



# ITAÚSA

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Complete Financial Statements **September 30, 2010**

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**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****MANAGEMENT REPORT – January to September 2010****To our Stockholders:**

We present the Management Report and the financial statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the period from January to September 2010, prepared in accordance with the regulations established by the Brazilian Corporate Law and the Brazilian Securities and Exchange Commission (CVM). These financial statements have been approved by the Fiscal Council.

**Highlights****Itaúsa**

Itaúsa was selected again to make up the portfolio of Dow Jones Sustainability World Index for the seventh time. Acknowledged as a leader in the Financial Services category for the fourth year in a row, Itaúsa achieved the highest score of the sector in the criteria “Occupational Health and Safety”, “Financial Inclusion and Capacity Building” and “Standard for Suppliers”, maintaining its scores above the average of the sector in all assessed items. The 2010/2011 review of the Dow Jones Sustainability World Index included 318 companies of 27 countries of the Americas, Europe, Asia and Africa, of which only seven are Brazilian companies – among which are Itaú Unibanco Holding and Redecard.

**Itaú Unibanco**

The integration of the whole base of points of service of Itaú Unibanco in Brazil was completed on October 24, less than two years after the biggest merger in the Brazilian financial system. The work involved the total redesign of 998 branches and 245 banking service stations of Unibanco, which, integrated into the points of Itaú, created a network of approximately 5 thousand units in the country, all of which with the Itaú brand.

The opening of the Itaú Unibanco unit in Switzerland was authorized by the government of that country. Banco Itaú Suisse, located in Zurich, provides services to clients that seize opportunities for global investments. They count on the expertise and structure of the biggest private bank of the Southern Hemisphere and partnerships with top-level local financial institutions.

A business and cooperation agreement was signed with China Unionpay Co. Ltd. (CUP), to enable the clients of the Chinese bank to carry out withdrawals in over 30 thousand ATMs of Itaú Unibanco. Present in over 90 countries and headquartered in Shanghai, CUP has over 400 associate institutions. Redecard entered into an agreement in order to enable the merchants of its network in the country to accept the 2.2 billion debit and credit cards operated by CUP.

**Duratex**

On November 5, 2010, therefore subsequent to the period ended September 30, the Binding Proposal for Acquisition of total shares of Elizabeth Louças Sanitárias Ltda. was signed, and the final Agreement shall be signed in up to 105 days from that date. This unit is located in João Pessoa, State of Paraíba, and will add 1.8 million parts to the current annual capacity. In order to effect this transaction, approximately R\$ 80 million will be invested.

Other highlights in Deca Division were the important investments in the expansion of the capacity of sanitary porcelain fixtures in the Cabo de Santo Agostinho unit, in State of Pernambuco, and the resume of activities and expansion of the Queimados unit, in the State of Rio de Janeiro, which will increase the annual capacity to 11.7 million parts, including the acquisition, that is, 63% above the current base. The sanitary metal fixtures segment is also receiving the benefits of the investments in the expansion of its Jundiaí unit, in the State of São Paulo, which after completed will reach the annual capacity of 18.2 million, 15.2% above the current one. Total investments in these projects are estimated at approximately R\$400 million, to be carried out from 2010 to 2012.

In July 8,671 hectares of land with planted forests located in the State of São Paulo were acquired at an auction, which from the logistics and forest productivity perspective will enable the supply of wood in very favorable conditions in terms of costs to the future expansions in the region. With this acquisition, the total area covered by forests of Duratex is 224 thousand hectares, of which 52% is in its own land and 48% in leased ones.

In July we also carried out the migration of the data base of Duratex to a sole system integrated into the SAP platform. The activities were normalized in the second half of the month, after the test phase.

The formalization of the merger between Duratex and Satipel completed one year on August 31. The transaction created the largest manufacturer of wood panels in the Southern Hemisphere.

### **Itautec**

During the third quarter, the automation segment of Itautec manufactured and installed 2.9 thousand ATMs and 1.6 thousand self-service terminals, among other devices, for major financial institutions in a number of regions in Brazil. The new business opportunities resulted from the increase in the search for new technologies for modernization of the branches, focused on greater convenience of customer services and improvement in operating processes.

### **Elekeiroz**

In September 2010 the first Recovery Plant of carbon dioxide (CO<sub>2</sub>) of the Elekeiroz Synthesis Gas Unit at Camaçari - state of Bahia - started up. The recovery installed capacity is 10 thousand tons per year. The recovered carbon dioxide is being sold to a company that produces industrial gases, which receives it through a pipeway and adds it to its matrix of tradable products. Previously, this gas was released in the atmosphere.

## BUSINESS PERFORMANCE

Recurring net income of parent company Itaúsa amounted to R\$ 3.5 billion in September 2010, with return of 22.0% on average equity.

### MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

R\$ Million

	Parent company		Minority interest		Group	
	Jan to Sep/10	Jan to Sep/09	Jan to Sep/10	Jan to Sep/09	Jan to Sep/10	Jan to Sep/09
Net income	3,375	2,765	6,953	5,415	10,328	8,181
Recurring net income (Note 28 c)	3,464	2,885	7,076	5,674	10,540	8,560
Stockholders' equity	22,287	19,094	41,988	36,823	64,275	55,916
Return on average equity (%)	21.4%	20.6%	23.1%	21.1%	22.5%	20.9%
Recurring return on average equity (%)	22.0%	21.5%	23.5%	22.1%	23.0%	21.9%

### MAIN FINANCIAL INDICATORS

	Sep/10	Sep/09	Change (%)
<b>Results per share – R\$</b>			
Net income of parent company	0.77	0.64	21.3
Recurring net income of parent company	0.79	0.66	19.3
Book value of parent company	5.09	4.39	15.9
Interest on capital and dividends	0.24	0.20	19.6
Price of preferred share (PN) (1)	12.81	10.61	20.7
Market capitalization (2) – R\$ million	56,035	46,124	21.5

(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).

### MAIN INDICATORS OF COMPANIES CONTROLLED BY ITAÚSA

R\$ Million

	January to September	FINANCIAL SERVICES AREA		INDUSTRIAL AREA		CONSOLIDATED/ GROUP (1)
		Itaú Unibanco Holding	Duratex (5)	Itautec	Elekeiroz	
Total assets	2010	686,248	4,821	1,006	620	694,789
	2009	612,399	4,354	1,128	585	619,861
Operating revenues (2)	2010	87,774	2,022	1,378	643	89,623
	2009	83,921	1,624	1,315	416	86,211
Net income	2010	9,433	311	26	30	10,328
	2009	6,854	102	33	(8)	8,181
Stockholders' equity	2010	57,225	2,585	497	467	64,275
	2009	48,862	2,315	485	433	55,916
Return on average equity (%) (3)	2010	23.3%	16.8%	6.9%	8.8%	22.5%
	2009	19.8%	7.1%	9.4%	-2.4%	20.9%
Internal fund generation (4)	2010	25,737	592	89	59	27,363
	2009	29,048	231	29	(14)	30,008

(1) Consolidated/Group data is net of consolidation elimination and unrealized results of intercompany transactions.

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

- Itaú Unibanco : income from financial operations, income from recovery of credits written off as loss, income from services rendered, income from bank charges, income from insurance, pension plan and capitalization premiums, equity in earnings of affiliates and other operating income.
- Duratex, Itautec and Elekeiroz: net revenue from sales of products and/or services.

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

(4) Refers to funds arising from operations, according to the Statement of Cash Flows.

(5) In 2009, it includes the results of Satipel (proforma) for comparative effects.

## FINANCIAL SERVICES AREA

We report below the highlights of our performance in the period from January to September 2010.

### Itaú Unibanco

At the end of September 2010, total consolidated assets reached R\$ 686.2 billion. Net income reached R\$ 9.4 billion, with annualized return of 23.3% on average equity. Recurring net income was R\$ 9.6 billion, with annualized return of 23.8%. Itaú Unibanco paid or provided for its own taxes and contributions in the amount of R\$ 9.4 billion for the period. The Bank also withheld and passed on taxes in the amount of R\$ 5.7 billion, which were directly levied on financial operations.

Consolidated stockholders' equity totaled R\$ 57.2 billion at the end of September 2010. At the same date, Basel ratio stood at 15.3%, based on economic-financial consolidated.

The loan portfolio, including endorsements and sureties, reached R\$ 313.2 billion, an increase of 16.6% as compared to the balance at September 30, 2009. In Brazil, the balance of the non-mandatory loans portfolio (excludes the mandatory, real estate and rural loans) to individuals totaled R\$ 118.8 billion. In the large company segment, the portfolio balance totaled R\$ 104.4 billion, and the very small, small and middle-market company portfolio reached R\$ 76.4 billion, whereas the real estate loan portfolio reached R\$ 12.0 billion, with a 52.7% increase in comparison with September 30, 2009.

Free, raised and managed assets totaled R\$ 941.9 billion, an increase of 13.1% as compared to September 30, 2009. Technical provisions of insurance, pension plan and capitalization totaled R\$ 58.5 billion at the end of September 2010.

In the consumer credit segment, the amount of transactions through Itaucard, Unicard and Hipercard for the period from January to September 2010 was R\$ 92.2 billion, which represented a 26.9% increase in relation to the same period of the prior year.

The vehicle segment reached, in the period from January to September 2010, a portfolio balance of R\$ 57.3 billion, 13.2% higher than in the same period of the prior year.

In the investment banking area, Itaú BBA took part in operations of debentures and promissory notes that totaled R\$ 12.1 billion, and of securitization that totaled R\$ 2.3 billion in the first nine months of 2010. In the Brazilian Financial and Capital Markets Association (ANBIMA) ranking of fixed-income distribution, Itaú BBA was in the first position in September 2010, with a market share of 20.0%.

In the fixed-income international issues, Itaú BBA acted as a joint bookrunner of offerings, with a total volume of US\$ 11.6 billion, reaching the second position in this ranking by September 2010. Noteworthy in the period was the offering of Brazilian sovereign bonds carried out by Itaú BBA, which became the first Brazilian bank to lead the funding for the National Treasury through Global 2041, with a total volume of US\$ 500 million.

In capital markets, Itaú BBA coordinated, in the first nine months of 2010, ten public offerings that totaled R\$ 130.8 billion, consolidating its position among the market leaders. In September 2010, Itaú BBA acted as global coordinator in the offering of Petrobrás shares, the biggest public offering of shares in the world, which total funding reached R\$ 120 billion. With the addition of this offering, Itaú BBA acted as coordinator in 61.0% of transactions, which represented 91.0% of the financial volume issued in this year. In this same period, Itaú BBA also provided financial advisory services to 26 merger and acquisition operations. With the completion of these operations, Itaú BBA closed the period occupying the second position in the Thomson ranking in number of transactions.

## INDUSTRIAL AREA

### Duratex

The net revenue of Duratex totaled R\$ 2.0 billion in the nine-month period of 2010, equivalent to an expansion of 24.5% in relation to 2009. In the quarter, revenue amounted to R\$ 703.3 million, steady in relation to the prior quarter and 21.4% above that recorded in the same period of 2009.

Sales in the foreign market are still affected, because of the slow recovery process. Of the total, 4.1% of the revenue is from abroad, corresponding to R\$ 83.1 million in the year-to-date results for 2010.

The company's operating income, measured by Ebitda, showed a strong growth of 62.6% in the first nine months of the year in relation to the same period of 2009, totaling R\$ 666.2 million, which corresponds to a margin at 32.9% in relation to the net revenue. Ebitda for the third quarter amounted to R\$ 245.4 million, corresponding to an Ebitda margin at 34.9%, whereas it stood at 26.7% in the same period of the prior year. In relation to the second quarter, there was an expansion of 8.5% in the nominal result, with the margin showing a 3.2% growth.

Net income totaled R\$ 310.6 million for the year, which represents a strong growth of 83.6% in relation to the performance in 2009, equivalent to an annualized return on average equity of 16.8%. The profit reported for the third quarter, of R\$ 118.3 million, was 73.7% above that for the same period of the prior year, and corresponds to an annualized return on average equity of 18.6%.

The added value for the nine-month period of 2010 totaled R\$ 1.1 billion. Of this amount, R\$ 374.7 million, equivalent to 14.2% of total income and 34.8% of total added value, were paid to the federal, state and municipal governments as taxes and contributions.

Total debt at the end of September amounted to R\$ 1.5 billion, of which approximately 90% were denominated in Reais, while the remaining amount in foreign currency backed by hedge transactions. Cash at the end of the period was to R\$ 452.9 million, resulting in a net debt of R\$ 1.0 billion, 13.0% above the one in June 2010.

### **Itautec**

Gross revenue from sales and services in the year-to-date reached R\$ 1.5 billion, 4.6% higher than the same period of 2009. Excluding the effect of revenue from Tallard subsidiaries, disposed of on July 6, 2010, accumulated gross revenue totaled R\$ 1.3 billion, 19.8% higher than prior year. This growth reflects the excellent performance of the Solutions in Automation area, which posted a 90% growth in gross revenue from sales in the year-to-end, as compared to 2009, as a result of the larger shipment volume of ATMs in the last few years.

In the third quarter, gross revenue from sales and services reached R\$ 407.3 million, 24.1% lower than that recorded in the same period of the prior year. Excluding the effects of revenues from Tallard subsidiaries, the decrease was 0.8% due to the stiff competition noted in the Personal Computing segment, which contributed to a decrease of 21.7% in the shipped volume of notebooks, the main product sold by Itautec in this segment. This factor has negatively affected the gross margin, which ended the quarter at 19.1%, 0.6% lower than the third quarter of 2009.

The operating income for the period was R\$ 8.2 million and Ebitda was R\$ 13.2 million, lower than those posted in the second half due to the decrease of gross margin in the period, mainly in the Personal Computing segment. Net income for the third quarter of 2010 totaled R\$ 4.7 million, 74.6% lower than in the same quarter of 2009. Net income in the year-to-date was 25.7 million, 21.5% lower than in the same period of 2009, corresponding to a return on annualized average equity of 7.0%.

The operational cash generation for the third quarter reached R\$ 169.2 million, the largest for only one quarter in the last few years, defusing the unfavorable situation from the end of 2009 to the first half of 2010. The actions aimed at streamlining the cash operational cycle and the sale of Tallard subsidiaries, which resulted in an inflow of R\$ 58.9 million in the quarter contributed to this performance. Total assets at the end of September was R\$ 1 billion and total debt reached R\$ 53.7 million, 75.5% lower than the balance at the end of June, due to the strong cash generation and settlement of import financing contracts carried out in this quarter.

### **Elekeiroz**

The gross revenue of Elekeiroz for the third quarter of 2010 reached R\$ 296.7 million, whereas the net revenue amounted to R\$ 240.7 million, a 66% and 68% increase, respectively, in relation to the same period of 2009. In the year-to-date, gross and net revenues totaled R\$ 790.8 million and R\$ 642.8 million, a 52% and 54% increase as compared to 2009.

Revenue from exports corresponded to R\$ 129.2 million, a growth of 99% in relation to the first nine months of 2009. Of total exports in 2010, the largest share refers to Asian countries (50%), followed by those of South American (24%) and North American (19%) ones, the remaining 7% being distributed among European and African and Middle-East countries. The ratio of exports to net revenue reached 20% in the year to date of 2010, whereas it stood at 16% in the same period of 2009.

In the period, a net income of R\$ 29.9 million was recorded, while a loss of \$ 7.7 million was recorded in 2009. Ebitda totaled R\$ 60.8 million, while in 2009 it was negative by R\$ 19.3 million. The Ebitda margin changed from a negative 4.6% for the first nine months of 2009 to a positive 9.5% for 2010, and the annualized return on average equity stood at 8.8% in 2010.

The total debt at the end of September 2010 amounted to R\$ 16.5 million, equivalent to only 20% of annualized Ebitda and 4% of stockholders' equity of September.

The shipped volume amounted to 358.7 thousand tons year-to-date, a 15% increase in relation to the year-to-date in 2009. Organic products reached 187.8 thousand tons, while inorganic and resale ones amounted to 170.9 thousand tons, representing 18% and 11% growths, respectively, as compared to the same period of the prior year.

## PEOPLE MANAGEMENT

Itaúsa and its subsidiaries had approximately 123 thousand employees at the end of September 2010. In the period, they invested R\$ 148,5 million in education, training and development programs. Fixed compensation of personnel, plus charges and benefits, totaled R\$ 5.8 billion. Welfare benefits granted to employees and their dependants totaled R\$ 137,7 million.

## SUSTAINABILITY AND CORPORATE RESPONSIBILITY

### Companies' actions for the benefit of society

#### Itaú Unibanco

Launched on October 18, the new sustainability website introduced innovations in layout and contents. Its proposal is to operate as a new platform of relationship with the organization's audiences, with a more interactive basis. Most of its contents focus on the theme of sustainability on an educative approach, highlighting the following sections: Virtual Library, Online Courses, and Sustainability in Practice. The creation of value and transparency are the assumptions of the new website, which may be accessed at [www.itaú.com.br/sustentabilidade](http://www.itaú.com.br/sustentabilidade).

#### Duratex

Duratex invested R\$ 12.3 million in actions focused on the environment, particularly the treatment of effluents, collection of residues, and maintenance of forest lands. Duratex was ranked 11th in the fourth edition of the Ibovespa's Transparency Study in Companies, which analyzes corporate transparency in 123 criteria in the social responsibility, corporate, governance and sustainability areas. The study comprised 31 out of a group of 55 companies included in Ibovespa and was carried out by the Spanish advisory company Management & Excellence.

#### Itautec

The "Guia do Usuário Consciente de Produtos Eletrônicos" (a conscious user's guide of electronic products), a pioneering initiative carried out by Itautec, was launched, in order to help consumers to make conscious decisions upon the purchase and use of electronic products. Available at [www.itaute.com.br/pt-br/sustentabilidade](http://www.itaute.com.br/pt-br/sustentabilidade), the guide introduces phases of purchase, and simple tips on the use and post-use of electronic products, in addition to the steps in the life cycle of a notebook.

#### Elekeiroz

Giving continuity to its programs for increasing productivity, maintaining existing installations, ensuring safety of collaborators and preserving the environment, Elekeiroz invested R\$ 10.2 million up to September. By July 21, the Camaçari site reached the significant record of 1,000 days free of accidents involving employees in leave of absence, a period equivalent to 2 years and 9 months of continuous labor. The company follows the Responsible Care Program of the International Council of Chemical Associations, managed in Brazil by the Brazilian Chemical Industry Association (Abiquim).

## Social and Cultural Investments

### Itaú Unibanco

In the period from January to September 2010, Itaú Unibanco's social and cultural investments reached the approximate amount of R\$ 137 million.

The Olimpíada de Língua Portuguesa Escrevendo o Futuro (Portuguese Language Olympiad – writing the future) selected, in the third quarter, the students and teachers who will participate in practical workshops in four cities, according to the literary genre in which they are enrolled.

Approximately 21 thousand people took part in the solidarity competition “SuperAção na Escola” (super action at school), carried out by the Instituto Unibanco in 20 schools in Belo Horizonte.

Itaú Cultural held 65 events, of which we highlight the Emoção Art.ficial 5.0 (Art.ficial emotion 5.0) exhibition, attended by 57,832 people – the headquarters were visited by over 70 thousand people. The Visual Arts, Art & Technology, Theater and Literature encyclopedias recorded approximately 1.5 million hits. A total of 5,400 cultural products were distributed, with emphasis on books, DVDs and arts catalogs. In this same month, Itaú Cultural signed contracts with six new TVs, totaling 77 partners in the period from January to September 2010.

### Duratex

Duratex had two cases selected for presentation in the 4th Mostra Fiesp de Responsabilidade Social - Planeta Água - Um Mundo Sustentável (4th Fiesp Social Responsibility Exhibit, Planet Water – A Sustainable World), aimed at the environmental education of the youth, particularly those in the 8-12 year-old range, and the Escola de Marcenaria Tide Setubal (Tide Setubal Cabinetry School), which provides a technical and professional training for needy youth to work as cabinet makers, in a partnership with Duratex, the Municipal government of Agudos and the Serviço Nacional de Aprendizagem Industrial (National Service of Industrial Learning) (Senai). By way of its Deca Division, Duratex held the 15th edition of the Estudo de um Banheiro (Study of a Bathroom) award, aimed at Architecture and Decoration students, which had approximately 700 registrations of students from 45 schools.

### Itautec

In September a partnership between Itautec and Instituto Ayrton Senna was launched, aimed at allocating part of the income achieved from the sale of every Itautec computer product in the retail market to the Instituto's education programs. Both institutions share the same values and believe in education as a path for human development, social inclusion and sustainable development of the country. For the seventh consecutive year, Itautec also carried out a donation to the Grupo de Apoio ao Adolescente e à Criança com Câncer (Graac) (the support group to adolescents and children with cancer) in the McDia Feliz (happy McDay), an action coordinated by Instituto Ronald McDonald and which counted on the voluntary participation of 46 employees.

## AWARDS AND RECOGNITION

### Itaúsa

First place, based on revenue, in the list of the 200 most representative corporate groups of Brazil, according to the ranking of Melhores e Maiores (Best and Largest) of Exame magazine.

### Itaú Unibanco

- Best Bank in Brazil for the 12th time, and Best Bank in Latin America, according to the Awards for Excellence of the Euromoney magazine. Itaú BBA was the Best Bank in Cash Management in Brazil.
- First bank of Brazil in the Top 1000 World Banks ranking, according to The Banker magazine.
- Received the IR Magazine Awards Brazil 2010 in two categories: Grand Prix of the Best Investors Relations Program of Large Cap Companies and Best Performance in IR by a CEO or CFO, with Roberto Setubal.
- First place in the banking sector, as well as the best in the management of Financial Sustainability in the sector. The award is granted by the Isto É Dinheiro magazine in partnership with the Trevisan consulting company.
- First in the list of the 50 largest banks in Brazil based on stockholders' equity in the Melhores e Maiores (Best and Largest) of Exame magazine.



- The team of analysts of Itaú Corretora was elected as the best in Brazil by the Institutional Investor magazine. Itaú Corretora had 14 analysts in the ranking, with outstanding performance in all of the 13 sectors reviewed.
- For the second time, Itaú Unibanco was considered one of the 100 Great Place to Work in Brazil, according to the survey conducted by the Great Place to Work Institute and Época Magazine. The same institute elected Itaú Unibanco among the 50 best companies for executives to work.
- For the fourth consecutive year, Itaú Unibanco led the ranking of the most transparent companies of Ibovespa, prepared by Management & Excellence (M&E).
- Elected one of the leading companies in policies on climate of the Prêmio Época Mudanças Climáticas 2010 (climate change Época award), which acknowledged the companies that worked harder to control and reduce greenhouse gas emission.
- Acknowledged for the second time as the most sustainable financial institution of all emerging markets and Latin America, according to the British newspaper Financial Times and the International Finance Corporation (IFC), the financial division of the World Bank for the private sector.

#### **Duratex**

- In the panel segment, Duratex was awarded the first place as the most recalled brand in two categories: MDP panels and MDF in the 5th edition of the Top Móbile 2010 award.

#### **Itautec**

- IT hardware highlight – banking and commercial automation in the CW 300, a ranking designed by ComputerWorld to identify the 300 largest information technology and communication companies of Brazil.
- First place, for the third consecutive year, in the Electromechanical and Consumer Goods category of the Metrics Competition Awards, with the product Depositor Module Mechanism, a system for depositing checks into ATMs.
- Itautec was awarded the IDEA Brasil 2010 award for its SelfCheckout products (silver category) and Prizis Kiosk (bronze category). Held by the Objeto Brasil, an organization sponsored by Sebrae, IDEA Brasil is the Brazilian version of the International Design Excellence Awards – IDEA, the major US design award.

## **INDEPENDENT AUDITORS – CVM Instruction No. 381**

### **. Procedures adopted by the Company**

The policy adopted by Itaúsa, its subsidiaries and parent company, 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 2010, 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:

- February 5, 2010 – Service agreement for the limited assurance of the data of the inventory of greenhouse gas emission – Itaú Unibanco Banco Múltiplo S.A.;– Brazil;
- March 3, 2010– Licenses for using an electronic library of international accounting standards (Comperio) – Itaú Unibanco Holding S.A. – Brazil.
- June 9, 2010 – Participation in the “Mercado de Seguros” (insurance market) seminar: new accounting and actuarial dynamics of the market in 2010 – Itaú Unibanco Holding S.A.– Brazil;
- June 23, 2010 – License for using an electronic library of international accounting standards (Comperio) – Banco Itaú Europa International – Miami.
- July 12, 2010 – Service agreement related to tax advisory regarding the US legislation and review of the Schedule O Form - Itaú Unibanco Holding S.A – Brazil.

- August 6, 2010 – Service agreement for reviewing aspects related to the Business Continuity Program.– Itaú BBA S.A.– Brazil;
- August 11, 2010 – Service agreement related to the examination of the differences between the performance of activities as subsidiary and as a Bank – Banco Itaú Europa International – Miami;
- August 17, 2010 – Participation in the 10th Annual IFRS Presentation – Advanced Level – Itaú Unibanco S.A.– Brazil

#### **. Summary of the Independent Auditors' justification**

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/affiliated 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.

#### **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 8, 2010).

## ITAÚSA - INVESTIMENTOS ITAÚ S.A.

### BOARD OF DIRECTORS

#### Chairman

JOSÉ CARLOS MORAES ABREU

#### Vice-Chairmen

ALFREDO EGYDIO SETUBAL  
CARLOS DA CAMARA PESTANA  
MARIA DE LOURDES EGYDIO VILLELA

#### Members

ALFREDO EGYDIO ARRUDA VILLELA FILHO  
PAULO SETUBAL

#### Alternate Members

RICARDO EGYDIO SETUBAL  
RODOLFO VILLELA MARINO

### FISCAL COUNCIL

#### President

JOSÉ MARCOS KONDER COMPARATO

#### Members

LUIZ ALBERTO DE CASTRO FALLEIROS  
  
PAULO RICARDO MORAES AMARAL

### Accountant

REGINALDO JOSÉ CAMILO  
CT-CRC-1SP - 114.497/O – 9

### EXECUTIVE BOARD

#### Chief Executive Officer

ALFREDO EGYDIO ARRUDA VILLELA FILHO

#### Managing Vice-Presidents

HENRI PENCHAS (\*)  
JAIRO CUPERTINO  
ROBERTO EGYDIO SETUBAL

(\*) *Investor Relations Director*

## ITAÚ UNIBANCO HOLDING S.A.

### BOARD OF DIRECTORS

#### Chairman

PEDRO MOREIRA SALLES

#### Vice-Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO  
ROBERTO EGYDIO SETUBAL

#### Members

ALCIDES LOPES TÁPIAS  
ALFREDO EGYDIO SETUBAL  
CANDIDO BOTELHO BRACHER  
FERNANDO ROBERTO MOREIRA SALLES  
FRANCISCO EDUARDO DE ALMEIDA PINTO  
GUSTAVO JORGE LABOISSIÈRE LOYOLA  
HENRI PENCHAS  
ISRAEL VAINBOIM  
PEDRO LUIZ BODIN DE MORAES  
RICARDO VILLELA MARINO

### AUDIT COMMITTEE

#### President

GUSTAVO JORGE LABOISSIÈRE LOYOLA

#### Members

ALCIDES LOPES TÁPIAS  
EDUARDO AUGUSTO DE ALMEIDA GUIMARÃES  
GUY ALMEIDA ANDRADE  
ALKIMAR RIBEIRO MOURA

### FISCAL COUNCIL

#### President

IRAN SIQUEIRA LIMA

#### Members

ALBERTO SOZIN FURUGUEM  
ARTEMIO BERTHOLINI

### EXECUTIVE BOARD

#### Chief Executive Officer

ROBERTO EGYDIO SETUBAL

#### Executive Vice-Presidents

ALFREDO EGYDIO SETUBAL (\*)  
CANDIDO BOTELHO BRACHER

#### Executive Directors

CAIO IBRAHIM DAVID  
CLAUDIA POLITANSKI  
MARCOS DE BARROS LISBOA  
RICARDO BALDIN  
SÉRGIO RIBEIRO DA COSTA WERLANG

#### Directors

JACKSON RICARDO GOMES  
JOSÉ EDUARDO LIMA DE PAULA ARAUJO  
MARCO ANTONIO ANTUNES  
WAGNER ROBERTO PUGLIESE

(\*) Investor Relations Director

## DURATEX S.A.

### BOARD OF DIRECTORS

#### Chairman

SALO DAVI SEIBEL

#### Vice-Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO  
RICARDO EGYDIO SETUBAL

#### Members

ALCIDES LOPES TÁPIAS  
HELIO SEIBEL  
PAULO SETUBAL  
FABIO SCHVARTSMAN  
RODOLFO VILLELA MARINO  
ROGÉRIO ZIVIANI

#### Alternate Members

ANDREA SEIBEL C. FERREIRA  
OLAVO EGYDIO SETUBAL JUNIOR  
RICARDO VILLELA MARINO

### EXECUTIVE BOARD

#### General Manager

HENRI PENCHAS

#### Executive Directors

ALEXANDRE COELHO NETO DO NASCIMENTO  
ANTONIO JOAQUIM DE OLIVEIRA  
ANTONIO MASSINELLI  
FLÁVIO MARASSI DONATELLI (\*)  
LUCIA HELENA VIDEIRA  
RAUL PENTEADO DE OLIVEIRA NETO  
ROBERTO SZACHNOWICZ

#### Managing Directors

FLÁVIO DIAS SOARES  
FRANCISCO DE ASSIS GUIMARÃES  
MARCO ANTONIO MILLEO  
RENATO AGUIAR COELHO  
RONEY ROTENBERG

(\*) *Investor Relations Director*

## ITAUTEC S.A. - GRUPO ITAUTEC

### BOARD OF DIRECTORS

#### Chairman

RICARDO EGYDIO SETUBAL

#### Vice-Chairman

ALFREDO EGYDIO ARRUDA VILLELA FILHO

#### Members

CARLOS EDUARDO DE CÁPUA CORRÊA DA FONSECA  
CHU TUNG  
LUIZ ANTONIO DE MORAES CARVALHO  
MARIO ANSELONI NETO  
PAULO SETUBAL  
RENATO ROBERTO CUOCO  
RODOLFO VILLELA MARINO

#### Alternate Members

OLAVO EGYDIO SETUBAL JÚNIOR  
RICARDO VILLELA MARINO

### EXECUTIVE BOARD

#### General Manager

MÁRIO ANSELONI NETO (\*)

#### Executive Directors Vice Presidents

CLÁUDIO VITA FILHO  
DENISE DUARTE DAMIANI  
JOÃO BATISTA RIBEIRO  
JOSÉ ROBERTO FERRAZ DE CAMPOS  
RICARDO HORÁCIO BLOJ  
WILTON RUAS DA SILVA

(\*) *Investor Relations Director*

## ELEKEIROZ S.A.

### BOARD OF DIRECTORS

#### Chairman

RODOLFO VILLELA MARINO

#### Vice-Chairman

OLAVO EGYDIO SETUBAL JÚNIOR

#### Members

FERNANDO MARQUES OLIVEIRA  
JOSÉ EDUARDO SENISE  
PAULO SETUBAL  
REINALDO RUBBI  
ROGÉRIO ALMEIDA MANSO DA COSTA REIS

#### Alternate Members

RICARDO EGYDIO SETUBAL  
RICARDO VILLELA MARINO

### EXECUTIVE BOARD

#### Chief Executive Officer and General Manager

REINALDO RUBBI (\*)

#### Directors

CARLOS CALVO SANZ  
RICARDO JOSÉ BARALDI

(\*) *Investor Relations Director*

## ITAÚSA - INVESTIMENTOS ITAÚ S.A.

## Consolidated Balance Sheet

(In thousands of Reais)

ASSETS	NOTE	09/30/2010	09/30/2009
<b>CURRENT ASSETS</b>		<b>512,660,986</b>	<b>463,195,410</b>
CASH AND CASH EQUIVALENTS		11,191,321	10,406,613
INTERBANK INVESTMENTS	4b and 6	112,071,314	134,079,047
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	4c, 4d and 7	110,626,777	96,639,541
Securities		53,517,565	48,053,385
Derivative financial instruments		7,443,626	6,580,106
Assets guaranteeing technical provisions - PGBL/VGBL fund quotas	17b	43,621,488	36,403,697
Assets guaranteeing technical provisions – other securities	17b	6,044,098	5,602,353
INTERBANK ACCOUNTS OF SUBSIDIARIES		65,680,867	17,006,659
LOAN, LEASE AND OTHER CREDIT OPERATIONS	8	150,494,666	137,143,631
Operations with credit granting characteristics	4e and 8a	163,803,853	151,663,580
(Allowance for loan losses)	4f and 8b	(13,309,187)	(14,519,949)
INVENTORIES	4g and 9	656,969	666,337
Products		656,969	666,061
Real estate		-	276
OTHER RECEIVABLES		59,409,045	64,170,061
Foreign exchange portfolio	10	20,183,399	33,368,298
Deferred tax assets	20b I	10,576,361	8,385,396
Transactions with credit card issuers	4e	11,824,070	7,918,689
Receivables from insurance and reinsurance operations	4o I	3,775,196	3,317,136
Sundry	11	13,109,525	11,273,930
(Allowance for loan losses)		(59,506)	(93,388)
OTHER ASSETS	4h and 12	683,254	947,449
PREPAID EXPENSES	4i and 13	1,846,773	2,136,072
<b>NON-CURRENT ASSETS</b>		<b>182,127,651</b>	<b>156,665,415</b>
<b>LONG-TERM RECEIVABLES</b>		<b>166,948,117</b>	<b>142,932,460</b>
INTERBANK INVESTMENTS	4b and 6	673,020	4,108,710
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	4c, 4d and 7	31,894,033	26,646,714
Securities		25,898,664	22,075,989
Derivative financial instruments		3,456,845	1,904,502
Assets guaranteeing technical provisions – other securities	17b	2,538,524	2,666,223
INTERBANK ACCOUNTS OF SUBSIDIARIES		561,840	474,568
LOAN, LEASE AND OTHER CREDIT OPERATIONS	8	105,256,300	75,887,416
Operations with credit granting characteristics	4e and 8a	115,230,940	85,435,740
(Allowance for loan losses)	4f and 8b	(9,974,640)	(9,548,324)
OTHER RECEIVABLES		27,571,121	34,258,416
Foreign exchange portfolio	10	387,150	2,354,347
Deferred tax assets	20b I	16,355,560	19,395,737
Sundry	11	10,828,411	12,508,332
OTHER ASSETS	4h and 12	2,225	9,657
PREPAID EXPENSES	4i and 13	989,578	1,546,979
INVESTMENTS	4j and 14 II	2,247,620	2,306,085
Investments in affiliates		1,084,678	1,364,672
Other investments		1,162,942	941,413
FIXED ASSETS	4k and 15	7,987,265	7,249,266
Fixed assets for own use		15,796,653	15,179,309
Leased properties		18,553	32,794
Forest reserves		458,747	345,700
(Accumulated depreciation)		(8,286,688)	(8,308,537)
GOODWILL	4l and 15	74,467	-
INTANGIBLE ASSETS	4m and 15	4,870,182	4,177,604
<b>TOTAL ASSETS</b>		<b>694,788,637</b>	<b>619,860,825</b>

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****Consolidated Balance Sheet***(In thousands of Reais)*

LIABILITIES	NOTE	09/30/2010	09/30/2009
<b>CURRENT LIABILITIES</b>		<b>365,946,221</b>	<b>332,428,779</b>
<b>FUNDS RAISED BY SUBSIDIARIES</b>	<b>4b and 16</b>	<b>250,133,394</b>	<b>226,014,125</b>
Foreign currency		13,186,224	10,544,411
Local currency		149,549,449	129,594,149
Money market		87,397,721	85,875,565
<b>SUBORDINATED DEBT</b>	<b>4b and 16</b>	<b>963,023</b>	<b>1,174,634</b>
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>4d and 7b</b>	<b>6,010,830</b>	<b>5,612,892</b>
<b>BORROWINGS</b>	<b>4b</b>	<b>585,060</b>	<b>748,011</b>
Foreign currency		57,742	280,353
Local currency		527,318	467,658
<b>STATUTORY AND SOCIAL CONTRIBUTIONS</b>		<b>3,410,244</b>	<b>2,848,257</b>
<b>TAX AND SOCIAL SECURITY CONTRIBUTIONS</b>	<b>4p, 4q and 20c</b>	<b>16,549,856</b>	<b>7,115,206</b>
<b>OTHER LIABILITIES</b>		<b>69,765,781</b>	<b>73,063,665</b>
Foreign exchange portfolio	10	20,632,545	34,376,024
Credit card operations		29,237,982	21,045,977
Sundry	18	19,895,254	17,641,664
<b>INTERBANK ACCOUNTS OF SUBSIDIARIES</b>		<b>8,280,995</b>	<b>7,048,836</b>
<b>TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION</b>	<b>4o and 17a</b>	<b>10,247,038</b>	<b>8,803,153</b>
<b>NON-CURRENT LIABILITIES</b>		<b>264,567,496</b>	<b>231,515,784</b>
<b>LONG-TERM LIABILITIES</b>		<b>264,567,496</b>	<b>231,515,784</b>
<b>FUNDS RAISED BY SUBSIDIARIES</b>	<b>4b and 16</b>	<b>167,777,983</b>	<b>140,523,136</b>
Foreign currency		8,758,091	7,607,954
Local currency		91,032,093	92,430,190
Money market		67,987,799	40,484,992
<b>SUBORDINATED DEBT</b>	<b>4b and 16</b>	<b>32,054,473</b>	<b>21,597,977</b>
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>4d and 7b</b>	<b>3,063,328</b>	<b>1,896,269</b>
<b>BORROWINGS</b>	<b>4b</b>	<b>1,098,868</b>	<b>829,010</b>
Foreign currency		72,834	61,426
Local currency		1,026,034	767,584
<b>TAX AND SOCIAL SECURITY CONTRIBUTIONS</b>	<b>4p, 4q and 20c</b>	<b>5,157,190</b>	<b>16,705,235</b>
<b>OTHER LIABILITIES</b>		<b>7,173,169</b>	<b>8,789,656</b>
Foreign exchange portfolio	10	766,188	2,345,964
Credit card operations		9,039	12,345
Sundry	18	6,397,942	6,431,347
<b>TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION</b>	<b>4o and 17a</b>	<b>48,242,485</b>	<b>41,174,501</b>
<b>MINORITY INTEREST IN SUBSIDIARIES</b>	<b>21</b>	<b>41,988,110</b>	<b>36,822,670</b>
<b>STOCKHOLDERS' EQUITY OF THE PARENT COMPANY</b>	<b>22</b>	<b>22,286,810</b>	<b>19,093,592</b>
Capital		13,266,405	13,000,000
Capital reserves		153,842	193,787
Revaluation reserves		26,162	26,862
Revenue reserves		8,785,395	5,778,900
Asset valuation adjustment	4c, 4d and 7a	55,006	94,043
<b>STOCKHOLDERS' EQUITY OF THE ITAÚSA GROUP</b>		<b>64,274,920</b>	<b>55,916,262</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>694,788,637</b>	<b>619,860,825</b>

The accompanying notes are an integral part of these financial statements

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**Consolidated Statement of Income**  
*(In thousands of Reais)*

	NOTES	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>OPERATING REVENUES</b>		<b>89,623,096</b>	<b>86,211,247</b>
Sales of products and services		16,634,068	13,864,980
Insurance, pension plan and capitalization	17c	13,414,281	12,479,242
Financial		41,433,341	35,893,930
Financial income from insurance, pension plan and capitalization operations	17c	3,345,086	3,549,287
Securities		13,727,079	19,029,664
Equity in earnings of affiliates	14 III	199,989	227,674
Other operating revenues	23	869,252	1,166,470
<b>OPERATING EXPENSES</b>		<b>(75,163,172)</b>	<b>(72,213,561)</b>
Cost of products and services		(2,721,407)	(2,329,262)
Insurance, pension plan and capitalization	17c	(11,363,122)	(10,757,912)
Equity	8c	(9,930,687)	(11,920,141)
Administrative		(18,386,900)	(15,961,325)
Management fees		(240,217)	(364,235)
Financial		(22,729,924)	(20,164,135)
Financial expenses on technical provisions for pension plan and capitalization	17c	(2,898,334)	(3,089,433)
Other operating expenses	24	(6,892,581)	(7,627,118)
<b>OPERATING INCOME</b>		<b>14,459,924</b>	<b>13,997,686</b>
<b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>		<b>14,459,924</b>	<b>13,997,686</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	4q and 20a I	<b>(3,940,112)</b>	<b>(5,638,075)</b>
Due on operations for the period		(4,080,621)	(6,280,055)
Related to temporary differences		140,509	641,980
<b>PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976</b>		<b>(191,560)</b>	<b>(178,968)</b>
<b>NET INCOME OF THE GROUP</b>		<b>10,328,252</b>	<b>8,180,643</b>
<b>MINORITY INTEREST IN SUBSIDIARIES</b>	21	<b>(6,953,230)</b>	<b>(5,415,284)</b>
<b>NET INCOME OF PARENT COMPANY</b>		<b>3,375,022</b>	<b>2,765,359</b>
<b>NUMBER OF OUTSTANDING SHARES – In thousands</b>	22a	<b>4,374,282</b>	<b>4,347,215</b>
<b>NET INCOME OF PARENT COMPANY PER SHARE – R\$</b>		<b>0.77</b>	<b>0.64</b>
<b>BOOK VALUE OF PARENT COMPANY PER SHARE – R\$</b>		<b>5.09</b>	<b>4.39</b>
<b>EXCLUSION OF NONRECURRING EFFECTS</b>	28c	<b>88,753</b>	<b>120,000</b>
<b>NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS</b>		<b>3,463,775</b>	<b>2,885,359</b>
<b>NET INCOME OF PARENT COMPANY PER SHARE – R\$</b>		<b>0.79</b>	<b>0.66</b>
<b>NET INCOME OF PARENT COMPANY PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$</b>		<b>0.79</b>	<b>0.66</b>

The accompanying notes are an integral part of these financial statements



**ITAÚSA- INVESTIMENTOS ITAÚ S.A.**  
**Consolidated Statement of Cash Flows**  
(In thousands of Reais)

	NOTE	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>ADJUSTED NET INCOME</b>		<b>27,363,145</b>	<b>30,008,491</b>
Net income		3,375,022	2,765,359
Adjustments to net income:		23,988,123	27,243,132
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)		(302,188)	(2,573,210)
Effects of changes in exchange rates on cash and cash equivalents		441,005	2,778,897
Allowance for loan losses		11,954,420	12,382,541
Results from operations with subordinated debt		1,833,246	833,532
Interest on debentures		33,771	-
Results from securitization of foreign payment orders		-	(309,741)
Change in technical provision for insurance, pension plan and capitalization		2,898,334	3,089,433
Depreciation and amortization		2,064,570	1,726,045
Adjustment to legal liabilities – tax and social security		99,361	1,813,979
Adjustment to provision for contingent liabilities		428,731	(273,553)
Deferred taxes		(140,509)	(641,980)
Equity in earnings of affiliates		(199,989)	(227,674)
Income from available-for-sale securities		(1,902,010)	2,589,593
Income from held-to-maturity securities		(125,938)	508,736
(Income) loss from sale of investments		(171,434)	(360,633)
Minority interest		6,953,230	5,415,284
Other		123,523	491,883
<b>CHANGE IN ASSETS AND LIABILITIES</b>		<b>(42,500,604)</b>	<b>(6,044,688)</b>
(Increase) decrease in interbank investments		13,364,521	9,517,380
(Increase) decrease in securities and derivative financial instruments (assets/liabilities)		(16,136,602)	7,157,953
(Increase) decrease in compulsory deposits with the Central Bank of Brazil		(48,221,338)	23,833
(Increase) decrease in interbank accounts of subsidiaries		1,752,071	803,321
(Increase) decrease in loan, lease and other credit operations		(45,806,306)	(4,395,469)
(Increase) decrease in inventories		101,549	91,567
(Increase) decrease in other receivables and other assets		(1,160,323)	148,560
(Increase) decrease in foreign exchange operations		385,113	2,066,859
(Increase) decrease in prepaid expenses		701,407	553,334
Increase (decrease) in funds obtained by subsidiaries - foreign currency		4,197,182	(13,134,353)
Increase (decrease) in funds obtained by subsidiaries - local currency		14,713,339	(14,845,674)
Increase (decrease) in funds obtained by subsidiaries – money market		23,745,697	2,066,063
Increase (decrease) in borrowings – foreign currency		(283,926)	(284,687)
Increase (decrease) in borrowings – local currency		360,071	468,520
Increase (decrease) in credit card operations		768,169	(871,608)
Increase (decrease) in securitization of foreign payment orders		-	(3,518,992)
Increase (decrease) in social contributions and tax and other liabilities		8,432,139	7,223,538
Increase (decrease) in technical provision for insurance, pension plan and capitalization		2,821,325	3,890,507
Payment of income tax and social contribution		(2,234,692)	(3,005,340)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		<b>(15,137,459)</b>	<b>23,963,803</b>
Interest on capital / dividends received from affiliated companies		85,374	63,152
Funds received from sale of available-for-sale securities		11,151,067	11,310,223
Funds received from redemption of held-to-maturity securities		532	47,471
Sale of investments		201,228	397,789
Payment of income tax and social contribution from sale of investments		(58,288)	(124,411)
Sale of fixed assets		65,340	66,703
Write-offs of intangible assets		70,931	-
Purchase of available-for-sale securities		(10,014,532)	(9,727,049)
Purchase of held-to-maturity securities		(514,403)	-
Purchase of minority interest in Itaú Unibanco Holding S. A.		(1,664,741)	-
Net cash and cash equivalents of assets and liabilities arising from the purchase of Redecard S.A. and Other		-	(485,994)
Purchase of investments		(290,786)	(110,835)
Purchase of fixed assets and forest reserves		(1,743,319)	(1,076,737)
Investment in intangible assets		(478,968)	(343,669)
<b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>		<b>(3,190,565)</b>	<b>16,643</b>
Increase (decrease) in subordinated debt		9,146,034	(488,143)
Debentures issued		1,002,279	-
Change in minority interest		(298,148)	351,391
Subscription of shares		266,363	450,000
Premium on subscription of shares		-	604
Interest on capital paid to minority stockholders		(2,728,559)	(2,271,894)
Interest on capital paid		(1,436,810)	(1,602,753)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>5,951,159</b>	<b>(3,560,795)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4a and 5</b>	<b>(12,376,865)</b>	<b>20,419,651</b>
Cash and cash equivalents at the beginning of the period		65,999,092	37,259,962
Effects of changes in exchange rates on cash and cash equivalents		(441,005)	(2,778,897)
Cash and cash equivalents at the end of the period		53,181,222	54,900,716

The accompanying notes are an integral part of these financial statements

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**Consolidated Statement of Added Value**  
*(In thousands of Reais)*

	01/01 to 09/30/2010	%	01/01 to 09/30/2009	%
<b>INCOME</b>	<b>65,940,365</b>		<b>60,542,151</b>	
Sale of goods, products and services	16,634,068		13,864,980	
Result from insurance, pension plan and capitalization operations	2,497,911		2,181,184	
Financial and from securities	55,160,420		54,923,594	
Result of allowance for loan losses – (increase)	(9,008,144)		(10,942,336)	
Other	656,110		514,729	
<b>EXPENSES</b>	<b>(22,729,924)</b>		<b>(20,164,135)</b>	
Financial	(22,729,924)		(20,164,135)	
<b>INPUTS PURCHASED FROM THIRD PARTIES</b>	<b>(11,181,634)</b>		<b>(8,929,289)</b>	
Costs of products, goods and services sold	(2,721,407)		(2,159,073)	
Materials	(336,586)		(209,726)	
Third-party services	(2,141,178)		(2,229,552)	
Other	(5,982,463)		(4,330,938)	
Data processing and telecommunications	(2,147,054)		(1,682,151)	
Advertising, promotions and publications	(827,264)		(607,102)	
Conservation and maintenance	(1,178,814)		(725,886)	
Transportation	(459,563)		(280,781)	
Security	(326,545)		(288,373)	
Travel expenses	(115,034)		(87,943)	
Other	(928,189)		(658,702)	
<b>GROSS ADDED VALUE</b>	<b>32,028,807</b>		<b>31,448,727</b>	
<b>DEPRECIATION, AMORTIZATION AND DEPLETION</b>	<b>(2,064,570)</b>		<b>(1,726,045)</b>	
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	<b>29,964,237</b>		<b>29,722,682</b>	
<b>ADDED VALUE RECEIVED AS A TRANSFER</b>	<b>124,902</b>		<b>194,375</b>	
Equity in earnings	124,902		194,375	
<b>TOTAL ADDED VALUE TO BE DISTRIBUTED</b>	<b>30,089,139</b>		<b>29,917,057</b>	
<b>DISTRIBUTION OF ADDED VALUE</b>	<b>30,089,139</b>	<b>100.00%</b>	<b>29,917,057</b>	<b>100.00%</b>
Personnel	10,824,934	35.98%	9,657,809	32.28%
Compensation	8,990,070		8,189,737	
Benefits	1,371,657		1,095,701	
FGTS – government severance pay fund	463,207		372,371	
Taxes, fees and contributions	8,303,213	27.60%	11,433,802	38.22%
Federal	7,401,861		10,758,187	
State	411,642		257,967	
Municipal	489,710		417,648	
Return on third party's assets - Rent	632,740	2.10%	644,803	2.16%
Return on own assets	10,328,252	34.32%	8,180,643	27.34%
Dividends and interest on capital paid/provided for	1,189,087		983,605	
Retained earnings for the period	2,185,935		1,781,754	
Minority interest in retained earnings	6,953,230		5,415,284	

The accompanying notes are an integral part of these financial statements

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****Balance Sheet***(In thousands of Reais)*

<b>ASSETS</b>	<b>NOTES</b>	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>CURRENT ASSETS</b>		<b>1,452,024</b>	<b>1,729,120</b>
Cash and cash equivalents		64	25
Securities	4c and 7a	604,358	977,195
Deferred tax assets	20b I	153,589	139,877
Other sundry receivables	11	694,013	612,023
<b>NON-CURRENT ASSETS</b>		<b>26,715,121</b>	<b>23,229,569</b>
<b>LONG-TERM RECEIVABLES</b>		<b>60,414</b>	<b>35,230</b>
Securities	4c and 7a	35	34
Deferred tax assets	20b I	20,007	3,603
Other sundry receivables	11	40,372	31,593
<b>INVESTMENTS</b>		<b>24,198,045</b>	<b>21,588,614</b>
Investments in subsidiaries	14 I	24,184,841	21,575,410
Other investments		13,204	13,204
<b>FIXED ASSETS</b>	<b>4I and 15</b>	<b>7,312</b>	<b>7,442</b>
<b>INTANGIBLE ASSETS</b>	<b>4m and 15</b>	<b>2,449,350</b>	<b>1,598,283</b>
<b>TOTAL ASSETS</b>		<b>28,167,145</b>	<b>24,958,689</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>		<b>1,226,043</b>	<b>747,693</b>
Dividends/Interest on capital payable		819,953	704,701
Tax and social security contributions	4p, 4q and 20c	7,001	38,787
Other liabilities		63,039	4,205
Debentures	16a	336,050	-
<b>NON-CURRENT LIABILITIES</b>		<b>726,372</b>	<b>38,110</b>
<b>LONG-TERM LIABILITIES</b>		<b>726,372</b>	<b>38,110</b>
Tax and social security contributions	4p, 4q and 20c	11,570	38,110
Other liabilities		14,802	-
Debentures	16a	700,000	-
<b>STOCKHOLDERS' EQUITY</b>	<b>22</b>	<b>26,214,730</b>	<b>24,172,886</b>
Capital		13,266,405	13,000,000
Capital reserves		153,842	193,787
Revaluation reserves		26,162	26,862
Revenue reserves		12,713,315	10,858,194
Asset valuation adjustment	4c, 4d and 7a	55,006	94,043
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>28,167,145</b>	<b>24,958,689</b>

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

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****Statement of Income***(In thousands of Reais)*

	NOTES	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>OPERATING REVENUES</b>		<b>2,778,057</b>	<b>2,228,967</b>
Securities		22,507	106,961
Equity in earnings (losses) of subsidiaries	14 I	2,751,364	2,041,156
Other operating revenues		4,186	80,850
<b>OPERATING EXPENSES</b>		<b>(304,546)</b>	<b>(138,087)</b>
Equity		(671)	(627)
Administrative		(15,587)	(21,411)
Management fees		(6,477)	(8,002)
Other operating expenses	24	(281,811)	(108,047)
<b>OPERATING INCOME</b>		<b>2,473,511</b>	<b>2,090,880</b>
<b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>		<b>2,473,511</b>	<b>2,090,880</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>4q</b>	<b>114,458</b>	<b>11,338</b>
Due on operations for the period		1,200	(14,043)
Related to temporary differences		113,258	25,381
<b>PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976</b>		<b>(5,389)</b>	<b>(6,090)</b>
<b>NET INCOME</b>		<b>2,582,580</b>	<b>2,096,128</b>
<b>NUMBER OF OUTSTANDING SHARES – In thousands</b>	<b>22a</b>	<b>4,374,282</b>	<b>4,347,215</b>
<b>NET INCOME PER SHARE – R\$</b>		<b>0.59</b>	<b>0.48</b>
<b>BOOK VALUE PER SHARE – R\$</b>		<b>5.99</b>	<b>5.56</b>
<b>EXCLUSION OF NONRECURRING EFFECTS</b>	<b>28c</b>	<b>88,753</b>	<b>120,000</b>
<b>NET INCOME WITHOUT NONRECURRING EFFECTS</b>		<b>2,671,333</b>	<b>2,216,128</b>
<b>NET INCOME PER SHARE – R\$</b>		<b>0.61</b>	<b>0.51</b>
<b>NET INCOME PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$</b>		<b>0.61</b>	<b>0.51</b>

The accompanying notes are an integral part of these financial statements

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**Statement of Changes in Stockholders' Equity (Note 22)**  
*(In thousands of Reals)*

	Capital		Capital reserves			Revaluation reserves		Revenue reserves		Asset valuation adjustment (Note 7a)	Treasury shares	Retained earnings	Total
	Monetary adjustment Law No. 8,200	Premium on subscription of shares	Other capital reserves	Options for tax incentives	Revaluation reserves	Legal	Unrealized profits	Statutory					
									Capital				
<b>BALANCES AT 01/01/2009</b>	10,000,000	25,013	1,405	126,621	1,629	29,358	1,410,917	220,125	10,725,528	(154,622)	(45,504)	-	22,340,470
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	250,550	-	-	250,550
Accumulated conversion adjustments in subsidiaries	-	-	-	-	-	-	-	-	-	(1,885)	-	-	(1,885)
Granting of options recognized in subsidiaries	-	-	-	38,515	-	-	-	-	(17,891)	-	-	-	20,624
Increase in capital with reserves	2,550,000	-	-	-	-	-	-	-	(2,550,000)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(45,504)	-	45,504	-	-
Subscription of shares	450,000	-	604	-	-	-	-	-	-	-	-	-	450,604
Reversal/Realization of reserves	-	-	-	-	-	(2,496)	-	-	-	-	-	2,496	-
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	2,096,128	2,096,128
Appropriations:	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	104,806	-	-	-	-	(104,806)	-
Statutory	-	-	-	-	-	-	-	-	1,010,213	-	-	(1,010,213)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(182,583)	(182,583)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(801,022)	(801,022)
<b>BALANCES AT 09/30/2009</b>	13,000,000	25,013	2,009	165,136	1,629	26,862	1,515,723	220,125	9,122,346	94,043	-	-	24,172,886
<b>CHANGES IN THE PERIOD</b>	3,000,000	-	604	38,515	-	(2,496)	104,806	-	(1,603,182)	248,665	45,504	-	1,832,416
<b>BALANCES AT 01/01/2010</b>	13,000,000	25,013	2,009	145,590	1,629	26,526	1,556,019	-	9,726,540	38,271	(15,244)	-	24,506,353
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	16,735	-	-	16,735
Granting of options recognized in subsidiaries	-	-	-	(20,765)	-	-	-	-	52,741	-	-	-	31,976
Realization of reserves	-	-	-	-	-	(367)	-	-	-	-	-	367	-
Subscription of shares	266,000	-	363	-	-	-	-	-	-	-	-	-	266,363
Merger	405	-	-	3	-	3	-	-	388	-	-	11	810
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(15,244)	-	15,244	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	2,582,580	2,582,580
Appropriations:	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	129,129	-	-	-	-	(129,129)	-
Statutory	-	-	-	-	-	-	-	-	1,263,742	-	-	(1,263,742)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(183,720)	(183,720)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(1,006,367)	(1,006,367)
<b>BALANCES AT 09/30/2010</b>	13,266,405	25,013	2,372	124,828	1,629	26,162	1,685,148	-	11,028,167	55,006	-	-	26,214,730
<b>CHANGES IN THE PERIOD</b>	266,405	-	363	(20,762)	-	(364)	129,129	-	1,301,627	16,735	15,244	-	1,708,377

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

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****Statement of Cash Flows***(In thousands of Reais)*

	NOTES	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>ADJUSTED NET INCOME (LOSS)</b>		<b>(247,600)</b>	<b>30,218</b>
Net income		2,582,580	2,096,128
Adjustments to net income:		(2,830,180)	(2,065,910)
Interest on debentures		33,771	-
Equity in earnings of subsidiaries and affiliated companies		(2,751,364)	(2,041,156)
Deferred taxes		(113,258)	(25,381)
Depreciation and amortization		671	627
<b>CHANGE IN ASSETS AND LIABILITIES</b>		<b>94,125</b>	<b>(26,818)</b>
(Increase) decrease in sundry receivables and other assets		41,027	(56,122)
(Increase) decrease in prepaid expenses		(773)	-
(Decrease) increase in provisions and accounts payable and other liabilities		53,871	38,908
Income tax and social contribution paid		-	(9,604)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		<b>(153,475)</b>	<b>3,400</b>
Securities		251,072	1,279
Sale of investments		28	3
Purchase of investments		(1,563,169)	(51,173)
Goodwill on purchase of investments		-	(22,338)
Purchase of fixed assets		(651)	(584)
Interest on capital/Dividends received		1,508,515	1,430,695
<b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>		<b>195,795</b>	<b>1,357,882</b>
Premium on subscription of shares		363	604
Subscription of shares		266,000	450,000
Interest on capital and dividends paid		(1,436,810)	(1,602,753)
Debentures issued		1,002,279	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>(168,168)</b>	<b>(1,152,149)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(125,848)</b>	<b>209,133</b>
<b>CASH AND CASH EQUIVALENTS</b>	4a and 5		
At the beginning of the period		136,114	54
At the end of the period		10,266	209,187

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

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.****Statement of Added Value***(In thousands of Reais)*

	01/01 to 09/30/2010	%	01/01 to 09/30/2009	%
<b>INCOME</b>	<b>(49,241)</b>		<b>241,066</b>	
Financial and from securities	22,507		106,961	
Other revenues (expenses)	(71,748)		134,105	
<b>INPUTS PURCHASED FROM THIRD PARTIES</b>	<b>(12,038)</b>		<b>(17,752)</b>	
Materials, energy, services and others	(1,325)		(1,396)	
Third-party services	(3,331)		(4,570)	
Other	(7,382)		(11,786)	
Security	(8)		(7,391)	
Agreement for apportionment of common costs	(5,910)		(2,807)	
Advertising, promotions and publications	(1,464)		(1,588)	
<b>GROSS ADDED VALUE</b>	<b>(61,279)</b>		<b>223,314</b>	
DEPRECIATION, AMORTIZATION AND DEPLETION	(671)		(627)	
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	<b>(61,950)</b>		<b>222,687</b>	
<b>ADDED VALUE RECEIVED AS A TRANSFER</b>	<b>2,751,364</b>		<b>2,041,156</b>	
Equity in earnings	2,751,364		2,041,156	
<b>TOTAL ADDED VALUE TO BE DISTRIBUTED</b>	<b>2,689,414</b>	<b>100.00%</b>	<b>2,263,843</b>	<b>100.00%</b>
<b>DISTRIBUTION OF ADDED VALUE</b>	<b>2,689,414</b>		<b>2,263,843</b>	
Personnel	13,844	0.51%	17,207	0.76%
Compensation	12,891		15,950	
Benefits	506		566	
FGTS – government severance pay fund	447		691	
Taxes, fees and contributions	92,868	3.45%	150,264	6.64%
Federal	92,856		150,259	
Municipal	12		5	
Return on third party's assets	122	0.00%	244	0.01%
Rent	122		244	
Return on own assets	2,582,580	96.03%	2,096,128	92.59%
Interest on capital	1,190,087		983,606	
Retained earnings for the year	1,392,493		1,112,522	

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

**ITAÚSA - INVESTIMENTOS ITAÚ S.A.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FROM JANUARY 1 TO SEPTEMBER 30, 2010 AND 2009**

(In thousands of Reais)

#### **NOTE 1 - OPERATIONS**

Itaúsa – Investimentos Itaú S.A. (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 markets and related activities or subsidiaries of interest of the mentioned companies, except for those restricted to financial institutions.

#### **NOTE 2 – PRESENTATION OF THE FINANCIAL STATEMENTS**

The financial statements of ITAÚSA and of its subsidiaries (ITAÚSA CONSOLIDATED) have been prepared in accordance with the accounting practices adopted in Brazil, based on the Brazilian Corporate Law, including the amendments introduced by Laws No. 11,638, of December 28, 2007 and No. 11,941, of May 27, 2009, in conformity, when applicable, with instructions issued by the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Superintendency of Private Insurance (SUSEP), and the National Council of Private Insurance (CNSP), which include the use of estimates necessary to calculate accounting provisions.

On May 12, 2010 SUSEP approved the contract signed on November 12, 2009 related to the acquisition by ITAÚ UNIBANCO HOLDING of a minority interest in the subsidiary company Itaú XL Seguros Corporativos S.A. for the amount of R\$ 157,299, giving rise to a goodwill of R\$ 24,700. The transaction was approved on October 6, 2010 by SUSEP.

Bank of America Corporation (BAC) sold its interest in the capital of Itaú Unibanco in May. Preferred shares were traded outside Brazil. Common shares were purchased by Itaúsa, which increased its direct and indirect interest in the capital of Itaú Unibanco from 35.43% to 36.66%. This operation generated a goodwill of R\$ 809.363 million, which is recorded under the heading Intangible Assets.

On September 20, 2010, ITAÚSA purchased 50% of the quotas in the companies SFR Software e Análise de Sistemas LTDA and Previtec – Previdência e Tecnologia LTDA, according to the purchase agreement, for the amount of R\$ 47,000, giving rise to a goodwill of R\$ 42,530, and these companies became wholly-owned subsidiaries.

In order to enable the proper analysis of the net income, the heading “Net income without nonrecurring effects” is presented below the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of nonrecurring effects” (Note 28c).

Lease Operations are presented at present value in the Balance Sheet, and the related income and expenses, which represent the financial result of these operations, are presented grouped together under Financial Income in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign Exchange Portfolio. The foreign exchange result is presented on an adjusted basis, with the reclassification of expenses and income, in order to represent exclusively the impact of variations and differences of rates on the balance sheet accounts denominated in foreign currencies.

#### **Convergence into international accounting standards**

In 2009 CVM approved a set of pronouncements and technical interpretations issued by the Accounting Pronouncements Committee (CPC). As permitted by the CVM Resolution No. 603 of November 10, 2009, ITAÚSA and its subsidiaries will adopt these procedures from the Financial Statements as of December 31, 2010 and December 31, 2009 for comparative purposes.

These standards were evaluated by Itaúsa and its subsidiaries and the main technical pronouncements that may impact the stockholders' equity and/or results are as follows:



- CPC 2 (IAS 21) – Effects on changes in foreign exchange rates and conversion of financial statements for companies of the Financial Services area that have not applied the pronouncement yet, in view of determination of the regulatory body. Effect on results from January 1 to September 30, 2010 (without effect on stockholders' equity) for allocation of foreign exchange variation in the stockholders' equity related to controlled companies using functional currency other than Real, basically represented by the Itaú Europa, Chile, Argentina, Uruguay and Paraguay units.
- CPC 11 (IFRS 4) – Insurance contracts: it is estimated that the main changes introduced are the reversal of provisions, supplementary premium reserve, risk variation and financial variation.
- CPC 15 (IFRS 3) – Business combinations: the recognition and measurement of identifiable purchased assets, assumed assets and interest of non-controlling stockholders, as well as goodwill for expected profitability from business combinations are required by the standard.
- CPC 16 (IAS 2) – Inventories: this requires the disclosure of accounting policies adopted for measurement of inventories, including the costing formula used, and also explanation on the circumstances or events that caused the reversal of a reduction.
- CPC 22 (IFRS 8) – Information per segment: this requires the disclosure of information to enable the users of the financial statements to assess the nature and financial effects of the business activities in which they are involved, and also the economic environments in which they operate, mainly when the company has subsidiaries located abroad.
- CPC 24 (IAS 10) – Subsequent events: dividends and interest on capital declared after the accounting period to which the financial statements refer, if these are above the minimum mandatory dividend they shall be reversed with effect on stockholders' equity (Note 22b I);
- CPC 27 (IAS 16) – Property, Plant and Equipment: Recognition Standards - are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. It shall be initially measured at its cost, and the depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed.
- CPC 29 (IAS 41) – Biological assets and agricultural products: they should be valued at fair value less selling expenses, with changes recorded in net income for the year;
- CPC 32 (IAS 12) – Taxes on income: recognition of a credit in the stockholders' equity of the opening balance sheet of an amount of deferred tax assets not recorded according to Note 20b IV;
- CPC 33 (IAS 19) – Employee benefits: recognition of a credit in the stockholders' equity of the opening balance sheet of the surplus of benefit plans according to Note 17c;
- CPC 37 (IFRS1) – Initial adoption of the international accounting standards.
- CPC 38 (IAS 39) – Financial instruments: recognition and measurement – loss on recoverable amount for not receiving financial assets: review of the procedures adopted for setting up the Allowance for Loan Losses. The management does not expect an amount above that recorded in the allowance.
- CPC 43 (IFRS 1) – First-time Adoption of International Financial Reporting Standards CPC 15 to 40: the entity shall adopt the Technical Pronouncement CPC 37 for the first time (First-time Adoption of International Financial Reporting Standards) in its consolidated statements when it adopts the standard for the first time.

The other pronouncements and technical interpretation shall basically impact the reporting of information.

The current phase of studies and the analyses of the impacts of adopting these guidelines are not sufficient to enable the presentation of accurate estimates of the possible effects of adopting these new accounting standards.

**NOTE 3 - CONSOLIDATED FINANCIAL STATEMENTS**

Intercompany transactions and balances and results have been eliminated on consolidation. The investments held by consolidated companies in Exclusive Investment Funds are consolidated. The investments in these fund portfolios are classified by type of transaction and were distributed by type of security, in the same categories in which these securities had been originally allocated.

The difference in Net Income and Stockholders' Equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 22d) results from the adoption of different criteria for the amortization of goodwill until December 31, 2008. In ITAÚSA and its subsidiaries, the goodwill was amortized based on the expected future profitability (10 years), whereas in ITAÚSA CONSOLIDATED it was fully amortized in the years when these investments occurred. From January 1, 2009 the goodwill is recorded under the heading Goodwill.

The negative goodwill computed on the purchase of investment is amortized only upon realization of investments is recorded in the Balance Sheet under Other Sundry Liabilities.

The consolidated financial statements comprise ITAÚSA and its direct and indirect subsidiaries, among which we highlight:

		Incorporation country	Interest (%)	
			09/30/2010	09/30/2009
<b>FINANCIAL SERVICES AREA</b>				
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, Ltda.		Portugal	36.60	35.49
Banco Fiat S.A.		Brazil	36.60	35.49
Banco Itaú Argentina S.A.		Argentina	36.60	35.49
Banco Itaú BBA S.A.		Brazil	36.60	35.49
Banco Itaú Chile S.A.		Chile	36.60	35.49
Banco Itaú Europa Luxembourg S.A.		Luxembourg	36.60	35.49
Banco Itaú Europa S.A.		Portugal	36.60	35.49
Banco Itaú Uruguay S.A.		Uruguay	36.60	35.49
Banco Itaúcard S.A.		Brazil	36.60	35.49
Banco Itaúcred Financiamentos S.A.		Brazil	36.60	35.49
Banco Itauleasing S.A.		Brazil	36.60	35.49
BIU Participações S.A.	(1)	Brazil	24.22	23.48
Cia. Itaú de Capitalização		Brazil	36.60	35.49
Dibens Leasing S.A. - Arrendamento Mercantil		Brazil	36.60	35.49
FAI - Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento	(2)	Brazil	18.30	17.75
Fiat Administradora de Consórcios Ltda.		Brazil	36.60	35.49
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(3)	Brazil	18.30	17.75
Hipercard Banco Múltiplo S.A.		Brazil	36.60	35.49
Itaú Administradora de Consórcios Ltda.		Brazil	36.60	35.49
Itaú Bank, Ltd.	(4)	Cayman Islands	36.60	35.49
Itaú Corretora de Valores S.A.		Brazil	36.60	35.49
Itaú Seguros S.A.		Brazil	36.60	35.49
Itaú Unibanco Holding S.A.	(5)	Brazil	36.60	35.49
Itaú Unibanco S.A.		Brazil	36.60	35.49
Itaú Vida e Previdência S.A.		Brazil	36.60	35.49
Itaú XL Seguros Corporativos S.A. (Note 2)		Brazil	36.60	17.75
Itaúsa Export S.A.		Brazil	36.60	35.49
IUPAR - Itaú Unibanco Participações S.A.	(2)	Brazil	66.53	66.53
Oca Casa Financiera S.A.		Uruguai	36.60	35.49
Orbitall Serviços e Processamento de Informações Comerciais S.A.		Brazil	36.60	35.49
Porto Seguro S.A.	(6)	Brazil	10.98	-
Redecard S.A.	(5) (7)	Brazil	17.55	17.01
Unibanco Cayman Bank Ltd.		Cayman Islands	36.60	35.49
Unibanco Participações Societárias S.A.		Brazil	18.67	18.10
<b>INDUSTRIAL AREA</b>				
Duratex S.A.	(5)	Brazil	35.32	35.26
Elekeiroz S.A.	(5)	Brazil	96.49	96.45
Itaúsa Empreendimentos S.A.		Brazil	100.00	99.96
Itautec S.A.	(5)	Brazil	94.01	94.01

(1) Company fully consolidated from September 30, 2009;

(2) Company with shared control included proportionally in consolidation;

(3) Company with shared control, fully included in consolidation, as authorized by CVM, in view of the business management by Itaú Unibanco Holding S.A. (ITAÚ UNIBANCO HOLDING);

(4) It does not include redeemable preferred shares (Note 16);

(5) Listed company;

(6) Company controlled by Porto Seguro Itaú Unibanco Participações S.A. included proportionally in consolidation from December 31, 2009.

(7) Company fully consolidated, which interest in capital is 50% plus 17 shares.

## NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

**a) Cash and cash equivalents (Note 5)** - For purposes of Consolidated Statement of Cash Flows, it includes cash and current accounts in banks (considered in the heading cash and cash equivalents), interbank deposits and securities purchased under agreements to resell – funded position (considered in the heading interbank investments) that have original maturities of up to 90 days or less.

**b) Interbank investments, funds raised by subsidiaries, borrowings, subordinated debt and other receivables and payables (Notes 6 and 16)** – Transactions subject to monetary correction and foreign exchange variation and operations with fixed charges are recorded at present value, net of the transaction costs incurred, calculated “pro rata die” based on the effective rate of transactions.

**c) Securities (Notes 7)**

I - Recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet. Securities are classified into the following categories:

- Trading securities – acquired to be actively and frequently traded, and adjusted to market value, with a contra-entry to the results for the period. Assets in this category are classified as current assets;
- Available-for-sale securities – securities that can be negotiated but are not acquired to be actively and frequently traded. They are adjusted to their market value with a contra-entry to an account disclosed in stockholders’ equity; and
- Held-to-maturity securities – securities, except for non-redeemable shares, for which the bank has the financial condition and intends or is required to hold them in the portfolio up to their maturity, are recorded at cost of acquisition, or market value, whenever these are transferred from another category. The securities are adjusted up to their maturity date, not being adjusted to market value

Gains and losses on available-for-sale securities, when realized, are recognized at the trading date in the statement of income, with a contra-entry to a specific stockholders’ equity account.

Decreases in the market value of available-for-sale and held-to-maturity securities below their related costs, resulting from non-temporary reasons, are recorded in results as realized losses.

II - The effects of the procedures described in item I above, in ITAÚSA’s subsidiaries, recorded under stockholders’ equity or the statement of income, were equally recorded in stockholders’ equity or in the equity of earnings of parent company in proportion to the ownership percentage.

**d) Derivative financial instruments (Note 7)** - these are classified on the date of their acquisition, according to management’s intention of using them either as a hedge or not. Transactions involving financial instruments, carried out upon the client’s request, for their own account, or which do not comply with the hedging criteria (mainly derivatives used to manage the overall risk exposure), are stated at market value, including realized and unrealized gains and losses, which are recorded directly in the statement of income.

The derivatives used for protection against risk exposure or to modify the characteristics of financial assets and liabilities, which have changes in market value highly associated with those of the items being protected at the beginning and throughout the duration of the contract, and which are found effective to reduce the risk related to the exposure being protected, are classified as a hedge, in accordance with their nature:

- Market Risk Hedge – financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, which are recorded directly in the statement of income.
  - Cash Flow Hedge - the effective amount of the hedge of financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, net of tax effects, when applicable, and recorded in a specific account in stockholders' equity. The ineffective portion of hedge is recorded directly in the statement of income.
- e) Loan, lease and other credit operations (operations with credit granting characteristics) (Note 8) –** these transactions are recorded at present value and calculated “pro rata die” based on the variation of the contracted index, and are recorded on the accrual basis until the 60th day overdue in financial companies. After the 60th day, income is recognized upon the effective receipt of installments. Credit card operations include receivables arising from the purchases made by cardholders. The funds related to these amounts are recorded in Other Liabilities – Credit Card Operations, which also include funds arising from other credits related to transactions with credit card issuers.
- f) Allowance for loan losses (Note 8) -** The balance of the allowance for loan losses was recorded based on the credit risk analysis, at an amount considered sufficient to cover loan losses. The financial subsidiaries complied with the rules determined by CMN Resolution No. 2,682 of December 21, 1999, among which are:
- Provisions are recorded from the date loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
  - Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.
- g) Inventories (Note 9) –** These are valued at the average acquisition or production cost, which is lower than replacement costs or realizable values and, when applicable, decreased by the provision for obsolescence. Imports in transit are stated at the accumulated cost of each import.
- h) Other assets (Note 12) -** These assets are mainly comprised by assets held for sale relating to real estate available for sale, own real estate not in use or real estate received as payment in kind, which are adjusted to market value through the set-up of a provision, according to current regulations, and reinsurance unearned premiums (Note 4o I).
- i) Prepaid expenses (Note 13) –** These refer to expenditures which will benefit future periods.
- j) Investments (Note 14) –** In jointly-controlled subsidiaries and affiliated companies with significant influence or interest of 20% or more in voting capital, investments are accounted for under the equity method.

The financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into Reais, using the foreign exchange rate changes resulting from such conversion being recognized in Asset Valuation Adjustment in Stockholders' Equity, except for the companies of the Financial Services Area, which are recognized in net income for the year, in compliance with determination by the regulatory body.

The foreign exchange variations in these investments, which functional currency is Real, are recognized in income and those which functional currency is other than ITAÚSA's, are recognized in Asset Valuation Adjustment in Stockholders' Equity.

Other investments are recorded at cost less the provision for loss and annual recoverability test, when applicable.

- k) Fixed assets (Note 15)** – These assets are stated at cost of acquisition or construction, less accumulated depreciation. They correspond to rights related to tangible assets intended for maintenance of the company's operations or exercised for such purpose, including assets arising from transactions that transfer to the company their benefits, risks and controls. The items acquired through Lease contracts are recorded as contra-entry to Lease obligations.

In the Financial Area, leased assets are stated at cost of acquisition less accumulated depreciation. The depreciation of leased assets is recognized under the straight-line method, based on their usual lives, taking into account that the useful life shall be decreased by 30% should it meet the conditions provided for by Ordinance No. 113 of February 26, 1988 issued by the Ministry of Finance. Receivables are recorded in lease receivable at the contractual amount, with contra-entry to unearned income accounts. The recognition in income will occur on the due date of the installments.

Depreciation is calculated using the straight-line method, based on monetarily restated cost, at the following annual

Real estate	4% to 8%
Leasehold improvements	From 10%
Installations, furniture, equipment and security, transportation and communication systems	10% to 25%
EDP systems	20% to 50%

- l) Goodwill (Note 15)** – corresponds to the amount paid in excess for the purchase of investments arising from the expected future profitability. It does not have a defined useful life and is annually tested for impairment.
- m) Intangible assets (Note 15)** – correspond to rights acquired whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose. They are composed of rights acquired to credit payrolls and partnership agreements, amortized over the agreement terms, and software and customer portfolios, amortized over a term varying from five to ten years and goodwill arising from the purchase of investments subject to annual recoverability test (Note 4n).
- n) Impairment of assets** – a loss is recognized when there are clear evidences that assets are stated at a non-recoverable value. This procedure is adopted annually, at the end of each year.
- o) Insurance, pension plan and capitalization operations (Note 17)** - Insurance premiums, acceptance coinsurance and selling expenses are accounted for in accordance with the insurance effectiveness term, through the recognition and reversal of the provision for unearned premiums and deferred selling expenses. Interest arising from fractioning of insurance premiums is accounted for as incurred. Revenues from social security contributions, gross revenue from capitalization certificates and respective technical provisions are recognized upon receipt.

**I - Credits from operations and other assets related to insurance and reinsurance operations:**

- Insurance premiums receivable - Refer to installments of insurance premiums receivable, current and past due, in accordance with insurance policies issued;
- Reinsurance recoverable amounts – Refer to claims paid to the insured party pending recovery from Reinsurer, installments of unsettled claims and incurred but not reported claims - Reinsurance (IBNR), classified in assets in accordance with the criteria established by SUSEP;
- Reinsurance unearned premiums – Recognized to determine the portion of reinsurance unearned premiums, calculated “pro rata die”, and for risks of policies not issued, computed based on estimates, based on the actuarial technical study and in compliance with the criteria established by SUSEP.

**II- Technical provisions of insurance, pension plan and capitalization** – technical provisions are recognized according to the criteria established and technical notes approved by SUSEP.

**II.I - Insurance:**

- Provision for unearned premiums – recognized to determine unearned premiums relating to the risk coverage period, calculated “pro rata die”, and relating to risks not yet issued, calculated based on estimates, according to an actuarial technical study.
- Provision for premium deficiency – recognized according to the Technical Actuarial Note in case of insufficient Provision for unearned premiums;
- Provision for unsettled claims - recognized based on claims of loss in an amount sufficient to cover future commitments, awaiting judicial decision, which amounts are determined by court appointed experts and legal advisors that make assessments based on the insured amounts and technical regulations, taking into consideration the likelihood of unfavorable outcome to the insurance company.

Provision for claims incurred but not reported (IBNR) – recognized for the estimated amount of claims occurred for risks assumed in the portfolio but not reported.

**II.II-Pension Plan and Individual life with living benefits** – correspond to liabilities assumed such as retirement plans, disability, pension and annuity:

- Mathematical provisions for benefits to be granted and benefits granted – correspond to commitments assumed with participants, but for which benefits are not yet due, and to those receiving the benefits, respectively;
- Provision for insufficient contribution – recognized in case of insufficient mathematical provisions;
- Provision for events incurred but not reported (IBNR) – recognized at the estimated amount of events occurred but not reported;
- Provision for financial surplus – recognized by the difference between the contributions adjusted daily by the Investment Portfolio and the funds guaranteeing them, according to the plan's regulation;
- Provision for financial variation – recognized according to the methodology provided for in the Technical Actuarial Note in order to guarantee that the financial assets are sufficient to cover mathematical provisions.

**II.III-Capitalization:**

- Mathematical provision for redemptions – represents capitalization certificates received to be redeemed;
- Provision for raffle contingencies – recognized according to the methodology provided for in the Technical Actuarial Note to cover the Provision for raffles in the event of insufficient funds.

**p) Contingent assets and liabilities and legal liabilities – tax and social security (Note 19)** – the following procedures were adopted:

**I - Contingent assets and liabilities**

Refer to potential rights and obligations arising from past events, the occurrence of which is dependent upon future events.

- Contingent assets - not recognized, except upon evidence ensuring a high reliability level of realization, usually represented by claims awarded a final and unappealable judgment and confirmation of the recoverability of the claim through receipt of amounts or offset against another liability;

- Contingent liabilities - basically arise from administrative proceedings and lawsuits, inherent in the normal course of business, filed by third parties, former employees and governmental bodies, in connection with civil, labor, tax and social security lawsuits and other risks. These contingencies are calculated based on conservative practices, being usually recorded based on the opinion of legal advisors and considering the probability that financial resources shall be required for settling the obligation, the amount of which may be estimated with sufficient certainty. Contingencies are classified either as probable, for which provisions are recognized; possible, which are disclosed but not recognized; and remote, for which recognition or disclosure are not required. Any contingent amounts are measured through the use of models and criteria which allow their adequate measurement, in spite of the uncertainty of their term and amounts.

Escrow deposits are restated in accordance with the current legislation.

Contingencies guaranteed by indemnity clauses in privatization processes and with liquidity are only recognized upon judicial notification with simultaneous recognition of receivables, without any effect on results.

## II - Legal liabilities – tax and social security

Represented by amounts payable related to tax liabilities, the legality or constitutionality of which are subject to administrative or judicial defense, recognized at the full amount under discussion

Liabilities and related escrow deposits are adjusted in accordance with the current legislation.

- q) Taxes (Note 20)** - these provisions are calculated according to current legislation at the rates shown below, using the related calculation bases.

Income tax	15.00%
Additional income tax	10.00%
Social contribution (1)	9.00%
PIS (2)	1.65%
COFINS (2)	7.60%
ISS	up to 5.00%

(1) As from May 1, 2008, for financial subsidiaries and equivalent companies, the rate was changed from 9% to 15%, as provided for in articles 17 and 41 of Law No. 11,727, of June 24, 2008;

(2) For financial and similar companies, the PIS and COFINS rates are 0.65% and 4%, respectively.

The changes introduced by Laws No. 11,638 and No. 11,941 (articles 37 and 38), which modified the criterion for recognizing revenues, costs and expenses, computed to determine the net income for the year, did not produce effects for purposes of determining the taxable income of companies that opt for the Transition Tax Regime (RTT), so for tax purposes the rules effective on December 31, 2007 were followed. The tax effect arising from the adoption of such rules is recorded, for accounting purposes, in the corresponding deferred assets and liabilities.



**NOTE 5 - CASH AND CASH EQUIVALENTS**

For purposes of Statement of Cash Flows, cash and cash equivalents of ITAÚSA CONSOLIDATED are composed of the following:

	<b>09/30/2010</b>	<b>09/30/2009</b>
Cash and cash equivalents	11,191,321	10,406,613
Interbank deposits	6,646,897	3,387,723
Securities purchased under agreements to resell – Funded position	35,343,004	41,106,380
<b>TOTAL</b>	<b>53,181,222</b>	<b>54,900,716</b>

In ITAÚSA, it is composed of the following:

	<b>09/30/2010</b>	<b>09/30/2009</b>
Cash and cash equivalents	64	25
Securities – instant liquidity	10,202	209,162
<b>TOTAL</b>	<b>10,266</b>	<b>209,187</b>

**NOTE 6 - INTERBANK INVESTMENTS – FINANCIAL SERVICES AREA**

We present below the composition of the interbank investments of the subsidiaries of the Financial Services Area:

	09/30/2010	09/30/2009
<b>Money market</b>	<b>96,058,902</b>	<b>118,767,974</b>
<b>Funded position (*)</b>	<b>45,439,884</b>	<b>60,698,689</b>
<b>Financed position</b>	<b>42,273,266</b>	<b>54,678,211</b>
With free movement	14,190,844	5,295,928
Without free movement	28,082,422	49,382,283
<b>Short position</b>	<b>8,345,752</b>	<b>3,391,074</b>
<b>Money market – Assets Guaranteeing Technical Provisions - SUSEP</b>	<b>3,533,289</b>	<b>2,823,103</b>
<b>Interbank deposits</b>	<b>13,152,143</b>	<b>16,596,680</b>
<b>TOTAL</b>	<b>112,744,334</b>	<b>138,187,757</b>

(\*) Includes R\$ 7,986,934 (R\$ 12,239,299 at 09/30/2009) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the BM&F Bovespa S.A. – Bolsa de Valores, Mercadorias e Futuros (Brazilian Securities, Commodities and Futures Exchange) and the Central Bank of Brazil (BACEN).

**NOTE 7 – SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)**

Following is the composition of the heading "Securities and Derivative Financial Instruments", classified by maturity and presented at their cost and market values, as well as the effects recorded directly in stockholders' equity and results of subsidiaries and of ITAUSA.

**a) Summary**

Description	Cost	Adjustment to market value with impact on		Per maturity						Market value	
		Results	Stockholders' equity	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	09/30/2010	09/30/2009
Trading securities (1)	87,357,092	440,775	-	46,550,024	640,731	4,235,723	5,612,928	10,908,253	19,850,208	87,797,867	69,392,729
Available-for-sale securities	40,048,057	-	704,755	4,427,055	4,321,499	3,925,898	2,410,041	4,756,100	20,912,219	40,752,812	42,550,263
Held-to-maturity securities (2)	3,069,660	-	-	14,763	8,041	140,258	137,730	88,047	2,680,821	3,069,660	2,858,655
Derivative Financial Instruments	10,162,756	737,715	-	2,929,395	1,704,409	2,088,192	721,630	1,091,428	2,365,417	10,900,471	8,484,608
<b>Total securities and derivative financial instruments (assets)</b>	<b>140,637,565</b>	<b>1,178,490</b>	<b>704,755</b>	<b>53,921,237</b>	<b>6,674,680</b>	<b>10,390,071</b>	<b>8,882,329</b>	<b>16,843,828</b>	<b>45,808,665</b>	<b>142,520,810</b>	<b>123,286,255</b>
Adjustments of securities reclassified in prior years to the held-to-maturity category											
Accounting adjustment - Hedge - Circular No. 3,082			13,449								
Deferred taxes			(144,650)								
Minority interest in subsidiaries			(210,091)								
Adjustment of securities of unconsolidated affiliates			(233,909)								
			(74,548)								
<b>Amount separately disclosed in the stockholders' equity of ITAUSA</b>			<b>55,006</b>								

**Derivative financial instruments (liabilities)** **(8,488,811)** **(530,682)** **(54,665)** **(9,074,158)** **(2,615,829)** **(1,258,208)** **(1,219,864)** **(916,929)** **(1,057,770)** **(2,005,558)** **(7,509,161)**

(1) Includes the portfolio of PGBL and YGBL plan securities, in the amount of R\$ 43,621,488 (R\$ 36,403,697 at 09/30/2009), the ownership and embedded risks of which belong to clients, and recorded as marketable securities in compliance with SUSEP requirements, with contra-entry to liabilities in Technical Provision for Pension Plans.

(2) Securities classified under this type, if stated at market value, would present a positive adjustment of R\$ 595,030 (positive adjustment of R\$ 403,366 at 09/30/2009).

At ITAUSA, includes the amount of R\$ 604,393 (R\$ 977,229 at 09/30/2009) which is basically comprised of Investment Fund Quotes.

Management, through its Financial Risk Management Committee, sets out guidelines for classification of securities. Classification of portfolio securities, as well as those acquired in the period, are periodically and systematically evaluated in accordance with such guidelines. No reclassifications or changes to the existing guidelines have been made in the period.

**b) Derivative financial instruments**

The globalization of the markets in recent years has resulted in a high level of sophistication in the financial products used. As a result of this process, there has been an increasing demand for derivative financial instruments to manage market risks, mainly arising from fluctuations in interest and exchange rates, commodities and other asset prices. Accordingly, ITAÚSA and its subsidiaries operate in the derivative markets for meeting the growing needs of their clients, as well as carrying out their risk management policy. Such policy is based on the use of derivative instruments to minimize the risks resulting from commercial and financial operations.

The derivative financial instruments' business with clients is carried out after the approval of credit limits. The process of limit approval takes into consideration potential stress scenarios.

Knowing the client, the sector in which it operates and its risk appetite profile, in addition to providing information on the risks involved in the transaction and the negotiated conditions, ensures transparency in the relationship between the parties and the supply of a product that better meet the needs of the client in view of its operating characteristics.

The derivative transactions carried out by ITAÚSA and its subsidiaries with clients are neutralized in order to eliminate market risks.

Most derivative contracts traded by the institution with clients in Brazil are swap, forward, option and futures contracts, which are registered at the BM&F Bovespa or at the CETIP S.A. OTC Clearing House (CETIP). Overseas transactions are carried out with futures, forwards, options and swaps with registration mainly in the Chicago, New York and London Exchanges. It should be emphasized that there are over-the-counter operations, but their risks are low as compared to the institutions' total. Noteworthy is also the fact that there are no structured operations based on subprime assets and all operations are based on risk factors traded at stock exchanges.

The main risk factors of the derivatives, assumed at September 30, 2010, were related to the foreign exchange rate, interest rate, commodities, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by the infrastructure of sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even under highly volatile situations.

Most derivatives included in the institution's portfolio are traded at stock exchanges. The prices disclosed by stock exchanges are used for these derivatives, except in cases in which the low representativeness of price due to illiquidity of a specific contract is identified. Derivatives typically precified like this are futures contracts. Likewise, there are other instruments whose quotations (fair prices) are directly disclosed by independent institutions and which are precified based on this direct information. A great part of the Brazilian government securities, highly-liquid international (public and private) securities and shares fit into this situation.

For derivatives whose prices are not directly disclosed by stock exchanges, fair prices are obtained by pricing models which use market information, deducted based on prices disclosed for higher liquidity assets. Interest and market volatility curves which provide entry data for the models are extracted from those prices. Over-the-counter derivatives, forward contracts and securities without much liquidity are in this situation.

The total value of margins pledged in guarantee was R\$ 8,470,678 (R\$ 15,513,710 at 09/30/2009 and was basically composed of government securities.

1- See below the composition of the Derivative Financial Instruments portfolio (assets and liabilities) by type of instrument and reference ratio, stated at notional amount, cost and market value.

	Memorandum account Notional amount		Balance sheet account receivable / (received)(payabl e) / paid	Adjustment to market value (in results / stockholders' equity)	Market value	
	09/30/2010	09/30/2009	09/30/2010	09/30/2010	09/30/2010	09/30/2009
<b>Futures contracts</b>	<b>337,880,058</b>	<b>196,897,503</b>	<b>29,520</b>	<b>(11,368)</b>	<b>18,152</b>	<b>117,395</b>
<b>Purchase commitments</b>	<b>85,324,326</b>	<b>94,894,623</b>	<b>(89,173)</b>	<b>23,807</b>	<b>(65,366)</b>	<b>(41,115)</b>
Foreign currency	10,730,486	4,206,487	(44,481)	489	(43,992)	(2,927)
Interbank market	54,968,183	83,382,343	(1,377)	7,550	6,173	(1,279)
Indices	16,675,882	6,669,056	(43,313)	1,670	(41,643)	(28,433)
Securities	2,471,584	578,393	-	(36)	(36)	(3)
Other	478,191	58,344	(2)	14,134	14,132	(8,473)
<b>Commitments to sell</b>	<b>252,555,732</b>	<b>102,002,880</b>	<b>118,693</b>	<b>(35,175)</b>	<b>83,518</b>	<b>158,510</b>
Foreign currency	8,559,005	14,091,703	15,385	(28,747)	(13,362)	10,984
Interbank market	83,742,062	62,176,146	7,267	34	7,301	7,536
Fixed rate	1,372,302	-	-	(6)	(6)	-
Indices	152,264,118	23,445,816	95,776	(2,749)	93,027	129,141
Securities	4,570,500	-	-	(16)	(16)	-
Other	2,047,745	2,289,215	265	(3,691)	(3,426)	10,849
<b>Swap contracts</b>			<b>129,199</b>	<b>12,525</b>	<b>141,724</b>	<b>925,252</b>
<b>Asset position</b>	<b>66,203,934</b>	<b>81,165,208</b>	<b>2,146,760</b>	<b>789,189</b>	<b>2,935,949</b>	<b>3,280,639</b>
Foreign currency	8,816,913	8,464,175	20,323	84,858	105,181	182,163
Interbank market	31,889,615	33,826,515	1,208,204	(4,893)	1,203,311	1,913,347
Fixed rate	10,297,232	19,346,183	253,531	362,015	615,546	358,839
Floating rate	1,182,195	6,757,409	-	-	-	589
Indices	13,925,411	11,999,961	661,300	346,695	1,007,995	818,542
Securities	3,021	14,131	1,388	35	1,423	5,801
Other	89,547	756,834	2,014	479	2,493	1,358
<b>Liability position</b>	<b>66,074,735</b>	<b>80,195,400</b>	<b>(2,017,561)</b>	<b>(776,664)</b>	<b>(2,794,225)</b>	<b>(2,355,387)</b>
Foreign currency	15,270,867	12,107,980	(292,011)	(35,228)	(327,239)	(288,394)
Interbank market	21,297,837	21,064,331	(919,180)	97,065	(822,115)	(785,374)
Fixed rate	6,374,622	17,617,625	(125,107)	(493,268)	(618,375)	(481,453)
Floating rate	4,543,072	13,846,479	(6,481)	752	(5,729)	(10,166)
Indices	18,401,779	14,703,165	(657,514)	(343,217)	(1,000,731)	(784,324)
Securities	-	96,255	-	-	-	-
Other	186,558	759,565	(17,268)	(2,768)	(20,036)	(5,676)
<b>Option contracts</b>	<b>2,411,886,301</b>	<b>1,377,138,277</b>	<b>217,120</b>	<b>196,597</b>	<b>413,717</b>	<b>15,328</b>
<b>Purchase commitments – long position</b>	<b>648,922,728</b>	<b>453,889,168</b>	<b>1,137,214</b>	<b>(239,331)</b>	<b>897,883</b>	<b>882,986</b>
Foreign currency	31,362,772	25,179,137	545,486	(86,073)	459,413	209,362
Interbank market	477,894,656	293,226,233	308,276	(139,729)	168,547	200,308
Floating rate	236,604	33,322	1,372	(699)	673	84
Indices	137,486,076	134,536,543	177,209	(56,710)	120,499	375,094
Securities	1,187,999	803,095	76,176	29,766	105,942	85,470
Other	754,621	110,838	28,695	14,114	42,809	12,668
<b>Commitments to sell – long position</b>	<b>711,215,929</b>	<b>267,943,787</b>	<b>1,240,373</b>	<b>214,173</b>	<b>1,454,546</b>	<b>1,420,932</b>
Foreign currency	18,023,990	16,541,202	506,111	140,522	646,633	516,155
Interbank market	587,135,669	154,907,306	138,339	47,145	185,484	159,177
Floating rate	92,673	-	272	189	461	-
Indices	103,827,378	94,960,017	97,875	(22,788)	75,087	340,589
Securities	1,747,618	1,308,084	485,875	56,367	542,242	376,883
Other	388,601	227,178	11,901	(7,262)	4,639	28,128
<b>Purchase commitments – short position</b>	<b>425,663,770</b>	<b>341,033,653</b>	<b>(1,293,594)</b>	<b>350,303</b>	<b>(943,291)</b>	<b>(924,805)</b>
Foreign currency	30,609,686	24,681,121	(729,281)	249,095	(480,186)	(262,658)
Interbank market	294,626,032	191,828,427	(111,975)	76,546	(35,429)	(196,588)
Indices	98,929,463	123,504,765	(377,069)	37,325	(339,744)	(437,024)
Securities	1,065,316	916,226	(43,835)	(4,991)	(48,826)	(21,832)
Other	433,273	103,114	(31,434)	(7,672)	(39,106)	(6,703)
<b>Commitments to sell – short position</b>	<b>626,083,874</b>	<b>314,271,669</b>	<b>(866,873)</b>	<b>(128,548)</b>	<b>(995,421)</b>	<b>(1,363,785)</b>
Foreign currency	24,409,149	21,162,428	(501,561)	(72,841)	(574,402)	(878,505)
Interbank market	497,015,060	189,577,854	(169,039)	(111,837)	(280,876)	(141,926)
Fixed rate	-	68,413	-	-	-	(9,135)
Indices	103,150,600	103,184,048	(85,863)	12,373	(73,490)	(320,303)
Securities	1,324,912	191,508	(94,474)	33,161	(61,313)	(1,918)
Other	184,153	87,418	(15,936)	10,596	(5,340)	(11,998)
<b>Forward contracts</b>	<b>4,198,059</b>	<b>1,563,600</b>	<b>954,994</b>	<b>1,201</b>	<b>956,195</b>	<b>542</b>
<b>Purchases receivable</b>	<b>1,720,959</b>	<b>297,902</b>	<b>1,622,896</b>	<b>(100)</b>	<b>1,622,796</b>	<b>297,694</b>
Foreign currency	79,187	-	(18,342)	-	(18,342)	-
Fixed rate	1,189,787	174,691	1,189,196	16	1,189,212	174,726
Floating rate	451,985	123,006	452,042	(116)	451,926	122,957
Other	-	205	-	-	-	11
<b>Purchases payable</b>	<b>-</b>	<b>885</b>	<b>(1,641,238)</b>	<b>100</b>	<b>(1,641,138)</b>	<b>(297,740)</b>
Fixed rate	-	-	(1,189,196)	(16)	(1,189,212)	(174,726)
Floating rate	-	-	(452,042)	116	(451,926)	(122,957)
Other	-	885	-	-	-	(57)
<b>Sales receivable</b>	<b>2,477,100</b>	<b>1,264,813</b>	<b>2,379,725</b>	<b>812</b>	<b>2,380,537</b>	<b>1,264,455</b>
Foreign currency	79,187	-	-	-	-	-
Fixed rate	1,235,286	1,190,661	1,235,645	(308)	1,235,337	1,190,390
Floating rate	170,663	73,546	170,744	(81)	170,663	73,477
Other	991,964	606	973,336	1,201	974,537	588
<b>Sales deliverable</b>	<b>-</b>	<b>-</b>	<b>(1,406,389)</b>	<b>389</b>	<b>(1,406,000)</b>	<b>(1,263,867)</b>
Fixed rate	-	-	(1,235,645)	308	(1,235,337)	(1,190,390)
Floating rate	-	-	(170,744)	81	(170,663)	(73,477)
<b>Credit derivatives</b>	<b>5,077,756</b>	<b>5,641,746</b>	<b>76,026</b>	<b>(7,445)</b>	<b>68,581</b>	<b>(101,435)</b>
<b>Asset position</b>	<b>1,928,965</b>	<b>3,185,191</b>	<b>224,118</b>	<b>(10,293)</b>	<b>213,825</b>	<b>22,782</b>
Foreign currency	27,957	197,430	71	613	684	3,118
Fixed rate	1,730,688	2,954,838	224,103	(12,446)	211,657	17,947
Securities	149,481	10,365	(62)	1,285	1,223	623
Other	20,839	22,558	6	255	261	1,094
<b>Liability position</b>	<b>3,148,791</b>	<b>2,456,555</b>	<b>(148,092)</b>	<b>2,848</b>	<b>(145,244)</b>	<b>(124,217)</b>
Foreign currency	27,526	-	(66)	(570)	(636)	(3,003)
Interbank market	-	50,000	-	-	-	(483)
Fixed rate	2,936,818	2,406,555	(147,908)	4,737	(143,171)	(119,088)
Securities	163,608	-	(109)	(1,064)	(1,173)	(580)
Other	20,839	-	(9)	(255)	(264)	(1,063)

Memorandum account Notional amount	Balance sheet account receivable / (received)(payabl e) / paid		Adjustment to market value (in results / stockholders' equity)		Market value	
	09/30/2010	09/30/2009	09/30/2010	09/30/2010	09/30/2010	09/30/2009
<b>Forwards operations</b>	<b>20,416,765</b>	<b>12,710,194</b>	<b>96,487</b>	<b>1,433</b>	<b>97,920</b>	<b>(45,894)</b>
<b>Asset position</b>	<b>7,825,333</b>	<b>6,871,820</b>	<b>582,432</b>	<b>1,451</b>	<b>583,883</b>	<b>305,173</b>
Foreign currency	6,282,153	6,172,672	223,002	-	223,002	272,243
Fixed rate	1,022,677	239,509	350,120	2,322	352,442	28,463
Floating rate	517,578	432,967	8,871	(871)	8,000	3,496
Indices	-	26,672	-	-	-	971
Other	2,925	-	439	-	439	-
<b>Liability position</b>	<b>12,591,432</b>	<b>5,838,374</b>	<b>(485,945)</b>	<b>(18)</b>	<b>(485,963)</b>	<b>(351,067)</b>
Foreign currency	12,231,422	5,231,692	(474,585)	(18)	(474,603)	(334,894)
Interbank market	15,915	1,632	(499)	-	(499)	(143)
Fixed rate	59,141	112,516	(6,292)	-	(6,292)	(13,506)
Floating rate	277,849	465,862	(3,301)	-	(3,301)	(1,773)
Indices	1,571	26,672	(90)	-	(90)	(751)
Other	5,534	-	(1,178)	-	(1,178)	-
<b>Swap with target flow</b>	<b>286,262</b>	<b>2,617,829</b>	<b>(11,792)</b>	<b>(2,110)</b>	<b>(13,902)</b>	<b>(41,771)</b>
<b>Asset position</b>	<b>137,235</b>	<b>1,314,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,210</b>
Foreign currency	-	606,589	-	-	-	1,277
Interbank market	137,235	602,491	-	-	-	45,933
Fixed rate	-	105,195	-	-	-	-
<b>Liability position</b>	<b>149,027</b>	<b>1,303,554</b>	<b>(11,792)</b>	<b>(2,110)</b>	<b>(13,902)</b>	<b>(88,981)</b>
Foreign currency	149,027	983,651	(11,792)	(2,110)	(13,902)	(59,138)
Interbank market	-	290,990	-	-	-	(29,288)
Fixed rate	-	28,913	-	-	-	(555)
<b>Target flow of swap</b>	<b>1,313,749</b>	<b>3,746,618</b>	<b>130,165</b>	<b>241</b>	<b>130,406</b>	<b>48,589</b>
<b>Asset position</b>	<b>1,313,749</b>	<b>2,800,384</b>	<b>130,165</b>	<b>241</b>	<b>130,406</b>	<b>196,275</b>
Foreign currency	1,313,749	2,795,090	130,165	241	130,406	196,275
Indices	-	5,294	-	-	-	-
<b>Liability position – Foreign currency</b>	<b>-</b>	<b>946,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147,686)</b>
<b>Other financial instruments</b>	<b>16,245,467</b>	<b>12,757,277</b>	<b>52,226</b>	<b>(38,706)</b>	<b>13,520</b>	<b>57,441</b>
<b>Asset position</b>	<b>10,387,039</b>	<b>7,580,324</b>	<b>669,553</b>	<b>(7,059)</b>	<b>662,494</b>	<b>649,067</b>
Foreign currency	7,421,868	4,949,145	414,327	21,241	435,568	578,171
Interbank market	-	745,908	-	-	-	302
Fixed rate	-	593	-	-	-	167
Other	2,965,171	1,884,678	255,226	(28,300)	226,926	70,427
<b>Liability position</b>	<b>5,858,428</b>	<b>5,176,953</b>	<b>(617,327)</b>	<b>(31,647)</b>	<b>(648,974)</b>	<b>(591,626)</b>
Foreign currency	5,371,352	4,308,142	(597,895)	(8,240)	(606,135)	(494,808)
Interbank market	-	765,525	-	-	-	(268)
Fixed rate	446	100,596	(485)	1	(484)	(96,400)
Other	486,630	2,690	(18,947)	(23,408)	(42,355)	(150)
		<b>ASSETS</b>	<b>10,162,756</b>	<b>737,715</b>	<b>10,900,471</b>	<b>8,484,608</b>
		<b>LIABILITIES</b>	<b>(8,488,811)</b>	<b>(585,347)</b>	<b>(9,074,158)</b>	<b>(7,509,161)</b>
		<b>TOTAL</b>	<b>1,673,945</b>	<b>152,368</b>	<b>1,826,313</b>	<b>975,447</b>
<b>Derivative contracts mature as follows (in days):</b>						
<b>Clearing</b>	<b>0 - 30</b>	<b>31 - 180</b>	<b>181 - 365</b>	<b>Over 365</b>	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>Futures</b>	47,378,091	220,781,213	17,361,605	52,359,149	337,880,058	196,897,503
<b>Swaps</b>	5,522,914	18,027,815	9,542,053	30,964,392	64,057,174	78,477,272
<b>Options</b>	871,612,897	1,301,489,093	211,641,906	27,142,405	2,411,886,301	1,377,138,277
<b>Forwards</b>	2,208,064	870,905	15,226	1,103,864	4,198,059	1,563,600
<b>Credit derivatives</b>	81,152	664,226	659,787	3,672,591	5,077,756	5,641,746
<b>Forwards</b>	7,280,725	9,163,778	2,762,790	1,209,472	20,416,765	12,710,194
<b>Swaps with target flow</b>	6,016	131,219	-	-	137,235	1,218,751
<b>Target flow of swap</b>	6,452	1,294,427	12,870	-	1,313,749	3,746,618
<b>Other</b>	2,225,707	6,747,758	3,430,002	3,842,000	16,245,467	12,757,277

At September 30, 2010, ITAÚ UNIBANCO HOLDING had derivative operations in the swap with target flow and target forward with 2 clients; without total exposure for these products at an exchange rate of R\$ 1.69 per dollar, for settlement at maturity. These clients have AA, A or B risk rating.

II - See below the composition of the derivative financial instruments portfolio by type of instrument, stated at their notional amounts, per trading location (organized or over-the-counter market) and counterparties:

	09/30/2010								
	Futures	Swaps	Options	Forwards	Credit derivatives	Forwards	Swap with target flow	Target flow of swap	Other
<b>BM&amp;F Bovespa</b>	196,407,502	13,233,044	2,371,167,129	991,966	-	4,115	-	-	54,125
<b>Over-the-counter market</b>	141,472,556	50,824,130	40,719,172	3,206,093	5,077,756	20,412,650	137,235	1,313,749	16,191,342
Financial institutions	141,472,556	22,922,683	36,310,642	2,246,346	4,311,978	16,158,290	-	-	4,218,958
Companies	-	26,826,003	4,293,809	959,747	765,778	4,225,023	6,016	1,313,749	11,967,447
Individuals	-	1,075,444	114,721	-	-	29,337	131,219	-	4,937
<b>Total</b>	<b>337,880,058</b>	<b>64,057,174</b>	<b>2,411,886,301</b>	<b>4,198,059</b>	<b>5,077,756</b>	<b>20,416,765</b>	<b>137,235</b>	<b>1,313,749</b>	<b>16,245,467</b>
<b>Total - 09/30/2009</b>	<b>196,897,503</b>	<b>78,477,272</b>	<b>1,377,138,277</b>	<b>1,563,600</b>	<b>5,641,746</b>	<b>12,710,194</b>	<b>1,218,751</b>	<b>3,746,618</b>	<b>12,757,277</b>

III - Credit derivatives

	Credit risk amount	
	09/30/2010	09/30/2009
<b>Transferred</b>	<b>(2,018,605)</b>	<b>(2,331,167)</b>
Credit swaps whose underlying assets are:		
Securities	(2,018,605)	(1,165,992)
Total return rate swaps whose underlying assets are:		
Securities	-	(1,165,175)
<b>Received</b>	<b>3,059,151</b>	<b>2,686,908</b>
Credit swaps whose underlying assets are:		
Securities	3,050,967	2,686,908
Total return rate swaps whose underlying assets are:		
Securities	8,184	-
<b>Total</b>	<b>1,040,548</b>	<b>355,741</b>

During the period, there was no occurrence of credit event related to those set forth in agreements.

**IV - Accounting hedge**

- a) The purpose of the hedge relationship of the subsidiary ITAÚSA is to protect the cash flow of payment of debt interest (CDB / Redeemable preferred shares) related to its variable interest rate risk (CDI / LIBOR), making the cash flow constant (fixed rate) and regardless of the variations of DI Cetip Over and LIBOR.

To protect the future cash flows of debt against exposure to variable interest rate (CDI), at September 30, 2009 ITAÚSA negotiated DI Futures agreements at BM&FBOVESPA with maturity between 2010 and 2017 in the amount of R\$ 23,729,450 (R\$ 10,099,463 at 09/30/2009). To protect the future cash flows of debt against exposure to variable interest rate (LIBOR), at September 30, 2009 ITAÚSA negotiated SWAP contracts with maturity in 2015 in the amount of R\$ 665,943 (R\$ 698,921 at 09/30/2009). These derivative financial instruments gave rise to adjustment to market value net of tax effects recorded in stockholders' equity of (R\$ 80,064) (R\$ (170,867) at 09/30/2009), of which (R\$ (49,807) R\$ (158,850) at 09/30/2009) refers to CDB and R\$ (30,257) (R\$ 12,017 at 09/30/2009) refers to Redeemable Preferred shares. The hedged items total R\$ 24,927,277 (R\$ 10,366,649 at 09/30/2009), of which R\$ 24,261,334 (R\$ 9,667,728 at 09/30/2009) are CDB with maturities between 2010 and 2017 and R\$ 665,943 (R\$ 698,921 at 09/30/2009) are SWAPS of redeemable preferred shares with maturity in 2015.

The gains or losses related to the accounting hedge of cash flows that we expect be reclassified from Stockholders' Equity into Results in the following 12 months amount to R\$ 81,845 (R\$ 116,567 at 09/30/2009).

The effectiveness computed for hedge portfolio was in conformity with the provisions of BACEN Circular No. 3,082 of January 30, 2002.

- b) The swap operations contracted in a negotiation associated with the funding and/or investment in the amount of R\$ 179,615 (R\$ 603,612 at 09/30/2009) are recorded at amounts restated in accordance with variations occurred in respective ratios ("curve") and are not valued at their market value, as permitted by BACEN Circular No. 3,150/02.



## c) Sensitivity analysis

The risks arising from the financial instruments of Itaúsa are mostly related to the operations of its subsidiary ITAÚ UNIBANCO – Financial Services Area, which, according to the criteria for classification of operations provided for BACEN Resolution No. 3,464/07 and Circular No. 3,354/07, and the New Capital Accord – Basel II, are separated in Trading and Banking portfolios. The exposures arising from the subsidiaries of the industrial area are shown separately and consolidated, given its lower relevance and for better presentation of values.

The sensitivity analyses shown below do not predict the dynamics of the operation of the risk and treasury areas, because once loss related to positions is found, risk mitigating measures are quickly taken, minimizing the possibility of significant losses. In addition, we point out that the presented results do not necessarily translate into accounting results, because the study's sole purpose is to disclose the exposure to risks and the respective protective actions, taking into account the fair value of financial instruments, irrespective of the accounting practices adopted by the institutions.

		Amounts in R\$ 000		
Exposures		09/30/2010 (*)		
Risk factors	Risk of variation in:	Scenarios		
		I	II	III
Fixed rate	Fixed rate in Reais	(3,418)	(85,153)	(169,721)
Foreign exchange coupons	Rates of foreign exchange coupon	1,765	(45,542)	(94,037)
Foreign currency	Exchange variation	6,252	(156,301)	(312,603)
Price indices	Rates of price indices coupons	(1,335)	(33,076)	(65,548)
Long-term interest rate	Rate of TJLP coupon	83	(2,194)	(4,337)
Reference rate	Rate of TR coupon	65	(13,805)	(27,710)
Variable income	Share price	8,241	(206,036)	(412,072)
<b>Total without correlation - Financial services area</b>		<b>11,653</b>	<b>(542,107)</b>	<b>(1,086,027)</b>
<b>Total with correlation - Financial services area</b>		<b>7,572</b>	<b>(352,261)</b>	<b>(705,701)</b>
<b>Total without correlation - Industrial area (**)</b>			<b>(2,483)</b>	<b>(4,486)</b>

(\*) Amounts net of tax effects.

(\*\*) Includes exposures in foreign currency, interest rates and prices.

Scenario I: For exposures of Financial Services Area, addition of 1 base point to the fixed-rate curve, currency coupon, inflation and interest rate indices, and 1 percentage point in currency and share prices, which is based on market information (BM&F BOVESPA, Andima, etc). For exposures of the Industrial Area, market rates and quotations are used, with immaterial effect.

Scenario II: Shocks at approximately 25% in the portfolio at September 30, 2010, considering the largest resulting losses per risk factor;

Scenario III: Shocks at approximately 50% in the portfolio at September 30, 2010, considering the largest resulting losses per risk factor.

All derivative financial instruments engaged by ITAÚSA CONSOLIDATED are shown in Note 7b.

## NOTE 8 - LOAN, LEASE AND OTHER CREDIT OPERATIONS - FINANCIAL SERVICES AREA

### a) Summary

#### I – By type of operations

	09/30/2010	09/30/2009
Loan operations	203,612,961	157,378,959
Lease operations	40,348,220	48,428,264
Credit card operations	31,245,168	26,013,923
Advance on exchange contracts (1)	3,272,356	4,936,287
Other sundry receivables (2)	556,088	341,887
<b>Total</b>	<b>279,034,793</b>	<b>237,099,320</b>
Endorsements and sureties (3)	34,154,632	31,594,253
<b>Total with endorsements and sureties</b>	<b>313,189,425</b>	<b>268,693,573</b>

(1) Includes Advances on Exchange Contracts and Income from Advances Granted, reclassified from Other Liabilities – Foreign Exchange Portfolio/Other Receivables (Note 10);

(2) Includes Securities and Receivables, Debtors for Purchase of Assets and Endorsements and Sureties paid;

(3) Recorded in Memorandum Accounts.

#### II – By business sector

	09/30/2010	%	09/30/2009	%
<b>Public sector</b>	<b>1,423,049</b>	<b>0.5%</b>	<b>1,486,427</b>	<b>0.6%</b>
<b>Private sector</b>	<b>277,611,744</b>	<b>99.5%</b>	<b>235,612,893</b>	<b>99.4%</b>
Companies	152,795,556	54.8%	128,043,290	54.0%
Individuals	124,816,188	44.6%	107,569,603	45.4%
<b>Total</b>	<b>279,034,793</b>	<b>100.0%</b>	<b>237,099,320</b>	<b>100.0%</b>

### b) Changes in allowance for loan losses

	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>Opening balance</b>	<b>(24,051,873)</b>	<b>(19,972,155)</b>
Net increase for the period	(11,954,420)	(12,382,541)
Required by Resolution No. 2,682/99	(11,954,420)	(14,069,541)
Additional (3)	-	1,687,000
Write-off	12,722,466	8,286,423
<b>Closing balance</b>	<b>(23,283,827)</b>	<b>(24,068,273)</b>
Specific allowance (1)	(11,098,036)	(12,817,853)
Generic allowance (2)	(6,081,791)	(5,146,420)
Additional allowance (3)	(6,104,000)	(6,104,000)

(1) Operations with overdue installments for more than 14 days or under responsibility of bankruptcy or in process of bankruptcy companies;

(2) For operations not covered in the previous item due to the classification of the client or operation;

(3) Refers to the provision in excess of the minimum required by CMN Resolution No.2,682, of December 12, 1999, recognized within the prudential criteria adopted by management in accordance with good banking practice, in order to enable the absorption of possible increases in default arising from a strong reversal of the economic cycle.

As from December 31, 2008, considering the economic scenario and the uncertainties related to it, the criteria for recognition of the additional allowance for loan losses were revised, including the portion related to risks associated to a more pessimistic scenario. Over 2009, the effects of the crisis were partially consummated, giving rise to an increase in the required regulatory capital of the additional allowance for loan losses regarding the portfolio.

At September 30, 2010, the balance of the allowance in relation to the loan portfolio is equivalent to 8.3% (10.2% at 09/30/2009).

### c) Recovery and renegotiation of credits

#### I - Composition of the result of allowance for loan losses

	01/01 to 09/30/2010	01/01 to 09/30/2009
Expenses for allowance for loan losses	(11,954,420)	(12,382,541)
Income from recovery of credits written off as loss	2,946,276	1,440,205
<b>Result of allowance for loan losses (*)</b>	<b>(9,008,144)</b>	<b>(10,942,336)</b>

(\*) Recorded in Operating Expenses - Equity.

#### II – Renegotiated Credits

	09/30/2010	09/30/2009
Renegotiated credits	8,514,497	7,277,785
Allowance for loan losses	(4,048,779)	(3,855,718)
(%)	47.6	53.0

**NOTE 9 – INVENTORIES – INDUSTRIAL AREA**

	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>Products</b>	<b>656,969</b>	<b>666,061</b>
Raw material	285,032	266,700
Work in process	63,302	59,551
Finished products	238,297	280,175
Storeroom	70,398	59,860
(Provision for losses)	(59)	(225)
<b>Real estate</b>	<b>-</b>	<b>276</b>
<b>Total</b>	<b>656,969</b>	<b>666,337</b>

**NOTE 10 – FOREIGN EXCHANGE PORTFOLIO – FINANCIAL SERVICES AREA**

	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>ASSETS – OTHER RECEIVABLES</b>	<b>20,570,549</b>	<b>35,722,645</b>
Exchange purchase pending settlement – foreign currency	10,578,019	21,138,359
Bills of exchange and term documents – foreign currency	507	952
Exchange sale rights – local currency	10,474,794	14,906,180
(Advances received) – local currency	(482,771)	(322,846)
<b>LIABILITIES – OTHER LIABILITIES (Note 2a)</b>	<b>21,398,733</b>	<b>36,721,988</b>
Exchange sales pending settlement – foreign currency	10,406,177	15,819,821
Liabilities from purchase of foreign currency – local currency	10,987,996	20,897,773
Other	4,560	4,394
<b>MEMORANDUM ACCOUNTS</b>	<b>500,428</b>	<b>381,844</b>
Outstanding import credits – foreign currency	474,912	342,561
Confirmed export credits – foreign currency	25,516	39,283

**NOTE 11 - OTHER SUNDRY RECEIVABLES**

	<b>09/30/2010</b>	<b>09/30/2009</b>
Escrow deposits in guarantee of provision for contingent liabilities (Note 19b)	7,177,788	6,899,675
Escrow deposits for legal liabilities – tax and social security (Note 19c)	4,022,814	5,070,280
Negotiation and intermediation of securities	2,549,953	2,447,821
Taxes and contributions for offset	2,676,776	3,522,671
Social contribution for offset – Provisional Measure No. 2,158 of August 24, 2001 (Note 20b I)	851,633	955,427
Receivables from reimbursement of contingent liabilities (Note 19b)	1,042,745	1,024,929
Income receivable	1,008,161	777,532
Trade notes receivable	1,047,344	930,307
Escrow deposits for foreign fund raising program	1,990,710	455,950
Operations without credit granting characteristics	<u>127,930</u>	<u>346,547</u>
Securities and credits receivable	455,141	653,971
(Allowance for loan losses)	(327,211)	(307,424)
Options for tax incentives	324	848
Sundry debtors	<u>1,076,092</u>	<u>1,018,021</u>
Domestic	967,066	886,223
Foreign	109,026	131,798
Other	365,666	332,254
<b>Total</b>	<b><u>23,937,936</u></b>	<b><u>23,782,262</u></b>

At ITAÚSA, basically comprise Income Receivable related to Dividends and Interest on Capital amounting to R\$ 622,414 (R\$ 475,451 at 09/30/2009) and Taxes and Contributions for Offset of R\$ 71,977 (R\$ 53,035 at 09/30/2009).

**NOTE 12 - OTHER ASSETS**

	<b>09/30/2010</b>	<b>09/30/2009</b>
Assets not for own use	274,208	541,523
(Valuation allowance)	(152,629)	(229,948)
Unearned premiums of reinsurance	563,900	645,531
<b>Total</b>	<b>685,479</b>	<b>957,106</b>

**NOTE 13 - PREPAID EXPENSES**

	<b>09/30/2010</b>	<b>09/30/2009</b>
Commissions	<u>1,686,254</u>	<u>2,287,110</u>
Related to insurance and pension plan	467,368	515,968
Related to vehicle financing	981,497	1,622,283
Other	237,389	148,859
Fundo Garantidor de Crédito (*)	573,546	760,702
Advertising	331,100	384,314
Other	245,451	250,925
<b>Total</b>	<b><u>2,836,351</u></b>	<b><u>3,683,051</u></b>

(\*) At subsidiary ITAU UNIBANCO, it refers to spontaneous payment, equivalent to the prepayment of installments of the contribution to the Fundo Garantidor de Crédito (Brazilian deposit guarantee fund), according to BACEN Circular No. 3,416, of 10/24/2008.

## NOTE 14 - INVESTMENTS

## I – Interest in subsidiaries - ITAÚSA

Companies	Balances at 12/31/2009 (1)	Subscriptions / Purchases / (Sales)	Dividends and interest on capital received (2)	Equity in earnings of subsidiaries	Change in adjustment to market value	Accumulated conversion adjustments	Granting of options recognized	Balances at 09/30/2010 (1)	Balances at 09/30/2009 (1)	Equity in earnings of subsidiaries from 01/01 to 09/30/2009
Itaú Unibanco Holding S.A..	11,489,002	840,198	(1,131,948)	1,877,332	8,442	(50)	15,556	13,098,532	11,340,866	1,400,299
IUPAR - Itaú Unibanco Participações S.A.	8,534,540	-	(66,316)	762,324	6,341	(43)	14,136	9,250,982	8,387,743	546,791
Duratec S.A.	581,308	281,287	(35,225)	98,587	1,26	(605)	2,201	907,679	567,149	63,263
Elekeiroz S.A.	13,528	418,737	(5,013)	19,204	(423)	14	-	446,047	13,149	(292)
Itautec S.A.	362,892	25,488	(6,743)	(27,195)	1,768	1,124	-	357,334	350,231	14,914
Itaúsa Empreendimentos S.A.	260	93,148	-	2,432	-	-	-	95,840	-	-
ITH Zux Cayman Company Ltd.	29,496	-	-	(1,077)	-	-	-	28,419	-	(13,036)
Itaucorp S.A.	847,805	(865,143)	(1,167)	18,392	54	(24)	83	-	828,793	30,130
Elektart Participações e Administração S.A.	51,144	(52,313)	-	1,160	6	3	-	-	49,901	(825)
Other subsidiaries	7,178	(7,375)	-	205	-	-	-	8	7,216	(88)
<b>GRAND TOTAL</b>	<b>21,917,153</b>	<b>714,027</b>	<b>(1,246,412)</b>	<b>2,751,364</b>	<b>16,314</b>	<b>419</b>	<b>31,976</b>	<b>24,184,841</b>	<b>21,575,410</b>	<b>2,041,156</b>

(1) Includes negative goodwill.

(2) Income receivable includes dividends and interest on capital receivable.

(3) Includes non-operating income (expense) arising from change in interest.

(4) Includes foreign exchange expense.

(5) Investments incorporated on 04/30/2010.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity share in voting capital (%)	Equity share in capital (%)
				Common	Preferred		
Itaú Unibanco Holding S.A..	45,000,000	67,827,873	7,218,769	885,142,980	77,193	19.49	19.49
IUPAR - Itaú Unibanco Participações S.A.	6,000,000	13,904,540	1,145,772	355,227,092	350,942,273	33.47	66.53
Duratec S.A.	1,288,085	2,584,969	310,595	161,725,142	-	35.32	35.32
Elekeiroz S.A.	220,000	466,992	29,860	14,261,751	16,117,360	45.30	96.49
Itautec S.A.	250,000	497,138	25,675	10,953,370	-	94.01	94.01
Itaúsa Empreendimentos S.A.	48,000	95,897	3,023	752,189	-	100.00	100.00
ITH Zux Cayman Company Ltd.	59,297	39,485	18	35,000,000	-	100.00	100.00



**II - Composition of investments**

	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>Investment in affiliates</b>	<b>1,084,678</b>	<b>1,364,672</b>
<b>Domestic</b>	<b>358,727</b>	<b>438,079</b>
Allianz Seguros S.A.	-	151,325
Serasa S.A.	244,817	257,885
Other	113,910	28,869
<b>Foreign - BPI</b>	<b>725,951</b>	<b>926,593</b>
<b>Other investments</b>	<b>1,162,942</b>	<b>941,413</b>
Investments through tax incentives	162,480	163,701
Equity securities	9,579	8,099
Shares and quotas	392,688	156,796
Interest in Instituto de Resseguros do Brasil - IRB	229,699	227,170
Other	551,998	563,113
(Allowance for loan losses)	(183,502)	(177,466)
<b>TOTAL</b>	<b>2,247,620</b>	<b>2,306,085</b>

**III – Composition of equity in earnings of affiliates**

	<b>01/01 to 09/30/2010</b>	<b>01/01 to 09/30/2009</b>
Investment in affiliates - Domestic	85,811	117,694
Investment in affiliates - Abroad	63,949	58,204
Dividends received from Other investments	75,087	33,299
Equity in earnings of subsidiaries, not arising from net income	(24,858)	18,477
<b>TOTAL</b>	<b>199,989</b>	<b>227,674</b>

## NOTE 15 – FIXED ASSETS, GOODWILL AND INTANGIBLE ASSETS

	09/30/2010			09/30/2009
	Cost	Accumulated depreciation/ amortization/ depletion	Net book amount	Net book amount
<b>FIXED ASSETS</b>	<b>16,273,952</b>	<b>(8,286,688)</b>	<b>7,987,265</b>	<b>7,249,266</b>
<b>Own fixed assets</b>	<b>15,796,653</b>	<b>(8,286,688)</b>	<b>7,509,965</b>	<b>6,870,771</b>
<b>Real estate</b>	<b>5,784,198</b>	<b>(2,349,917)</b>	<b>3,434,281</b>	<b>3,230,414</b>
Land	1,622,708	-	1,622,708	1,323,211
Buildings	3,124,989	(1,881,523)	1,243,466	1,100,823
Leasehold improvements	1,036,501	(468,394)	568,107	806,380
<b>Other</b>	<b>10,012,455</b>	<b>(5,936,772)</b>	<b>4,075,684</b>	<b>3,640,358</b>
Installations	953,592	(570,542)	383,051	219,601
Furniture and equipment	3,805,211	(1,612,699)	2,192,512	2,216,237
EDP systems	4,603,578	(3,352,464)	1,251,114	987,995
Other (communication, security and transportation)	650,074	(401,067)	249,007	216,525
<b>Real estate in use</b>	<b>18,553</b>	<b>-</b>	<b>18,553</b>	<b>32,794</b>
Furniture and equipment	18,553	-	18,553	32,794
<b>Forest reserves</b>	<b>458,747</b>	<b>-</b>	<b>458,747</b>	<b>345,700</b>
<b>GOODWILL</b>	<b>74,467</b>	<b>-</b>	<b>74,467</b>	<b>-</b>
<b>INTANGIBLE ASSETS</b>	<b>6,769,895</b>	<b>(1,899,713)</b>	<b>4,870,182</b>	<b>4,177,604</b>
Rights for acquisition of payrolls	2,459,345	(1,221,713)	1,237,632	1,856,805
Association for the promotion and offer of financial products	1,382,136	(42,508)	1,339,628	1,135,790
Expenditures on acquisition of software	1,078,699	(522,657)	556,042	409,874
Right to manage investment funds	265,449	(100,853)	164,597	201,626
Other intangible assets (*)	1,584,266	(11,982)	1,572,284	573,509

(\*) Basically refers to goodwill on purchase of shares of Redecard S.A. and the purchase of shares of Itaú Unibanco Holding by Itaúsa from Bank of America Corporation (BAC).

At ITAÚSA, Fixed assets are basically composed of Buildings amounting to R\$ 4,657 (R\$ 4,927 at 09/30/2009) and Intangible assets are represented by goodwill on purchase of investments.

**NOTE 16 – FUNDING RAISED**

## a) By the Parent Company

On June 1, 2010 Itaúsa raised funds in the market upon the issue of only series of 10,000 debentures, not convertible into shares, with face value of R\$ 100 thousand each, remunerated at 106.5% of CDI, the amortization of which shall be in three annual and consecutive installments, in June 2011, 2012 and 2013, and Itaúsa may advance these redemptions, at its discretion.

## b) Subsidiaries

Borrowings and onlending – Financial Services Area

	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>Foreign currency</b>	<b>21,944,315</b>	<b>18,152,365</b>
Funds from acceptances and issuance of securities	9,294,930	6,474,298
Borrowings and onlending (1)	12,649,385	11,678,067
<b>Local currency</b>	<b>240,581,542</b>	<b>222,024,339</b>
Deposits	194,851,434	188,831,015
Funds from acceptances and issuance of securities	15,120,442	12,063,307
Borrowings and onlending	30,609,666	21,130,017
<b>Deposits received under securities repurchase agreements</b>	<b>155,385,520</b>	<b>126,360,557</b>
Own portfolio	104,668,407	68,829,944
Third-party portfolio	39,273,419	53,372,662
Free portfolio	11,443,694	4,157,951
<b>Subordinated debt</b>	<b>33,017,496</b>	<b>22,772,611</b>
CDB	25,158,257	20,867,529
Financial Bills	2,395,186	-
Euronotes	4,337,626	899,943
Eurobonds	859,792	902,371
Bonds	303,598	128,567
(-) Transaction costs incurred (Note 4b)	(36,963)	(25,799)
<b>Redeemable preferred shares (2)</b>	<b>665,974</b>	<b>698,957</b>
<b>Total</b>	<b>451,594,847</b>	<b>390,008,829</b>

(1) Foreign borrowings are basically represented by investments in foreign exchange transactions related to export pre-financing and import financing.

(2) Redeemable Preferred Shares are classified in the Balance Sheet under Minority Interest.

## NOTE 17 - INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS

## a) Composition of the technical provisions

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009
Mathematical provision of benefits to be granted and benefits granted	31,994	33,614	47,688,627	40,106,418	-	-	47,720,621	40,140,032
Unearned premiums	3,443,351	3,258,870	-	-	-	-	3,443,351	3,258,870
Unsettled claims	2,445,063	2,217,895	-	-	-	-	2,445,063	2,217,895
Financial surplus	1,749	2,214	473,874	446,323	-	-	475,623	448,537
IBNR	705,732	732,646	12,960	12,557	-	-	718,692	745,203
Financial variation	458	494	124,492	110,475	-	-	124,950	110,969
Premium deficiency	263,453	167,342	-	-	-	-	263,453	167,342
Insufficient contribution	-	-	548,756	438,884	-	-	548,756	438,884
Mathematical provision for redemptions	-	-	-	-	2,433,861	2,133,720	2,433,861	2,133,720
Raffle contingency	-	-	-	-	21,709	36,489	21,709	36,489
Other	75,831	71,695	189,336	184,123	28,277	23,895	293,444	279,713
<b>TOTAL</b>	<b>6,967,631</b>	<b>6,484,770</b>	<b>49,038,045</b>	<b>41,298,780</b>	<b>2,483,847</b>	<b>2,194,104</b>	<b>58,489,523</b>	<b>49,977,654</b>

## b) Assets Guaranteeing Technical Provisions - SUSEP

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009
Interbank investments – money market	1,421,155	986,616	947,414	1,003,502	1,164,720	832,985	3,533,289	2,823,103
Securities and derivative financial instruments	2,700,305	2,959,487	48,143,031	40,311,622	1,360,774	1,401,164	52,204,110	44,672,273
<b>PGBL/VGBL fund quotas (1)</b>	-	-	<b>43,621,488</b>	<b>36,403,697</b>	-	-	<b>43,621,488</b>	<b>36,403,697</b>
Government securities - Domestic	-	-	31,435,519	23,444,190	-	-	31,435,519	23,444,190
National Treasury Bills	-	-	15,993,240	3,664,771	-	-	15,993,240	3,664,771
National Treasury Notes	-	-	13,336,217	7,951,760	-	-	13,336,217	7,951,760
Financial Treasury Bills	-	-	2,106,062	11,827,659	-	-	2,106,062	11,827,659
Corporate Securities	-	-	11,818,124	12,447,524	-	-	11,818,124	12,447,524
Bank Deposit Certificates	-	-	5,203,676	7,549,666	-	-	5,203,676	7,549,666
Debentures	-	-	4,537,451	2,986,661	-	-	4,537,451	2,986,661
Shares	-	-	1,941,823	1,508,461	-	-	1,941,823	1,508,461
Quotas of funds	-	-	131,078	384,849	-	-	131,078	384,849
Promissory Notes	-	-	2,656	17,887	-	-	2,656	17,887
Securitized real estate loans	-	-	1,440	-	-	-	1,440	-
PGBL/VGBL fund quotas	-	-	276,852	74,612	-	-	276,852	74,612
Derivative financial instruments	-	-	15,324	396,746	-	-	15,324	396,746
Accounts receivable / (payable)	-	-	75,669	40,625	-	-	75,669	40,625
<b>Other assets</b>	<b>2,700,305</b>	<b>2,959,487</b>	<b>4,521,543</b>	<b>3,907,925</b>	<b>1,360,774</b>	<b>1,401,164</b>	<b>8,582,622</b>	<b>8,268,576</b>
Government	1,905,335	2,285,508	3,584,073	3,001,287	148,692	739,727	5,638,100	6,026,522
Private	794,970	673,979	937,470	906,638	1,212,082	661,437	2,944,522	2,242,054
<b>Receivables from insurance and reinsurance operations (2)</b>	<b>2,942,542</b>	<b>2,437,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,942,542</b>	<b>2,437,747</b>
Credit rights	1,207,524	952,351	-	-	-	-	1,207,524	952,351
Reinsurance	1,735,018	1,485,396	-	-	-	-	1,735,018	1,485,396
<b>Escrow deposits for loss</b>	<b>44,706</b>	<b>109,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,706</b>	<b>109,796</b>
<b>TOTAL</b>	<b>7,108,708</b>	<b>6,493,646</b>	<b>49,090,445</b>	<b>41,315,124</b>	<b>2,525,494</b>	<b>2,234,149</b>	<b>58,724,647</b>	<b>50,042,919</b>

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a contra-entry to long-term liabilities in the account Technical Provisions for Pension Plans, as determined by SUSEP.

(2) Recorded under Other receivables and Other assets.

## c) Results of Operations

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	01/01 to 09/30/2010	01/01 to 09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>Income from financial operations</b>	<b>174,093</b>	<b>161,923</b>	<b>209,926</b>	<b>252,419</b>	<b>62,733</b>	<b>45,512</b>	<b>446,752</b>	<b>459,854</b>
Financial income from insurance, pension plan and capitalization operations	218,041	245,036	2,955,551	3,159,018	171,494	145,233	3,345,086	3,549,287
Financial expenses from insurance, pension plan and capitalization operations	(43,948)	(83,113)	(2,745,625)	(2,906,599)	(108,761)	(99,721)	(2,898,334)	(3,089,433)
<b>Result from insurance, pension plan and capitalization operations</b>	<b>1,690,854</b>	<b>950,141</b>	<b>31,947</b>	<b>440,171</b>	<b>328,358</b>	<b>331,018</b>	<b>2,051,159</b>	<b>1,721,330</b>
Premiums and contributions	5,373,172	4,728,653	5,930,201	6,469,521	1,276,598	1,201,215	12,579,971	12,399,389
Changes in technical provisions	(310,168)	(132,855)	(5,870,968)	(5,975,240)	(911,529)	(820,652)	(7,092,665)	(6,928,747)
Expenses for claims	(2,181,314)	(2,448,237)	-	-	-	-	(2,181,314)	(2,448,237)
Selling expenses	(1,038,711)	(990,252)	(4,829)	(7,270)	(5,612)	(22,730)	(1,049,152)	(1,020,252)
Expenses for benefits and raffles	-	-	(26,271)	(34,936)	(31,023)	(26,836)	(57,294)	(61,772)
Other revenues and expenses	(152,125)	(207,168)	3,814	(11,904)	(76)	21	(148,387)	(219,051)
<b>TOTAL</b>	<b>1,864,947</b>	<b>1,112,064</b>	<b>241,873</b>	<b>692,590</b>	<b>391,091</b>	<b>376,530</b>	<b>2,497,911</b>	<b>2,181,184</b>

**NOTE 18 - OTHER SUNDRY LIABILITIES**

	<b>09/30/2010</b>	<b>09/30/2009</b>
Provisions for contingent liabilities (Note 19b)	8,023,498	8,589,948
Collection and payment of taxes and contributions	3,706,816	3,377,432
Negotiation and intermediation of securities	3,048,025	1,569,978
Personnel provision	1,571,916	1,371,929
Suppliers	225,670	313,857
Sundry creditors	<u>2,965,579</u>	<u>2,698,023</u>
Domestic	2,355,017	2,489,735
Foreign	610,562	208,288
Related to insurance operations	994,966	1,109,792
Creditors of funds to be released	592,915	284,863
Liabilities for purchase of assets and rights	55,435	64,246
Provision for health insurance (2)	603,841	540,808
Provision for integration expenditures with ITAÚ UNIBANCO merger (1)	312,335	978,978
Provision to cover actuarial deficit (Note 27c)	135,987	121,674
Expenses for lease interests	163,635	122,889
Liabilities for official agreements and rendering of payment services	1,204,901	447,230
Provisions for sundry creditors	1,392,436	1,163,652
Sundry (3)	1,295,241	1,317,712
<b>Total</b>	<b>26,293,196</b>	<b>24,073,011</b>

(1) Provision set up at 12/31/2008 to cover expenditures on communication with customers, adequacy of systems and personnel;

(2) Provision set up to cover possible future deficits up to the total discontinuance of the portfolio, arising from the difference of adjustments to monthly installments, authorized annually by the regulatory body, and the actual variation of hospital costs that affect the compensation of claims.

(3) Basically composed of discounts in investments in subsidiaries not eliminated in Consolidation.

**NOTE 19 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES – TAX AND SOCIAL SECURITY**

ITAÚSA and its subsidiaries are involved in contingencies in the ordinary course of their businesses, as follows:

- a) **Contingent Assets:** there are no contingent assets recorded.
- b) **Contingent Liabilities:** These are estimated and classified as follows:
- **Calculation criteria:**

Civil lawsuits: quantified upon judicial notification or individual execution when the claim is awarded a final and unappealable judgment regarding lawsuits filed by the Public Attorney's Office or consumer protection associations, and monthly reviewed:

- Collective (lawsuits related to claims considered similar and usual and the amounts of which are not considered significant): according to the statistical references per group of lawsuits, type of legal body (Small Claims Court or Regular Court) and claimant; or
- Individual (lawsuits related to claims considered unusual and the amounts of which are considered significant): at the claimed indemnity amount, based on the evidence presented and on the evaluation of legal advisors – which considers case law, legal opinions raised, evidence produced in the records and the judicial decisions to be issued – relating to the risk level of loss of lawsuits.

These are adjusted to the amounts deposited as guarantee for their execution or to the definitive execution amount (indisputable amount) when the claim is awarded a final and unappealable judgment.

Labor claims: these are calculated upon judicial notification and adjusted monthly by the moving average of payment of lawsuits closed in the last 12 months plus the average cost of fees paid for lawsuits related to claims considered similar and usual and adjusted: to the amounts deposited in guarantee; to the execution amount (indisputable amount) when it is awarded a final and unappealable decision; or based on the individual analysis of the potential amount of probable loss for lawsuits with significant amounts.

Tax and social security lawsuits: calculated upon judicial notification of administrative proceedings based on their monthly adjusted amounts.

Other Risks: calculated mainly based on the assessment of credit risk on joint obligations.

- **Contingencies classified as probable:** are recognized in the accounting books and comprise
  - Civil lawsuits: demanding compensation for property damage and pain and suffering, such as protest of bills, return of checks, and inclusion of information in the credit protection registry, most of these actions being filed in the Small Claims Court and therefore limited to 40 minimum monthly wages. The parent company ITAÚ UNIBANCO HOLDING is also party to specific lawsuits over the charging of understated inflation adjustment to savings accounts in connection with economic plans. The case law at the Federal Supreme Court is favorable to banks in relation to an economic phenomenon similar to savings, as in the case of adjustment to time deposits and contracts in general. Additionally, the Superior Court of Justice has recently decided that the term for filing public civil actions over understated inflation is five years. In view of such decision, some of the lawsuits may be dismissed because they were filed after the five-year period.
  - Labor claims: seeking the recovery of alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowance, pension plan supplement and other;
  - Tax and social security lawsuits: represented mainly by lawsuits and administrative proceedings involving federal and municipal taxes;
  - Other Risks represented basically by the joint obligation for securitized rural loans.

The table below shows the changes in the respective provisions for contingent liabilities and the respective escrow deposits balances:

Change in provision for contingent liabilities	01/01 to 09/30/2010				01/01 to 09/30/2009	
	Civil	Labor	Tax and social security	Other	Total	Total
Opening balance	2,423,031	3,216,569	1,560,339	257,671	7,457,610	7,784,292
(-) Contingencies guaranteed by indemnity clauses (Note 4p I)	(98,628)	(573,261)	(35,331)	-	(707,220)	(692,451)
Restatement/Charges	128,199	53,934	29,180	-	211,313	353,685
<b>Subtotal</b>	<b>2,452,602</b>	<b>2,697,242</b>	<b>1,554,188</b>	<b>257,671</b>	<b>6,961,703</b>	<b>7,445,526</b>
Changes in the period reflected in results (Note 24)	926,879	370,265	144,965	2,638	1,444,747	1,511,823
Increase (*)	1,200,590	426,025	301,502	2,638	1,932,755	1,835,538
Reversal	(273,711)	(57,760)	(156,537)	-	(488,008)	(323,715)
Payment	(712,350)	(289,203)	(104,514)	-	(1,106,067)	(1,131,259)
<b>Subtotal</b>	<b>2,667,131</b>	<b>2,778,304</b>	<b>1,594,639</b>	<b>260,309</b>	<b>7,300,383</b>	<b>7,826,090</b>
(+) Contingencies guaranteed by indemnity clauses (Note 4p I)	119,291	552,815	51,009	-	723,115	763,858
<b>Closing balance (Note 18)</b>	<b>2,786,422</b>	<b>3,331,119</b>	<b>1,645,648</b>	<b>260,309</b>	<b>8,023,498</b>	<b>8,589,948</b>
<b>Closing balance at 09/30/2009 (Note 18)</b>	<b>2,497,989</b>	<b>3,147,236</b>	<b>2,688,356</b>	<b>256,367</b>	<b>8,589,948</b>	
<b>Escrow deposits at 09/30/2010 (Note 11)</b>	<b>1,439,973</b>	<b>1,551,377</b>	<b>899,262</b>	<b>-</b>	<b>3,890,612</b>	
<b>Escrow deposits at 09/30/2009 (Note 11)</b>	<b>1,022,602</b>	<b>1,413,262</b>	<b>947,811</b>	<b>-</b>	<b>3,383,675</b>	

(\*) Civil provisions include the provision for economic plans amounting to R\$ 507,802 (R\$ 250,874 from January 1 to September 30, 2009).

- Contingencies classified as possible: not recognized in the accounting books and comprise Civil lawsuits amounting to R\$ 405,339 and Tax and Social Security Lawsuits amounting to R\$ 4,613,887. The principal characteristics of these lawsuits are described below:
  - IRPJ/CSLL - losses on receipt of credits and discounts granted upon credit renegotiation – R\$ 448,133: we defend the deduction as an operating expense and necessary for the financial activity.
  - ISS – Banking Institutions – R\$ 481,964: we understand that the banking operation cannot be interpreted as a service and/or is not listed under Supplementary Law No. 116/03 or Decree-law No. 406/68.
  - IRPJ, CSLL, PIS and COFINS – Usufruct of quotas and shares - R\$ 349,243: we discuss the adequate accounting and tax treatment for the amount received due to the onerous recognition of usufruct.
  - IRPJ, CSLL, PIS and COFINS – request for offset dismissed - R\$ 496,679: cases in which the liquidity and the offset credit certainty are discussed.
  - IRPJ/CSLL – Taxation of profits abroad – R\$ 299,020: we discuss the criteria for determination of calculation basis and taxable event.
  - IRPJ/PDD (Income tax/Allowance for loan losses) – R\$ 236,661: we defend the deductibility of goodwill incurred upon acquisition of merged companies.
  - IRPJ/CSLL – Interest on capital – R\$ 218,183: we defend the deductibility of interest on capital declared to stockholders based on the Brazilian long-term interest rate (TJLP) levied on the stockholders' equity for the year and for prior years.
  - INSS – Non-compensatory amounts – R\$ 230,498: we defend the non-taxation of these amounts, mainly transportation vouchers and sole bonus.
  - IRPJ/CSLL - Expenses on acquisition of customer portfolio – R\$ 178,116: we defend its deduction as a required operating expense.
  - IRPJ – Allowance for loan losses – R\$ 279,676: we request the application of the 1.5% rate for measuring the expense in view of the non-retroactivity of the Federal Revenue Service Regulatory Instruction No. 80/93.
  - ISS – Lease operation R\$ 147,910: we discuss the place of service provision and the calculation basis amount.



In ITAÚSA CONSOLIDATED, the following, which are in guarantee of voluntary appeals related to contingent liabilities, are restricted, deposited or recorded:

	<b>09/30/2010</b>	<b>09/30/2009</b>
Securities	1,453,198	870,416
Deposits in guarantee (Note 11)	3,287,176	3,516,000
Permanent assets (*)	725,093	785,093

(\*) As per article 32 of Law No. 10,522, of July 19, 2002. On April 4, 2007, in the Unconstitutionality Lawsuit No. 1,976, the Federal Supreme Court ruled unconstitutional the requirement of guarantees for considering voluntary appeals. The company is requesting the cancellation of the pledging of guarantees to the Federal Revenue Service.

The Receivables balance arising from reimbursements of contingencies totals R\$ 1,042,745 (R\$ 1,024,929 at 09/30/2009) (Note 11), basically represented by the guarantee in the Banco Banerj S.A. privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition from losses on Civil, Labor and Tax Contingencies.

**c) Legal Liabilities – Tax and Social Security and Escrow Deposits for Filing Legal Processes** – recognized at the full amount being questioned and respective escrow deposits, as follows:

<b>Change in legal liabilities</b>	<b>01/01 to 09/30/2010</b>	<b>01/01 to 09/30/2009</b>
<b>Opening balance</b>	<b>7,001,868</b>	<b>9,298,851</b>
Charges on taxes	279,247	678,538
Changes in the period reflected in results	<u>82,829</u>	<u>2,099,207</u>
Increase	435,989	2,233,806
Reversal (*)	(353,160)	(134,599)
Payment (*)	(1,928,714)	(185,666)
<b>Closing balance (Note 20c)</b>	<b>5,435,230</b>	<b>11,890,930</b>

(\*) From 01/01 to 09/30/2010 refers basically to the effects arising from the adherence to the Cash or Installment Payment of Federal Taxes (Note 19d).

<b>Change in escrow deposits</b>	<b>01/01 to 09/30/2010</b>	<b>01/01 to 09/30/2009</b>
<b>Opening balance</b>	<b>3,743,023</b>	<b>4,478,052</b>
Appropriation of income	180,646	404,464
Changes in the period	<u>99,145</u>	<u>187,764</u>
Deposits	109,343	390,841
Withdrawals	(2,735)	(17,205)
Conversion into income	(7,463)	(185,872)
<b>Closing balance (Note 11)</b>	<b>4,022,814</b>	<b>5,070,280</b>

The main natures of processes are described as follows:

- PIS and COFINS – R\$ 2,669,311 – Revenue x Gross Revenue: we request either the levy of taxes only on the revenue understood as income from sale of assets and services or the levy of PIS Repique (calculated on income tax payable) (at 5% of income tax due), in lieu of the levy on total revenues recorded, by alleging the unconstitutionality of paragraph 1 of article 3 of Law No. 9,718/98. The balance of the corresponding deposit in guarantee totals R\$ 1,231,303.
- CSLL – R\$ 652,362 – Principle of equality: we request the levy of tax of 9%, in lieu of 15%, for financial and insurance companies, by alleging the unconstitutionality of article 41 of Law No. 11.727/08. The corresponding escrow deposit totals R\$ 157,360.
- IRPJ and CSLL – R\$ 461,236 - Taxation of profits earned abroad: we defend the exemption of the positive equity in earnings from foreign investments. The escrow deposit balance totals R\$ 448,664.
- PIS – R\$ 351,452 - Principles of anteriority, anteriority over 90 days and non-retroactivity: we request the rejection of Constitutional Amendments No. 10/96 and 17/97 in view of the principle of anteriority and non-retroactivity, aiming at making payments based on Supplementary Law No. 07/70. The corresponding escrow deposit totals R\$ 60,607.
- INSS – R\$ 254,277 – Service providers that are individuals and management members: we request the non-levy of taxes on payment to service providers that are individuals and management members, set forth by Supplementary Law No. 84/96, by alleging its unconstitutionality. The escrow deposit balance totals R\$ 230,038.

**d) Program for Cash or Installment Payment of Federal Taxes - Law No. 11,941/09**

ITAÚSA and its subsidiaries adhered to the Program for Cash or Installment Payment of Federal Taxes, established by Law No. 11,941, of May 27, 2009. The program included the debits administered by the Federal Reserve Service of Brazil and the General Attorney's Office of the National Treasury past due before November 30, 2008. For the period, the main propositions included in this program were the increase to the PIS and COFINS calculation basis, as per paragraph 1 of article 3 of Law No. 9,718 of November 27, 1998, by the subsidiary companies of the financial services area classified as Legal Liability. The net effect in Income was R\$ 144,712, recorded in Other Operating Income (Note 28c). The respective effect in ITAÚSA was R\$ 51,294.

## NOTE 20 - TAXES

## a) Composition of expenses for taxes and contributions

I - We show below the Income Tax and Social Contribution due on the operations for the period and on temporary differences arising from additions and exclusions:

Due on operations for the period	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>Income before income tax and social contribution</b>	<b>14,459,924</b>	<b>13,997,686</b>
Charges (income tax and social contribution) at the rates in effect (Note 4q)	(5,772,778)	(5,588,242)
<b>Increase/decrease to income tax and social contribution charges arising from:</b>		
<b>Permanent additions (exclusions)</b>	<b>1,454,942</b>	<b>(346,212)</b>
Investments in affiliates	87,596	74,053
Foreign exchange variation on investments abroad	(345,931)	(1,909,004)
Interest on capital	1,177,457	1,176,987
Dividends, interest on external debt bonds and tax incentives	244,573	372,917
(Gain) loss from equity interest	12,863	(2,978)
Other	278,384	(58,187)
<b>Temporary (additions) exclusions</b>	<b>1,112,851</b>	<b>484,688</b>
Allowance for loan losses	(1,356,096)	(2,111,989)
Excess (insufficiency) of depreciation of leased assets	671,107	2,294,691
Adjustment to market value of trading securities and derivative financial instruments and adjustments from operations in futures markets	40,296	165,539
Interest on capital	(585)	(71,012)
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	696,956	(580,744)
Realization of goodwill on purchase of investments	1,251,833	1,029,825
Integration expenditures with ITAÚ UNIBANCO merger	213,494	141,536
Other non-deductible provisions	(404,154)	(383,158)
<b>(Increase) offset of tax losses/social contribution loss carryforwards</b>	<b>(875,636)</b>	<b>(830,289)</b>
<b>Expenses for income tax and social contribution</b>	<b>(4,080,621)</b>	<b>(6,280,055)</b>
<b>Related to temporary differences</b>		
Increase (reversal) for the period	(235,145)	369,314
Prior periods increase (reversal)	375,654	272,666
<b>Income (expenses) from deferred taxes</b>	<b>140,509</b>	<b>641,980</b>
<b>Total income tax and social contribution</b>	<b>(3,940,112)</b>	<b>(5,638,075)</b>

## II - Composition of tax expenses:

	01/01 to 09/30/2010			01/01 to 09/30/2009		
	On sales of products and services (*)	On other revenues (Note 24)	Total	On sales of products and services (*)	On other revenues (Note 24)	Total
PIS and COFINS	(362,794)	(2,363,458)	(2,726,252)	(254,269)	(2,526,366)	(2,780,635)
ISS	(12,616)	(428,529)	(441,145)	(13,516)	(363,813)	(377,329)
IPI	(76,587)	-	(76,587)	(119,013)	-	(119,013)
ICMS	(410,800)	-	(410,800)	(284,491)	-	(284,491)
Other	(34,964)	(237,340)	(272,304)	(35,770)	(258,620)	(294,390)
<b>Total (Note 4p)</b>	<b>(897,761)</b>	<b>(3,029,327)</b>	<b>(3,927,088)</b>	<b>(707,059)</b>	<b>(3,148,799)</b>	<b>(3,855,858)</b>

(\*) These taxes have been deducted from the heading Sales of Products and Services.

At ITAÚSA, tax expenses included in Other Operating Expenses comprise PIS in the amount of R\$ 17,367 (R\$ 18,952 from 01/01 to 09/30/2009) and COFINS in the amount of R\$ 80,023 (R\$ 88,467 from 01/01 to 09/30/2009).

## III- Tax effects on foreign exchange management of investments abroad

In order to minimize the effects on income in connection with the foreign exchange variation on investments abroad, net of respective tax effects, ITAÚSA and ITAÚ UNIBANCO carry out derivative transactions in foreign currency (hedge) (Note 28b).

Results of these transactions are considered in the calculation basis of income tax and social contribution, according to their nature, while the foreign exchange variation on investments abroad is not included therein, pursuant to tax legislation in force.

**b) Deferred taxes**

I - The deferred tax asset balance and its changes, segregated based on its origin and disbursements incurred, are represented as follows:

	DEFERRED TAX ASSETS			
	12/31/2009	Realization / Reversal	Increase	09/30/2010
	<u>26,197,021</u>	<u>(5,908,379)</u>	<u>6,480,574</u>	<u>26,769,216</u>
<b>Reflected in income and expense accounts</b>				<u>27,693,498</u>
Tax losses and social contribution loss carryforwards	3,124,724	(332,163)	1,577,881	4,370,442
Allowance for loan losses	9,908,764	(2,524,160)	3,227,953	10,612,557
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	132,808	(132,808)	101,318	207,001
Allowance for real estate	81,012	(4,169)	38,015	114,858
Legal liabilities – tax and social security	2,026,933	(697,463)	18,582	1,348,052
Provision for contingent liabilities	<u>2,359,636</u>	<u>(388,275)</u>	<u>520,608</u>	<u>2,491,969</u>
Civil	899,984	(291,880)	420,348	1,028,452
Labor	858,556	(28,597)	39,678	869,637
Tax and social security	495,639	(18,090)	60,582	538,131
Other	105,457	(49,708)	-	55,749
Goodwill on purchase of investments	6,480,855	(1,143,772)	69,129	5,406,212
Provision for integration expenditures with ITAÚ UNIBANCO merger	286,806	(161,841)	-	124,965
Provision related to health insurance operations	238,396	-	3,141	241,537
Other non-deductible provisions	1,557,087	(523,728)	923,947	1,957,306
<b>Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities</b>	<b>72,680</b>	<b>(22,524)</b>	<b>112,549</b>	<b>162,705</b>
<b>Total (Note 11)</b>	<b>26,269,701</b>	<b>(5,930,903)</b>	<b>6,593,123</b>	<b>26,931,921</b>
<b>Social contribution for offset arising from Option foreseen in article 8 of Provisional Measure No. 2,158-35 of 08/24/2001 (Note 11)</b>	<b>933,723</b>	<b>(82,090)</b>	<b>-</b>	<b>851,633</b>
				<b>955,427</b>

At ITAÚSA, Deferred Tax Assets amount to R\$ 173,596 (R\$ 143,480 at 09/30/2009) and are basically represented by tax losses/social contribution loss carryforwards, the expectation of realization of which is up to seven years.

II - Provision for Deferred Income Tax and Social Contribution balance and its changes are shown as follows:

	12/31/2009	Realization / Reversal	Increase	09/30/2010	09/30/2009
<b>Reflected in income and expense accounts</b>	<b>8,650,218</b>	<b>(137,938)</b>	<b>994,621</b>	<b>9,506,901</b>	<b>8,192,106</b>
Depreciation in excess – leasing	7,567,878	-	759,169	8,327,047	7,172,323
Restatement of escrow deposits and contingent liabilities	665,918	-	100,816	766,734	661,019
Adjustments of operations carried out in futures settlement market	42,463	(21,188)	-	21,275	89,788
Adjustment to market value of securities and derivative financial instruments	144,540	-	39,348	183,888	73,861
Taxation on results abroad - Capital Gains	35,911	-	7,371	43,282	28,887
Other	193,508	(116,750)	87,917	164,675	166,228
<b>Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities (Note 2b)</b>	<b>141,521</b>	<b>-</b>	<b>189,553</b>	<b>331,074</b>	<b>254,501</b>
<b>Total</b>	<b>8,791,739</b>	<b>(137,938)</b>	<b>1,184,174</b>	<b>9,837,975</b>	<b>8,446,607</b>

III - The estimate of realization and present value of Deferred Tax Assets and Social Contribution for Offset, arising from Provisional Measure No. 2,158-35 of 08/24/2001 and from the Provision for Deferred Income Tax and Social Contribution existing at September 30, 2010, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are:

Realization year	Deferred tax assets			Social contribution for offset	Provision for deferred income tax and social contribution	Net deferred taxes
	Temporary differences	Tax losses/social contribution loss carryforwards	Total			
2010	4,326,820	-	4,326,820	21,963	(753,812)	3,594,971
2011	5,034,528	667,091	5,701,619	153,464	(1,585,390)	4,269,693
2012	4,630,610	1,042,233	5,672,843	239,564	(2,252,791)	3,659,616
2013	3,444,491	560,561	4,005,052	119,910	(2,597,415)	1,527,547
2014	2,134,244	398,810	2,533,054	119,686	(1,793,140)	859,600
Over 2014	2,990,786	1,701,747	4,692,533	197,046	(855,427)	4,034,152
<b>Total</b>	<b>22,561,479</b>	<b>4,370,442</b>	<b>26,931,921</b>	<b>851,633</b>	<b>(9,837,975)</b>	<b>17,945,579</b>
Present value (*)	20,252,799	3,541,940	23,794,739	734,982	(8,590,260)	15,939,461

(\*) The average funding rate was used to determine the present value, net of tax effects.

The projections of future taxable income include estimates related to macroeconomic variables, foreign exchange rates, interest rates, volume of financial operations and sale of products and services, among others, which can vary in relation to actual data and amounts.

Net income in the financial statements is not directly related to taxable income for income tax and social contribution, due to differences existing between accounting criteria and tax legislation, besides corporate aspects. Accordingly, we recommend that the trend of the realization of deferred tax assets arising from temporary differences, income tax and social contribution loss carryforwards be not used as an indication of future net income.

IV - In view of the unconstitutionality lawsuit related to the increase in the social contribution rate, established by Articles 17 and 41 of Law No. 11,727 of June 24, 2008 (for financial subsidiaries and equivalent companies), filed on June 26, 2008 by the National Confederation of the Financial System (CONSIF), deferred tax assets were recorded not taking into consideration the surplus rate in Tax Liabilities, the surplus balance of R\$ 2,022,654 was not recorded (R\$ 2,372,365 at 09/30/2009).

Unrecorded deferred tax assets amount to R\$ 2,070,329 (R\$ 2,436,928 at 09/30/2009) at ITAÚSA CONSOLIDATED.

At September 30, 2010, there were no unrecorded deferred tax assets at ITAÚSA.

## c) Tax and social security contributions

	09/30/2010	09/30/2009
Taxes and contributions on income payable	1,562,320	2,509,218
Taxes and contributions payable	4,871,522	973,686
Provision for deferred income tax and social contribution (Note 20b II)	9,837,974	8,446,607
Legal liabilities – tax and social security (Note 19c)	5,435,230	11,890,930
<b>Total</b>	<b>21,707,046</b>	<b>23,820,441</b>

At ITAÚSA, the balance of Tax and Social Security Contributions totals R\$ 18,571 (R\$ 76,897 at 09/30/2009) and is basically comprised of Taxes and Contributions Payable of R\$ 7,000 (R\$ 38,787 at 09/30/2009), Provision for Deferred Income Tax and Social Contribution of R\$ 2,755 (R\$ 29,343 at 09/30/2009) and Legal Liabilities – Tax and Social Security of R\$ 8,816 (R\$ 8,767 at 09/30/2009).



**d) Taxes paid or provided for and withheld from third parties**

The amount of taxes paid or provided for is basically levied on income, revenue and payroll. In relation to the amounts withheld and collected from third parties, the Company started to take into consideration the interest on capital paid and on the service provision, in addition to that levied on financial operation.

	<b>09/30/2010</b>	<b>09/30/2009</b>
Taxes paid or provided for	10,085,369	12,096,859
Taxes withheld and collected from third parties	5,712,085	5,694,710
<b>Total</b>	<b>15,797,454</b>	<b>17,791,569</b>

## NOTE 21 - MINORITY INTEREST IN SUBSIDIARIES

	Stockholders' equity		Results	
	09/30/2010	09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009
Itaú Unibanco Holding S.A.	36,628,318	31,849,034	(6,030,767)	(4,739,155)
Unibanco Participações Societárias S.A.	1,186,183	1,109,300	(72,967)	(49,128)
Duratex S.A.	1,658,951	1,484,596	(206,587)	(50,638)
Itaú Bank, Ltd (*)	665,974	698,957	-	-
Redecard S.A.	538,693	527,301	(525,423)	(504,284)
Itaú XL Seguros Corporativos S.A. (Note 2)	-	122,218	(6,773)	(18,281)
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	216,246	104,092	(49,152)	(2,475)
Biu Participações S.A.	99,472	83,360	(15,600)	(19,888)
Três "B" Empreendimentos e Participações Ltda.	-	75,045	-	(7,503)
Itaú Gestão de Ativos S.A.	59,719	60,964	317	(1,148)
Itautec S.A.	29,773	29,027	(1,537)	(1,958)
Biogeração de Energia S.A.	27,369	28,796	464	(4,615)
Investimentos Bemge S.A.	17,200	16,739	(762)	(801)
Elekeiroz S.A.	15,813	14,601	(1,055)	269
Investment funds	745,443	605,757	(40,129)	(14,861)
Other	98,956	12,882	(3,259)	(818)
<b>Total</b>	<b>41,988,110</b>	<b>36,822,670</b>	<b>(6,953,230)</b>	<b>(5,415,284)</b>

(\*) Represented by redeemable preferred shares issued on December 31, 2002 by Itaú Bank Ltd., in the amount of US\$ 393,072 thousand, with maturity on March 31, 2015 and semiannual dividends calculated based on LIBOR plus 1.25% p.a..

**NOTE 22 – STOCKHOLDERS' EQUITY - ITAUSA****a) Capital**

The Annual and Extraordinary Stockholders' Meeting held on April 30, 2010 approved the following proposals of the Board of Directors:

- Cancellation of 1,382,038 book-entry preferred shares of own issue existing in Treasury, with no capital reduction;
- Capital increase arising from the merger of Seg-Part, Elekpert Participação e Administração S.A., Itaucorp S.A. and Rouxinol Administração e Participações Ltda., in the amount of R\$ 405, with the issue of 448,949 book-entry preferred shares, with no par value, assigned to minority stockholders of Seg-Part S.A. and Itaucorp S.A.
- Capital increase amounting to R\$ 266,000, through the issue of 28,000,000 new book-entry shares, with no par value, of which 10,758,861 are common and 17,241,139 are preferred, with payment either in cash or credits arising from dividends or interest on capital.

In view of the aforementioned items, Capital was increased to R\$ 13,266,405, represented by 4,374,281,589 book-entry shares, with no par value, of which 1,680,795,973 are common and 2,693,485,616 are preferred without voting rights, but with the following advantages:

- Priority in the receipt of annual minimum dividend of R\$ 10.00 per thousand shares, non-cumulative;
- Tag-along rights, in the event of the public offer of common shares, at a price equal to 80% of the amount paid per share with voting rights in the controlling stake, as well as a dividend at least equal to that of the common shares.

The table below shows the change in shares of capital stock and treasury shares during the period:

	NUMBER		
	Common	Preferred	Total
<b>Shares of capital stock at 12/31/2009</b>	<b>1,670,037,112</b>	<b>2,677,177,566</b>	<b>4,347,214,678</b>
Cancellation of shares – ESM of 04/30/2010	-	(1,382,038)	(1,382,038)
Capital increase through merger of companies (ESM of 04/30/2010)		448,949	448,949
Subscription of shares (approved by ESM of 06/30/2010)	10,758,861	17,241,139	28,000,000
<b>Shares of capital stock at 09/30/2010</b>	<b>1,680,795,973</b>	<b>2,693,485,616</b>	<b>4,374,281,589</b>
<b>Treasury shares at December 31, 2009 (*)</b>	<b>-</b>	<b>1,382,038</b>	<b>1,382,038</b>
(-) Cancellation of shares – ASM/ESM of 04/30/2010	-	(1,382,038)	(1,382,038)
<b>Treasury shares at September 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outstanding shares at 09/30/2010</b>	<b>1,680,795,973</b>	<b>2,693,485,616</b>	<b>4,374,281,589</b>
<b>Outstanding shares at 09/30/2009</b>	<b>1,670,037,112</b>	<b>2,677,177,566</b>	<b>4,347,214,678</b>

(\*) Own shares purchased based on authorizations from the Board of Directors, to be held in Treasury for subsequent cancellation.

**b) Dividends**

Stockholders are entitled to a mandatory dividend of not less than 25% of annual net income, which is adjusted according to the rules set forth in Brazilian Corporate Law. Both types of shares participate equally, after common shares have received dividends equal to the minimum priority dividend to be paid to preferred shares.

**I - Calculation**

Net income	2,582,580	
Adjustments		
(-) Legal reserve	(129,129)	
Dividend calculation basis	2,453,451	
Mandatory minimum dividend	613,363	
Proposed dividends / interest on capital	1,039,133	42.35%

**II – Provision of interest on capital and dividends**

	Gross	WTS	Net
<b>Paid / Prepaid</b>	<b>374,438</b>	<b>(46,979)</b>	<b>327,459</b>
<b>Dividends</b>	<b>61,240</b>	<b>-</b>	<b>61,240</b>
1 quarterly installment of R\$ 0.0140 per share paid on 07/01/2010	61,240	-	61,240
<b>Interest on capital</b>	<b>313,198</b>	<b>(46,979)</b>	<b>266,219</b>
1 installment of R\$ 0.0716 per share paid on 08/20/2010	313,198	(46,979)	266,219
<b>Provided for</b>	<b>815,649</b>	<b>(103,975)</b>	<b>711,674</b>
<b>Dividends</b>	<b>122,480</b>	<b>-</b>	<b>122,480</b>
1 quarterly installment of R\$ 0.0140 per share paid on 10/01/2010	61,240	-	61,240
1 quarterly installment of R\$ 0.0140 per share payable in January 2011	61,240	-	61,240
<b>Interest on capital</b>	<b>693,169</b>	<b>(103,975)</b>	<b>589,194</b>
Supplementary to be declared	693,169	(103,975)	589,194
<b>Total at 09/30/2010 - R\$ 0.2375 net per share</b>	<b>1,190,087</b>	<b>(150,954)</b>	<b>1,039,133</b>
<b>Total at 09/30/2009 - R\$ 0.1986 net per share</b>	<b>983,605</b>	<b>(120,153)</b>	<b>863,452</b>

**c) Revenue reserves**

	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>Revenue reserves</b>	<b>12,713,315</b>	<b>10,858,194</b>
Legal	1,685,148	1,515,723
Unrealized profits	-	220,125
Statutory	<u>11,028,167</u>	<u>9,122,346</u>
Dividends equalization (1)	4,182,946	3,313,655
Working capital increase (2)	3,429,082	2,940,364
Increase in capital of investees (3)	<u>3,416,139</u>	<u>2,868,327</u>

(1) Reserve for Dividends Equalization – its purpose is to guarantee funds for the payment or advances of dividends, including interest on capital, to maintain the flow of the stockholders' compensation;

(2) Reserve for Working Capital Increase – its purpose is to guarantee funds for the company's operations;

(3) Reserve for Increase in Capital of Investees – its purpose is to guarantee the preferred subscription right in the capital increases of investees.

**d) Reconciliation of net income and stockholders' equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 3)**

	<b>Net income</b>		<b>Stockholders' equity</b>	
	<b>01/01 to 09/30/2010</b>	<b>01/01 to 09/30/2009</b>	<b>09/30/2010</b>	<b>09/30/2009</b>
<b>ITAÚSA</b>	<b>2,582,580</b>	<b>2,096,128</b>	<b>26,214,730</b>	<b>24,172,886</b>
Amortization of goodwill	792,442	669,231	(3,927,920)	(5,079,294)
<b>ITAÚSA CONSOLIDATED</b>	<b>3,375,022</b>	<b>2,765,359</b>	<b>22,286,810</b>	<b>19,093,592</b>

## NOTE 23 - OTHER OPERATING REVENUES

	01/01 to 09/30/2010	01/01 to 09/30/2009
Reversal of operating provisions	400,464	118,286
Contingent assets and liabilities and legal liabilities – tax and social security (Notes 19b, c and d)	350,778	70,718
Other	49,686	47,568
Recovery of charges and expenses	55,608	223,964
Income from sale of investments and other assets	178,637	509,070
Other	234,543	315,150
<b>Total</b>	<b>869,252</b>	<b>1,166,470</b>

**NOTE 24 – OTHER OPERATING EXPENSES**

	<b>01/01 to 09/30/2010</b>	<b>01/01 to 09/30/2009</b>
Tax expenses (Note 20a II)	(3,029,327)	(3,148,799)
Provisions for contingencies (Note 19b)	<u>(1,090,313)</u>	<u>(1,030,874)</u>
Civil	(926,879)	(944,454)
Tax and social security	(160,796)	(81,288)
Other	(2,638)	(5,132)
Joint venture (*)	-	(550,000)
Provision for health insurance	(7,850)	(10,173)
Operating expenses from industrial companies	(473,399)	(327,179)
Selling - Credit cards	(1,120,112)	(1,083,779)
Claims	(405,146)	(413,516)
Refund of interbank costs	(139,920)	(229,957)
Other	(626,514)	(832,841)
<b>Total</b>	<b>(6,892,581)</b>	<b>(7,627,118)</b>

(\*) Amount paid on August 28, 2009 to Companhia Brasileira de Distribuição S.A., in order to exclude the obligation of exclusivity of ITAÚ UNIBANCO in the joint venture agreement related to Financeira Itaú CBD S.A. Crédito, Financiamento e Investimentos.

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 98,078 (R\$ 107,436 from 01/01 to 09/30/2009) and adjustments referring to the change in the price related to the agreement for sale of equity interest abroad - R\$ 133,496.

**NOTE 25 – RELATED PARTIES**

- a) These transactions between related parties are carried out at amounts, terms and average rates in accordance with normal market practices during the period, as well as under reciprocal conditions.

Transactions between companies included in consolidation were eliminated from the consolidated financial statements and take into consideration the lack of risk.

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanco, FUNBEP – Fundo de Pensão Multipatrocinado, Caixa de Previdência dos Funcionários do BEG (PREBEG), Fundação Bemgeprev, Itaúbank Sociedade de Previdência Privada, UBB-Prev - Previdência Complementar, Banorte - Fundação Manoel Baptista da Silva de Seguridade Social and Fundação Itaúsa Industrial, closed-end private pension entities, that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries (Note 27a);
- Fundação Itaú Social, Instituto Itaú Cultural - IIC, Instituto Unibanco, Instituto Assistencial Pedro Di Perna, Instituto Unibanco de Cinema, and Associação Clube “A”, entities sponsored by ITAÚ UNIBANCO and subsidiaries to act in their respective areas of interest.

The transactions with these related parties are not significant in the overall context of ITAÚSA CONSOLIDATED operations, and besides those already mentioned above, are basically characterized by:

	ITAÚSA				ITAÚSA CONSOLIDATED			
	ASSETS/ (LIABILITIES)		REVENUE/ (EXPENSES)		ASSETS/(EXPENSES)		REVENUE/(EXPENSES)	
	09/30/2010	09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009	09/30/2010	09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>Amounts receivable from (payable to) related companies</b>	<b>(60,939)</b>	<b>(78,580)</b>	<b>(133,495)</b>	<b>(108,987)</b>	<b>(113,858)</b>	<b>(96,535)</b>	-	-
Itaú Unibanco S.A.	(60,939)	(78,580)	(133,495)	(108,987)	-	-	-	-
Fundação BEMGEPREV	-	-	-	-	(13,472)	8	-	-
UBB Prev Previdência Complementar	-	-	-	-	(15,973)	(13,909)	-	-
Fundação Banorte Manuel Baptista da Silva de Seguridade Social	-	-	-	-	(84,984)	(82,819)	-	-
Other	-	-	-	-	571	185	-	-
<b>Demand deposits</b>	-	-	-	-	-	<b>169</b>	-	-
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	41	-	-
Fundação Itaúbanco	-	-	-	-	-	128	-	-
<b>Banking service fees</b>	-	-	-	-	-	-	<b>9,390</b>	<b>8,059</b>
Fundação Itaúbanco	-	-	-	-	-	-	2,015	2,930
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	2,076	1,789
UBB Prev Previdência Complementar	-	-	-	-	-	-	2,967	2,247
Other	-	-	-	-	-	-	2,332	1,093
<b>Rent expenses</b>	-	-	-	-	-	-	<b>(23,604)</b>	<b>(23,758)</b>
Fundação Itaúbanco	-	-	-	-	-	-	(15,898)	(18,336)
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	(4,266)	(4,901)
Other	-	-	-	-	-	-	(3,440)	(521)
<b>Donation expenses</b>	-	-	-	-	-	-	<b>(37,511)</b>	<b>(40,795)</b>
Instituto Itaú Cultural	-	-	-	-	-	-	(36,917)	(30,360)
Fundação Itaú Social	-	-	-	-	-	-	(194)	(378)
Instituto Unibanco de Cinema	-	-	-	-	-	-	-	(9,632)
Associação Clube "A"	-	-	-	-	-	-	(400)	(425)

In addition to the aforementioned operations, ITAÚSA and non-consolidated related parties, as an integral part of the Agreement for Apportionment of Common Costs, recorded in Other Administrative Expenses the amount of R\$ 5,912 (R\$ 2,803 from 01/01 to 09/30/2009) in view of the use of the common structure.

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

	09/30/2010	09/30/2009
Duratex S.A.	388,706	324,508
Elekeiroz S.A.	16,205	29,030
Itautec S.A.	143,801	148,680
<b>Total</b>	<b>548,712</b>	<b>502,218</b>



**b) Compensation of the Management Key Personnel**

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

	<b>09/30/2010</b>	<b>09/30/2009</b>
Compensation	5,980	7,524
Profit sharing	5,389	6,090
Contributions to pension plans	844	1,146
<b>Total</b>	<b>12,213</b>	<b>14,760</b>

Information related to benefits to employees and post-employment are detailed in Notes 27a and 27b, respectively.

**c) Stockholding interest**

The members of the Board of Directors and Executive Board held in the aggregate the following stockholding interest in ITAÚSA:

	<b>09/30/2010</b>	<b>09/30/2009</b>
Common shares	33.5%	33.5%
Preferred shares	9.9%	9.8%
<b>Total shares</b>	<b>19.0%</b>	<b>18.9%</b>

**NOTE 26 – FINANCIAL INSTRUMENTS – MARKET VALUE**

The financial statements are prepared in accordance with accounting principles which assume the normal continuity of the operations of ITAUSA and its subsidiaries.

The book value of each financial instrument, whether included or not in the balance sheet, when compared to the value that might be obtained in an active market, or in the absence of such market, using the net present value of future cash flows adjusted based on the current market interest, is approximately equal to the market value, or does not have a market quotation available, except for the instruments in the table below:

	Book value		Market		Results			Unrealized income/(loss) (*)		Stockholders' equity	
	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009	09/30/2009	09/30/2010	09/30/2009	09/30/2010	09/30/2009
	Interbank investments (Note 6)	112,744,334	138,187,757	112,758,621	138,254,483	14,287	66,726	14,287	14,287	66,726	14,287
Securities - Derivative financial instruments (Note 7)	142,520,810	123,286,255	143,115,840	123,689,621	1,313,234	1,133,431	1,313,234	595,030	1,133,431	595,030	403,366
Adjustment of available-for-sale securities	-	-	-	-	704,755	713,461	704,755	-	713,461	-	-
Adjustment of held-to-maturity securities	-	-	-	-	608,479	419,970	608,479	595,030	419,970	595,030	403,366
Loan, lease and other credit operations (Notes 8 and 11)	255,750,966	213,031,047	256,539,210	213,428,805	788,244	397,758	788,244	788,244	397,758	788,244	397,758
Investments											
BM&F BOVESPA S.A.	58,107	74,572	637,045	783,872	578,938	709,300	578,938	578,938	709,300	578,938	709,300
BPI	725,951	926,593	613,373	1,065,638	(112,578)	139,045	(112,578)	(112,578)	139,045	(112,578)	139,045
Cetip S.A.	34,682	-	368,269	-	333,587	-	333,587	333,587	-	333,587	-
Redecard S.A.	539,030	526,719	8,832,740	9,169,226	8,293,710	8,642,507	8,293,710	8,293,710	8,642,507	8,293,710	8,642,507
Serasa S.A.	244,817	257,885	639,621	650,798	394,804	392,913	394,804	394,804	392,913	394,804	392,913
Funds raised by subsidiaries (Note 16)	417,911,377	366,537,261	418,145,996	366,626,851	(234,619)	(89,590)	(234,619)	(234,619)	(89,590)	(234,619)	(89,590)
Subordinated debt and redeemable preferred shares (Note 16)	33,683,470	23,471,568	33,812,225	23,584,436	(128,755)	(112,868)	(128,755)	(128,755)	(112,868)	(128,755)	(112,868)
Treasury shares	726,954	1,115,689	1,242,105	1,689,340	515,151	573,651	515,151	515,151	573,651	515,151	573,651
<b>Total unrealized</b>			<b>11,756,003</b>	<b>11,852,873</b>	<b>11,756,003</b>	<b>11,852,873</b>	<b>11,756,003</b>	<b>11,037,799</b>	<b>11,852,873</b>	<b>11,037,799</b>	<b>11,122,808</b>

(\*) It does not consider the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 7,452,833 (R\$ 8,916,133 at 09/30/2009) in results and R\$ 7,322,277 (R\$ 8,785,957 at 09/30/2009) in stockholders' equity.

To obtain the market values for these financial instruments, the following criteria were adopted:

- Interbank investments were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities, achieved at the closing of BM&F at the balance sheet date, for floating-rate securities;
- Securities and derivative financial instruments, according to the established rules, are recorded at their market value, except for those classified as Held to Maturity. Government securities allocated in this category have their market value calculated based on the rates obtained in the market, and validated through the comparison with information provided by the National Association of Financial Market Institutions (ANDIMA). Private securities included in this category have their market value calculated using a criterion similar to the one adopted for Investments in Interbank Deposits, as described above;
- Loans with maturity over 90 days, when available, were calculated based on their net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of hedges as well (swap contracts);
- Investments - in BPI, Redecard S.A., BM&FBovespa S.A. and Visa Inc. are determined based on stock market quotations, and in Serasa S.A. are determined based on the last transaction prices;
- Time and interbank deposits and funds from acceptance and issuance of securities and foreign borrowings through securities, when available, were calculated based on their present value determined by future cash flows discounted at market rates obtained at the closing of BM&F on the balance sheet date;
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the interest rates practiced in the market on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation market places;
- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.

**NOTE 27 – BENEFITS TO EMPLOYEES**

Under the terms of CVM Resolution No. 371, dated December 13, 2000, we present the policies adopted by ITAÚSA and its subsidiaries regarding benefits to employees, as well as the accounting procedures adopted:

**a) Supplementary retirement benefits:**

ITAÚSA and its subsidiary companies sponsor the following supplementary retirement plans:

Entity	Benefit plan
Fundação Itaúbanco	Supplementary retirement plan – PAC (1)
	Franprev benefit plan - PBF (1)
	002 benefit plan - PB002 (1)
	Itaulam basic plan - PBI (1)
	Itaulam Supplementary Plan - PSI (2)
	Itaubanco CD Plan (3) (4)
Fundação BEMGEPREV	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV)
Fundação Itaúsa Industrial	Defined Contribution Benefit Plan - PAI-CD (3)
	Defined Benefit Plan - BD (1)
Funbep Fundo de Pensão Multipatrocinado	Funbep I Benefit Plan (1)
	Funbep II Benefit Plan (2)
Caixa de Previdência dos Funcionários do Banco Beg - Prebeg	Prebeg Benefit Plan (1)
Itaú Fundo Multipatrocinado	Itaú Defined Benefit Plan (1)
	Itaú Defined Contribution Plan (2)
Múltipla - Multiempresas de Previdência Complementar	Redecard Basic Retirement Plan (1)
	Redecard Supplementary Retirement Plan (2)
Itaubank Sociedade de Previdência Privada	Itaubank Retirement Plan (3)
	Unibanco Pension Plan (3)
UBB-PREV - Previdência Complementar	Basic Plan (1)
	IJMS Plan (1)
Banorte Fundação Manoel Baptista da Silva de Seguridade Social	Benefit Plan II (1)

(1) Defined benefit plan;

(2) Variable contribution plan;

(3) Defined contribution plan.

(4) The Itaúbanco Defined Contribution Plan was established as a result of the partial spin-off of the Supplementary retirement plan - PAC, and was offered to former participants of the latter, including self-sponsored participants and those who had opted for or had their option presumed for the deferred proportional benefit, who are not receiving retirement benefits of the PAC. Those participants who have not joined the Itaúbanco Defined Contribution Plan, as well as those contributing to the PAC, will remain in this latter, without any continuity, and will have their vested rights guaranteed. As set forth in the Itaúbanco Defined Contribution Plan regulation, the transaction and novation period ended on May 8, 2010. Accordingly, the effects arising from the partial spin-off of the PAC are presented in Note 27d.

The basic purpose of the defined benefit and variable contribution plans is to grant a benefit that, in general, provide a life annuity benefit, and may be converted into survivorship annuity, according to the plan's regulation. In case of defined contribution plan, the benefit is calculated based on the accumulated balance at the eligibility date, according to the plan's regulation, which does not require actuarial calculation.

All of these plans, except for the PAI-CD plan, are closed to new participants. As regards the new employees hired after the closing, they have the option to participate in a defined contribution plan managed by Itaú Vida e Previdência S.A. (PGBL), in the case of the Financial Services Area and Insurance Area companies, or by Fundação Itaúsa Industrial (PAI-CD), in the case of the Industrial Area companies.

During the period, the contributions made totaled R\$ 51,994 (R\$ 35,406 from January 1 to September 30, 2009). The contribution rate increases based on the beneficiary's salary.

**b) Post-employment benefits:**

ITAÚSA and its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance obligations according to the acquisition agreements signed by ITAÚ UNIBANCO, under the terms and conditions established, in which health plans are totally or partially sponsored for retired workers and beneficiaries. During the period, the contributions made totaled R\$ 3,935 (R\$ 4,323 from January 1 to September 30, 2009). The contribution rate increases based on the beneficiary's age.

**c) Net amount of assets and actuarial liabilities of the benefit plans:**

The net assets and actuarial liabilities, which consider the actuarial obligations, calculated in conformity with the criteria established by CVM Resolution No. 371, of December 13, 2000, are summarized below:

	09/30/2010 (1)	9/30/2009
Net assets of the plans	10,666,001	14,029,171
Actuarial liabilities	(9,187,546)	(12,120,551)
<b>Surplus (2)</b>	<b>1,478,455</b>	<b>1,908,620</b>

(1) Includes the effects of the partial spin-off of PAC (Note 27 a);

(2) According to paragraph 49g of the attachment to CVM Resolution No. 371 of December 13, 2000, the net asset was not recognized.

In addition to the reserves recorded by the plans, the sponsors record provisions in the amount of R\$ 135,987 (R\$ 121,674 at September 30, 2009) to cover possible insufficient actuarial liabilities.

**d) Change in net assets, actuarial liabilities, and surplus:**

	01/01 to 09/30/2010			01/01 to 09/30/2009		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value – beginning of the period	14,745,458	(12,186,634)	2,558,824	12,955,945	(11,331,330)	1,624,615
Adjustments in the period (1)	-	-	-	-	(127,661)	(127,661)
Inclusion of Itaú Defined Benefit Plan (Credicard Itaú/Orbitall)	127,378	(120,652)	6,726	-	-	-
Effects of the partial spin-off of PAC (3)	(5,143,981)	3,576,321	(1,567,660)	-	-	-
Exoected return on assets / Cost of current service + Interest	1,060,807	(866,100)	194,707	1,172,224	(1,071,370)	100,854
Benefits paid	(409,519)	409,519	-	(409,810)	409,810	-
Contributions of sponsors/participants	50,650	-	50,650	79,690	-	79,690
Gains /(losses) in the period (2)	235,208	-	235,208	231,122	-	231,122
Present value – end of the period	10,666,001	(9,187,546)	1,478,455	14,029,171	(12,120,551)	1,908,620

(1) Effect corresponding to the reclassification of the option of former employees.

(2) Losses in assets correspond to the actual earnings obtained below the expected return rate of assets.

(3) Arising from the partial spin-off of PAC, with the resulting set-up of Itaúbanco Defined Contribution Plan, according to Note 19a. Under Itaúbanco Defined Contribution Plan, a Pension Fund was set up in the amount of R\$ 1.508.673 to ensure the maintenance of future contributions to participants of that plan.

**e) Main assumptions used in actuarial valuation:**

	Financial Services Area		Industrial Area (2)
	Itaú Unibanco Holding (1)	Redecard Plan	
Discount rate	10.24% p.a.	11.45 % p.a.	10.66% p.a.
Expected return rate on assets	12.32% p.a.	12.92 % p.a.	11.62% p.a.
Mortality table (3)	AT-2000	AT-2000	AT-2000
Turnover	Itaú Exp. 2003/2004	Exp.Towers Watson	Zero
Future salary growth	7.12% p.a.	6.50 % p.a.	7,.2% p.a.
Growth of the pension fund and social security benefits	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Inflation	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Actuarial method (4)	Projected Unit Credit	Projected Unit Credit	Credit

(1) Corresponds to the assumptions adopted by the plans managed by Fundação Itaúbanco, Bemgeprev, Funbep, Prebeg, UBB Prev and Fundação Banorte;

(2) Corresponds to the assumptions adopted by the Defined Benefit plan managed by Fundação Itaúsa Industrial;

(3) The mortality tables adopted correspond to those disclosed by SOA – “Society of Actuaries”, the North-American Entity which corresponds to IBA – Brazilian Institute of Actuarial Science, which reflects a 10% increase in the probabilities of survival as compared to the respective basic tables;

(4) Using the Projected Unit Credit, the mathematical reserve is determined by the current projected benefit amount multiplied by the ratio between the length of service in the company at the assessment date and the length of service that will be reached at the date when the benefit is granted. The cost is determined taking into account the current projected benefit amount distributed over the years that each participant is employed.

## NOTE 28 – ADDITIONAL INFORMATION

## a) Insured assets

ITAÚSA and its subsidiaries, despite the low risk exposure due to a physical non-concentration of their assets, have the policy to guarantee their securities and assets at amounts considered sufficient to cover possible claims.

## b) Foreign currencies

The balance in Reais linked to foreign currencies were:

	09/30/2010	09/30/2009
Permanent foreign investments	21,504,450	17,694,857
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(36,899,245)	(31,567,258)
<b>Net foreign exchange position</b>	<b>(15,394,795)</b>	<b>(13,872,401)</b>

The net foreign exchange position, considering the tax effects on the net balance of other assets and liabilities indexed to foreign currency, reflects the low exposure to exchange variations.

## c) Nonrecurring results

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 nonrecurring effects, net of respective tax effects:

	ITAUSA		ITAUSA CONSOLIDATED	
	01/01 to 09/30/2010	01/01 to 09/30/2009	01/01 to 09/30/2010	01/01 to 09/30/2009
<b>Net income</b>	<b>2,582,580</b>	<b>2,096,128</b>	<b>3,375,022</b>	<b>2,765,359</b>
<b>Exclusion of nonrecurring effects</b>	<b>88,753</b>	<b>120,000</b>	<b>88,753</b>	<b>120,000</b>
<b>Own</b>	<b>19,879</b>	<b>5,344</b>	<b>19,879</b>	<b>5,344</b>
Change of Treasury Shares - ITAÚ UNIBANCO HOLDING	(40,111)	5,277	(40,111)	5,277
Change of Treasury Shares - Duratex S.A.	1,084	67	1,084	67
Provision / Inventory Adjustments - Itaotec	19,305	-	19,305	-
Hedge BAC x Itaú Unibanco Holding Operation	29,581	-	29,581	-
Financial Expense BAC x Itaú Unibanco Holding Operation	10,020	-	10,020	-
<b>Arising from purchase of stockholding interest in Itaú Unibanco Holding</b>	<b>68,874</b>	<b>112,509</b>	<b>68,874</b>	<b>112,509</b>
Set up of provision for contingencies – economic plans	120,168	58,815	120,168	58,815
Disposal of investments Visa Inc. and Visa Net	-	(75,207)	-	(75,207)
Itaú Unibanco x CBD joint venture	-	128,901	-	128,901
Program for tax recovery – Law No. 11,941/09 (Note 19d)	(51,294)	-	(51,294)	-
<b>Arising from interest in other controlled companies</b>	<b>-</b>	<b>2,147</b>	<b>-</b>	<b>2,147</b>
Loss on the realization of inventories	-	27,598	-	27,598
Duratex x Satipel merger	-	(32,638)	-	(32,638)
Other	-	7,187	-	7,187
<b>Recurring net income</b>	<b>2,671,333</b>	<b>2,216,128</b>	<b>3,463,775</b>	<b>2,885,359</b>

- d) **Reclassifications for comparison purposes** – The Company reclassified the balances as of September 30, 2009, for financial statements comparisons purposes, in view of the regrouping of the following headings: in the Balance Sheet, from Tax and Social Security Contributions and Other Liabilities - Sundry heading. In Statement of Income, the reclassification of Operating Revenues – in Securities, Equity in Earnings of Affiliates and Other Operating Revenues headings to Other Operating Expenses, from reclassification from Income Tax and Social Contribution and Profit Sharing to Operating Expenses – in Administrative heading.

	Prior disclosure	Reclassification	Reclassified balances
<b>Current and long-term liabilities</b>	<b>563,944,563</b>	-	<b>563,944,563</b>
Tax and social security contributions	23,916,264	(95,823)	23,820,441
Other liabilities	81,757,498	95,823	81,853,321
Sundry	23,977,188	95,823	24,073,011
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>619,860,825</b>	-	<b>619,860,825</b>
<b>OPERATING REVENUES</b>	<b>86,119,902</b>	<b>91,345</b>	<b>86,211,247</b>
Sales of products and services	13,864,250	730	13,864,980
Securities	19,062,963	(33,299)	19,029,664
Equity in earnings of affiliates	194,375	33,299	227,674
Other operating revenues	1,075,855	90,615	1,166,470
<b>OPERATING EXPENSES</b>	<b>(70,489,061)</b>	<b>(1,724,500)</b>	<b>(72,213,561)</b>
Administrative	(14,327,439)	(1,633,886)	(15,961,325)
Other operating expenses	(7,536,504)	(90,614)	(7,627,118)
<b>OPERATING INCOME</b>	<b>15,630,841</b>	<b>(1,633,155)</b>	<b>13,997,686</b>
<b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>	<b>15,630,841</b>	<b>(1,633,155)</b>	<b>13,997,686</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(6,187,142)</b>	<b>549,067</b>	<b>(5,638,075)</b>
Due on operations for the period	(6,829,122)	549,067	(6,280,055)
<b>PROFIT SHARING</b>	<b>(1,263,056)</b>	<b>1,084,088</b>	<b>(178,968)</b>
Employees - Law No. 10,101 of 12/19/2000	(1,084,088)	1,084,088	-
<b>NET INCOME OF THE GROUP</b>	<b>8,180,643</b>	-	<b>8,180,643</b>
<b>MINORITY INTEREST IN SUBSIDIARIES</b>	<b>(5,415,284)</b>	-	<b>(5,415,284)</b>
<b>NET INCOME OF PARENT COMPANY</b>	<b>2,765,359</b>	-	<b>2,765,359</b>

## Report of Independent Accountants on Limited Reviews

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

- 1 We have carried out limited reviews of the balance sheets of Itaúsa – Investimentos Itaú S.A. (Itaúsa) and of Itaúsa – Investimentos Itaú S.A. and its subsidiaries (consolidated) as of September 30, 2010 and 2009, and the related statements of income, of changes in stockholders' equity, of cash flows and of added value, as well as the consolidated statements of income, of cash flows and of added value for the nine-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements.
- 2 Our reviews were conducted in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company and its subsidiaries with regard to the main criteria adopted for the preparation of the financial statements and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.
- 3 Based on our limited reviews, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be stated in accordance with accounting practices adopted in Brazil.
- 4 As mentioned in Note 2, during 2009 the Brazilian Securities Commission (CVM) approved a series of Pronouncements, Interpretations and Technical Guidance issued by the Accounting Pronouncements Committee (CPC) effective for 2010 which change the accounting practices adopted in Brazil. As provided by Deliberation CVM no. 603/09, the Company's management has decided to present these financial statements using the accounting practices adopted in Brazil up to December 31, 2009. As required by that Deliberation, the Company disclosed this fact in Note 2, as well as a description of the main changes that could affect the Company's financial statements at December 31, 2010 and the reasons that do not permit the disclosure of the estimates of their possible effects on shareholders' equity and net income in these financial statements. The financial statements of Itaú Unibanco Holding S.A., the main subsidiary of Itaúsa – Investimentos Itaú S.A., have been prepared in accordance with the accounting practices adopted in Brazil applicable to financial institutions regulated by the Brazilian Central Bank.

São Paulo, November 08, 2010

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-

Paulo Sergio Miron  
Contador CRC 1SP173647/O-5



# ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ. 61.532.644/0001-15

Public company

NIRE. 35300022220

## **OPINION OF THE FISCAL COUNCIL**

The effective members of the Fiscal Council of ITAÚSA - INVESTIMENTOS ITAÚ S.A, having reviewed the financial statements for the period from January to September 2010, have verified the accuracy of all items examined and, in view of the unqualified opinion of PricewaterhouseCoopers Auditores Independentes, understand that they adequately reflect the company's capital structure, financial position and the activities conducted during the period.

São Paulo, November 8, 2010.

JOSÉ MARCOS KONDER COMPARATO  
President

LUIZ ALBERTO DE CASTRO FALLEIROS  
Member

PAULO RICARDO MORAES AMARAL  
Member