2.2 NEW PRONOUNCEMENTS; CHANGES TO AND INTERPRETATIONS OF EXISTING PRONOUNCEMENTS

a) Amendments to accounting pronouncements applicable for periods ended September 30, 2013

- IFRS 7 – "Financial Instruments: Disclosures" - In December 2011, a new amendment to this pronouncement was issued requiring additional disclosures about the offsetting process. This pronouncement's application has not resulted in significant impacts on the consolidated and parent company financial statements.

- IAS 19 – "Employee Benefits" – this change excludes the alternative of using the "corridor" method, requires that all changes should be recorded in Other Cumulative comprehensive Income, and determines that the interest cost for the following year be calculated on the recognized amount in assets or liabilities. This pronouncement's application has not resulted in significant impacts on the consolidated and parent company financial statements.

- IFRS 10 – "Consolidated Financial Statements" – the pronouncement changes the current principle, identifying the concept of control as a determining fact of when an entity should be consolidated. We have analyzed the new pronouncement and conclusion that it did not have an impact on Itaúsa at adoption date.

- IFRS 11 – “Joint Arrangements” – the pronouncement provides a different approach for the analyses of “Joint Arrangements” focused on the rights and obligations of the arrangements rather than on the legal form. IFRS 11 divides the “Joint Arrangements” into two types: “Joint Operations” and “Joint Ventures”, in accordance with the rights and obligations of the parties. For investments in “Joint Ventures”, proportionate consolidation is no longer permitted. In the Financial Statements of ITAÚSA CONSOLIDATED, the largest impact was the non-consolidation of the companies Itaú Unibanco Holding S.A and IUPAR – Itaú Unibanco Participações which are now accounted for under the equity method. The impact on the financial statements is presented in Note 2.4g II and the main information on the companies can be found in Note 6 regarding investments.

- IFRS 12 – “Disclosures of Interests in Other Entities” – the pronouncement includes new requirements for disclosure of all types of investments in other entities, such as Joint Arrangements, associates and special purpose entities. The largest impact for ITAÚSA CONSOLIDATED is on the disclosure in the Notes to the Financial Statements, since the notes arising from information on Itaú Unibanco Holding S.A were changed and are now presented, solely in, Note 6 regarding investments.

- IFRS 13 – “Fair Value Measurement” – the purpose of this pronouncement is a better alignment between IFRS and USGAAP, increasing consistency and reducing the complexity of the disclosures by using consistent definitions of fair value. This pronouncement’s application has not resulted in significant impacts on the consolidated and parent company’s financial statements.

- Annual Improvements cycle (2009-2011) – IASB makes, on an annual basis, minor changes in a number or pronouncements with the purpose of clarifying the current standards and avoiding dual meaning. In this cycle, IFRS 1 – “First-time adoption of IFRS”, IAS 1 – “Presentation of Financial Statements”, IAS 16 – “Property, Plant and Equipment”, IAS 32 – “Financial Instruments: Presentation” and IAS 34 – “Interim Financial Reporting”, were reviewed. There have been no significant impacts on the consolidated and parent company financial statements.

b) Accounting pronouncements recently issued and applicable in future periods

The following pronouncements will become applicable for periods after the date of these consolidated financial statements and were not early adopted:

- IAS 32 – “Financial Instruments: Presentation” – this change was issued to clarify the offsetting requirements for financial instruments in the balance sheet. The change is not effective until January 1, 2014. The possible impacts arising from the adoption of this change are being analyzed.

- IFRS 9 – “Financial Instruments” – the pronouncement is the first step in the process for replacing IAS 39 - “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces new requirements for classifying and measuring financial assets, and it is expected to significantly affect the accounting for financial instruments of ITAÚ UNIBANCO HOLDING. IASB has decided to postpone the effective date, not yet defined, but has maintained the permission for early adoption.

- Investment Entities - Amendments to IFRS 10 – “Consolidated Financial Statements”, IFRS 12 – “Disclosure of Interests in Other Entities” and IAS 27 – “Separate Financial Statements” – Applicable to investment entities, which invest in funds exclusively for obtaining return on capital valuation, investment income or both. This pronouncement is not effective until January 1, 2014. Any possible impacts of these amendments are being assessed.

- IAS 36 – Impairment of assets – This change introduces requirements for disclosure of measurement of assets recoverable amounts, due to the issuance of IFRS 13. The identified impacts relate to the disclosure of the recoverable amount and the measurement methodology.

- IAS 39 – Financial instruments: recognition and measurement – This change permits continuity of hedge accounting, even if a derivative is novated (transferred) to clearing, within certain conditions. It is effective as of January 1, 2014. Any possible impacts of these amendments are being assessed.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the individual and consolidated financial statements in compliance with the CPCs requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue, expenses, gains and losses over the reporting and subsequent periods, because actual results may differ from those determined in accordance with such estimates and assumptions.

All estimates and assumptions made by Management are in compliance with the CPCs and represent the current best estimates made in conformity with the applicable rules. Estimates and judgments are evaluated on an ongoing basis, considering past experience and other factors.

The consolidated financial statements reflect a variety of estimates and assumptions. The critical accounting estimates and assumptions that have the most significant impact on the carrying amounts of assets and liabilities are described below::

a) Deferred income tax and social contribution

As explained in Note 2.4k, deferred tax assets are recognized only in relation to temporary differences and loss carryforwards to the extent that it is probable that ITAÚSA and its subsidiary companies will generate future taxable profit for their utilization. The expected realization of deferred tax assets of ITAÚSA and its subsidiaries is based on the projection of future income and other technical studies, as disclosed in Note 17. The carrying amount of deferred tax assets was R$ 740 at September 30, 2013 (R$ 653 at December 31, 2012).

b) Fair value of financial instruments, including derivatives

The fair values of financial instruments, including derivatives that are not traded in active markets are determined by using valuation techniques. This calculation is based on assumptions that take into consideration Management’s judgment about market information and conditions existing at the balance sheet date.

ITAÚSA and its subsidiary companies rank the fair value measurements using a fair value hierarchy that reflects the significance and observable nature of inputs adopted in the measurement process. There are three broad levels related to the fair value hierarchy, detailed in Note 24.

ITAUSA and its subsidiary companies believe that all methodologies they have adopted are appropriate and consistent with market participants. Regardless of this fact, the adoption of other methodologies or use of different assumptions to estimate fair values may result in different fair value estimates.

The methodologies used to estimate the fair value of certain financial instruments are also described in Note 24.

c) Pension plan

The current amount of assets related to pension plans depends on a number of factors that are determined based on actuarial calculations, which use several assumptions. Among the assumptions used to calculate these amounts are the discount rate and current market conditions. Any changes in these assumptions will affect the corresponding book values.

Other important assumptions for pension plan obligations are in part based on current market conditions. Additional information is disclosed in Note 20.

d) Contingent Assets and Liabilities

ITAÚSA and its subsidiary companies periodically review their contingencies. These contingencies are evaluated based on Management’s best estimates, taking into account the opinion of legal counsel, when there is a likelihood that financial resources will be required to settle the obligations and the amounts may be reasonably estimated.

Contingencies classified as probable losses are recognized in Balance Sheet under “Provisions.”

Contingent amounts are measured using appropriate models and criteria, despite uncertainty surrounding the ultimate timing and amounts, as detailed in Note 21.

The carrying amount of these contingencies at September 30, 2013 is R$ 516 (R$ 436 at December 31, 2012).

e) Biological assets

Forest reserves are recognized at their fair value, less estimated costs to sell at the harvest time, in accordance with Note 8. For immature plantations (up to one year of life), their cost is considered close to their fair value. Gains and losses arising from the recognition of a biological asset at its fair value, less costs to sell, are recognized in the statement of income. The depletion appropriated in the statement of income is formed by the portion of the formation cost and the portion related to the difference of the fair value.

The formation costs of these assets are recognized in the statement of income as incurred, and they are reported net of the effects of changes in the biological asset fair value, in a specific account in the statement of income.

f) Discontinued operations

On May 15, 2013, Itautec announced its decision to dispose of 70% of its shares through a strategic partnership; therefore, it classified the activities of commercial and banking operations and provision of services as held for sale. The Board of Directors believes that the Group has met the criteria to be classified as held for sale at that date in view of the following reasons:

- The activities of commercial and banking automation and provision of services are available for immediate sale, and may be done so in its current state.
- The Board of Directors signed a share purchase agreement in connection with the activities of commercial and banking automation and provision of services with Oki.
- The Board of Directors expects that the disposal of the 70% stake will be completed by December 2013.

  In Duratex, the decommissioned operations relate to its subsidiary Deca Piazza S.A., located in Argentina, which decommission was due to its loss of competitiveness and recurring losses from operations, from the third quarter of 2013

For further details on the discontinued operations see Note 25.

2.4 SUMMARY OF MAIN ACCOUNTING PRACTICES

a) CONSOLIDATION AND EQUITY METHOD

I. Subsidiaries

In accordance with CPC 36 – “Consolidated Financial Statements”, subsidiaries are entities in which ITAÚSA CONSOLIDATED has the power to govern the financial and operating policies so as to obtain benefits from its activities.

The table below shows the fully consolidated subsidiaries and joint ventures that are accounted for under the equity method.

	Incorporation country	Activity	Interest in capital at 09/30/2013	Interest in capital at 09/30/2012
Financial Services Area – Joint Ventures				
IUPAR - Itaú Unibanco Participações S.A.	Brazil	Holding company	66.53%	66.53%
Itaú Unibanco Holding S.A.	Brazil	Holding company/Financial institution	36.88%	36.78%
Industrial Area – Full consolidation				
Duratex S.A.	Brazil	Wood and bathroom porcelain and metals	35.48%	35.52%
Elekeiroz S.A.	Brazil	Chemical products	96.49%	96.49%
Itaúsa Empreendimentos S.A.	Brazil	Civil construction	100.00%	100.00%
Itautec S.A.	Brazil	Information technology	94.01%	94.01%

II. Business combinations

Accounting for business combinations under CPC 15 is only applicable when a business is acquired. Under CPC 15, a business is defined as an integrated set of activities and assets that is conducted and managed for the purpose of providing a return to investors, or cost reduction or other economic benefits. In general, a business consists of inputs and processes applied to those inputs and the resulting outputs that are or will be used to generate income. If there is goodwill in a set of activities or transferred assets, this is presumed to be a business. For acquisitions that meet the definition of business, accounting under the purchase method is required.

The acquisition cost is measured at the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the exchange date, plus costs directly attributable to the acquisition. Acquired assets and assumed liabilities and contingent liabilities identifiable in a business combination are initially measured at their fair value at the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of identifiable net assets acquired is accounted for as goodwill.

The treatment of goodwill is described in Note 2.4i. If the acquisition cost is lower than the fair value of identifiable net assets acquired, the difference is recognized directly in income.

For each business combination, the purchaser should measure any non-controlling interest in the acquired company at the fair value or amount proportional to its interest in net assets of the acquired company.

III. Transactions whit the non-controlling interests

CPC 36 – “Consolidated Financial Statements” establishes that changes in ownership interest’s in a subsidiary, which do not result in change of control, are accounted for as capital transactions and any difference between the amount paid and the carrying amount of non-controlling stockholders is recognized directly in consolidated stockholders' equity.

b) FOREIGN CURRENCY TRANSLATION

II. Functional and presentation currency

The consolidated financial statements of ITAÚSA and its subsidiaries are presented in Brazilian reais, which is its functional currency and the presentation currency of these consolidated financial statements. For each investment held, ITAÚSA and its subsidiaries have defined the functional currency.

CPC 02 – “The effects of changes in foreign exchange rates and translation of financial statements” defines the functional currency as the currency of the primary economic environment in which the entity operates. If the indicators are mixed and the functional currency is not obvious, Management has to use its judgment to determine the functional currency that most faithfully represents the economic effects of the entity’s operations, focusing on the currency that mainly influences the pricing of transactions. Additional indicators are the currency in which financing or in which funds from operating activities are generated or received, as well as the nature of activities and the extent of transactions between the foreign subsidiaries and the other entities of the consolidated group.

The assets and liabilities of subsidiaries with a functional currency other than the Brazilian real are translated as follows:

- assets and liabilities are translated at the closing rate at the balance sheet date;
- income and expenses are translated at monthly average exchange rates;
- exchange differences arising from translation are recorded in Cumulative Comprehensive Income.

III. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Income under “Income or Financial expenses”.

In case of changes in the fair value of monetary assets denominated in foreign currency classified as available for sale, the exchange differences resulting from a change in the amortized cost of the instrument are separated from all other changes in the carrying amounts of the instruments. The exchange differences resulting from a change in the amortized cost of the instrument are recognized in the income statement, while those resulting from other changes in the carrying amount, except impairment losses, are recognized in Cumulative Comprehensive Income until derecognition or impairment.

c) CASH AND CASH EQUIVALENTS

ITAÚSA CONSOLIDATED defines cash and cash equivalents as cash and current accounts in banks (included in the heading "Cash and deposits on demand"), securities and financial assets that have original maturities equal to or less than 90 days or less, as shown in Note 3.

d) FINANCIAL ASSETS AND LIABILITIES

In accordance with CPC 38 "Financial Instruments: Recognition and Measurement", all financial assets and liabilities, including derivative financial instruments, shall be recognized in the Balance Sheet and measured based on the category in which the instrument is classified.

Financial assets and liabilities can be classified into the following categories:

- Financial Assets and Liabilities at fair value through profit or loss – held for trading.
- Financial Assets and Liabilities at fair value through profit or loss – designated at fair value.
- Available-for-sale financial assets.
- Held-to-maturity financial assets.
- Loans and receivables; and.
- Financial liabilities at amortized cost.

The classification depends on the purpose for which financial assets were acquired or financial liabilities were assumed. Management determines the classification of financial instruments at initial recognition.

ITAÚSA classifies financial instruments into classes that reflect the nature and characteristics of these financial instruments.

ITAÚSA CONSOLIDATED classifies the following headings of the Balance Sheet as loans and receivable: Cash and cash equivalents (Note 2.4c), trade accounts receivable (Note 2.4e) and loans and financing (Note 2.4d VI).

Regular purchases and sales of financial assets are recognized and derecognized, respectively, on the trade date.

Financial assets are written off when the rights to receive cash flows from the investments have expired or when ITAÚSA and its subsidiaries transfer substantially all risks and rewards of ownership, and such transfer does not qualify for write off according to the requirements of CPC 38. Therefore, if the risks and rewards were not substantially transferred, ITAÚSA and its subsidiaries shall evaluate the control in order to determine whether the continuous involvement related to any retained control does not prevent the write off. Financial liabilities are written off when discharged or extinguished.

Financial assets and liabilities are offset against each other and the net amount is reported in the balance sheet solely when there is a legally enforceable right to offset the recognized amounts and there is intention to settle them on a net basis, or simultaneously realize the asset and settle the liability.

I. Financial assets and liabilities at fair value through profit or loss - held for trading

These are assets and liabilities acquired or incurred principally for the purpose of selling them in the short term or when they are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent history of short-term sales. Derivatives are also classified as held for trading except for those designated and effective as hedging instruments. ITAÚSA and its subsidiaries opted to disclose derivatives in a separate line in the consolidated balance sheet (see item III below).

The financial assets and liabilities included in this category are initially and subsequently recognized at fair value. Transaction costs are directly recognized in the Consolidated Statement of income gains and losses arising from changes in fair value are directly included in the consolidated statement of income under “Financial results”. Interest income and expenses are recognized in “Interest and similar income” and “Interest and similar expense”, respectively.

II. Financial assets and liabilities at fair value through profit or loss – designated at fair value

These are assets and liabilities designated at fair value through profit or loss upon initial recognition (fair value option). This designation cannot be subsequently changed. In accordance with CPC 38, the fair value option can only be applied if it reduces or eliminates an accounting mismatch when the financial instruments are part of a portfolio for which risk is managed and reported to Management based on its fair value or when these instruments consist of hosts and embedded derivatives that shall otherwise be separated.

The financial assets and liabilities included in this category are initially and subsequently recognized at fair value. Transaction costs are directly recognized in the Consolidated Statement of Income. Gains and losses arising from changes in fair value and interest income and expenses are directly included in the Consolidated Statement of Income under “Financial Results”.

ITAÚSA and its subsidiaries designate certain assets at fair value through profit or loss upon its initial recognition, because their evaluation and performance are carried out daily based on their fair value.

III. Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are recognized as assets when the fair value is positive, and as liabilities when negative.

Certain derivatives embedded in other financial instruments are treated as separate derivatives, when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not recognized at fair value through profit or loss. These embedded derivatives are accounted for separately at fair value, with changes in fair value recognized in the consolidated statement of income in “Net gain (loss) from financial assets and liabilities – Financial assets and liabilities held for trading”, except if the Management opts to designate these hybrid contracts, as a whole, as fair value through profit or loss.

Derivatives can be designated as hedge instruments for accounting purposes, and in the event they qualify, depending upon the nature of the hedged item, the method for recognizing gains or losses from changes in fair value will be different. These derivatives, which are used to hedge exposures to risk or modify the characteristics of financial assets and liabilities and that meet CPC 38 criteria, are recognized as hedge accounting.

In accordance with CPC 38, to qualify for hedge accounting, all of the following conditions met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge.
- the hedge is expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk, consistent with the originally documented risk management strategy for that particular hedging relationship.
- for a cash flow hedge, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss.
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured; and.
- the hedge is assessed on an on-going basis and it is determined that the hedge has in fact been highly effective throughout the periods for which the hedge was designated.

CPC 38 defines three hedge strategies: fair value hedge, cash flow hedge and hedge of net investments in foreign operations.

IV. Available-for-sale financial assets

In accordance with CPC 38, financial assets are classified as available for sale when, in Management's judgment, they can be sold in response to or in anticipation of changes in market conditions, and were not classified into the categories of financial assets at fair value through profit or loss, loans and receivables or held to maturity.

Available-for-sale financial assets are initially and subsequently recognized in the consolidated balance sheet at fair value, which initially consists of the amount paid, including any transaction costs. Unrealized gains and losses (except losses for impairment, foreign exchange differences, dividends and interest income) are recognized, net of applicable taxes, in Cumulative Comprehensive Income. Interest, including the amortization of premiums and discounts, is recognized in the Consolidated Statement of Income under "Interest and similar income". The average cost is used to determine the realized gains and losses on disposal of available-for-sale financial assets, which are recorded in the Consolidated Statement of Income under "Net gain (loss) from financial assets and liabilities". Dividends on available-for-sale financial assets are recognized in the consolidated statement of income as "Dividend income" when ITAÚSA CONSOLIDATED is entitled to receive such dividends, and inflows of economic benefits are probable.

ITAÚSA CONSOLIDATED assesses, at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets are impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence of an impairment, resulting in the recognition of an impairment loss. If any impairment evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income, is recognized in the consolidated statement of income as a reclassification adjustment from cumulative comprehensive income.

Impairment losses recognized in the consolidated statement of income on equity instruments are not reversed through the statement of income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale financial asset increases and such increase can be objectively related to an event that occurred after the loss recognition, such loss is reversed through the statement of income.

V. Other financial assets

ITAÚSA CONSOLIDATED presents these assets, as detailed in Note 11a, in the Consolidated Balance Sheet initially at fair value and subsequently at amortized cost using the effective interest method.

Interest income is recognized in the Consolidated Statement of Income under "Financial Results".

VI. Loans and financing

Borrowings are initially recognized at fair value when funds are received, net of transaction costs, and are subsequently stated at amortized cost, that is, with the addition of charges and interest proportional to the period elapsed (calculated on a pro rata temporis basis), using the effective interest rate method, except for borrowings hedged by derivative instruments, which are stated at fair value.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily requires a substantial period of time to get ready for their intended use or sale, are capitalized as part of cost of asset when it is probable that they will result in future economic benefits to the entity and that such costs can be reliably measured. Other borrowing costs are recognized as expense in the period they are incurred.

e) TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are recorded and maintained at the nominal value of the amounts obtained on sales of products, plus exchange variations, where applicable. Trade accounts receivable substantially refer to short-term operations and are, therefore, not discounted to present value as, no significant adjustment would arise therefrom. The provision for doubtful receivables (allowance for doubtful accounts or impairment) is constituted based on the analysis of risks of realization of the credits receivable, in an amount considered sufficient by management to cover potential losses in the realization of these assets.

Recoveries of written-off items are credited to "other operating income", in the statement of income.

f) INVENTORIES

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the average cost of purchase or production. The cost of finished goods and products in progress comprises raw materials, direct labor, and other direct costs, excluding borrowing costs, and is recognized in income when products are sold. When applicable, a valuation allowance is recognized for inventories, products obsolescence and physical inventory losses.

Imports in transit are stated at the cost of each import.

The net realizable value is the selling price estimated in the ordinary course of business, less the applicable variable selling expenses.

g) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

I. Associates

In conformity with CPC 18 – “Investment in Affiliates, Subsidiaries and Joint-Ventures”, associates are those companies in which the investor has a significant influence, but does not have control Significant influence is usually presumed to exist when an interest in voting capital from 20% to 50% is held. Investments in these companies are initially recognized at cost of acquisition and subsequently accounted for under the equity method. Investments in unconsolidated companies include the goodwill identified upon acquisition, net of any cumulative impairment loss.

II. Joint Ventures

CPC 19 – “Interests in Joint Ventures” defines joint ventures as entities jointly controlled by two or more unrelated entities (venturers): Joint ventures include contractual agreements in which two or more entities have joint-control over either entities or operations or assets, so that the strategic financial and operating decisions affecting them require the unanimous decision of the venturers.

Before January 1, 2013, ITAÚSA consolidated proportionally its interest held in joint ventures, in conformity with the requirements of CPC 19 – “Interests in Joint Ventures” (revoked). As from that date, ITAÚSA adopted CPC 19 – “Interests in Joint Ventures”, thus changing its accounting policy from interest in joint ventures to the equity method. The largest impact on the financial statements is the non-consolidation of ITAÚ UNIBANCO HOLDING.

For a better understanding, we present below the main impacts on the financial statements at September 30, 2012, December 31, 2012 and December 31, 2011 (01/01/2012):

Consolidated Balance Sheet	12/31/2012	Portion not consolidated	12/31/2012 Restated
Assets	364,017	(324,967)	39,050
Liabilities	331,008	(324,632)	6,376
Stockholders' equity	32,709	(35)	32,674

Consolidated Balance Sheet	12/31/2011	Portion not consolidated	12/31/2011 Restated
Assets	312,002	(274,586)	37,416
Liabilities	279,712	(274,071)	5,641
Stockholders' equity	32,290	(515)	31,775

Consolidated Statement of Income	09/30/2012	Portion not consolidated	09/30/2012 Restated
Interest and similar income	26,611	(26,448)	163
Interest and similar expense	(13,654)	13,608	(46)
Income of unconsolidated companies	27	3,520	3,547
Net income of controlling stockholders	3,502	-	3,502
Consolidated net income	3,901	(201)	3,700

Consolidated cash flows	09/30/2012	Portion not consolidated	09/30/2012 Restated
Operating activities	14,813	(14,987)	(174)
Investing activities	(5,992)	7,417	1,425
Financing activities	(1,632)	347	(1,285)
Cash and deposits on demand	7,189	(7,223)	(34)

The table below presents the amounts of jointly-controlled entities (joint ventures) appraised by the equity method by ITAÚSA.

	09/30/2013	12/31/2012	09/30/2012
Total assets	990,207	957,163	-
Total liabilities	910,135	882,431	-
Total income	103,330	-	106,121
Total expenses	(91,765)	-	(95,869)

The share of ITAÚSA, and its subsidiaries, in the profits or losses of their unconsolidated companies after acquisition is recognized in the consolidated statement of income. The share of changes in the reserves of corresponding stockholders’ equity of their unconsolidated companies is recognized in their own reserves in stockholders’ equity. The cumulative changes after acquisition are adjusted against the carrying amount of the investment. When the share of ITAÚSA and its subsidiaries in the losses of an unconsolidated company is equal to or above their interest in the unconsolidated company, including any other receivables, ITAÚSA and its subsidiaries do not recognize additional losses, unless they have incurred any obligations or made payments on behalf of the unconsolidated company.

Unrealized gains on transactions between ITAÚSA CONSOLIDATED and its unconsolidated companies are eliminated to the extent of the interest of ITAÚSA CONSOLIDATED. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of unconsolidated companies were changed, when necessary, to ensure consistency with the policies adopted by ITAÚSA CONSOLIDATED.

If the interest in the unconsolidated company decreases, but ITAÚSA CONSOLIDATED retains significant influence, only a proportional amount of the previously recognized amounts in “Other comprehensive income” is reclassified to Income, when appropriate.

Gains and losses from dilution arising from investments in unconsolidated companies are recognized in the Consolidated Statement of Income.

h) FIXED ASSETS

In accordance with CPC 27 – "Property, plant and equipment", fixed assets are recognized at cost of acquisition less accumulated depreciation, which is calculated using the straight-line method and rates based on the estimated useful lives of these assets. Such rates are presented in Note 7.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each year.

ITAÚSA CONSOLIDATED reviews its assets in order to identify whether any indication of impairment exists. If such indications are identified, fixed assets are tested for impairment. In accordance with CPC 01 – "Impairment of assets", impairment losses are recognized at the amount for which the carrying amount of the asset (or group of assets) exceeds the recoverable amount, and they are recognized in the consolidated statement of income. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. For purposes of assessing impairment, assets are grouped at the lowest level for which independent cash flows can be identified (cash-generating units.). The assessment can be made at an individual asset level when the fair value less its cost to sell can be determined reliably.

Gains and losses on disposals of fixed assets are recognized in the Consolidated Statement of Income under "Other operating income" or "General and administrative expenses".

i) GOODWILL

In accordance with CPC 15 – "Business Combination", goodwill represents the excess of the cost of an acquisition over the fair value of net identifiable assets and liabilities of the acquired entity at the date of acquisition. Goodwill is not amortized, but its recoverable amount is tested for impairment annually or when there is any indication of impairment, using an approach that involves the identification of cash-generating units and estimates of fair value less cost to sell and/or value in use.

As defined in CPC 01 - "Impairment of assets", a cash-generating unit is the lowest identifiable group of assets that generates cash flows that are independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination.

CPC 01 determines that an impairment loss shall be recognized for a cash-generating unit if the recoverable amount of the cash-generating unit is less than its carrying amount. The loss shall be allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit on a pro rata basis of the carrying amount of each asset. The loss cannot reduce the carrying amount of an asset below the higher of its fair value less costs to sell and its value in use. The impairment loss of goodwill cannot be reversed.

Goodwill of unconsolidated companies is reported as part of the investments in the Consolidated Balance Sheet under "Investments in associates and jointly controlled entities", and the impairment test is carried out in relation to the total balance of the investments (including goodwill).

j) INTANGIBLE ASSETS

Intangible assets are non-physical assets, including software and other assets, and are initially recognized at cost. Intangible assets are recognized when they arise from legal or contractual rights, their costs can be reliably measurable, and in the case of intangible assets not arising from separate acquisitions or business combinations, if it is probable that future economic benefits may arise from their use. The balance of intangible assets refers to acquired assets or those that are internally generated.

Intangible assets may have finite or indefinite useful lives. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested annually in order to identify any indication of impairment.

ITAÚSA and its subsidiaries semi-annually assess their intangible assets in order to identify whether any indications of impairment exist, as well as the possible reversal of previous impairment losses. If such indications are found, intangible assets are tested for impairment. In accordance with CPC 01, impairment losses are recognized as the difference between the carrying and recoverable amount of an asset (or group of assets) in the Consolidated Statement of Income. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. For the purpose of assessing an impairment, assets are grouped into the minimum level for which cash flows can be identified (cash-generating units). The assessment can be made at an individual asset level when the fair value less its cost to sell can be determined reliably.

As provided for in CPC 4 - “Intangible Assets”, ITAÚSA CONSOLIDATED chose the cost model to measure its intangible assets after their initial recognition.

k) INCOME TAX AND SOCIAL CONTRIBUTION

There are two components to the provision for income tax and social contribution: current and deferred.

Current income tax expense approximates taxes to be paid or recovered for the applicable period. Current assets and liabilities are recorded in the balance sheet under “Tax assets – Income tax and social contribution - current” and “Tax liabilities – Income tax and social contribution - current”, respectively.

Deferred income tax and social contribution represented by deferred tax assets and liabilities are based on the differences between the tax bases of assets and liabilities and the amounts reported in the financial statements at each year-end. Deferred tax assets, including those arising from tax losses, are only recognized when it is probable that future taxable income will be available for offset. Deferred tax assets and liabilities are recognized in the Balance Sheet under “Tax assets – income tax and social contribution – deferred” and “Tax liabilities – income tax and social contribution - deferred”, respectively.

Income tax and social contribution expenses are recognized in the consolidated statement of income under “income tax and social contribution”, except when it refers to items directly recognized in Cumulative comprehensive income, such as: deferred tax on fair value measurement of available-for-sale financial assets, and tax on cash flow hedges. Deferred taxes of such items are initially recognized in Cumulative comprehensive income and subsequently recognized in Income together with the recognition of the gain/loss originally deferred.

Changes in tax legislation and rates are recognized in the consolidated statement of income under “Income tax and social contribution” in the period in which they are enacted. Interest and fines are recognized in the Consolidated statement of income under “General and administrative expenses”. Income tax and social contribution are calculated at the rates shown below, considering the respective taxable bases, based on the current legislation related to each tax, which, in the case of the operations in Brazil, are equal to for all the reporting periods as follows:

	2013 and 2012
Income tax	15%
Additional income tax	10%
Social contribution	9%

In order to determine the proper level of provisions for taxes to be maintained for uncertain tax positions, a two-phased approach was applied, according to which a tax benefit is recognized if it is more probable than not that a position can be sustained. The benefit amount is then measured to be the highest tax benefit when its probability of realization is over 50%. Interest and penalties on income tax and social contribution are treated as a non-financial expense.

l) EMPLOYEE BENEFITS

Pension plans - defined contribution

ITAÚSA and its subsidiaries offer the Defined Contribution Plan to all employees, managed by Fundação Itaúsa Industrial. The plan regulation provides for the contributions by sponsors that range from 50% to 100%

of the amount contributed by the employees. ITAÚSA and its subsidiaries have already offered this Defined Benefit Plan to its employees, but this plan is being extinguished, and the access to new participants is barred.

Regarding the Defined Contribution Plan, there is no additional payment obligation after the contribution is made. Contributions are recognized as expense for employee benefits, when due. Contributions made in advance are recognized as an asset in the proportion these contributions caused an effective reduction in future payments. Gains and losses are recognized in income for the period.

m) STOCK BASED COMPENSATION

Stock-based compensation is accounted for in accordance with CPC 10 - “Share-based payment”, which requires the entity to measure the value of equity instruments granted, based on their fair value at the options grant date. This cost is recognized during the vesting period of the right to exercise the instruments.

The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service and non-market performance vesting conditions (notably an employee remaining in the entity over a specified time period). The fulfillment of non-market vesting conditions is included in the presumptions about the number of options that are expected to be exercised. At the end of each period, the entity revises its estimates for the number of options that are expected to be exercised based on non-market vesting conditions. It recognizes the impact of the revision of the original estimates, if any, in the statement of income, with a corresponding adjustment to the stockholders’ equity.

When the options are exercised, the subsidiaries generally deliver treasury shares to the beneficiaries.

The fair value of stock options is estimated by using option pricing models that take into account the exercise price of the option, the current stock price, the risk-free interest rate, the expected volatility of the stock price and the life-span of the option.

All stock based compensation plans established by subsidiaries correspond to plans that can be settled exclusively through the delivery of shares – Note 15.

n) FINANCIAL GUARANTEES

In accordance with CPC 38, the issuer of a financial guarantee contract creates an obligation and should recognize it initially at its fair value. Subsequently, this obligation should be measured at the amount initially recognized less accumulated amortization and the amount determined pursuant to CPC 25 – “Provisions, contingent liabilities and contingent assets”, whichever is higher.

ITAÚSA and its subsidiaries recognize the fair value of the guarantees issued in the Consolidated Balance Sheet under “other liabilities”, on the issue date. Fair value is generally represented by the fee charged to client for issuing the guarantee. This amount is amortized over the life of the guarantee issued, after issuance, if based on the best estimate we conclude that the occurrence of a loss regarding a guarantee issued is probable, and if the loss amount is higher than the initial fair value less cumulative amortization of the guarantee, a provision is recognized for such amount.

o) CAPITAL AND TREASURY SHARES

Capital

Common and preferred shares, which are considered common shares but are without voting rights, are classified in stockholders’ equity. The additional costs directly attributable to the issue of new shares are included in stockholders’ equity as a deduction from the amount raised, net of taxes.

Treasury shares

Common and preferred shares repurchased are recorded in Stockholders’ Equity under Treasury Shares at their average purchase price.

Treasury shares that are subsequently sold, such as those sold to grantees under our Stock Option Plan, are recorded as a reduction in treasury shares, measured at the average price of treasury stock held at that date.

The difference between the sale price and the average price of the treasury shares is recorded as a reduction or increase in “Additional Paid-in Capital” depending upon the circumstance. The cancellation of treasury shares is recorded as a reduction in treasury shares against Appropriated Reserves, at the average price of treasury shares at the cancellation date.

p) DIVIDENDS AND INTEREST ON CAPITAL

Pursuant to the Company's bylaws, stockholders are entitled to a mandatory minimum dividend of 25% of the net income for the year with quarterly payments, adjusted in accordance with the legislation in force. Minimum dividend amounts established in the bylaws are recorded as liabilities at the end of each quarter. Any other amount above the mandatory minimum dividend is accounted for as a liability when approved by the stockholders at a Stockholder´s Meeting. Since January 1, 1996, Brazilian companies have been permitted to attribute a tax-deductible nominal interest rate charge on net equity (called interest on capital).

For accounting purposes interest on capital is treated as a dividend and is presented as a reduction of stockholders' equity in the Consolidated Financial Statements. The related tax benefit is recorded in the Consolidated Statement of Income.

q) EARNINGS PER SHARE

Earnings per share are computed by dividing net income attributable to the owners of ITAÚSA by the weighted average number of common and preferred shares outstanding for each reporting period. Weighted average shares are computed based on the periods for which the shares were outstanding.

Earnings per share are presented based on the two types of stock issued by ITAÚSA. Both types, common and preferred, participate in dividends on substantially the same basis, except that preferred shares are entitled to a priority non-cumulative minimum annual dividend of R$ 0.01 per share. Earnings per share are computed based on the distributed earnings (dividends and interest on capital) and undistributed earnings of ITAÚSA after giving effect to the preference indicated above, without regard to whether the earnings will ultimately be fully distributed. Earnings per share amounts have been determined as if all earnings were distributed and computed following the requirements of CPC 41 – “Earnings per share”.

ITAÚSA grants stock-based compensation whose dilutive effect is reflected in diluted earnings per share, with the application of the “treasury stock method”. Under the treasury stock method, earnings per share are calculated as if all options had been exercised and as if the received proceeds (funds to be received upon exercise of the stock options and the amount of compensation cost attributed to future services and not yet recognized) had been used to purchase ITAÚSA’s own shares.

r) REVENUES

Sales of products

Revenues from the sale of products are recognized in income at the time all risks and benefits inherent in the product are transferred to the purchaser. Revenues are not recognized if there is a significant uncertainty as to their realization.

Sales of services

ITAÚSA CONSOLIDATED, through its subsidiary Itautec S.A., provides services in the automation and computing segments. Revenue is generally recognized based on the services provided so far.

s) SEGMENT INFORMATION

CPC 22 – “Segment Information” determines that operating segments be disclosed consistently with the information provided to the chief operating decision maker, who is the person or group of persons that allocates resources to the segments and assesses their performance. ITAÚSA considers that its Board of Directors is the chief operating decision maker.

ITAÚSA has the following business segments: Financial and Industrial Service Area, subdivided into Duratex, Itautec and Elekeiroz.

Segmental information is presented in Note 22.

t) NONCURRENT ASSETS HELD FOR SALE AND RESULT FROM DISCONTINUED OPERATIONS

In accordance with CPC 31 – “Noncurrent assets held for sale and discontinued operating”, the groups of noncurrent assets classified as held for sale are measured based on the lower value between book and fair value, deducted from sales costs. The groups of noncurrent assets are classified as held for sale if their book values are recovered by way of a sales transaction. This condition is deemed as fulfilled only when the sale is highly probable and the group of assets or disposal is available for immediate sale in its current condition.

For the sale to be highly probable, the Management should be committed to the asset’s sales plan, a firm program should have been started to locate a buyer and conclude the plan, and the sale should be expected to be completed in up to one year after the classification date.

After being classified as held for sale, the assets are neither depreciated nor amortized. The assets and liabilities of the group of discontinued assets are recorded in single lines of assets and liabilities.
Itautec’s result from discontinued operations is stated at a single amount, separated from the other revenues and expenses, after the heading income or losses after taxes. Net cash flows attributed to operating, investing and financing activities of the discontinued operations are stated in Note 25.

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of consolidated statements of cash flows, cash and cash equivalents of ITAÚSA CONSOLIDATED comprises the following items (amounts with original maturity terms are equal to or less than 90 days):

	09/30/2013	12/31/2012
Cash and deposits on demand	35	56
Investments in Fixed Income and Investment Funds	79	188
Bank deposit certificates	892	1,138
Total	**1,006**	**1,382**

NOTE 4 - FINANCIAL ASSETS HELD FOR TRADING

The portfolio is composed of investments in investment funds in the amount of R$ 425 (R$ 429 at 12/31/2012).

NOTE 5 – INVENTORIES – INDUSTRIAL AREA

	09/30/2013	12/31/2012
Raw material, supplies and packaging	266	369
Finished products	247	308
Work in progress	90	77
Showroom	89	81
Advance to suppliers	8	5
Allowance for inventory losses	(26)	(50)
Total	**674**	**790**

The cost of inventories recognized in results and included in “Cost of Products Sold” totaled at September 30, 2013 R$ 2.349 (R$ 2.076 at September 30, 2012).

At September 30, 2013 and December 31, 2012, the subsidiaries of ITAÚSA CONSOLIDATED did not have any inventories pledged as collateral.

NOTE 6 - INVESTMENTS

I) Interest in subsidiaries and joint ventures - ITAÚSA

The table below shows ITAÚSA's interest in subsidiaries, which are consolidated in the financial statements, and joint ventures:

Companies	Balances at 12/31/2012	Dividends and interest on capital received / receivable (1)	Share of income	Change in adjustment to market value and Foreign exchange	Other Comprehensive Income from Investments in Associates and Joint Ventures	Granting of options recognized	Other adjustments directly reconized in stockholders' equity	Balances at 09/30/2013	Market value (2)
Jointly Controlled Entities									
Itaú Unibanco Holding S.A.	15,113	(1,338)	2,696	-	(467)	32	(93)	15,943	57,698
IUPAR - Itaú Unibanco Participações S.A.	12,221	(78)	1,342	-	(410)	29	(81)	13,023	-
Subsidiaries									
Duratex S.A.	1,418	(34)	158	2	-	1	-	1,545	2,815
Elekeiroz S.A.	459	1	32	-	-	-	-	492	268
Itautec S.A.	376	-	(295)	-	-	-	-	81	402
Itaúsa Empreendimentos S.A.	100	-	4	-	-	-	-	104	-
ITH Zux Cayman Company Ltd.	1	-	-	-	-	-	-	1	-
GRAND TOTAL	**29,688**	**(1,449)**	**3,937**	**2**	**(877)**	**62**	**(174)**	**31,189**	

(1) Financial assets include dividends and interest on capital receivable.

(2) Fair value of investments in subsidiaries and jointly controlled entities based on stock price quotations, in Itaú Unibanco Holding was considered indirect interest by IUPAR.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Interest in capital	Interest in voting capital
				Common	Preferred		
Jointly Controlled Entities							
Itaú Unibanco Holding S.A.	60,000	80,340	11,516	973,657,190	84,810	36.88%	64.16%
IUPAR - Itaú Unibanco Participações S.A.	6,500	19,576	2,017	355,227,092	350,942,273	66.53%	50.00%
Subsidiaries							
Duratex S.A.	1,705	4,374	450	214,200,943	-	35.48%	35.48%
Elekeiroz S.A.	321	510	33	14,261,761	16,117,360	96.49%	98.23%
Itautec S.A.	280	219	(324)	10,953,371	-	94.01%	94.01%
Itaúsa Empreendimentos S.A.	52	104	4	752,189	-	100.00%	100.00%
ITH Zux Cayman Company Ltd.	27	1	-	12,200,000	-	100.00%	100.00%

II - INVESTMENTS IN ASSOCIATES AND JOINTlY CONTROLLED ENTITIES – ITAÚSA CONSOLIDATED

a) Composition

	Interest % at 09/30/2013		09/30/2013				
	Total	**Voting**	**Stockholders' equity**	**Investment Balance**	**Market value**	**Net income**	**Share of income**
Itaú Unibanco Holding S.A	36.88	64.16	80,340	15,752	57,698	11,516	2,714
IUPAR - Itaú Unibanco Participações S.A	66.53	50.00	19,576	13,023	-	2,017	1,342
Tablemac	-	-	-	177	-	-	1
Other	-	-	-	3	-	-	-
Total				**28,955**			**4,057**

	Interest % at 12/31/2012		12/31/2012			09/30/2012	
	Total	**Voting**	**Stockholders' equity**	**Investment Balance**	**Market value**	**Net income**	**Share of income**
Itaú Unibanco Holding S.A	36.78	64.16	75,902	14,908	55,395	10,261	2,486
IUPAR - Itaú Unibanco Participações S.A	66.53	50.00	18,369	12,221	-	1,596	1,062
Tablemac	-	-	-	174	-	-	(1)
Other	-	-	-	1	-	-	-
Total				**27,304**			**3,547**

b) Other Information

The table below shows the summary of the financial information of the investees accounted for by the equity method.

Financial information (*)	09/30/2013	12/31/2012	09/30/2012
Current assets	622,131	742,653	-
Non-current assets	368,076	214,510	-
Current liabilities	594,430	578,038	-
Non-current liabilities	315,705	304,393	-
Revenue	103,330	-	106,121
Expenses	(91,765)	-	(95,869)

(*) Basically represented by IUH - Itaú Unibanco Holding.

Current financial liabilities and non-financial liabilities amount to R$ 70 and R$ 332, respectively (R$ 79 and R$ 563, respectively, at December 31, 2012).

Contingent liabilities amount to R$ 19,729 (R$ 19,209 at December 31, 2012).

Other Financial Information - Itaú Unibanco Holding	09/30/2013	09/30/2012
Interest and similar income	68,023	73,249
Interest and similar expense	(32,585)	(37,014)
Net income before income tax and social contribution	14,872	13,403
Income tax and social contribution	(3,296)	(3,142)
Net income	11,576	10,261
Net income attributable to owners of the parent company	11,516	9,715
Other comprehensive income	(2,378)	1,326
Total comprehensive income	9,138	11,041

Depreciation and amortization expenses total of R$ 1,126 and R$ 606, respectively (R$ 995 and R$ 632 at September 30, 2012).

Cash and Cash Equivalents – Itaú Unibanco Holding	09/30/2013	12/31/2012
Cash and deposits on demand	14,466	13,967
Interbank deposits	12,407	14,347
Securities purchased under agreements to resell	47,387	17,476
Total	**74,260**	**45,790**

Reconciliation of jointly-controlled interests	Itaú Unibanco Holding		IUPAR		Total	
	2013	2012	2013	2012	2013	2012
Stockholders' equity at January 1, 2013 and January 1, 2012	**75,902**	**73,942**	**18,369**	**17,880**	-	-
Gains /(losses) in the period	11,516	12,634	2,017	2,060	-	-
Other comprehensive income	(2,378)	1,709	(609)	442	-	-
Dividends / interest on capital	(3,868)	(5,296)	(114)	(158)		
Corporate reorganizations	(471)	(7,360)	(122)	(1,902)		
Other change stockholders' equity	(361)	273	35	47	-	-
Stockholders' equity at September 30, 2013 and December 31, 2012	**80,340**	**75,902**	**19,576**	**18,369**	-	-
Interest in capital	19.64%	19.59%	66.53%	66.53%	-	-
	15,782	14,871	13,023	12,221	28,805	27,092
Unrealized income (loss)	(205)	(220)	-	-	(205)	(220)
Goodwill (Note 19)	175	257	-	-	175	257
Total	**15,752**	**14,908**	**13,023**	**12,221**	**28,775**	**27,129**

NOTE 7 – FIXED ASSETS

FIXED ASSETS	Annual depreciation rates (%)	Balance at 12/31/2012			Changes				Balance at 09/30/2013		
		Cost	Accumulated depreciation	Net book value	Acquisitions	Write-offs	Depreciation expense	Transfers	Cost	Accumulated depreciation	Net book value
Land	-	639	-	639	-	-	-	13	652	-	652
Buildings and Improvements	4	842	(355)	487	2	-	(23)	65	909	(378)	531
Equipment and facilities	5 to 20	3,228	(1,463)	1,765	35	(3)	(169)	364	3,595	(1,604)	1,991
Furniture and fixtures	10	41	(30)	11	3	-	(2)	1	45	(31)	14
Vehicles	10	51	(40)	11	-	(2)	(2)	1	50	(42)	8
Assets under development or construction	-	673	-	673	324	-	-	(449)	548	-	548
Other (data processing and other assets)	4 to 20	159	(109)	50	6	(3)	(9)	(3)	139	(98)	41
TOTAL FIXED ASSETS		**5,633**	**(1,997)**	**3,636**	**370**	**(8)**	**(205)**	**(8)**	**5,938**	**(2,153)**	**3,785**

NOTE 8 – BIOLOGICAL ASSETS (Forest reserves)

ITAÚSA CONSOLIDATED, through its subsidiary Duratex Florestal Ltda., owns eucalyptus and pine forest reserves that are mainly used as raw materials in the production of wood panels, floors and components, and are also sold to third parties.

These reserves guarantee the supply of its plants, as well as protect us from future risks of increase in wood prices. It is an operation that is sustainable and integrated into its industrial complexes, which together with the supply network, provides a high self-sufficiency level for wood supply.

At September 30, 2013, it had approximately 139 thousand hectares with actual planting (140 thousand hectares at December 31, 2012) which are cultivated in the states of São Paulo, Minas Gerais and Rio Grande do Sul.

a) Fair value estimate

Fair value is determined based on the estimated wood volume at the point of harvest, at the current prices of standing timber, except (i) forests that have up to one year of life which are stated at cost, as a result of a judgment that these amounts approximate to the fair value; (ii) forests in the growth process in which case we use the discounted cash flow method.

Biological assets are measured at fair value, less cost to sell at the point of harvest.

The fair value was determined by valuing the estimated volumes at the point of harvest considering the current market prices in view of the volume estimates. The assumptions used were as follows:

I. Discounted cash flow – forecasted wood volume at the point of harvest, considering the current market prices, net of realizable planting costs and capital costs of lands used in planting (brought to present value).

II. Prices – prices in R$/cubic meter through current market prices, disclosed by specialized companies in regions and products similar to those of the Duratex, in addition to the prices set in transactions with third parties, in active markets as well.

iii. Differentiation – harvest volumes were separated and valued according to the species (a) pine and eucalyptus, (b) region, (c) use: saw and process.

iv. Volumes – estimates of volumes to be harvested (6th year for eucalyptus and 12th year for pine), were based on the projected average productivity for each region and species. The average productivity may vary based on age, cropping, climate conditions, quality of seedlings, fires and other natural risks. In relation to formed forests, the current wood volumes are used. Rotating inventories are taken from the second year of life of forests and their effects are included in the financial statements.

v. Regularity – expectations regarding future wood prices and volumes are reviewed at least every quarter, or when the rotational physical inventory is concluded.

b) Composition of balances

Biological assets balances are composed of the cost of forest planting and the difference between the fair value and the planting cost, as shown below:

	09/30/2013	12/31/2012
Cost of formation of biological assets	583	545
Difference between cost and fair value	547	557
Fair value of biological assets	**1,130**	**1,102**

Forests are free from any lien or guarantees to third parties, including financial institutions. In addition, there is no forest for which legal title is restricted.

c) Changes

The changes in the accounting balances from the beginning of the period are as follows:

	09/30/2013	12/31/2012
Opening balance	**1,102**	**1,094**
Variation in fair value		
Volume price	151	144
Depletion	(161)	(163)
Variation in historic value		
Formation	95	115
Depletion	(57)	(88)
Closing balance	**1,130**	**1,102**

	09/30/2013	12/31/2012
Effects of the variation in fair value of biological assets	**(10)**	**(19)**
Variation in fair value	151	144
Depletion of fair value	(161)	(163)

The adjustment related to the variation of the fair value results from higher prices in the present value of standing wood, and higher productivity.

NOTE 9 - INTANGIBLE ASSETS - ITAÚSA CONSOLIDATED

INTANGIBLE ASSETS	Annual amortization rates (%)	12/31/2012			Changes					09/30/2013		
		Cost	Accumulated amortization	Net value	Acquisitions	Write-offs	Amortization expense	Reclassification to assets held for sale	Other	Cost	Accumulated amortization	Net value
Software	20%	80	(47)	33	2	-	(9)	(9)	6	59	(36)	23
Trademarks and patents	-	4	-	4	1	-	-	-	9	14	-	14
Goodwill for future profitability	-	689	-	689	-	-	-	-	26	715	-	715
Customer portfolio	6.67%	396	(79)	317	-	-	(21)	-	-	396	(100)	296
Product Development	-	18	(7)	11	4	(1)	(2)	(12)	-	-	-	-
Other intangible assets	10%	1	-	1	-	-	-	(1)	-	-	-	-
Total		**1,188**	**(133)**	**1,055**	**7**	**(1)**	**(32)**	**(22)**	**41**	**1,184**	**(136)**	**1,048**

NOTE 10 – Debentures

On June 1, 2010 Itaúsa raised funds in the market upon the issue of 10,000 debentures of a single series, not convertible into shares, with face value of R$ 100 thousand each, remunerated at 106.5% of CDI, and with amortization in three annual and consecutive installments, in June 2011, 2012 and 2013, and Itaúsa may advance these redemptions, at its discretion. In June 2011, 2012 and 2013 Itaúsa made payments in the amount of R$ 416, R$ 432 and R$ 377 respectively, related to the amortization of the first, second and last installments, respectively.

We present below the debentures in Itaúsa Consolidated

	09/30/2013			12/31/2012		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Debentures and Promissory Notes - Itaúsa	-	-	-	573	-	573
Debentures - Duratex	5	107	112	6	103	109
Total	**5**	**107**	**112**	**579**	**103**	**682**

NOTE 11 - OTHER ASSETS AND LIABILITIES

a) Other assets

	09/30/2013	12/31/2012
Financial	**247**	**621**
Deposits in guarantee for contingent liabilities	166	160
Receivables from reimbursement of contingent liabilities	12	12
Dividends and Interest on capital receivable	69	449
Non-financial	**359**	**347**
Prepaid expenses	46	20
Retirement plan assets (Note 20)	183	174
Other	130	153

b) Other liabilities

	09/30/2013	12/31/2012
Suppliers	247	310
Provision for sundry payments	236	250
Personnel provision	148	153
Deferred Income	98	112
Other	6	5
Total	**735**	**830**

NOTE 12 - TRADE ACCOUNTS RECEIVABLE

Trade Accounts Receivable	09/30/2013	12/31/2012
Domestic customers	1,234	1,127
Foreign customers	77	94
Impairment	(38)	(40)
Total	**1,273**	**1,181**

The balances of accounts receivable by maturity are as follows:

Maturities	09/30/2013	12/31/2012
Not yet due	1,196	1,128
Past-due up to 30 days	53	19
From 31 to 60 days	9	3
From 61 to 90 days	0	12
From 91 to 180 days	5	17
More than 180 days	49	42
Total	**1,311**	**1,221**

NOTE 13 - LOANS AND FINANCING

Loans and Financing	Charges	09/30/2013			12/31/2012		
		Current	Non current	Total	Current	Non current	Total
BNDES	5.2% to 9.0% p.a	58	20	78	53	56	109
BNDES	TJLP + 1.1% to 4.32% p.a	185	564	749	140	584	724
Industrial Credit and Bank	101.2% of CDI	267	180	447	55	384	439
Industrial Credit and Bank	12.7% p.a	7	89	96	110	55	165
Discount NPR	5.5% p.a	18	-	18	25	-	25
FINAME	Fixed 3.7% to 7.4% p.a	-	1	1	-	1	1
FINAME	TJLP + 2.3% p.a	2	32	34	1	14	15
FINEP	3.5% to 4.0% p.a	15	64	79	15	63	78
Floating Rate Note	109.3% of CDI	-	-	-	141	-	141
FUNDIEST	30% + IGP-M per month	11	132	143	4	136	140
FUNDOPEM	IPCA + 3.0% p.a	-	16	16	-	10	10
Discounted Rural Promissory Note	105.3% of CDI	67	55	122	-	115	115
Discounted Rural Promissory Note	9.6% p.a	-	167	167	111	63	174
PROINVEST / PRO FLORESTA	IGP-M + 4.0% p.a / IPCA + 6.0% p.a	12	16	28	14	21	35
Vendor	-	1	-	1	2	-	2
Credit assignment	9.38% p.a	13	-	13	20	-	20
Other	Fixed 1.3% per month	-	-	-	1	-	1
Local currency		**656**	**1,336**	**1,992**	**692**	**1,502**	**2,194**
Advances on Exchange Contracts – Foreign Exchange Discount	1.29% p.a	15	-	15	5	-	5
BNDES	Basket of Currencies + 2.2% to 2.4% p.a	11	25	36	10	30	40
BNDES	Basket of Currencies + interest	1	1	2	1	2	3
BNDES	US$ + 1.6% to 2.12% p.a	3	9	12	3	8	11
BNDES	US$ + L + 1.6% to 2.1% p.a	1	4	5	1	5	6
Foreign	Libor + 0.92% p.a	23	-	23	17	-	17
Foreign	EuroLibor + 0.92% p.a	-	-	-	3	-	3
Resolution 2770	US$ + L + 1.3% a 1.7% p.a	1	-	1	3	2	5
Resolution 4131	US$ + 1.6% a 2.12% p.a	-	-	-	34	-	34
Resolution 4131	US$ + L + 1.3% a 1.7% p.a	1	438	439	-	221	221
Foreign currency		**56**	**477**	**533**	**77**	**268**	**345**
Total		**712**	**1,813**	**2,525**	**769**	**1,770**	**2,539**

Maturities	09/30/2013	12/31/2012
2014	138	672
2015	885	699
2016	344	170
2017	118	81
2018	192	61
2019	67	48
2020	52	32
2021	8	3
Other	9	4
Total	**1,813**	**1,770**

NOTE 14 – STOCKHOLDERS' EQUITY

a) Capital

At the Annual and Extraordinary Stockholders' Meeting held on April 30, 2013, the Board of Directors' proposal was approved, as follows:

- Capital increase by R$ 4,600, with capitalization of funds recorded in Revenue reserves, of which R$ 1,411 of Legal reserve, R$ 623 of Reserve for Dividends Equalization and R$ 2,566 of the Reserve for capital increase of investees;
- Issue of 484,745,974 new book-entry shares with no par value, of which 186,628,955 are common and 298,117,019 preferred shares, which will be attributed, free of charge, to stockholders, as a bonus, in the proportion of one (1) new share to each lot of ten (10) shares of the same type held at the end of May 7, 2013;

According to the Summary Minutes of the Board of Directors' Meeting, held on May 6, 2013, a capital increase was resolved on, in the amount of R$ 900, through the issue of 138,461,540 new book-entry shares with no par value, of which 53,308,194 are common and 85,153,346 are preferred shares, with payment in cash or in credits arising from dividends or interest on capital.

Said capital increase was ratified at the Board of Directors' Meeting of July 12, 2013.

Through the capitalization of reserves and capital increase, capital was increased to R$ 22,000, represented by 5,470,667,261 book-entry shares with no par value, of which 2,106,226,703 are common shares and 3,364,440,558 are preferred shares without voting rights, but with the following advantages:

- Priority to receive the non-cumulative annual minimum dividend of R$ 0.01 per share;
- Right to, in a possible disposal of control, be included in the public offering of shares, so that to be entitled to a price equal to eighty percent (80%) of the amount paid for a share with voting rights, which is part of the controlling stake, and dividend equal to the common shares.

The table below shows the breakdown of and change in shares of paid-in capital and a reconciliation of the balances at December 31, 2012 and September 30, 2013:

	Number			Amount
	Common	Preferred	Total	
Shares of capital stock at 01/01/2012	**1,696,626,868**	**2,718,854,721**	**4,415,481,589**	**13,678**
Residents in Brazil	1,696,361,573	1,820,597,595	3,516,959,168	10,895
Foreign Residents	265,295	898,257,126	898,522,421	2,783
Changes in shares of paid-in capital from ESM onf 04/26/2012	**169,662,686**	**271,015,472**	**440,678,158**	**2,822**
Capital Increase with Capitalization of Reserves	-	-	-	2,822
Share bonus	169,662,686	271,015,472	440,678,158	-
Shares of capital stock at 12/31/2012	**1,866,289,554**	**2,981,170,193**	**4,847,459,747**	**16,500**
Residents in Brazil	1,864,554,738	1,962,909,890	3,827,464,628	13,028
Foreign Residents	1,734,816	1,018,260,303	1,019,995,119	3,472
Treasury shares at 01/01/2012 (*)	**-**	**(8,700,000)**	**(8,700,000)**	**(80)**
(-) Cancellation of shares (ESM of 04/26/2012)	-	8,700,000	8,700,000	80
Treasury shares at 12/31/2012	**-**	**-**	**-**	**-**
Shares outstanding at 12/31/2012	**1,866,289,554**	**2,981,170,193**	**4,847,459,747**	**16,500**

	Number			Amount
	Common	Preferred	Total	
Changes in shares of paid-in capital at 09/30/2013	**239,937,149**	**383,270,365**	**623,207,514**	**5,500**
Capital Increase with Capitalization of Reserves	-	-	-	4,600
Share bonus	186,628,955	298,117,019	484,745,974	-
Subscription of shares	53,308,194	85,153,346	138,461,540	900
Shares of capital stock at 09/30/2013	**2,106,226,703**	**3,364,440,558**	**5,470,667,261**	**22,000**
Residents in Brazil	2,105,836,533	2,219,049,835	4,324,886,368	17,392
Foreign Residents	390,170	1,145,390,723	1,145,780,893	4,608
Treasury shares at 09/30/2013 (*)	**-**	**-**	**-**	**-**
Shares outstanding at 09/30/2013	**2,106,226,703**	**3,364,440,558**	**5,470,667,261**	**22,000**

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

b) Dividends

Stockholders are entitled to a mandatory minimum dividend of not less than 25% of adjusted net income pursuant to the provisions of the Brazilian Corporate Law. Both common and preferred shares participate equally, after common shares have received dividends equal to the minimum priority dividend of R$ 0.01 per share to be paid on preferred shares. The minimum dividend may be paid in four or more installments, at least quarterly or at short intervals.

The calculation of the quarterly advance of the mandatory minimum dividend is based on the share position on the last day of the prior month, with payment being made on the first business day of the subsequent month, in the amount of R$ 0.015 per share.

I. Calculation

(In millions of Reais)

Net income	3,922	
(-) Legal reserve	(196)	
Dividend calculation basis	3,726	
Mandatory minimum dividend	931	25.00%

II. Provision for interest on capital and dividends

	Gross	WTS	Net
Paid / Prepaid	**468**	**(58)**	**410**
Dividends	**80**	**-**	**80**
1 quarterly installment of R$ 0.015 per share payable on 07/01/2013	80	-	80
Interest on capital	**388**	**(58)**	**330**
1 installment of R$ 0.071 per share payable on 08/21/2013	388	(58)	330
Provided for	**585**	**(64)**	**521**
Dividends	**164**	**-**	**164**
1 quarterly installment of R$ 0.015 per share payable on 10/01/2013	82	-	82
1 quarterly installment of R$ 0.015 per share payable on 01/02/2014	82	-	82
Interest on capital	**421**	**(64)**	**357**
Provided	421	(64)	357
Total at 09/30/2013 - R$ 0.1702 net per share	**1,053**	**(122)**	**931**
Total at 09/30/2012 - R$ 0.1560 net per share (*)	**940**	**(108)**	**832**

(*) For compartive purposes, we considered bonuses.

c) Appropriated reserves

- **Legal reserve**

It is recognized at 5% of net income for each year, pursuant to Article 193 of Law No. 6,404/76, amended by Law No.11,638/07 and Law No.11,941/09, up to the limit of 20% of capital.

- **Statutory reserves**

These reserves are recognized with the aim of:

- dividend equalization with the purpose of guaranteeing funds for the payment of dividends, including interest on capital or its advances, to maintain the flow of the stockholders' compensation;

- increasing working capital, guaranteeing funds for the company's operations; and

- increasing the capital of investees, to guarantee the preemptive rights of subscription upon capital increases of investees.

	09/30/2013	12/31/2012
Revenue Reserves	**10,360**	**12,291**
Legal	1,031	2,246
Statutory	9,329	10,045
Dividends equalization	2,141	1,627
Working capital increase	3,611	3,077
Increase in capital of investees	3,577	5,341
Proposal for distribution of additional dividends	**-**	**610**
Other reserves	**394**	**332**
Total reserves at parent company	**10,754**	**13,233**

	Revenue reserves		Other reserves	Total reserves
	Legal reserve	Statutory reserves		
Beginning balance	**2,246**	**10,655**	**332**	**13,233**
Recognition of reserves	196	2,673	-	**2,869**
Increase of capital with reserves	(1,411)	(3,189)	-	**(4,600)**
Dividend - Exceeding the mandatory minimum - prior years	-	(610)	-	**(610)**
Corporate reorganizations	-	(173)	-	**(173)**
Recognized options granted	-	-	62	**62**
Transfers	-	(26)	-	**(26)**
Other adjustments to stockholders' equity	-	(1)	-	**(1)**
Ending balance	**1,031**	**9,329**	**394**	**10,754**

d) Unappropriated reserves

Refers to balance of profit remaining after the distribution of dividends and appropriations to statutory reserves in the statutory accounts of ITAÚSA CONSOLIDATED.

NOTE 15 – SHARE-BASED PAYMENTS

Stock option plan of subsidiaries

a) Duratex S.A.

As set forth in the bylaws, Duratex S.A. has a stock option plan with the purpose of integrating its executives in the company's development process in the medium and long term, providing them with the option of taking part in the valuation that their work and dedication brought to the capital stock of Duratex.

The options will entitle their holders to subscribe common shares of Duratex, subject to the conditions established in the plan.

The rules and operating procedures related to the plan will be proposed by the Personnel committee, appointed by the Company's board of directors. This committee will periodically submit proposals regarding the application of the plan to the approval of the board of directors.

Options may only be granted in years in which there are sufficient profits to distribute mandatory dividends to stockholders. The total number of options to be granted in each year will not exceed the limit of 0.5% of the total shares held by Duratex that the controlling and non-controlling interest holders own on the date of that year-end balance sheet.

The exercise price to be paid to Duratex is established by the Personnel committee at the option granting date. The exercise price will be calculated by the Personnel committee based on the average prices of Duratex common shares at the BM&FBOVESPA trading sessions, over a period of at least five and at most ninety trading sessions prior to the option issue date; at the discretion of that committee, which will also decide on the positive or negative adjustment of up to 30%. The established prices will be adjusted up to the month prior to the exercise of the option at IGP-M or, in its absence, using an index established by the Personnel committee.

Assumptions	2006	2007	2008	2009	2010	2011	2012	2013
Total stock options granted	2,659,180	2,787,050	2,678,901	2,517,951	1,333,914	1,875,322	1,315,360	1,561,061
Exercise price at granting date	11.16	11.82	15.34	9.86	16.33	13.02	10.21	14.45
Fair value at granting date	9.79	8.88	7.26	3.98	7.04	5.11	5.69	6.54
Exercise deadline	10 years	10 years	10 years	8 years	8 years	8.5 years	8.8 years	8.9 years
Vesting period	1.5 years	1.5 years	1.5 years	3 years	3 years	3.5 years	3.8 years	3.9 years

To determine this value, the following economic assumptions were adopted:

	2006	2007	2008	2009	2010	2011	2012	2013
Volatility of share price	34.80%	36.60%	36.60%	46.20%	38.50%	32.81%	37.91%	34.13%
Dividend yield	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Risk-free return rate (1)	8.90%	7.60%	7.20%	6.20%	7.10%	5.59%	4.38%	3.58%
Effective exercise rate	96.63%	96.63%	96.63%	96.63%	96.63%	96.63%	96.63%	96.63%

(1) IGP-M coupon

The company carries out the settlement of this benefit by delivering its own shares held in treasury until the effective exercise of the options by executives.

Granting date	Granted number	Maturity date	Exercise deadline	Granting price	To be exercised dec/12	To be exercised sep/13 (*)	Option price	Total amount	2007 to 2011	2012	2013	Other periods
03/30/2006	2,659,180	06/30/2007 to	12/31/2016	11.16	48,856	53,740	11.42	1	1	-	-	-
01/31/2007	2,787,050	06/30/2008 to	12/31/2017	11.82	1,588,612	1,445,154	10.36	25	25	-	-	-
02/13/2008	2,678,901	06/30/2009 to	12/31/2018	15.34	1,649,682	1,512,330	8.47	19	19	-	-	-
06/30/2009	2,517,951	06/30/2012 to	12/31/2017	9.86	922,476	840,467	4.64	9	8	1	-	-
04/14/2010	1,333,914	12/31/2013 to	12/31/2018	16.33	1,464,818	1,481,716	8.21	9	4	2	1	1
06/29/2011	1,875,322	12/31/2014 to	12/31/2019	13.02	1,868,298	1,964,308	5.11	10	2	3	2	3
04/02/2012	1,315,360	12/31/2015 to	12/31/2020	10.21	1,315,360	1,303,220	5.69	7	-	1	1	4
03/01/2013	1,561,061	12/31/2016 to	12/31/2021	14.45	-	1,579,492	6.54	10	-	-	2	9
Sum	**16,728,739**				**8,858,102**	**10,180,427**		**90**	**59**	**7**	**6**	**17**
Exercise effectiveness								**96.63%**	**96.63%**	**96.63%**	**96.63%**	**96.63%**
Computed value								**87**	**57 (1)**	**7 (2)**	**6 (3)**	**19 (4)**

(1) Amount charged to income in 2007 until 2011.
(2) Amount charged to income in 2012.
(3) Amount charged to income in 2013.
(4) Amount charged to income up to December 2015.
(*) Includes bonus shares of 10% as per resolution at the A/ESM of April 22, 2013.

At September 30, 2013, the Company had 1,415,054 treasury shares, which may be used in a possible option exercise.

b) Itautec S.A.

As set forth in the bylaws, until 2006 the Company had a Stock Option Plan with the purpose of integrating its executives in the Company’s development process in the medium and long terms, providing them with the option of participating in the valuation that their work and dedication brought to the Company's shares.

This plan was managed by a Committee and the options granted were approved by the Board of Directors; at present, it is subject to the study and review by that Board of Directors. The participants of the plan were chosen at the sole discretion of the Committee among the Company’s executives.

The price established for the granting of stock options was based on the average quotation of the Company’s shares in the BM&FBOVESPA trading session, comprising a period of at least one (1) month and at most twelve (12) months prior to the option issue date.

At the discretion of the Committee, a positive or negative adjustment of up to 50% in the average price was made. The assumptions used in the fair value of options, based on the Binominal model, were as follows:

Assumptions

Granting date	2003 Plan	2004 Plan	2006 Plan
Number of shares granted (i) (ii)	160,287	125,998	191,666
Price of share at the granting date (in Reais - R$) (ii)	40.50	44.70	45.60
Exercise price (in Reais - R$) (ii)	21.45	23.55	36.45
Fair value of the option (in Reais - R$) (ii)	34.94	38.52	32.88
Vesting period	06/30/04	06/30/05	06/30/07
Exercise deadline	12/31/13	12/31/14	12/31/16
Volatility	81%	64%	65%
Dividends (dividend yield)	2.9%	1.5%	2.7%
Risk-free return rate	48.2%	24.9%	13.7%

(i) Deducting cancellations;

(ii) Considering the reverse split, at the rate of 15 shares for 1, carried out in October 2006.

Volatility comprises the period of the last three years up to the granting date of each plan.

No stock option has been exercised so far and there has been no variation in the number of shares of the plans described above in the presented period.

On September 30, 2013, the market price of the shares was R$ 36.90 (R$ 35.01 at December 31, 2012) per share.

c) Elekeiroz S.A.

Stock option plan

With the purpose of integrating the managers and employees in the Company’s development process in the medium and long term, the Extraordinary Stockholders’ Meeting held on July 31, 2003 resolved to adopt a stock option plan, providing them with the option of participating in the valuation that their work and dedication may bring to the Company's capital. Up to the closing of these financial statements, this plan had not produced any effects to be recognized in the Company’s financial statements.

NOTE 16 - GENERAL AND ADMINISTRATIVE EXPENSES

	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
Personnel expenses	**(140)**	**(572)**	**(139)**	**(411)**
Compensation	(26)	(113)	(46)	(141)
Charges	(91)	(265)	(44)	(132)
Welfare benefits	(7)	(81)	(22)	(77)
Retirement plans and other post-employment benefits	-	(71)	-	-
Stock option plan	(2)	(6)	(2)	(5)
Training	(1)	(2)	-	(1)
Employee profit sharing	(13)	(34)	(22)	(45)
Dismissals	-	-	(3)	(10)
Administrative expenses	**(60)**	**(165)**	**(43)**	**(146)**
Data processing and telecommunications	(3)	(9)	(3)	(9)
Third-party services	(26)	(65)	(20)	(45)
Advertising, promotions and publicity	(5)	(19)	(7)	(20)
Transportation	(10)	(33)	(11)	(36)
Travel	-	(2)	(1)	(2)
Other	(16)	(37)	(1)	(34)
Depreciation	**(62)**	**(179)**	**(52)**	**(154)**
Amortization	**(88)**	**(245)**	**(76)**	**(197)**
Total	**(350)**	**(1,161)**	**(310)**	**(908)**

NOTE 17 - INCOME TAX AND SOCIAL CONTRIBUTION

ITAÚSA and each of its subsidiaries file separate corporate income tax returns for each fiscal year. Income tax in Brazil comprises federal income tax and social contribution on net income, which is a federal tax on income additional to income tax.

a) Composition of income tax and social contribution expense

The amounts recorded as income tax and social contribution expense in the consolidated financial statements are reconciled to the statutory rates, as follows:

Current income tax and social contribution	07/01 to 09/30/2013	01/01 to 09/30/2013	07/01 to 09/30/2012	01/01 to 09/30/2012
Income before income tax and social contribution of Continuing Operatings	**1,700**	**4,396**	**1,297**	**3,708**
Income before income tax and social contribution of Discontinued Operatings	**(54)**	**(98)**	**(5)**	**11**
Charges (income tax and social contribution) at the current rates	(559)	(1,461)	(439)	(1,264)
Increase/decrease to income tax and social contribution charges arising from:				
Share of Comprehensive Income of Associates and Jointly-Controlled Entities	505	1,380	414	1,206
Foreign exchange variation on investments abroad	10	(5)	-	(1)
Interest on capital	(50)	(24)	(164)	(158)
Other	78	4	189	201
Total income tax and social contribution	**(16)**	**(106)**	**-**	**(16)**

b) Deferred Income Tax and Social Contribution

I - The balance and changes of Deferred Income Tax and Social Contribution are represented by:

	12/31/2012	Realization/ reversal	Increase	09/30/2013
Deferred Tax Assets				
Tax losses and social contribution loss carryforwards	330	(43)	-	287
Allowance for loan losses	3	(1)	1	3
Adjustment to market value - securities and derivative financial instruments	2	(1)	-	1
Goodwill on purchase of investments	142	-	-	142
Provision for contingent liabilities	102	(2)	29	129
Companies headquartered abroad	1	(1)	-	-
Other	97	(71)	152	178
Total deferred tax assets	**677**	**(119)**	**182**	**740**
Deferred tax liabilities				
Revaluation reserve	(62)	4	-	(58)
Present value of financing	(8)	-	-	(8)
Swap results	(4)	-	(5)	(9)
Depreciation	(12)	-	-	(12)
Restatement of escrow deposits, legal liabilities and contingent liabilities	(4)	-	(1)	(5)
Pension plans	(28)	24	-	(4)
Sale of property	(9)	3	-	(6)
Other liabilities	(75)	-	(31)	(106)
Adjustments: CPCs / IFRS	(317)	10	-	(307)
Total deferred tax liabilities	**(519)**	**41**	**(37)**	**(515)**
Deferred Tax Assets, Net	**158**	**(78)**	**145**	**225**

II- The estimated realization and the present value of the Deferred Income Tax and Social Contribution at September 30, 2013, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are as follows::

	09/30/2013	12/31/2012
Deferred tax assets	**740**	**677**
Deferred tax assets to be recovered within up to 12 months	53	146
Deferred tax assets to be recovered after 12 months	687	531
Deferred tax liabilities	**(515)**	**(519)**
Deferred tax liabilities to be recovered after 12 months	(515)	(519)
Deferred tax assets, net	**225**	**158**

(*) Deferred income tax and social contribution assets and liabilities are recorded in the balance sheet offset by a taxable entity and total R$ 740 (R$ 653 at December 31, 2012) and R$ 515 (R$ 495 at December 31, 2012).

NOTE 18 - EARNINGS PER SHARE

Basic and diluted earnings per share were computed pursuant to the table below for the years indicated. Basic earnings per share are computed by dividing the net income attributable to the stockholders of ITAÚSA - Investimentos Itaú S.A. by the average number of shares for the year, and by excluding the number of shares purchased and held as treasury shares. Diluted earnings per share are computed in a similar way, but with the adjustment made to the denominator when assuming the conversion of all shares that may dilute earnings.

Net income attributable to owners of the parent company	**07/01 to 09/30/2013**	**01/01 to 09/30/2013**	**07/01 to 09/30/2012**	**01/01 to 09/30/2012**
Net income	**1,525**	**3,922**	**1,210**	**3,502**
Minimum non-cumulative dividend on preferred shares in accordance with our bylaws	(33)	(33)	(33)	(32)
Subtotal	**1,492**	**3,889**	**1,177**	**3,470**
Retained earnings to be distributed to common equity owners in an amount per share equal to the minimum dividend payable to preferred equity owners	(21)	(21)	(21)	(20)
Subtotal	**1,471**	**3,868**	**1,156**	**3,450**
Retained earnings to be distributed to common and preferred equity owners on a pro-rata basis				
To common equity owners	566	1,489	445	1,328
To preferred equity owners	905	2,379	711	2,121
Total net income available to common equity owners	**587**	**1,510**	**466**	**1,349**
Total net income available to preferred equity owners	**938**	**2,412**	**744**	**2,153**
Weighted average number of shares outstanding				
Common shares	2,106,226,703	2,076,611,040	2,052,918,509	1,990,708,857
Preferred shares	3,364,440,558	3,317,133,144	3,279,287,212	3,179,914,872
Earnings per share – Basic and diluted - R$				
Common shares	0.28	0.73	0.23	0.68
Preferred shares	0.28	0.73	0.23	0.68

The impact from the dilution of earnings per share is lower than R$ 0.01.

NOTE 19 – BUSINESS COMBINATIONS

In May 2010, Bank of America Corporation (BAC) sold its interest in the capital of Itaú Unibanco Holding. Preferred shares were traded in the market and common shares were purchased by ITAÚSA, which increased its direct and indirect interest in the capital of Itaú Unibanco Holding from 35.46% to 36.57%.

June 30, 2010 was determined as the date for the application of the acquisition method set forth in CPC 15 – Business Combinations. The application of the acquisition method consists of the recognition and measurement of identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree, and the recognition and measurement of goodwill or gain arising from a bargain purchase.

On the purchase date ITAÚSA recorded goodwill of R$ 809 was allocated considering:

(i) identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree;
(ii) the consideration for the control of the purchased company; and
(iii) goodwill or gain from a bargain purchase.

The table below shows the balance of identifiable assets and liabilities and the amount of goodwill computed proportionally to the acquisition of 1.22%:

	12/31/2012	Amortization/ Realization (*)	09/30/2013
Intangible assets subject to amortization			
Customer relationships(*)	245	(117)	128
Exclusive access to retail customers and real estate brokers	109	(15)	94
Other	3	(1)	2
Total intangible assets subject to amortization (I)	**357**	**(133)**	**224**
Intangible assets not subject to amortization			
Redecard brand (*)	4	(4)	-
Hipercard brand	2	-	2
Itaú brand	65	-	65
Total intangible assets not subject to amortization (II)	**71**	**(4)**	**67**
Total allocated to intangible assets (III = I + II)	**428**	**(137)**	**291**
Deferred tax liability (IV)	**(171)**	**55**	**(116)**
Total goodwill allocated (V = III + IV)	**257**	**(82)**	**175**
Goodwill	**437**	**-**	**437**

(*) At 03/31/2013 were realizated the relative values Redecard.

Identifiable intangible assets subject to amortization are recorded in income for a period of 2 to 16 years, according to the useful life defined based on the expected future economic benefit generated by the asset.

Intangible assets not subject to amortization and the residual goodwill, which also represent expected future economic benefits, do not have defined useful lives, and will have their recoverability tested at least annually by Management.

This purchase of shares represented an increase in the interest of ITAÚSA, and most of the identifiable assets and liabilities were recorded in ITAÚSA based on criteria of similar previously recorded operations, before the increase in interest. Likewise, the same was followed for income, expenses and net income of ITAÚSA.

NOTE 20 – POST-EMPLOYMENT BENEFITS

As prescribed in CPC 33 - "Employee Benefits", we present the policies adopted by ITAÚSA and its subsidiaries regarding employee benefits, as well as the accounting procedures adopted.

ITAÚSA's subsidiaries in Brazil are part of the group of companies that sponsor Fundação Itaúsa Industrial (Fundation), a not-for-profit organization which purpose is to manage private plans for the concession of bonus plans or supplementary income or benefits similar to those conferred by the official government retirement plan. Fundação Itaúsa manages a Defined Contribution Plan - PAI - CD ("CD Plan") and a Defined Contribution Plan – BD ("BD Plan").

Employees hired by the industrial area companies have the option to voluntarily participate in the Defined Contribution Plan PAI – CD, managed by Fundação Itaúsa Industrial.

(a) Defined contribution plan - CD Plan

This plan is offered to all employees of sponsor companies and had 11,855 participants at September 30, 2013 (10,472 at December 31, 2012).

The CD Plan – PAI (individual retirement plan) offers no actuarial risk and the investment risk is taken by their participants.

Pension Plan Program Fund

Contributions made by sponsors that remained in the plan because the participants had elected redemption or early retirement, formed the Fundo Programa Previdencial (pension plan program fund) that, according to the intenal rules of the plan, has been used to offset contributions made by the sponsors.

The present value of future regular contributions, calculated using the projected unit credit method, was recognized in the interim financial statements for September 30, 2013.

The amount recorded in the balance sheet under Pension Plan Credits is R$ 118 (R$ 174 at December 31, 2012). The amount of R$ 16 (R$ 6 at September 30, 2012) was recorded in income. At June 30, 2013 Itautec carried out a reversal in the amount of R$ (71) as a result from its corporate reorganization (Note 25).

(b) Defined benefit plan – BD Plan

This plan has as its basic purpose the concession of benefits that, as a life monthly income, is intended to supplement, pursuant to its terms, the income paid by the official government retirement plan. This plan is no longer available, which means that no new participants will be admitted to it.

The plan includes the following benefits: supplementation to the governmental retirement plan, payable based on time of contribution, special circumstances, age, disability, life monthly income, retirement premium and death bonus.

September 30, 2013, the surplus and restored technical balance of the BD Plan was recorded in assets, in the amount of R$ 65 payable in 27 monthly installments to which the return rate of investment in the BD Plan applies.

Main assumptions used in actuarial valuation of Retirement Plans

	09/30/2013	12/31/2012
Discount rate	8.16% p.a.	8.16% p.a.
Mortality table (1)	AT-2000	AT-2000
Turnover	Null	Null
Future salary growth	7.12 % p.a.	7.12 % p.a.
Growth of the pension benefit /Plans	4.00 % p.a.	4.00 % p.a.
Inflation	4.00 % p.a.	4.00 % p.a.

(1) The mortality tables adopted correspond to those disclosed by SOA – Society of Actuaries, the North-American entity equivalent to IBA – Brazilian Institute of Actuarial Science, which reflects a 10% increase in the probabilities of survival as compared to the respective basic tables; The life expectancy in years by the AT-2000 mortality table for participants of 55 years of age is 27 and 31 years for men and women, respectively.

NOTE 21 – PROVISIONS, CONTINGENCIES AND OTHER COMMITMENTS

ITAÚSA and its subsidiaries record provisions for tax, labor and civil contingencies in the ordinary course of business.

The respective provisions were recognized considering the probability of loss as assessed by legal advisors for the group.

Relying on the opinion of our legal advisors, management believes that the provisions for contingencies recognized are sufficient to cover any loss possibly incurred in any legal actions or administrative proceedings.

a) **Contingent Assets:** ITAÚSA and its subsidiaries are seeking in court the recovery of taxes, contributions, import license fee (Cacex Fee) and administrative service fees imposed on the import and custom clearance of goods at the Manaus Duty Free Zone.

The table below shows the main lawsuits that, in accordance with the opinion of the legal advisors, have probability of a favorable outcome to the company considered probable, and the amounts related to these lawsuits are not recognized in the financial statements.

	09/30/2013	12/31/2012
IPI bonus credit from 1960 to 1985	109	104
Monetary adjustment of credits from Eletrobrás	10	10
Recovery of ILL paid with dividends distributed from 1989 to 1992	11	11
INSS - SAT, change of rural rate, transportation voucher, and health insurance	5	5
COFINS – escrow deposit	-	3
PIS – calculation basis	3	6
PIS and COFINS – Manaus Duty Free Zone	10	10
PIS and COFINS – Transfer of commissions on sales abroad	10	-
Cacex (foreign trade) tax	21	21
Other	16	14
Total	**195**	**184**

b) Contingent Liabilities:

- Tax: In connection with tax assessment notices primarily related to the following contributions: ICMS credits, social security contributions, PIS and COFINS on financial income.

- Labor: Relate to claims disputing alleged labor rights deriving from overtime, pain and suffering, occupational disease, salary equivalence, and involving joint and several liability.

- Civil: Civil lawsuits mainly refer to pain and suffering and property damage.

	Tax	Labor	Civil	Total
Opening balance 01/01/2013	**343**	**73**	**20**	**436**
Monetary adjustment	17	8	1	26
Increase	91	15	4	110
Reversal	(19)	(12)	(5)	(36)
Payments	(8)	(12)	-	(20)
Total at 09/30/2013	**424**	**72**	**20**	**516**

c) Contingencies not reconized

ITAÚSA and its subsidiaries are involved in tax, labor and lawsuits, which, in the opinion of their legal advisors, have probability of possible loss and do not have a provision reconized.

At September 30, 2013, these lawsuits totaled R$ 749 for tax lawsuits, R$ 15 for labor claims and R$ 4 for civil lawsuits.

The main disputes concerning tax lawsuits that have a probability of possible loss are related to the topics as follows:

- Taxation of revaluation reserve – R$ 213: Discussion related to taxation of revaluation reserve in corporate spin-off operations carried out in the 2006-2009 period;
- IRRF, IRPJ, CSLL, PIS e COFINS – Request for offset denied – R$ 181: Cases in which the liquidity and certainty of offset credits are discussed;
- Levy of ICMS Credits – R$ 50: Discussion on the levy, recognition and use of ICMS credits;
- Tax amnesty not applicable – R$ 32: Discussion of whether it is in conformity with the tax amnesty requirements;
- Differences in accessory obligations – R$ 27: Discussion of possible differences between the information included in the accessory obligations;
- IRPJ and, CSLL – Profit made available abroad - R$ 17: Discussion of the calculation basis for levy of these taxes on profits earned abroad;
- IRPJ – Monetary adjustment – R$ 8: Discussion on the use of the pro rata UFIR to adjust loans;
- Offset of withholding income tax on interest on income – R$ 5: Discussion of whether it is lawful to offset the negative balance against withholding income tax due on the payment of interest on income;
- Disallowance – offset of tax paid abroad - R$ 5: Discussion of the evidence of the credit offset in connection with the income tax paid abroad.

NOTE 22 –SEGMENT INFORMATION

In accordance with the standards in force, an operating segment may be understood as a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

(b) whose operating results are regularly reviewed by the entity’s chief operating decision makes to make decisions about resources to be allocated to the segment and assess its performance;

(c) for which optional financial information is available.

The operating segments of ITAÚSA were defined according to the reports submitted to the Board of Directors for decision making. Therefore, the segments are divided into the Financial Services and the Industrial Areas.

ITAÚSA is a holding company and its subsidiaries are: Duratex, Elekeiroz and Itautec, which operate in the industrial area, and Itaú Unibanco Holding, under our joint control and operating in the financial area.

The Itaúsa subsidiaries have independence to define their differentiated and specific standards in the management and segmentation of their respective businesses.

- **Financial Area**

Itaú Unibanco Holding is a banking institution that offers, directly or through its subsidiaries, a broad range of credit and other financial services to a diversified client base of individuals and companies in and outside Brazil.

ITAÚSA exercises the joint control over the businesses of Itaú Unibanco Holding, the jointly-controlled entities were accounted for under the equity method and were not consolidated.

- **Industrial Area**

In the industrial segment, we have a broad range of companies; for this reason, we separated information by company. A brief description of the products manufactured by each company is as follows:

l) Duratex manufactures bathroom porcelain and metals, and respective fittings, with the Deca and Hydra brands (for flush toilet valves), which stand out for the wide range of products, the bold design, and the superior quality; and produces wood panels from pine and eucalyptus, largely used in the manufacturing of furniture, mainly fiberboard, chipboard and medium, high and super density fiberboards, best known as MDF, HDF and SDF, from which laminated floor (Durafloor) and ceiling and wall coatings are manufactured.

II) Elekeiroz: It operates in the chemical market and it is engaged in the manufacturing and sale of chemical and petrochemical products in general, including third parties’ products, import and export. The company’s production capacity exceeds 700 thousand tons of chemical products per year in its industrial units, and the products are basically intended for the industrial sector, particularly for the civil construction, clothing, automotive and food industries.

III) Itautec: operates in the IT market and is specialized in the development of products and solutions in computing.

	January to september	FINANCIAL SERVICES AREA	INDUSTRIAL AREA			CONSOLIDATED ITAUSA (1)
		Itaú Unibanco Holding	Duratex (5)	Elekeiroz	Itautec (5)	
Total assets	**2013**	**990,206**	**8,100**	**707**	**702**	**40,369**
	2012	878,838	7,485	685	1,082	38,051
Operating revenues (2)	**2013**	**86,002**	**2,865**	**738**	**364**	**8,004**
	2012	93,942	2,442	658	527	7,127
Net Income	**2013**	**11,516**	**450**	**33**	**(324)**	**4,193**
	2012	9,715	310	(5)	(18)	3,700
Stockholders' equity	**2013**	**80,340**	**4,377**	**510**	**219**	**35,055**
	2012	74,610	3,946	471	524	32,072
Annualized return on average equity (%) (3)	**2013**	**19.9%**	**14.3%**	**9.1%**	**-109.7%**	**16.6%**
	2012	17.3%	10.9%	-1.3%	-4.6%	15.2%
Internal fund generation (4)	**2013**	**31,766**	**873**	**64**	**(116)**	**580**
	2012	36,234	701	30	-	324

(1) *Itaúsa Conglomerate includes: the consolidation of 100% of the subsidiaries and is net of consolidation elimination and unrealized results of intercompany transactions.The amounts for Itaú Unibanco that were not consolidated and are now being accounted for under the equity method.*

(2) *Operating revenue by area of operations was obtained as follows:*
- *Itaú Unibanco Holding: Interest and similar income, dividend income, net gain (loss) from investment securities and derivatives, banking service fees, income from insurance, private pension and capitalization operations before claim and selling expenses and other income.*
- *Duratex, Itautec and Elekeiroz: Sales of products and services.*
- *Itaúsa Conglomerate: Sales of products and services and share income of associates and joint ventures.*

(3) *Represents the ratio of net income for the year and the average equity ((Dec + Mar + Jun + Sep)/4).*

(4) *Refers to funds arising from operations, according to the statement of cash flows.*

(5) *At Duratex and Itautec, the amounts presented do not consider the Operating Income classified in Result of Decommissioned Operations.*

NOTE 23 – RELATED PARTIES

a) Transactions between related parties are carried out at amounts, maturities and average rates in accordance with normal market practices on the respective dates, as well as under reciprocal conditions.

Transactions between companies included in the consolidation were eliminated from the consolidated financial statements. The transaction terms take into consideration the absence of risk.

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaú Unibanco and Fundação Itaúsa Industrial, closed-end private pension entities that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries;
- Investments in jointly-controlled entities (Note 6 II) – Itaú Unibanco Holding S.A and IUPAR – Itaú Unibanco Participações.

The transactions with these related parties are basically characterized by:

a) Related Parties

	Consolidated			
	ASSETS/(LIABILITIES)		REVENUE/(EXPENSES)	
	09/30/2013	12/31/2012	09/30/2013	09/30/2012
Financial Investments	**344**	**640**	**17**	**11**
Itaú Unibanco S.A.	344	640	17	11
Amounts receivable from (payable to) related companies	**7**	**19**	**-**	**-**
Itaú Unibanco S.A.	7	17	-	-
Banco Itaú BBA	-	1	-	-
Banco Itaú Leasing	-	1	-	-
Banking service fees	**-**	**-**	**63**	**74**
Itaú Unibanco S.A.	-	-	68	68
Itaú Seguros	-	-	(8)	(3)
Banco Itaú Leasing	-	-	-	1
Banco Itaú BBA	-	-	3	8
Total	**351**	**659**	**80**	**85**

In addition to the aforementioned operations, ITAÚSA and non-consolidated related parties, as an integral agrrement for apportionment of ccommon costs, recorded in General and Administrative Expenses, the amount of R$ 7 (R$ 8 from 01/01 to 09/30/2012) due to the use of the common structure.

b) Guarantees provided

In addition to these transactions, there are guarantees provided by ITAÚSA, represented by endorsements, sureties and other, as follows:

	09/30/2013	12/31/2012
Duratex S.A.	516	463
Elekeiroz S.A.	82	67
Itautec S.A.	109	131
Total	**707**	**661**

c) Compensation of the Key Management Personnel

The fees attributed in the period to ITAÚSA management members are as follows:

	09/30/2013	09/30/2012
Compensation	4	4
Profit sharing	4	4
Total	**8**	**8**

NOTE 24 – MANAGEMENT OF FINANCIAL RISKS

Introduction

In order to understand the risks inherent in the activities of ITAÚSA, it is important to know that its objective is the management of investments in its companies. Accordingly, the risks to which ITAÚSA is subject are those that are managed by its subsidiaries and affiliates.

As to liquidity risk, the cash flow forecast of ITAÚSA is made by Management, which monitors the continuous forecasts of liquidity requirements to ensure that it has sufficient cash to meet the operating needs, which mainly reflect the payment of dividends and interest on capital, and settlement of issued debentures.

The excess cash of ITAÚSA is invested in government securities and investment fund quotas.

At the reporting date, ITAÚSA had short-term funds amounting to R$ 425, which are expected to readily generate cash inflows to manage the liquidity risk.

With the purpose of maintaining investments at acceptable risk levels, new investments or increases in interests are discussed at a joint meeting of ITAÚSA's Executive Board and Board of Directors.

We present below the main risks associated to ITAÚSA subsidiaries.

a) Market risk

(i) Foreign currency risk

Changes in foreign exchange rates may result in the decrease in asset amounts or increase in liability amounts. The foreign exchange risk derives from future commercial operations, assets and liabilities recognized and net foreign investments.

In view of risk management procedures, which aim at minimizing the foreign exchange exposure, hedge mechanisms are in place to protect most of foreign exchange exposure.

(ii) Derivative operations

In derivative operations there are no checks, monthly settlements or margin calls, and the contract is settled upon maturity, and recorded at fair value, taking into account market conditions for term and interest rates.

We present below the types of contracts in place in subsidiaries:

- Swap Contracts - US$ x CDI: this type of operation aims at changing debts expressed in US dollars into debts indexed to CDI;
- Swap Contracts – Fixed rate x CDI: This type of operation aims at changing debts at fixed interest rates into debts indexed to CDI;
- NDF (Non Deliverable Forward) Contracts: this type of operation aims at changing liabilities expressed in US dollars into Reais; In this operation the contract is settled upon maturity, taking into account the difference between the forward exchange rate (NDF) and the foreign exchange rate at the end of the period (PTAX).

The following table summarizes the fair value of derivatives derivative financial instruments:

	Notional amount	Fair value	Accumulated effect	
	09/30/2013	09/30/2013	Amount receivable	Amount payable
Swap contracts	**-**	**22**	**24**	**(1)**
Asset position	**743**	**776**	**24**	**(1)**
Foreign currency (USD and EUR)	450	460	22	(1)
Fixed rate	293	316	2	-
Liability position	**(731)**	**(754)**	**-**	**-**
CDI	(731)	(754)	-	0
Futures contracts (NDF)	**13**	**(1)**	**2**	**(2)**
Purchase commitments	**13**	**(1)**	**2**	**(2)**
Foreign currency (USD)	13	(1)	2	(2)

	Notional amount	Fair value	Accumulated effect	
	12/31/2012	12/31/2012	Amount receivable	Amount payable
Swap contracts	**-**	**24**	**28**	**(1)**
Asset position	**613**	**675**	**28**	**(1)**
Foreign currency (USD)	263	264	7	(1)
Fixed rate	350	411	21	-
Liability position	**(608)**	**(651)**	**-**	
CDI	(608)	(651)	-	-
Futures contracts (NDF)	**44**	**-**	**4**	**(1)**
Purchase commitments	**44**	**-**	**4**	**(1)**
Foreign currency (USD)	26	-	3	(1)
Agreements (EUR)	18	-	1	-

The gains or losses from operations shown in the table were offset in the interest and foreign currency, asset and liability positions, which effects are presented in the financial statements.

(iii) Cash flow risk or fair value associated to interest rate

The cash invested earns interest indexed to the CDI variation percentage, with redemption guaranteed by issuing banks in accordance with the contracted rates. There are no other relevant assets which result is directly affected by the changes in market interest rates.

For liabilities, the interest rate risk derives from long-term loans. Most of these loans are indexed to the Brazilian long-term interest rate (“TJLP”), a rate aimed at encouraging long-term investments to the production sector, which is historically lower than the financing rates in the market.

The risk associated to these contracted interest rates is monitored since the beginning of the financing, and the institution's policy is to monitor the changes in and projections of the interest market, analyzing any possible need or opportunity to contract hedge for these operations.

b) Credit risk

The sales policy is directly associated to the credit risk level the institution is willing to be subject to in the course of business. Diversifying the receivables portfolio and selecting clients, as well as monitoring sales financing terms and individual credit limits are procedures adopted to minimize default levels or losses in the realization of Accounts Receivable.

Regarding financial and other investments, our policy is to work together with prime institutions and refrain from having investments concentrated in one single economic group.

c) Liquidity Risk

It is the risk that ITAÚSA and subsidiaries fail to have net funds enough to meet their financial commitments, as a result of the mismatching of terms or volume between scheduled receipts and payments. Assumptions for future reimbursements and receipts, daily monitored by the treasury area, are established to manage the liquidity of cash in domestic and foreign currencies.

The table below shows the maturities of financial liabilities and accounts payable to suppliers at the balance sheet date:

09/30/2013	Less than 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years
Loans and financing	722	1,038	871	17
Suppliers and other payables	310	113	-	-
Total	**1,032**	**1,151**	**871**	**17**

12/31/2012	Less than 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years
Loans and financing	780	1,361	511	11
Suppliers and other payables	515	121	-	-
Total	**1,295**	**1,482**	**511**	**11**

d) Sensitivity analysis

We present below the statement of sensitivity analysis of financial instruments, including derivatives, describing the risks that may give rise to material losses to ITAÚSA CONSOLIDATED, with a Probable Scenario (Base Scenario) and two other scenarios, pursuant to the provisions of CVM No. 475/08, representing 25% and 50% of the impairment of the risk variable considered.

For the risk variable rates used in the Probable Scenario, the BM&BOVESPA / Bloomberg quotations were used for the respective maturity dates.

Risk	Instrument/Operation	Description	Probable Scenario	Possible Scenario	Remote Scenario
Interest rate	Swap – Fixed/ CDI	Increase - CDI	(3)	(18)	(33)
	Hedged item: loans at fixed rates		3	18	33
Foreign exchange	Swap - US$ / CDI (Res. 2770 w Res. 4131)	Drop - US$	(25)	(177)	(329)
	Hedged item: Debt in foreign currency (US$)	(Increase US$)	25	177	329
	NDF (US$)	Drop - US$	(1)	(4)	(7)
	Swap (US$)	Increase - US$	13	13	13
	Swap (US$)	Increase - CDI	(13)	(13)	(13)
	Hedged item: Debt in foreign currency	US$ / EUR	1	4	7
	Exports receivable	(Drop - US$)	-	(8)	(16)
		Increase - US$	-	8	16
	BNDES – Revolving credit	Drop - US$	(2)	4	7
		(Increase US$)	-	(4)	(7)
	Advances on exchange contracts – Foreign exchange discount	Drop - US$	-	4	8
		(Increase US$)	-	(4)	(8)
	Foreign suppliers	Drop - US$	-	1	2
		(Increase US$)	-	(1)	(2)
Total			**(2)**	**-**	**-**

Estimated Fair Value

It is assumed that the balances of trade accounts receivable and trade accounts payable at carrying amount less impairment are close to their fair values. The fair value of financial assets and liabilities, for disclosure purposes, is estimated by discounting future contractual cash flows at the interest rate in force in the market, which is available for ITAÚSA and subsidiaries for similar financial instruments.

The financial statements are in conformity with CPC 40 – "financial instruments: evidences" measured in the balance sheet at fair value – which requires the disclosure of these measurements by using the following hierarchy levels:

- Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: information, in addition to quoted prices, included in level 1, which are adopted by the market for assets or liabilities, either directly (that is, as prices) or indirectly (that is, as price derivatives);
- Level 3: Inputs for assets or liabilities not based on the data adopted by the market (that is, non-observable inputs).

	09/30/2013	12/31/2012
Assets (*):	**2,286**	**2,567**
Cash and deposits on demand	905	1,279
Trade accounts receivable	1,351	1,259
Restricted deposits	28	26
Available-for-sale financial assets	1	1
Call option	1	2
Liabilities:	**2,883**	**2,942**
Loans/ Financing/ Debentures	2,637	2,648
Suppliers / Other expenses	240	306
Financial instruments	6	(12)

(*) Fair value joint ventures interests unconsolidated are reported in note 6 I.

NOTE 25 – NONCURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with the notes 2.3f and 2.4t, Itautec's activities of commercial and banking operations and provision of services have met the definition of assets held for sale as from the 2nd and 3nd quarter of 2013, and the result from discontinued operations for the periods ended September 30, 2013 and 2012, are shown in the table below and are stated in a specific heading in the balance and statement of income.

RESULTS OF DISCONTINUED OPERATIONS	Commercial and Banking Operations and Provision of Services		Deca Piazza		Total	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Sales of products and services	442	640	10	16	452	656
Cost of products and services	(412)	(514)	(13)	(16)	(425)	(530)
Financial results	(2)	(5)	(2)	-	(4)	(5)
Sales expenses	(27)	(32)	(2)	(2)	(29)	(34)
General and administrative expenses	(32)	(31)	(1)	(1)	(33)	(32)
Research and Development Expenses	(43)	(42)	-	-	(43)	(42)
Other net gains	(2)	(1)	(12)	(1)	(14)	(2)
Income before income tax and social contribution	**(76)**	**15**	**(20)**	**(4)**	**(96)**	**11**
Income tax and social contribution	(1)	(3)	-	-	(1)	(3)
Retained earnings/(Deficit) of Discontinued Operations	**(77)**	**12**	**(20)**	**(4)**	**(97)**	**8**

MAIN TYPES OF ASSETS AND LIABILITIES HELD FOR SALE	Commercial and Banking Operations and Provision of Services	Deca Piazza	Total
ASSETS	**09/30/2013**	**09/30/2013**	**09/30/2013**
Cash and cash equivalents	35	2	37
Trade accounts receivable	59	1	60
Inventories	166	-	166
Fixed assets	17	1	18
Intangible assets	22	-	22
Tax assets	7	-	7
Other assets	7	-	7
TOTAL ASSETS	**313**	**4**	**317**
LIABILITIES	**09/30/2013**	**09/30/2013**	**09/30/2013**
Suppliers	19	1	20
Loans and financing	3	-	3
Personnel liabilities	66	6	72
Tax liabilities	6	1	7
Other liabilities	19	-	19
Deferred Income	15	-	15
Total Liabilities	**128**	**8**	**136**
Stockholders' Equity	**185**	**(4)**	**181**
TOTAL LIABILITIES	**313**	**4**	**317**

CASH FLOW OF DISCONTINUED OPERATIONS	Commercial and Banking Operations and Provision of Services	Deca Piazza	Total
	09/30/2013	09/30/2013	09/30/2013
Cash Flow from Operating Activities	(45)	2	(43)
Cash Flow from Financing Activities	45	(1)	44
Cash Flow from Investments Activities	(1)	-	(1)
Increase/(decrease) of cash and cash equivalents, net	(1)	1	-

Report on review

To the Board of Directors and Shareholders
Itaúsa – Investimentos Itaú S.A.

Introduction

We have reviewed the accompanying interim balance sheet of Itaúsa - Investimentos Itaú S.A. ("Parent Company") as at September 30, 2013 and the related statements of income, comprehensive income, changes in equity and cash flows for the nine and three-month period then ended, and a summary of significant accounting policies and other explanatory information.

We have also reviewed the accompanying consolidated interim balance sheet of Itaúsa - Investimentos Itaú S.A. and its subsidiaries ("Consolidated") as at September 30, 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine and three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the Parent Company interim financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the Consolidated interim financial statements in accordance with accounting standard CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

Conclusion on the Parent Company interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim financial statements referred to above do not present fairly, in all material respects, the financial position of Itaúsa – Investimentos Itaú S.A. at September 30, 2013, and its financial performance and cash flows for the nine and three-month period then ended, in accordance with CPC 21 - Interim Financial Reporting.

Conclusion on the Consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Itaúsa – Investimentos Itaú S.A. and its subsidiaries, at September 30, 2013, and their financial performance and the cash flows for the nine and three-month period then ended, in accordance with CPC 21 - Interim Financial Reporting and the International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB)

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the nineand three-month period ended September 30, 2013. These statements are the responsibility of the company's management, and are presented as supplementary information. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the interim financial statements taken as a whole.

São Paulo, November 4, 2013.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Paulo Sergio Miron
Contador CRC 1SP173647/O-5

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ 61.532.644/0001-15 A Publicly Listed Company NIRE 35300022220

OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of **ITAÚSA – INVESTIMENTOS ITAÚ S.A.**, having perused the account statements for the 3rd quarter of 2013, have verified the accuracy of all the items examined and, in view of the revision report issued by PricewaterhouseCoopers Auditores Independentes, understand that these documents adequately reflect the company's capital structure, financial position and the activities conducted by the company during the period.

São Paulo (SP), November 4, 2013.

TEREZA CRISTINA GROSSI TOGNI
President

JOSÉ CARLOS DE BRITO E CUNHA
Councilor

PAULO RICARDO MORAES AMARAL
Councilor