financial report

1Q14

Management Discussion & Analysis and Complete Financial Statements

Itaú Unibanco Holding S.A.

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It should be noted that the managerial financial statements relating to prior periods may have been reclassified for comparison purposes.

The tables in this report show the figures in millions. Variations and totals, however, are calculated in units. Therefore, there may be differences due to rounding.

Future expectations arising from the reading of this analysis should take into consideration the risks and uncertainties that involve any activities and that are outside the control of the companies of the conglomerate (political and economic changes, volatility in interest and foreign exchange rates, technological changes, inflation, financial disintermediation, competitive pressures on products, prices and changes in tax legislation, among others).

management discussion analysis

1st quarter of 2014

Itaú Unibanco Holding S.A.

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Executive Summary

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

Highlights

R$ million (except where indicated)

	1Q14	4Q13	1Q13
Statement of Income			
Recurring Net Income	4,529	4,680	3,512
Net Income	4,419	4,646	3,472
Operating Revenues [1]	20,662	20,880	18,817
Managerial Financial Margin [2]	12,488	12,703	11,526
Shares (R$)			
Recurring Net Income per share [3]	0.91	0.94	0.71
Net Income per share [3]	0.89	0.94	0.70
Number of Outstanding Shares at the end of period – in thousands	4,969,794	4,959,160	4,975,427
Average price of non-voting share on the last trading day of the period [4]	33.77	31.65	32.44
Book Value per share	16.53	16.34	14.96
Dividends/JCP net of taxes [5]	797	3,182	587
Dividends/JCP net of taxes [5] per share	0.16	0.64	0.12
Market Capitalization [6]	167,830	156,957	161,385
Market Capitalization [6] (US$ Million)	74,163	67,001	80,139
Performance Ratios (%)			
Recurring Return on Average Equity – Annualized [7]	22.6%	23.9%	19.1%
Return on Average Equity – Annualized [7]	22.0%	23.7%	18.9%
Recurring Return on Average Assets – Annualized [8]	1.6%	1.7%	1.4%
Return on Average Assets – Annualized [8]	1.6%	1.7%	1.4%
Solvency Ratio (BIS Ratio) - Financial Conglomerate	15.6%	16.6%	18.9%
Common Equity Tier I	11.1%	11.6%	12.7%
Estimated BIS III (Common Equity Tier I) [9] - Full Implementation of BIS III	9.6%	9.3%	-
Annualized Credit Margin [10]	10.9%	10.9%	11.6%
Annualized Net Interest Margin with Clients [10]	8.9%	9.1%	9.1%
Annualized Net Interest Margin with Credit after Provision for Credit Risk [10]	7.5%	7.9%	7.0%
Annualized Net Interest Margin with Clients after Provision for Credit Risk [10]	6.6%	6.9%	5.9%
Nonperforming Loans Index (NPL over 90 days)	3.5%	3.7%	4.5%
Nonperforming Loans Index (NPL 15 to 90 days)	3.0%	3.0%	4.0%
Coverage Ratio (Provision for Loan and Lease Losses/NPL over 90 days)	176%	174%	161%
Efficiency Ratio (ER) [11]	47.7%	48.7%	48.0%
Risk Adjusted Efficiency Ratio (RAER) [11]	66.4%	65.3%	72.8%
Balance Sheet	**Mar 31,14**	**Dec 31,13**	**Mar 31,13**
Total Assets	1,107,376	1,105,721	1,028,707
Total Loan Portfolio, including Sureties, Endorsements and Guarantees	480,120	483,397	434,239
Loan Portfolio (A)	408,291	412,235	371,348
Sureties, Endorsements and Guarantees	71,829	71,162	62,891
Deposits + Debentures + Securities + Borrowings and Onlending (B) [12]	542,121	530,919	482,856
Loan Portfolio/Funding (A/B)	75.3%	77.6%	76.9%
Stockholders' Equity	82,173	81,024	74,416
Other Relevant Data			
Assets Under Administration	626,696	628,271	581,918
Employees of the Conglomerate (Individuals)	94,895	95,696	96,355
Brazil (without Credicard)	86,856	87,589	89,615
Abroad	6,888	6,913	6,740
Credicard	1,151	1,194	-
Number of Points of Service (Units)	32,886	32,925	32,823
Branches	4,143	4,140	4,075
CSB – Client Service Branches	885	885	882
ATM – Automated Teller Machines [13]	27,858	27,900	27,866

Macroeconomic | Indicators

	1Q14	4Q13	1Q13
EMBI Brazil Risk	226	227	191
CDI – In the Period (%)	2.4%	2.3%	1.6%
Dollar Exchange Rate – Quotation in R$	2.2630	2.3426	2.0138
Dollar Exchange Rate – Variation in the Period (%)	-3.4%	5.0%	-1.5%
Euro Exchange Rate – Quotation in R$	3.1175	3.2320	2.5853
Euro Exchange Rate – Variation in the Period (%)	-3.5%	7.1%	-4.1%

Note: (1) Operating Revenues are the sum of Managerial Financial Margin, Banking Service Fees and Income from Banking Charges, Other Operating Income and Result from Insurance, Pension Plan and Capitalization Operations Before Retained Claims and Selling Expenses, Equity in Earnings of Affiliates and Non-Operating Income; **(2)** Described on pages 16 to 18; **(3)** Calculated based on the weighted average number of outstanding shares; **(4)** The number of outstanding shares was adjusted to reflect the share bonus of 10% granted on May 20, 2013; **(5)** JCP – Interest on Net Equity. Declared amounts paid/accrued; **(6)** Total number of outstanding shares (common and non-voting shares) multiplied by the average price of the non-voting share on the last trading day in the period; **(7)** Annualized Return was calculated by dividing Net Income by Average Stockholders' Equity. The quotient was multiplied by the number of periods in the year to derive the annualized rate. The calculation bases of the returns were adjusted by the amount of dividends that have not yet been approved in stockholders' or Board meetings, proposed after the balance sheet date; **(8)** Return was calculated by dividing Net Income by Average Assets. The quotient of this division was multiplied by the number of periods of the year to derive the annualized rate. **(9)** Considers mitigating actions; **(10)** It does not include financial margin with the market. See details on page 17; **(11)** For more details on the calculation methodology of both Efficiency and Risk Adjusted Efficiency ratios, please see page 26; **(12)** As described on page 34; **(13)** It includes ESBs (electronic service branches) and service points in third-parties' establishments.

Net Income and Recurring Net Income

Our recurring net income totaled R$4,529 million in the first quarter of 2014, not including non-recurring events, which are presented in the table below, from net income of R$4,419 million for the period.

Non-Recurring Events Net of Tax Effects

R$ million

	1Q14	4Q13	1Q13
Recurring Net Income	**4,529**	**4,680**	**3,512**
Non Recurring Events	**(110)**	**(34)**	**(40)**
Program for Settlement or Installment Payment of Federal Taxes - Law No. 12,865/13 (a)	**-**	**508**	**-**
IRB (b)	**-**	**131**	**-**
Porto Seguro (c)	**(60)**	**272**	**-**
Provision for Contingencies (d)	**(41)**	**(649)**	**(40)**
Tax and Social Security Contributions (d)	-	(276)	-
Civil Lawsuits (d)	-	(330)	-
Economic Plans (e)	(41)	(42)	(40)
Realization of Assets and Impairment (f)	**-**	**(239)**	**-**
Amortization of Goodwill - Credicard (g)	**(42)**	**-**	**-**
PIS/COFINS - IRB (h)	**33**	**-**	**-**
Other	**-**	**(58)**	**-**
Net Income	**4,419**	**4,646**	**3,472**

Note: Impacts of the non-recurring events, described above, are net of tax effects – further details are presented in Note 22-K of the Financial Statements

Non-Recurring Events

(a) Program for the Settlement or Installment Payment of Federal Taxes - Law No. 12,865/13: Effects of our adhesion to the Program for the Settlement or Installment Payment of Federal Taxes in 2013.

(b) IRB: Effect of the change in criteria to recognize our investment in IRB Brasil Resseguros S.A. according to the equity method, because we reached significant degree of influence on the decisions of the legal entity.

(c) Porto Seguro: Effect of the favorable decision, by the Federal Supreme Court (STF), on the legality of COFINS levy on this type of operation, proportional to our interest in the company, plus the provision for losses on tax loss.

(d) Provision for Contingencies: Improvement in criteria for the recognition of contingencies.

(e) Provision for Contingencies – Economic Plans Provision: Provision for losses arising from economic plans that were in effect in Brazil in the 1980's.

(f) Realization of Assets and Impairment: In 2013, this item was composed of the impairment of assets.

(g) Amortization of Goodwill - Credicard: Amortization of goodwill generated by the acquisition of Credicard approved by the Central Bank of Brazil on December 20, 2013.

(h) PIS/COFINS - IRB: Effect of the favorable decision on the increase of the PIS/COFINS calculation base of IRB Brasil Resseguros S.A..

Effects of the Reclassifications of the Managerial Statement of Income

Since the first quarter of 2013, we have been applying a consolidation criteria for the managerial results that affect only the breakdown of the account components and, therefore, do not affect the net income. Additionally, we have been adjusting the tax effects of the hedges of investments abroad, which were originally included in tax expenses (PIS and COFINS) and in income tax and social contribution on net income, and have been reclassified to the financial margin, and the non-recurring effects.

Our strategy for the foreign exchange risk management of the capital invested abroad is aimed at neutralizing, through financial instruments, the effects arising from foreign exchange variations, and takes into consideration the impact of all tax effects. In the first quarter, the Brazilian real appreciated 3.4% against the U.S. Dollar and appreciated 3.5% against the Euro, compared with a depreciation of 5.0% and 7.1%, respectively, in the previous quarter.

Highlights

This quarter, we reclassified some economic groups between Commercial Banking - Retail and Wholesale Banking, adjusting the clients' profile to the more appropriate service channel. Accordingly, the results are now reflected in the respective segment. Prior periods were not reprocessed.

Also this quarter, we started to consider the minimum regulatory capital required with a 25% safety margin for our insurance, pension plan and capitalization operations. This capital is calculated based on the underwriting, credit and operational risks from our operations.

The conciliation between the Accounting and Managerial Statements of Income for the last two quarters are presented below, highlighting in the first quarter of 2014, the result of Credicard, already included in our managerial result.

Conciliation between the Accounting and Managerial Statements | 1st Quarter of 2014

R$ million

	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial Reclassifications	Managerial (including Credicard)	Credicard (*)
Operating Revenues	**21,540**	**57**	**(700)**	**(235)**	**20,662**	**571**
Managerial Financial Margin	13,203	31	(700)	(46)	12,488	344
Financial Margin with Clients	11,889	31	-	(46)	11,874	344
Financial Margin with Market	1,314	-	(700)	-	614	-
Banking Service Fees and Income from Banking Charges	6,490	-	-	(433)	6,057	227
Results from Insurance, Pension Plan and Capitalization Operations Before Retained Claims and Selling Expenses	1,683	-	-	434	2,118	-
Other Operating Income	50	-	-	(50)	-	-
Equity in Earnings of Affiliates and Other Investments	90	26	-	(116)	-	-
Non-operating Income	25	-	-	(25)	-	-
Loan and Retained Claim Losses Net of Recovery	**(3,635)**	**-**	**-**	**(16)**	**(3,651)**	**(194)**
Expenses for Allowance for Loan and Lease Losses	(4,236)	-	-	(16)	(4,252)	(238)
Income from Recovery of Loans Written Off as Losses	1,088	-	-	-	1,088	44
Retained Claims	(487)	-	-	-	(487)	-
Other Operating Income/(Expenses)	**(10,812)**	**88**	**80**	**179**	**(10,464)**	**(300)**
Non-interest Expenses	(9,307)	88	-	179	(9,039)	(265)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,240)	-	80	-	(1,160)	(35)
Selling Expenses from Insurance	(265)	-	-	-	(265)	-
Income before Tax and Profit Sharing	**7,093**	**145**	**(620)**	**(71)**	**6,547**	**77**
Income Tax and Social Contribution	**(2,549)**	**(35)**	**620**	**10**	**(1,955)**	**(32)**
Profit Sharing	**(61)**	**-**	**-**	**61**	**-**	**-**
Minority Interests	**(64)**	**-**	**-**	**-**	**(64)**	**-**
Net Income	**4,419**	**110**	**-**	**-**	**4,529**	**45**

(*) The result highlighted the Credicard,is included in the managerial income, line by line.

Conciliation between the Accounting and Managerial Statements | 4th Quarter of 2013

R$ million

	Accounting	Non-recurring Effects	Tax Effect of Hedge	Managerial Reclassifications	Managerial
Operating Revenues	**21,216**	**(976)**	**1,031**	**(391)**	**20,880**
Managerial Financial Margin	11,732	48	1,031	(109)	12,703
Financial Margin with Clients	12,025	48	-	(109)	11,964
Financial Margin with Market	(292)	-	1,031	-	739
Banking Service Fees and Income from Banking Charges	6,561	3	-	(528)	6,036
Results from Insurance, Pension Plan and Capitalization Operations Before Retained Claims and Selling Expenses	1,624	-	-	517	2,141
Other Operating Income	716	(624)	-	(92)	-
Equity in Earnings of Affiliates and Other Investments	570	(403)	-	(166)	-
Non-operating Income	13	-	-	(13)	-
Loan and Retained Claim Losses Net of Recovery	**(3,334)**	**2**	**-**	**61**	**(3,271)**
Expenses for Allowance for Loan and Lease Losses	(4,270)	-	-	79	(4,191)
Income from Recovery of Loans Written Off as Losses	1,415	2	-	(17)	1,399
Retained Claims	(479)	-	-	-	(479)
Other Operating Income/(Expenses)	**(12,258)**	**1,399**	**(109)**	**219**	**(10,748)**
Non-interest Expenses	(11,064)	1,499	-	207	(9,358)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(927)	(100)	(109)	12	(1,124)
Selling Expenses from Insurance	(267)	-	-	-	(267)
Income before Tax and Profit Sharing	**5,623**	**425**	**923**	**(111)**	**6,861**
Income Tax and Social Contribution	**(859)**	**(391)**	**(923)**	**34**	**(2,139)**
Profit Sharing	**(77)**	**-**	**-**	**77**	**-**
Minority Interests	**(42)**	**-**	**-**	**-**	**(42)**
Net Income	**4,646**	**34**	**-**	**-**	**4,680**

Executive Summary

We present below a perspective of the income statement highlighting the Operating Revenues, which is composed of the sum of revenues from banking, insurance, pension plan and capitalization operations.

Statement of Income | Operating Revenues Perspective

R$ million

				Variation			
	1Q14	4Q13	1Q13	1Q14 - 4Q13		1Q14 - 1Q13	
Operating Revenues	**20,662**	**20,880**	**18,817**	**(218)**	**-1.0%**	**1,846**	**9.8%**
Managerial Financial Margin	12,488	12,703	11,526	(215)	-1.7%	961	8.3%
Financial Margin with Clients	11,874	11,964	10,929	(90)	-0.8%	945	8.6%
Financial Margin with Market	614	739	597	(125)	-17.0%	17	2.8%
Banking Service Fees and Income from Banking Charges	6,057	6,036	5,122	20	0.3%	935	18.3%
Result from Insurance, Pension Plan and Capitalization Operations Before Retained Claims and Selling Expenses	2,118	2,141	2,169	(23)	-1.1%	(51)	-2.3%
Loan and Retained Claim Losses Net of Recovery	**(3,651)**	**(3,271)**	**(4,420)**	**(380)**	**11.6%**	**770**	**-17.4%**
Expenses for Allowance for Loan and Lease Losses	(4,252)	(4,191)	(4,939)	(60)	1.4%	688	-13.9%
Income from Recovery of Loans Written Off as Losses	1,088	1,399	1,086	(312)	-22.3%	2	0.2%
Retained Claims	(487)	(479)	(567)	(8)	1.6%	80	-14.1%
Operating Margin	**17,011**	**17,609**	**14,396**	**(597)**	**-3.4%**	**2,615**	**18.2%**
Other Operating Income/(Expenses)	**(10,464)**	**(10,748)**	**(9,568)**	**284**	**-2.6%**	**(896)**	**9.4%**
Non-interest Expenses	(9,039)	(9,358)	(8,280)	319	-3.4%	(759)	9.2%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,160)	(1,124)	(1,041)	(36)	3.2%	(119)	11.4%
Selling Expenses From Insurance	(265)	(267)	(247)	2	-0.6%	(18)	7.1%
Income before Tax and Minority Interests	**6,547**	**6,861**	**4,828**	**(313)**	**-4.6%**	**1,719**	**35.6%**
Income Tax and Social Contribution	**(1,955)**	**(2,139)**	**(1,295)**	**184**	**-8.6%**	**(659)**	**50.9%**
Minority Interests in Subsidiaries	**(64)**	**(42)**	**(21)**	**(22)**	**-**	**(43)**	**-**
Recurring Net Income	**4,529**	**4,680**	**3,512**	**(151)**	**-3.2%**	**1,017**	**29.0%**

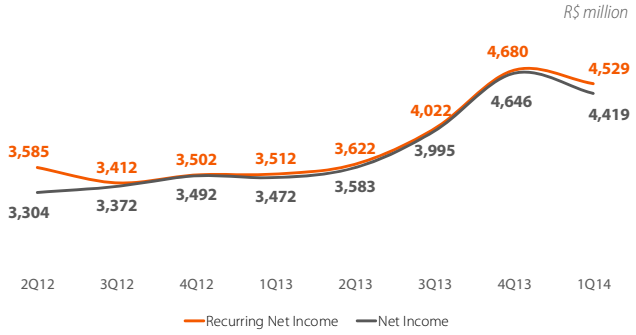
We present below a perspective of the income statement highlighting the Managerial Financial Margin.

Statement of Income | Managerial Financial Margin Perspective

R$ million

				Variation			
	1Q14	4Q13	4Q12	1Q14 - 4Q13		1Q14 - 1Q13	
Managerial Financial Margin	**12,488**	**12,703**	**11,526**	**(215)**	**-1.7%**	**961**	**8.3%**
Financial Margin with Clients	11,874	11,964	10,929	(90)	-0.8%	945	8.6%
Financial Margin with Market	614	739	597	(125)	-17.0%	17	2.8%
Results from Loan and Lease Losses	**(3,164)**	**(2,792)**	**(3,854)**	**(372)**	**13.3%**	**690**	**-17.9%**
Expenses for Allowance for Loan and Lease Losses	(4,252)	(4,191)	(4,939)	(60)	1.4%	688	-13.9%
Income from Recovery of Loans Written Off as Losses	1,088	1,399	1,086	(312)	-22.3%	2	0.2%
Net Result from Financial Operations	**9,324**	**9,911**	**7,673**	**(587)**	**-5.9%**	**1,651**	**21.5%**
Other Operating Income/(Expenses)	**(2,776)**	**(3,050)**	**(2,845)**	**274**	**-9.0%**	**68**	**-2.4%**
Banking Service Fees and Income from Banking Charges	6,057	6,036	5,122	20	0.3%	935	18.3%
Result from Insurance, Pension Plan and Capitalization Operations	1,366	1,395	1,354	(29)	-2.1%	12	0.9%
Non-interest Expenses	(9,039)	(9,358)	(8,280)	319	-3.4%	(759)	9.2%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,160)	(1,124)	(1,041)	(36)	3.2%	(119)	11.4%
Income before Tax and Minority Interests	**6,547**	**6,861**	**4,828**	**(313)**	**-4.6%**	**1,719**	**35.6%**
Income Tax and Social Contribution	**(1,955)**	**(2,139)**	**(1,295)**	**184**	**-8.6%**	**(659)**	**50.9%**
Minority Interests in Subsidiaries	**(64)**	**(42)**	**(21)**	**(22)**	**-**	**(43)**	**-**
Recurring Net Income	**4,529**	**4,680**	**3,512**	**(151)**	**-3.2%**	**1,017**	**29.0%**

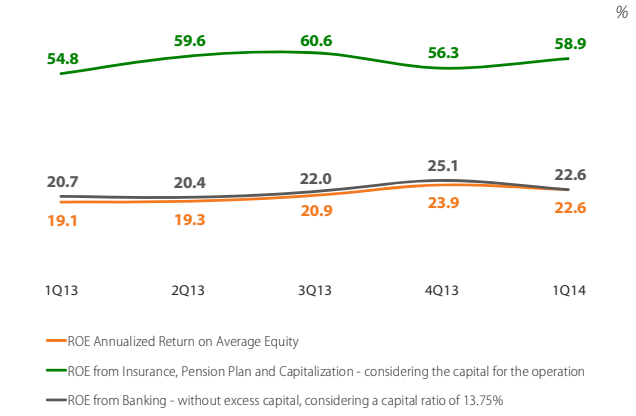
Net Income



The recurring net income for the first quarter of 2014 amounted to R$4,529 million, representing an increase of 29.0% in relation to the first quarter of 2013 and a decrease of 3.2% from the previous quarter.

This slight drop in net income in the first quarter of 2014 in relation to the previous quarter is mainly due to the decrease in income from the recovery of credits written off as losses (which are seasonally lower in the first quarter) and due to the decrease in the financial margin with the market, which were partially offset by a drop in non-interest expenses (by 3.4% in the period). Other small variations that contributed to the decline in our net income were the decrease of 0.8% in our financial margin with clients and the increase of 1.4% in our loan loss provision expenses, partially offset by the increase in service fees.

Return on Average Equity



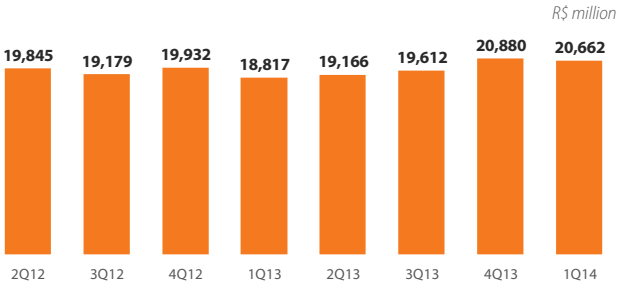
The annualized recurring return on average equity reached 22.6% in the first quarter of 2014. On March 31, 2014, stockholders' equity totaled R$82.2 billion, a 1.4% increase in relation to the previous quarter and a 10.4% increase from the previous year.

The recurring return of our insurance, pension plan and capitalization operations reached 58.9% in the first quarter of 2014, taking into consideration net income in relation to the minimum regulatory capital required, with a 25% safety margin, which started to be considered this quarter, as mentioned on page 6.

Operating Revenues

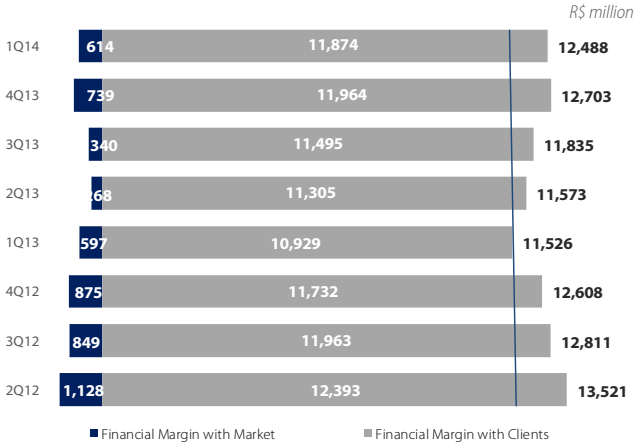
In the first quarter of 2014, operating revenues, which represent revenues from banking and insurance, pension plan and capitalization operations, totaled R$20,662 million, a decrease of 1.0% in relation to the previous quarter and an increase of 9.8% from the first quarter of 2013.

The main components of operating revenues and other items of the statement of income are presented below.



Managerial Financial Margin

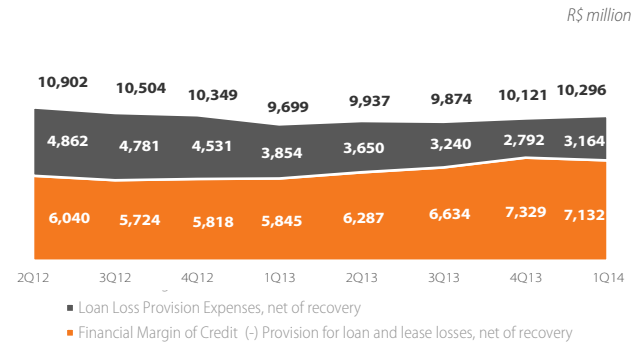
The managerial financial margin for the first quarter of 2014 totaled R$12,488 million, a decrease of R$215 million in relation to the fourth quarter of 2013. This reduction was mainly due to the drop of R$125 million in the margin with the market (which totaled R$614 million). The financial margin with clients dropped only 0.8%, because of the lower number of calendar days in the quarter, amongst other factors, and amounted to R$11,874 million.



In relation to the first quarter of 2013, our managerial financial margin increased R$961 million. This increase is due to the increase of R$945 million in the financial margin with clients and the increase of R$17 million in the financial margin with the market.

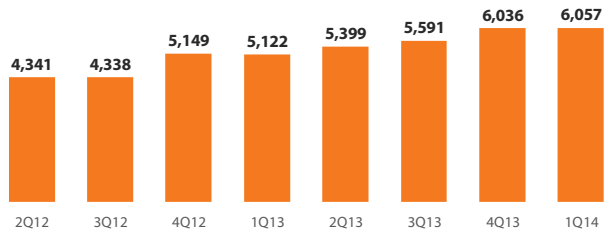
Managerial Financial Margin of Credit, net of the Result from Loan Losses

Our financial margin of credit, net of expenses for provision for loan losses and credit recoveries, dropped due to the decrease in revenues from the recovery of credits written off as losses in the first quarter of 2014.



Banking Services Fees and Income from Banking Charges

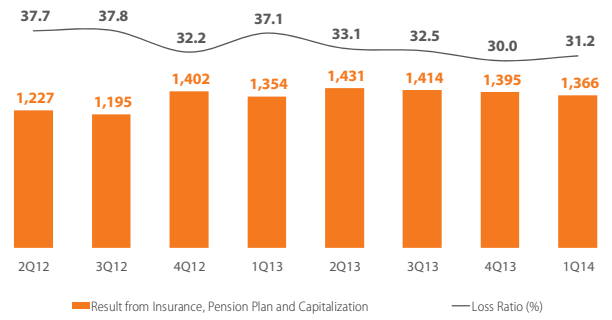
R$ million



Banking service fees, including income from banking charges, remained practically stable, growing 0.3% (R$20 million) in the first quarter of 2014, and totaled R$6,057 million. When compared to the same period of the previous year, these service fees grew 18.3%.

Result from Insurance, Pension Plan and Capitalization

R$ million

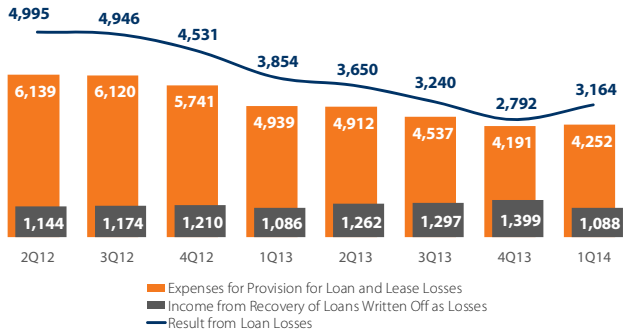


Note: The loss ratio in the graphic does not consider the company Itauseg Saúde and our 30% interest in Porto Seguro.

In the first quarter of 2014, the result from insurance, pension plan and capitalization operations reached R$1,366 million, a decrease of R$29 million in relation to the previous quarter and an increase of R$12 million from the first quarter of 2013, whereas the loss ratio improved 590 basis points in the same period.

Result from Loan Losses, Net of Recovery

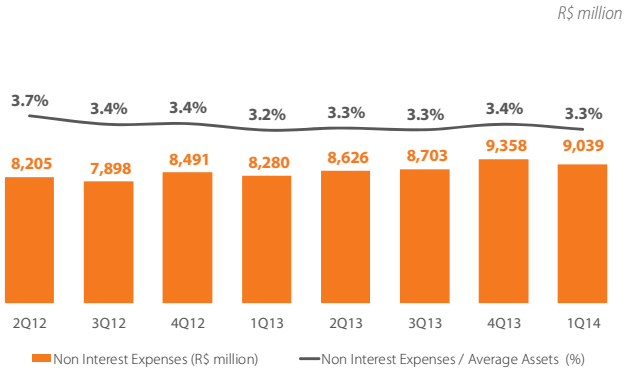
R$ million



The result from loan losses, net of recovery, grew 13.3% from the previous quarter, totaling R$3,164 million in the quarter. This growth arises from the reduction of 22.3% (R$312 million) in the income from the recovery of credits written off as losses and by the increase of 1.4% (R$60 million) in the expenses for the allowance for loan losses. In relation to the first quarter of 2013, the result from loan losses dropped 17.9% or R$690 million.

Non-Interest Expenses

R$ million

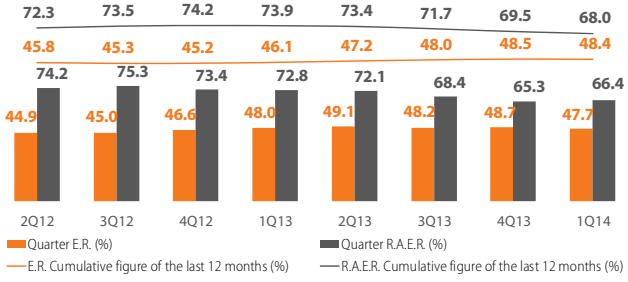


Non-interest expenses dropped 3.4% in the first quarter of 2014. Personnel expenses fell 5.3% and administrative expenses dropped by R$205 million in the quarter, particularly expenses with advertising and installations.

In relation to the first quarter of 2013, non-interest expenses increased R$759 million (9.2%).

Disregarding Credicard´s expenses, the reduction in relation to the previous quarter would have been 6.2%, and in relation to the first quarter of the previous year, the increase would have been 6.0%.

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



(*) The criteria for calculating the ratios are detailed on page 26.

In the first quarter of 2014, the risk-adjusted efficiency ratio, in the full concept (which includes all expenses and claims and expenses for the provision for loan losses), reached 66.4%, an increase of 110 basis points in relation to the previous quarter. This increase was due to the drop of 22.3% in the income from the recovery of credits written off as losses, which is seasonally higher in the last quarter of the year. In the 12-month period, the risk-adjusted efficiency ratio reached 68.0%.

In the first quarter of 2014, the efficiency ratio, in the concept that includes all expenses except for the expenses for the allowance for loan losses and insurance claims, reached 47.7%, an improvement of 100 basis points from the previous quarter. In the 12-month period, the efficiency ratio reached 48.4%, 10 basis points lower than in the previous quarter but 230 basis points higher than in the same period of the previous year.

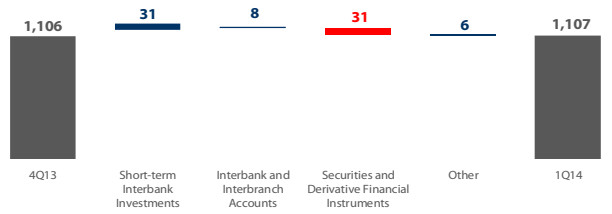
Balance Sheet | Assets

R$ million

	Mar 31,14	Dec 31,13	Mar 31,13	Variation Mar 31,14 - Dec 31,13	Variation Mar 31,14 - Mar 31,13
Current and Long-term Assets	**1,089,744**	**1,088,131**	**1,015,329**	**0.1%**	**7.3%**
Cash and Cash Equivalents	16,030	16,576	13,737	-3.3%	16.7%
Short-term Interbank Investments	190,553	159,653	197,423	19.4%	-3.5%
Securities and Derivative Financial Instruments	266,582	297,334	261,204	-10.3%	2.1%
Interbank and Interbranch Accounts	85,687	78,100	66,222	9.7%	29.4%
Loan, Lease and Other Loan Operations	408,291	412,235	371,348	-1.0%	9.9%
(Allowance for Loan Losses)	(25,042)	(26,371)	(27,188)	-5.0%	-7.9%
Other Assets	147,643	150,604	132,583	-2.0%	11.4%
Foreign Exchange Portfolio	41,498	46,049	40,225	-9.9%	3.2%
Other	106,145	104,556	92,358	1.5%	14.9%
Permanent Assets	**17,632**	**17,591**	**13,378**	**0.2%**	**31.8%**
Investments	3,375	3,439	2,963	-1.8%	13.9%
Fixed and Operating Lease Assets	6,621	6,511	5,604	1.7%	18.2%
Intangible Assets and Goodwill	7,635	7,641	4,811	-0.1%	58.7%
Total Assets	**1,107,376**	**1,105,721**	**1,028,707**	**0.1%**	**7.6%**

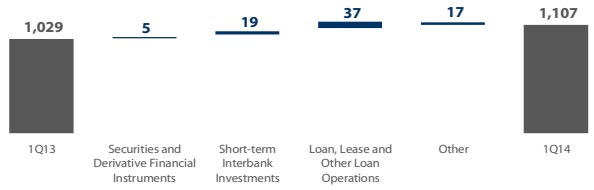
On March 31, 2014, our assets totaled R$1.11 trillion, an increase of 0.1% (R$1.7 billion) when compared to the previous quarter. The main changes are presented below:

R$ billion



In relation to the first quarter of 2013, the increase of 7.6% (R$78.7 billion) mainly arises from the increase in loans, as presented in the graph below:

R$ billion



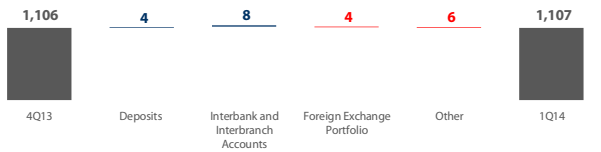
Balance Sheet | Liabilities and Equity

R$ million

	Mar 31,14	Dec 31,13	Mar 31,13	Variation Mar 31,14 - Dec 31,13	Variation Mar 31,14 - Mar 31,13
Current and Long-Term Liabilities	**1,022,145**	**1,021,668**	**951,504**	**0.0%**	**7.4%**
Deposits	278,208	274,383	238,555	1.4%	16.6%
Demand Deposits	43,217	42,891	33,718	0.8%	28.2%
Savings Deposits	108,932	106,166	87,072	2.6%	25.1%
Interbank Deposits	5,493	8,194	8,444	-33.0%	-34.9%
Time Deposits	120,567	117,131	109,321	2.9%	10.3%
Deposits Received under Securities Repurchase Agreements	288,616	292,179	296,103	-1.2%	-2.5%
Fund from Acceptances and Issue of Securities	43,866	46,256	53,277	-5.2%	-17.7%
Interbank and Interbranch Accounts	12,766	5,117	9,245	149.5%	38.1%
Borrowings and Onlendings	76,927	76,653	62,890	0.4%	22.3%
Derivative Financial Instruments	12,049	11,420	8,434	5.5%	42.9%
Technical Provisions for Insurance, Pension Plans and Capitalization	104,595	102,060	96,624	2.5%	8.2%
Other Liabilities	205,116	213,598	186,376	-4.0%	10.1%
Subordinated Debt	55,534	55,639	52,031	-0.2%	6.7%
Foreign Exchange Portfolio	42,150	46,308	40,634	-9.0%	3.7%
Other	107,432	111,651	93,710	-3.8%	14.6%
Deferred Income	**1,138**	**1,125**	**1,090**	**1.1%**	**4.4%**
Minority Interest in Subsidiaries	**1,919**	**1,903**	**1,697**	**0.8%**	**13.1%**
Stockholders' Equity	**82,173**	**81,024**	**74,416**	**1.4%**	**10.4%**
Total Liabilities and Equity	**1,107,376**	**1,105,721**	**1,028,707**	**0.1%**	**7.6%**

The main changes in liabilities this quarter in relation to the previous quarter are presented in the table below.

R$ billion



In relation to the first quarter of the previous year, the main changes are as follows:

R$ billion



(*) Includes Insurance, Pension Plans and Capitalization

Loan Portfolio with Endorsements and Sureties

On March 31, 2014, our total loan portfolio (including sureties, endorsements and private securities) reached R$508,246 million, dropping 0.3% when compared to the fourth quarter of 2013 and growing 11.4% when compared to the same period of the previous year. **Disregarding the effect of the foreign exchange variation, the growth of our loan portfolio would have been 0.8% in the quarter and 10.3% in relation to the same period of the previous year.**

In the individuals segment, the highlight was the growth of the low-risk loan portfolios: payroll loans, which increased 9.2% in the quarter and 51.6% in the 12-month period, and mortgage loan portfolios, which increased 4.2% in the quarter, and 31.7% in the 12-month period.

The companies segment, without considering private securities, decreased 0.2% in the quarter and grew 9.8% in the 12-month period. The corporate portfolio increased 0.6% in relation to the previous quarter and 16.9% in the past 12 months, whereas the very small, small and middle market companies portfolio decreased 1.9% in the first quarter of 2014 and 3.6% in relation to the first quarter of 2013. Considering the private securities operations, the segment grew 0.4% when compared to the fourth quarter of 2013 and 11.3% when compared to first quarter of 2013.

Our operations in Latin America decreased 5.8% in the quarter and reached R$36,823 million. In 12 months, the growth was 19.3%. If we excluded the effect of the foreign exchange variation, the growth of this portfolio would have been 2.9% when compared to the fourth quarter of 2013 and 26.8% year-on-year. These operations were significantly affected by the appreciation of the Brazilian real in relation to the U.S. dollar and in relation to the Latin American currencies.

The balance of endorsements and sureties reached R$71,829 million on March 31, 2014, representing a 0.9% increase over the fourth quarter of 2013 and 14.2% in the past 12 months, mainly due to the increase in the corporate portfolio, which grew 1.1% in relation to the previous quarter and 14.4% in relation to the same period of the previous year.

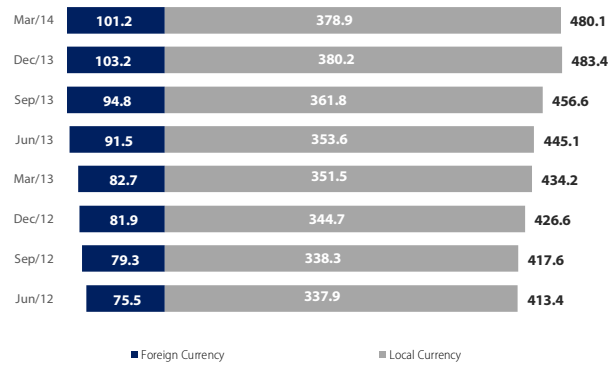
R$ million

				Variation	
	Mar 31,14	Dec 31,13	Mar 31,13	Mar 31,14 – Dec 31,13	Mar 31,14 – Mar 31,13
Individuals	**168,214**	**168,714**	**152,782**	**-0.3%**	**10.1%**
Credit Card	52,966	54,234	41,362	-2.3%	28.1%
Personal Loans	28,274	27,373	27,462	3.3%	3.0%
Payroll Loans (1)	24,652	22,578	16,261	9.2%	51.6%
Vehicles	37,086	40,319	48,532	-8.0%	-23.6%
Mortgage Loans (2)	25,236	24,209	19,165	4.2%	31.7%
Companies	**275,083**	**275,594**	**250,597**	**-0.2%**	**9.8%**
Corporate	191,260	190,140	163,651	0.6%	16.9%
Very Small, Small and Middle Market (3)	83,822	85,454	86,946	-1.9%	-3.6%
Latin America (4)	**36,823**	**39,088**	**30,860**	**-5.8%**	**19.3%**
Total with Endorsements and Sureties	**480,120**	**483,397**	**434,239**	**-0.7%**	**10.6%**
Corporate - Private Securities (5)	28,126	26,482	21,924	6.2%	28.3%
Total with Endorsements, Sureties and Private Securities	**508,246**	**509,879**	**456,163**	**-0.3%**	**11.4%**
Total with Endorsements, Sureties and Private Securities (ex-foreign exchange variation rate) (6)	**508,246**	**504,404**	**460,760**	**0.8%**	**10.3%**
Endorsements and Sureties	**71,829**	**71,162**	**62,891**	**0.9%**	**14.2%**
Individuals	518	514	201	0.8%	158.0%
Corporate	64,663	63,960	56,536	1.1%	14.4%
Very Small, Small and Middle Market	3,931	3,853	3,619	2.0%	8.6%
Latin America (4)	2,717	2,834	2,534	-4.1%	7.2%

(1) It includes operations originated by the institution and acquired operations. (2) The table does not include co-obligation in mortgage loan assignments in the amount of R$253.8 million in 4Q11. (3) It includes Rural Loans to Individuals. (4) It includes Argentina, Chile, Colombia, Paraguay and Uruguay. (5) It includes Debentures, CRI and Commercial Paper. (6) Calculated based on the conversion of the foreign currency portfolio (dollar and currencies of Latin America). Note: Mortgage and Rural Loan portfolios from the companies segment are allocated according to the client's size. For more details, please see page 31.

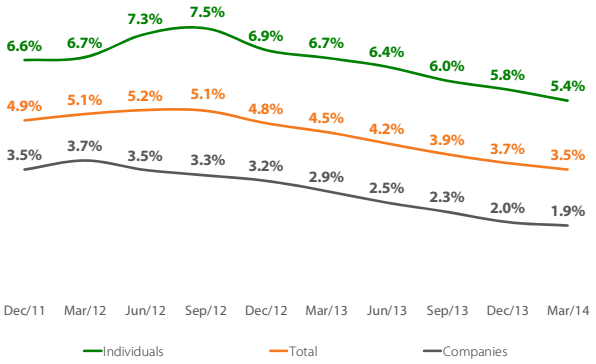
Loan Portfolio – Currency Disclosure

R$ billion



On March 31, 2014, R$101.2 billion of our total credit assets were denominated in or indexed to foreign currencies and dropped 2.0% in the quarter due to the appreciation of the Brazilian real in relation to the U.S. dollar and the Latin American currencies .

NPL Ratio (90 days overdue)



The NPL ratio for operations overdue for more than 90 days (NPL 90) decreased 20 basis points when compared to the previous quarter and 100 basis points when compared to March 2013, the lowest level since the merger of Itaú and Unibanco in November 2008.

2014 Outlook

The table below presents our current expectations for the year 2014:

	2014 Outlook *
Total Loan Portfolio	**Growth of 10.0% to 13.0%**
Loan Loss Provision net of recovery	**Between R$ 13 billion and R$ 15 billion**
Service Fees and Result of Insurance [1]	**Growth of 12% to 14%**
Non-Interest Expenses	**Growth of 10.5% to 12.5%** (between 5.5% and 7.5%, if measured ex-Credicard)
Efficiency Ratio	**Improvement of 50 to 175 bps**

(*) It does not consider the effect of CorpBanca's operations.

(1) Service Fees (+) Income from Insurance, Pension Plan and Capitalization Operations (-) Expenses for Claims (-) Selling Expenses for Insurance, Pension Plan and Capitalization.

Although the growth plans and projections of results presented above are based on assumptions of management and information available in the market to date, these expectations involve inaccuracies and risks that are difficult to anticipate and there may be, therefore, results or consequences that differ from those anticipated. This information is not a guarantee of future performance. The use of these expectations should take into consideration the risks and uncertainties that involve any activities and that are beyond of our control. These risks and uncertainties include, but are not limited to, our ability to perceive the dimension of the synergies projected and their timing, political and economic changes, volatility in interest and foreign exchange rates, technological changes, inflation, financial disintermediation, competitive pressures over products, prices and changes in tax legislation, among others.

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analysis of net income

1st quarter of 2014
Management Discussion & Analysis

Itaú Unibanco Holding S.A.

Managerial Financial Margin

Our managerial financial margin for the first quarter of 2014 totaled R$12,488 million. This amount corresponds to a decrease of R$215 million (1.7%) in relation to the previous quarter.

When compared to the first quarter of 2013, there was an increase of R$961 million (8.3%). The main drivers of these variations are presented below:

R$ million

				Variation			
	1Q14	4Q13	1Q13	1Q14 – 4Q13		1Q14 – 1Q13	
Financial Margin with Clients	**11,874**	**11,964**	**10,929**	**(90)**	**-0.8%**	**945**	**8.6%**
Interest Rate-Sensitive	1,339	1,494	934	(155)	-10.4%	405	43.4%
Spread-Sensitive	10,535	10,470	9,995	65	0.6%	540	5.4%
Financial Margin with Market	**614**	**739**	**597**	**(125)**	**-17.0%**	**17**	**2.8%**
Total	**12,488**	**12,703**	**11,526**	**(215)**	**-1.7%**	**961**	**8.3%**

Financial Margin with Clients

The managerial financial margin with clients arises from the use of financial products by our clients, including both account and non-account holders.

In the first quarter of 2014, the financial margin with clients totaled R$11,874 million, corresponding to a decrease of 0.8% in relation to the previous quarter, due to the lower number of calendar days, the change in the credit mix that currently favors the growth of lower spread and risk products and segments, partially offset by the increase in the average balance of loan operations and the increase in the Brazilian benchmark rate (SELIC). For a better understanding of the financial margin, we divided the operations into two different groups: financial margin of operations that are sensitive to interest rate variations, and financial margin of operations that are sensitive to spread variations.

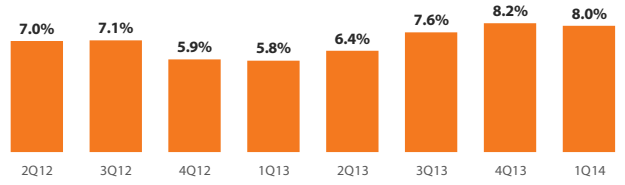
Interest Rate-Sensitive Operations

The financial margin of operations that are sensitive to interest rates totaled R$1,339 million in the quarter, a 10.4% decrease from the previous quarter, mainly due to a decrease in the balance of operations in Brazilian reais that are subject to the SELIC rate, which did not offset the increase in the balance of operations in U.S. dollars, which consist of investments in U.S. Treasury Bonds. When compared to the first quarter of 2013, the increase in the SELIC rate favored the result of these operations by approximately R$476 million.

Annualized Rate of Interest Rate-Sensitive Operations

R$ million

			Variation	
	1Q14	4Q13	1Q14 – 4Q13	
Average Balance	**67,850**	**72,730**	**(4,881)**	**-6.7%**
Financial Margin	**1,339**	**1,494**	**(155)**	**-10.4%**
Annualized Rate	**8.0%**	**8.2%**		**-10 bps**
Average SELIC - Annualized Rate	**10.0%**	**9.4%**		**60 bps**



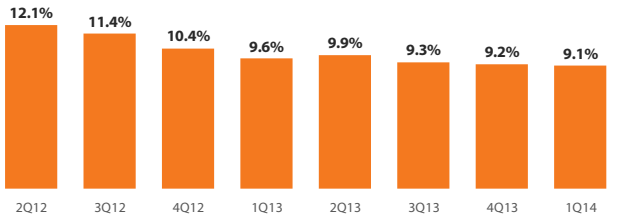
Spread-Sensitive Operations

The financial margin of spread-sensitive operations amounted to R$10,535 million in the period, corresponding to a 0.6% increase, or R$65 million, from the previous quarter. The credit spread reached 10.9% but after the expense with the allowance for loan losses, net of credit recovery, this ratio reached 7.5%, a decrease of 40 basis points. The spread of other interest-bearing assets considered in this analysis reached 1.1% and the combined spread of spread-sensitive operations reached 9.1%, in the first quarter of 2014.

Annualized Rate of Spread-Sensitive Operations

R$ million

			Variation	
	1Q14	4Q13	1Q14 – 4Q13	
Average Balance	**470,994**	**451,248**	**19,746**	**4.4%**
Financial Margin	**10,535**	**10,470**	**65**	**0.6%**
Annualized Rate	**9.1%**	**9.2%**		**- 10 bps**

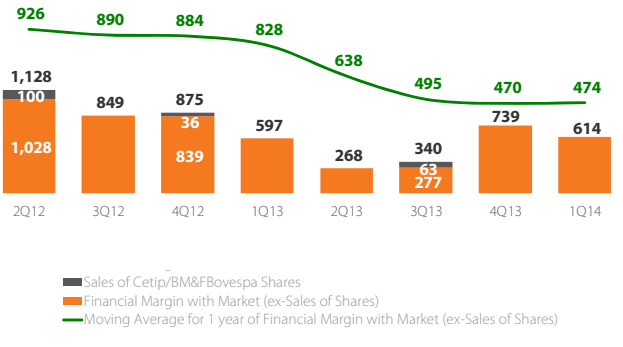


Managerial Financial Margin with Market

The financial margin with the market basically arises from treasury transactions that include Asset and Liability Management (ALM) and proprietary portfolio management. In the first quarter of 2014, the financial margin with the market amounted to R$614 million, a decrease of R$125 million from the previous quarter. This variation was mainly due to the result of proprietary positions.

We present below the evolution of our financial margin with the market.

R$ million



Managerial Financial Margin with Clients

As a result of the changes described before, the Net Interest Margin – NIM, which is the annualized rate of the managerial financial margin with clients and does not consider the financial margin with the market, reached 8.9% in the first quarter of 2014.

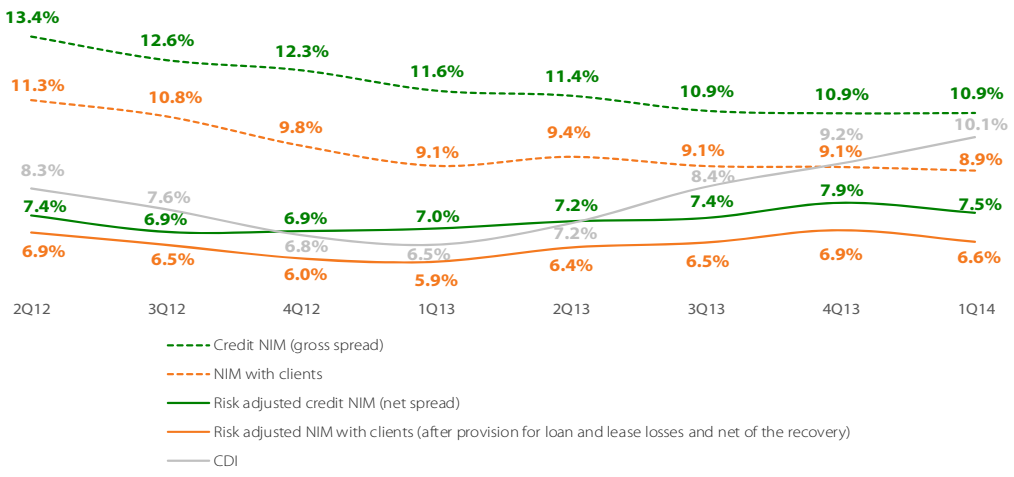
Taking into consideration the financial margin with clients after the expenses for allowance for loan losses, net of the recovery of credits previously written off as losses, the risk adjusted NIM reached 6.6%, a decrease of 30 basis points.

R$ million

	1Q14			4Q13			1Q13		
	Average Balance	Financial Margin	Average Rate (p.y.)	Average Balance	Financial Margin	Average Rate (p.y.)	Average Balance	Financial Margin	Average Rate (p.y.)
Demand Deposits + Floatings	51,207			50,857			44,115		
(-) Reserve Requirements	(18,288)			(17,202)			(14,778)		
Contingent Liabilities (-) Deposits in guarantee of Contingent	3,792			3,313			2,909		
Tax and Social Security obligations (-) Deposits in guarantee	14,758			17,302			16,169		
Working Capital (Equity + Minority Interests - Permanent Assets - Capital Allocated to Treasury)	57,291			58,574			53,027		
(-) Tax Credits	(40,910)			(40,114)			(36,170)		
Interest Rate Sensitive Margin with Clients - Brazil and Abroad (A)	**67,850**	**1,339**	**8.0%**	**72,730**	**1,494**	**8.2%**	**65,271**	**934**	**5.8%**
Cash and Cash Equivalents + Interbank Deposits + Securities (*)	82,375			77,136			79,780		
Interbank and Interbranch Accounts (**)	4,301			4,209			3,501		
Spread-Sensitive Margin with Clients – Other Assets	**86,676**	**239**	**1.1%**	**81,345**	**349**	**1.7%**	**83,281**	**296**	**1.4%**
Loans, Leasing and Other Credits	410,066			395,552			365,944		
(Allowance for Loan Losses)	(25,748)			(25,649)			(27,271)		
Spread-Sensitive Margin with Clients – Credit (B)	**384,318**	**10,296**	**10.9%**	**369,903**	**10,121**	**10.9%**	**338,673**	**9,699**	**11.6%**
Spread-Sensitive Margin with Clients (C)	**470,994**	**10,535**	**9.1%**	**451,248**	**10,470**	**9.2%**	**421,954**	**9,995**	**9.6%**
Net Interest Margin with Clients (D = A+C)	**538,844**	**11,874**	**8.9%**	**523,978**	**11,964**	**9.1%**	**487,225**	**10,929**	**9.1%**
Provision for Loan and Lease Losses (E)		**(4,252)**			**(4,191)**			**(4,939)**	
Recovery of Credits Written Off as Losses (F)		**1,088**			**1,399**			**1,086**	
Net Interest Margin of Credit after Provision for Credit Risk (G = B+E+F)	**384,318**	**7,132**	**7.5%**	**369,903**	**7,329**	**7.9%**	**338,673**	**5,845**	**7.0%**
Net Interest Margin after Provision for Credit Risk (H = D+E+F)	**538,844**	**8,710**	**6.6%**	**523,978**	**9,172**	**6.9%**	**487,225**	**7,076**	**5.9%**

(*) Cash and Cash Equivalents + Interbank Deposits + Securities (-) Interbank Deposits related to Repurchase Liability (-) Derivative financial instruments (-) Assets Guaranteeing PGBL/VGBL and Insurance Technical Provisions (-) Operations Sensitive to Variations in Interest Rate; (**) Net of reserve requirements (Central Bank).

Net Interest Margin with Clients and Net Interest Margin of Credit before and after Provision for Credit Risk



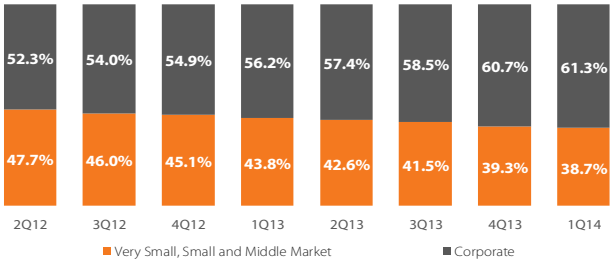
Complementary Aspects in Analysis of Financial Margin with Clients

Evolution of the Loan Portfolio Mix (excluding endorsements and sureties)

Our loan portfolio mix presented below highlights its major components and their share in the past quarters.

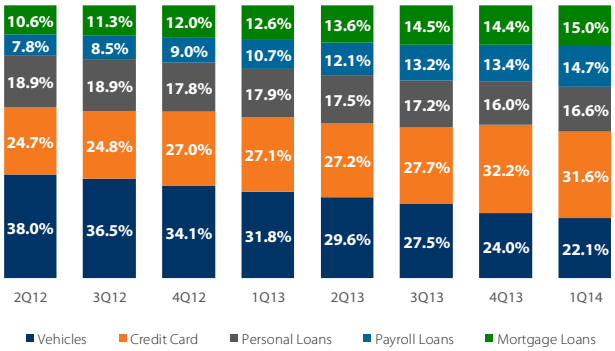
Loan Portfolio Mix – Companies

Our loan portfolio mix between the second quarter of 2012 and March 31, 2014, reduced the margin from companies as a result of the lower proportion of credits to very small and small market companies and larger proportion of credits to middle market and large companies, which have lower spreads.



Loan Portfolio Mix – Individuals

The evolution of our loan portfolio mix for individuals in the same period shows the growth of the payroll loan and mortgage loan portfolios. The decreased share of the vehicle portfolio in our mix is a result of the reduction of the nominal balance of this portfolio.

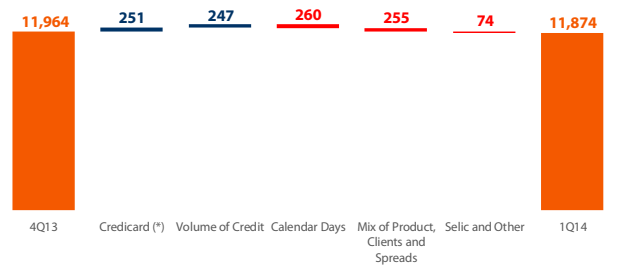


The Variation in the Composition of Financial Margin with Clients

To demonstrate the effect of changes in the mix of products on our net interest margin, we isolated these effects from those resulting from the growth in the volume of loan operations, the client mix, changes in spreads, the Brazilian benchmark rate (SELIC) and other effects.

In the first quarter of 2014, the acquisition of Credicard and the organic growth in the volume of loan operations were offset by the effects of fewer calendar days and mix of products and spreads in our financial margin, which dropped by 0.8% in the quarter .

R$ million

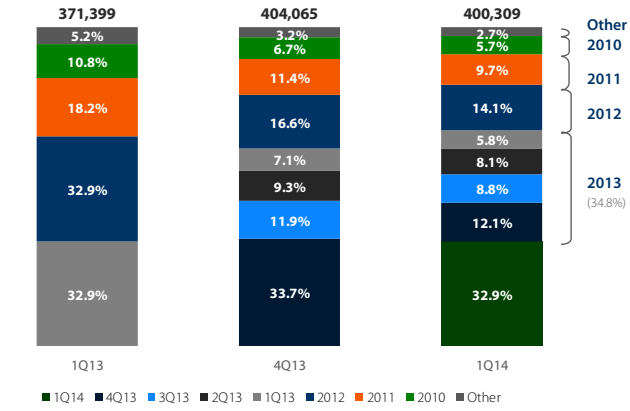


(*) In the fourth quarter, we managerially recognized the Credicard result of R$28 million in the financial margin with clients.

Loan Portfolio by Origination Period

The chart below shows the evolution of our loan portfolio, excluding sureties and endorsements, by origination period (vintages).

R$ million



(*) Does not considers Credicard operations

In this quarter, we maintained the policy of greater selectivity in the origination of credit and noted that the volume of originations was practically unchanged. Additionally, given the profile of the terms of our different credit products, the composition of new contract vintages also showed a similar profile over the past periods. On March 31, 2014, 32.9% of the loan portfolio was composed of vintages of 2014, 34.8% of 2013, 14.1% of 2012, 9.7% of 2011, 5.7% of 2010 and 2.7% of previous years.

We see, therefore, that the operations originated until 2010 correspond to less than 10.0% of our portfolio and are basically vehicle and mortgage loans that have longer average maturity terms.

Loan Portfolio by Maturity

We present below our performing loan portfolio, which is, composed of operations for which payments made by clients are non-overdue(*) according to the maturity schedule, including the concentration of operations longer than 365 days.

TOTAL = R$382,509

R$ million



(*) Non-Overdue loans are loan operations that don't have any installments more than 14 days overdue, irrespective of collateral provided.

Banking Service Fees, Income from Banking Charges and Result from Insurance, Pension Plan and Capitalization

R$ million

				Variation			
	1Q14	4Q13	1Q13	1Q14 – 4Q13		1Q14 – 1Q13	
Asset Management	653	659	567	(7)	-1.0%	85	15.0%
Current Account Services	1,137	1,120	978	18	1.6%	159	16.2%
Credit Operations and Guarantees Provided	693	822	631	(128)	-15.6%	63	10.0%
Collection Services	363	369	340	(7)	-1.9%	23	6.7%
Credit Cards	2,601	2,440	2,087	162	6.6%	514	24.6%
Other	610	627	518	(17)	-2.7%	91	17.6%
Banking Service Fees and Income from Banking Charges	**6,057**	**6,036**	**5,122**	**21**	**0.3%**	**935**	**18.3%**
Result from Insurance, Pension Plan and Capitalization (*)	1,366	1,395	1,354	(29)	-2.1%	12	0.9%
Total	**7,423**	**7,431**	**6,476**	**(9)**	**-0.1%**	**947**	**14.6%**
(-) Income from Credicard	227	-	-	227	-	227	-
Banking Service Fees and Income from Banking Charges ex- Credicard	**7,195**	**7,431**	**6,476**	**(236)**	**-3.2%**	**719**	**11.1%**

(*) Income from Insurance, Pension Plan and Capitalization operations (-) Expenses for Claims (-) Selling Expenses with Insurance, Pension Plan and Capitalization.

In the first quarter of 2014, banking service fees, including income from banking charges, amounted to R$6,057 million. When compared to the last quarter, our revenues increased 0.3%, being the fourth quarter seasonally stronger in revenue. When compared to the first quarter of 2013, these revenues increased 18.3%, driven by the growth in the client bases and the sale of services with higher added value.

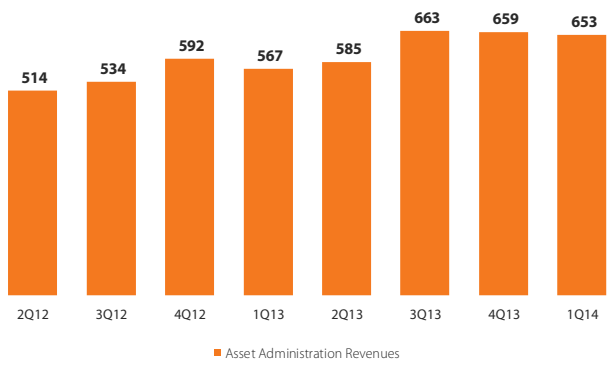
These revenues, together with the result of insurance, pension plan and capitalization operations, totaled R$7,423 million, a slight reduction of 0.1% in relation to the fourth quarter. When compared to the same period of the previous year, these revenues increased 14.6%. If the effects of the Credicard acquisition were disregarded, these revenues would have decreased 3.2% in relation to the previous quarter but would have still increased 11.1% when compared to the same period of the previous year.

Asset Management

Asset management revenues totaled R$653 million in the first quarter of 2014, a decrease of 1.0% from the fourth quarter of 2013, mainly due to the lower revenues from fund management (arising from the lower number of business days in the period), but partially offset by an increase in revenues from consortia administration fees.

When compared to the same period of the previous year, these revenues recorded a 15.0% increase, due to the larger balance of consortia and asset administration.

R$ million



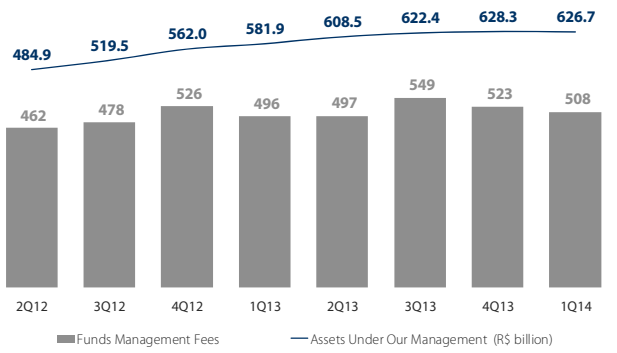
Note: In December, 2012, we started to consolidate the exclusive investments funds of our consolidated subsidiaries.

Asset Administration

Asset administration fees totaled R$508 million in the first quarter of 2014, a decrease of 2.8% when compared to the fourth quarter of 2013. This drop was due to the lower number of business days in the period (4 business days less, or 6.3%).

The volume of assets under administration totaled R$626.7 billion in March 2014, recording a slight decrease of 0.3% from the previous quarter and an increase of 7.7% in relation to the same period of the previous year.

R$ million

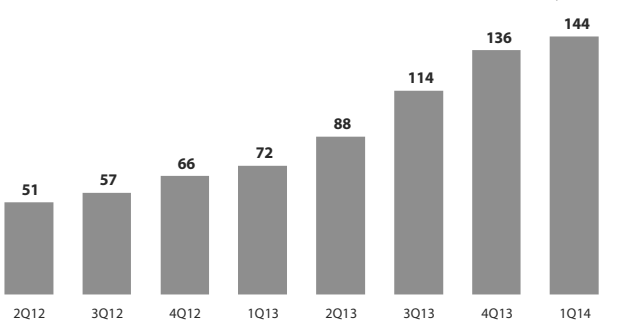


Consortia Administration Fees

Consortia administration fees totaled R$144 million in the first quarter of 2014, a 5.6% increase in relation to the fourth quarter of 2013, due to the higher volume of consortia operations in the period.

In the year, these fees recorded an increase of 100.3% when compared to the same period of the previous year.

R$ million



Current Account Services

Revenues from current account services totaled R$1,137 million in the first quarter of the year, representing a growth of 1.6% from the previous quarter. When compared to the same period of the previous year, these revenues recorded a 16.2% increase.

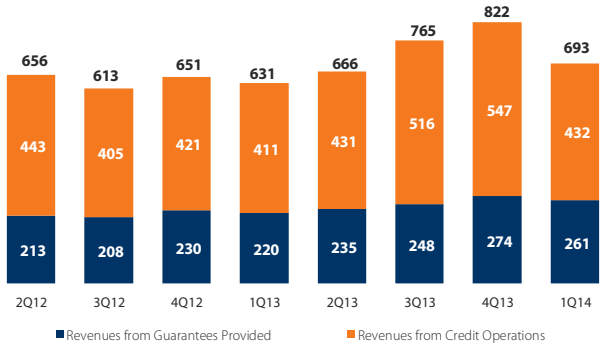
The increase in revenues from current account services is mainly due to the expansion of our account holder base and increase in the offering of differentiated products and services aimed at adding more value to the experience of our clients with the bank. These products include the "Maxibônus Celular" (service package), the Uniclass differentiated services and the convenience and versatility of the "Conta Certa", a product offered to companies.

Credit Operations and Guarantees Provided

Revenues from loan operations and guarantees provided totaled R$693 million, a decrease of 15.6% in relation to the previous quarter. The decrease in these revenues is mainly due to the decreased volume of loan operations, mainly vehicle financing, and to the lower volume of sureties.

When compared to the same period of the previous quarter, these revenues increased 10.0%, impacted by the increase in the pace of vehicle financing transactions and in the origination of mortgage loans.

R$ million



Collection Services

Revenues from collection services reached R$363 million, which represented a 1.9% decrease in relation to the fourth quarter of 2013, influenced by lower revenues from collection due to the seasonality of the period and by the lower number of business days when compared to the previous quarter.

When compared to the same period of the previous year, these revenues recorded a growth of 6.7%.

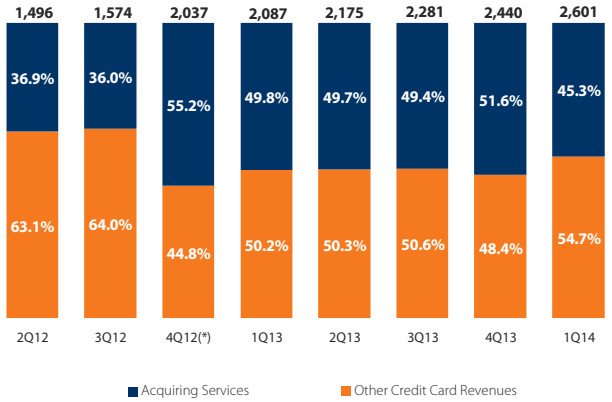
Credit Cards

Credit card revenues amounted to R$2,601 million in the first quarter of 2014, an increase of 24.6% in relation to the same period of the previous year, mainly due to the increased revenues from annual fees, interchange and MDR (Merchant Discount Rate), and to the increase in number of equipment rented in the period, on top of the Credicard acquisition. Disregarding the effects of this acquisition, our credit card revenues increased 13.8% in relation to the first quarter of 2013.

These revenues increased 6.6% from the previous quarter. This increase was influenced, among other things, by the acquisition of Credicard in December 2013, which brought R$227 million in service fees this quarter. Excluding the effects of the acquisition of Credicard, our credit card revenues would have dropped R$66 million (2.7%), due to the favorable seasonality of the fourth quarter, which is characterized by higher interchange revenues arising from the year-end sales.

As a result of the Credicard acquisition, the proportion of credit card revenues arising from card issuance was increased to 54.7% of the total.

R$ million



(*) Acquisition of minority interests in REDE.

Other

R$ million

	1Q14	4Q13	1Q14-4Q13
Foreign Exchange Services	32	28	4
Brokerage and Securities Placement	78	101	(23)
Custody Services and Management of Portfolio	74	73	0
Economic and Financial Advisory Services	87	193	(106)
Other Services	340	232	108
Total	**610**	**627**	**(17)**

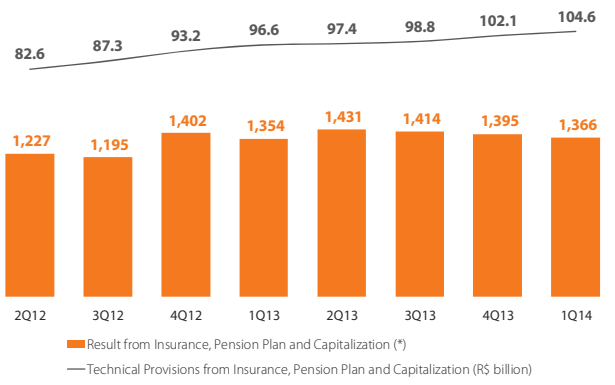
Revenues from our other services decreased, mainly due to the drop in the revenues from brokerage and security placement services of R$23 million and in the revenues from economic and financial advisory services of R$106 million, influenced by the lower volume of Investment Banking services. These reductions were partially offset by the increase in the revenues from other services.

Result from Insurance, Pension Plan and Capitalization

In the first quarter of 2014, the result from insurance, pension plan and capitalization operations totaled R$1,366 million, a 2.1% decrease from the previous quarter, mainly due to the decrease in earned premiums. This result increased 0.9% in relation to the first quarter of 2013 mainly due to the decrease in expenses for claims.

In the first quarter of 2014, the technical provisions for insurance, pension plans and capitalization totaled R$104.6 billion, a 2.5% increase from the previous quarter.

R$ million



(*) Income from Insurance, Pension Plan and Capitalization operations (-) Expenses for Claims (-) Selling Expenses for Insurance, Pension Plan and Capitalization.

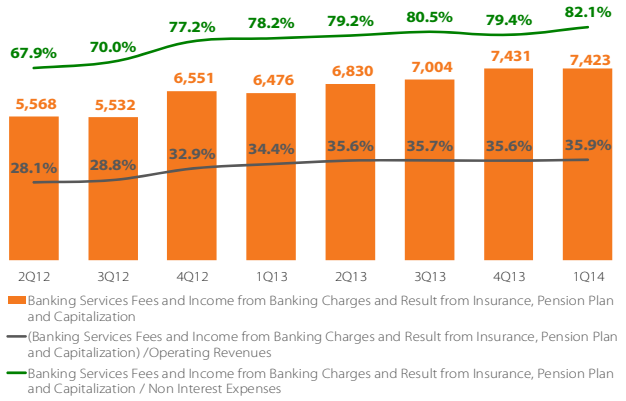
Banking Service Fees and Income from Banking Charges and Result from Insurance, Pension Plan and Capitalization

In the first quarter of 2014, the ratio between total banking service fees and income from banking charges plus the result from insurance, pension plan and capitalization operations divided by operating revenues – which includes, in addition to these revenues, the managerial financial margin and other operating revenues – reached 35.9%.

The operational coverage ratio, which represents the extent to which non-interest expenses were covered by the banking service fees and income from banking charges, added to the result from insurance, pension plans and capitalization, reached 82.1% in this quarter, an increase of 270 basis points in relation to the previous quarter.

The chart below presents the quarterly historical data of banking service fees, including the result from insurance, pension plan and capitalization operations and their relation with our operating revenues.

R$ million



Result from Loan Losses

R$ million

	1Q14	4Q13	1Q13	Variation 1Q14 -4Q13		Variation 1Q14 -1Q13	
Expenses for Provision for Loan and Lease Losses	(4,252)	(4,191)	(4,939)	(60)	1.4%	688	-13.9%
Income from Recovery of Loans Written Off as Losses	1,088	1,399	1,086	(312)	-22.3%	2	0.2%
Result from Loan and Lease Losses	**(3,164)**	**(2,792)**	**(3,854)**	**(372)**	**13.3%**	**690**	**-17.9%**

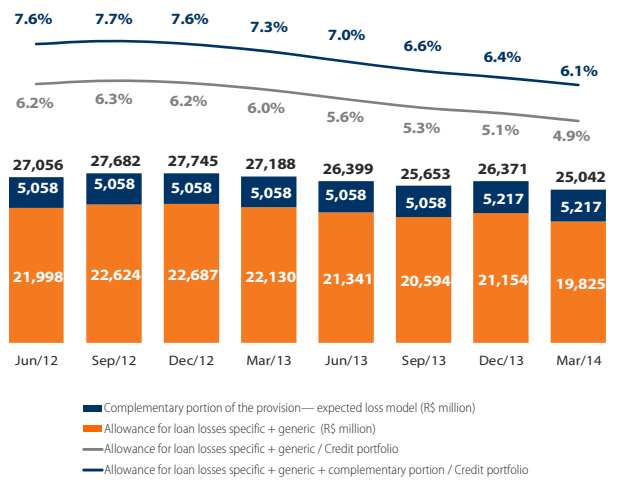
The first quarter of the year is usually marked by seasonal factors arising from the higher concentration of tax payments and taxes on equity, expenses related to the beginning of the school year and other expenses. These factors usually get in conflict with the payment of financial liabilities and affect the recovery of credits and the NPL ratios.

As an effect of the mentioned seasonality, the expenses for allowance for loan losses increased R$60 million in the quarter (1.4%) in relation to the fourth quarter of 2013, and the income from the recovery of credits written off as losses decreased R$312 million (22.3%). Accordingly, the result from loan and lease losses, net of recovery, totaled R$3,164 million in the quarter, an increase of 13.3% in relation to the previous quarter.

If the effects from the acquisition of Credicard were disregarded, the expenses for allowance for loan losses would have decreased 4.2% in the quarter.

Allowance for Loan Losses and Loan Portfolio

R$ million



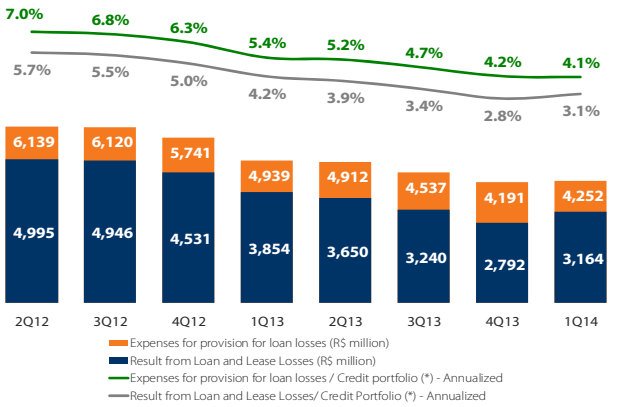
In March 2014, the balance of the loan portfolio without endorsements and sureties decreased R$3,944 million (1.0%) in relation to December 2013, totaling R$408,291 million, influenced by the decrease in the vehicles portfolio, very small, small and middle market companies portfolio and the portfolio in Latin America, as this latter was impacted by the exchange rate variation.

The balance of the allowance for loan losses decreased R$1,329 million (5.0%), reaching R$25,042 million. This decrease is not only due to the decrease in NPL ratios, but also to the increased volume of write-offs from the loan portfolio, mainly in vehicle financing operations.

The complementary allowance for loan losses, in addition to the minimum required by National Monetary Council (CMN) resolution No. 2,682/99, stood at R$ 5,217 million at the end of the first quarter of 2014.

Expenses for Provision for Loan and Lease Losses

R$ million



(*) Average balance of the Loan Portfolio of the two previous quarters.

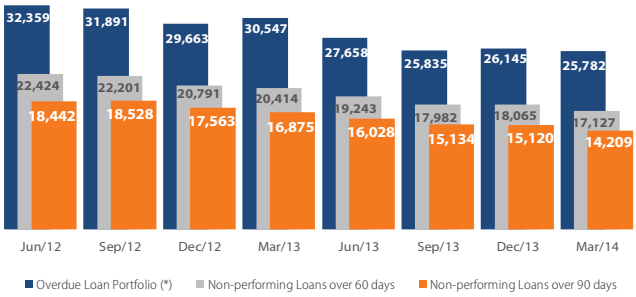
In the first quarter of 2014, the ratio of expenses for allowance for loan losses to the loan portfolio reached 4.1%, 10 basis points lower than in the previous quarter and once again **showing the lowest level since the merger of Itaú and Unibanco in 2008**. If the effects of Credicard were disregarded, this ratio would have been 4.0% in the period.

The ratio of the result from loan and lease losses to loan portfolio reached 3.1% this quarter, a 30 basis point increase when compared to the previous quarter, impacted by the seasonality of the period. If the effect of Credicard were disregarded, this ratio would have reached 3.0% in the period.

Non–Performing Loans

Delinquency Ratios and Non Performing Loans

R$ million

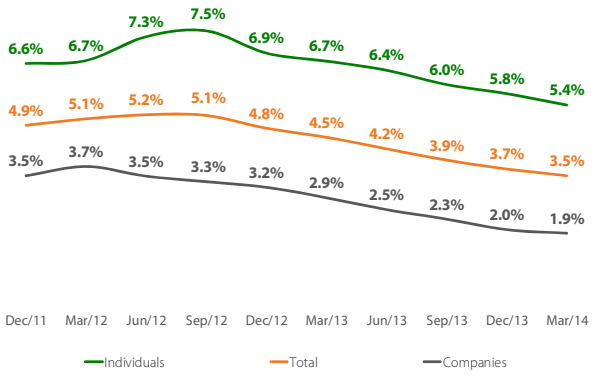


Note: overdue loans are loan operations having at least one installment more than 14 days overdue, irrespective of collateral provided.

The overdue loan portfolio decreased 1.4% in the first quarter of 2014. In relation to the same period of the previous year, overdue loans decreased over R$4.8 billion (15.6%).

The portfolio of credits overdue for more than 90 days decreased 6.0% and 15.8% when compared to the previous quarter and to the same period of the previous year.

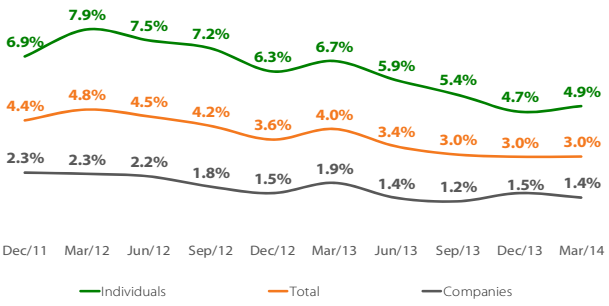
NPL Ratio | 90 days



The NPL ratio of credits more than 90 days overdue (NPL-90) decreased 20 and 100 basis points from the previous quarter and the first quarter of 2013, respectively, reaching 3.5% of our loan portfolio in the period. **This ratio reached the lowest level since the merger of Itaú and Unibanco, mainly due to the change in the credit profile of our portfolio.**

The reduction in the ratio was due to the decreases in the ratios for individuals and companies, in addition to the increased volume of write-offs from our loan portfolio, mainly in vehicle financing operations. The ratios for individuals decreased 40 and 130 basis points when compared to the previous quarter and the same period of the previous year, respectively. Meanwhile, for companies, this ratio decreased 10 and 100 basis points from the previous period and the first quarter of 2013, respectively.

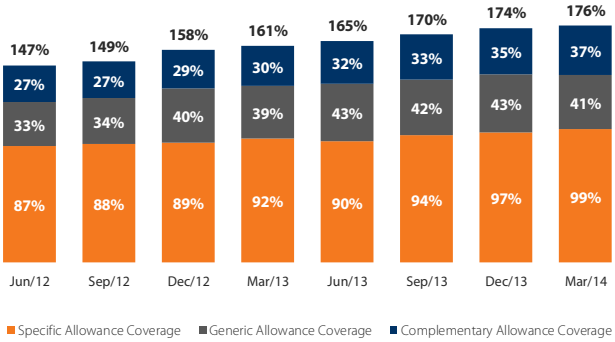
NPL Ratio | 15 to 90 days



Short-term delinquency, measured based on the balance of the operations that are overdue from 15 to 90 days, continues to be at the lowest level since the merger of Itaú and Unibanco. In March 2014, this ratio remained nearly stable in relation to the previous quarter, in view of the decrease of 10 basis points in the ratio for companies, offset by the increase of 20 basis points in the ratio for individuals, normal for the period in view of the seasonality.

In the twelve months to March, the short-term delinquency ratio decreased 100 basis points, mainly due to a 180 basis-point decrease in this ratio for individuals.

Coverage Ratio | 90 days

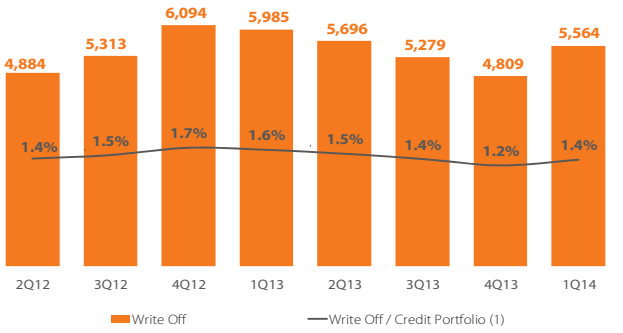


Note: The coverage ratio is derived from the division of the allowance for loans and lease losses balance by the balance of operations more than 90 days overdue.

The 90-day coverage ratio reached 176% in March 2014, an increase of 200 basis points in relation to the previous quarter, influenced by the decrease in the portfolio of credits overdue for more for more than 90 days.

Loan Portfolio Write-Offs

R$ million



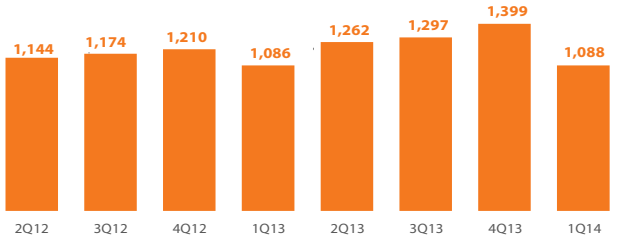
(1) Average balance of the loan portfolio for the previous two quarters.

Write-offs from the loan portfolio totaled R$5,564 million in the first quarter of 2014, an increase of R$755 million compared to the previous quarter and a decrease of R$421 million in relation to the same period of the previous year, respectively.

The ratio of written-off operations to the average balance of the loan portfolio reached 1.4% in the first quarter of 2014, an increase of 20 basis points when compared to the previous quarter.

Recovery of Loans

R$ million



Income from recovery of loans written off as losses decreased R$312 million (22.3%) in relation to the previous quarter, impacted by the seasonality effect of the period due to the larger concentration of tax payments and taxes on equity, expenses related to the beginning of the school year and other expenses, as previously mentioned. If the effect of Credicard was disregarded, this income would have decreased 25.4%.

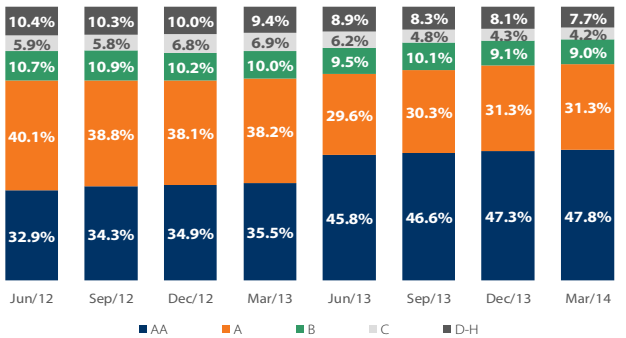
Loan Portfolio by Risk Level

Our credit risk management is aimed at maintaining the quality of the loan portfolio at levels that are appropriate for each market segment in which we operate. The increase in the concentration of credits rated "AA" to "C" in the period represents the adequacy and consistency of the origination policy and the quality of the guarantees obtained in our operations.

As a result of our strategy to focus on operations with lower risk and larger volume of guarantees, from the second quarter of 2013 we improved the guarantee control system (vehicles, mortgage loans, financial investments, among others) to capture the market value updated for each of these individual operations. Accordingly, the operations with guarantees of which updated amount exceeds the debit balance are now classified for better risk levels. On the other hand, the operations with guarantees of which updated amount is insufficient to mitigate the whole risk are now classified for worse risk levels.

Evolution of Loan Portfolio by Risk Level

On March 31, 2014, the share of loans to individuals rated "AA" to "C" in the total portfolio was 92.3%, an increase of 30 basis points when compared to the previous quarter.



Note: Excluding endorsements and sureties.

Non-interest Expenses

R$ million

	1Q14	4Q13	1Q13	Variation 1Q14 – 4Q13		Variation 1Q14 – 1Q13	
Personnel Expenses	(3,859)	(4,075)	(3,720)	216	-5.3%	(139)	3.7%
Administrative Expenses	(3,726)	(3,931)	(3,429)	205	-5.2%	(296)	8.6%
Operating Expenses	(1,326)	(1,249)	(1,011)	(77)	6.2%	(315)	31.1%
Other Tax Expenses (*)	(129)	(104)	(119)	(25)	24.2%	(10)	8.1%
Total	**(9,039)**	**(9,358)**	**(8,280)**	**319**	**-3.4%**	**(759)**	**9.2%**
(-) Credicard Expenses	(265)	-	-	(265)	-	(265)	-
Total expenses excluding Credicard	**(8,775)**	**(9,358)**	**(8,280)**	**584**	**-6.2%**	**(495)**	**6.0%**

(*) It does not include ISS, PIS and Cofins.

In the first quarter of 2014, non-interest expenses totaled R$9,039 million, a reduction of 3.4%, or R$319 million, in relation to the fourth quarter of 2013. This reduction is basically explained by the drop of 5.3% in personnel expenses (due to the increase in the number of employees on vacation in the period) and by the drop of 5.2% in administrative expenses due to higher expenditures with advertising, promotions and publications and facilities in the last quarter of 2013.

If we disregard Credicard expenses, the reduction in total expenses would have been even higher, of 6.2%, in the first quarter of 2014.

Personnel Expenses

R$ million

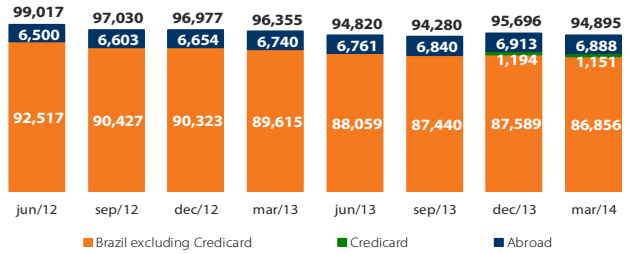
	1Q14	4Q13	Variation
Compensation, Charges and Social	(2,713)	(2,800)	87
Profit Sharing (*)	(767)	(817)	50
Employee Terminations and Labor Claims	(344)	(401)	57
Training	(35)	(56)	22
Total	**(3,859)**	**(4,075)**	**216**

(*) Includes variable compensation and stock option plans.

Personnel expenses totaled R$3,859 million in the first quarter of 2014, representing a drop of 5.3% from the fourth quarter of 2013, due to the decrease in the main lines of personnel expenses. The most significant reductions were due to (i) the higher number of employees on vacation in the first quarter of 2014, thus reducing the expenses with compensation, charges and benefits by 3.1%, (ii) the drop of 14% in the expenses with terminations and labor claims due to the decrease in the number of employees terminated and (iii) higher profit-sharing expenses in the fourth quarter of 2013.

Number of Employees

The number of employees dropped from 95,696 in December 2013 to 94,895 in March 2014, 1,151 of whom are employees coming from Credicard.



Note: For companies under the control of Itaú Unibanco, 100% of the number of employees is considered. No employee is considered for companies that are not under Itaú Unibanco's control.

Administrative Expenses

R$ million

	1Q14	4Q13	Variation
Data Processing and Telecommunications	(916)	(926)	11
Third-Party Services	(892)	(858)	(33)
Facilities	(571)	(640)	69
Depreciation and Amortization	(507)	(492)	(15)
Advertising, Promotions and Publications	(193)	(300)	106
Security	(153)	(140)	(13)
Financial System Services	(136)	(130)	(6)
Transportation	(106)	(114)	9
Materials	(71)	(92)	21
Travel	(42)	(54)	12
Other	(140)	(185)	45
Total	**(3,726)**	**(3,931)**	**205**

Administrative expenses totaled R$3,726 million, a decrease of 5.2% from the fourth quarter of 2013. The major drops were due to higher expenditures in the last quarter of 2013 with (i) advertising, promotions and publications arising from the launch of the Hiper brand and the broadcasting of films and campaigns; and (ii) facilities, due to the renewal of the rental contracts of some branches and higher expenditures with maintenance and conservation of administrative buildings and branches.

Operating Expenses

R$ million

	1Q14	4Q13	Variation
Provision for Contingencies	(432)	(448)	16
Selling - Credit Cards	(383)	(296)	(88)
Claims	(86)	(93)	7
Other	(425)	(413)	(12)
Total	**(1,326)**	**(1,249)**	**(77)**

In the first quarter of 2014, operating expenses increased 6.2% from the fourth quarter of 2013, basically due 29.7% growth in selling expenses - credit cards, arising from the consolidation of Credicard and higher expenditures with incentive programs.

Other Tax Expenses (*)

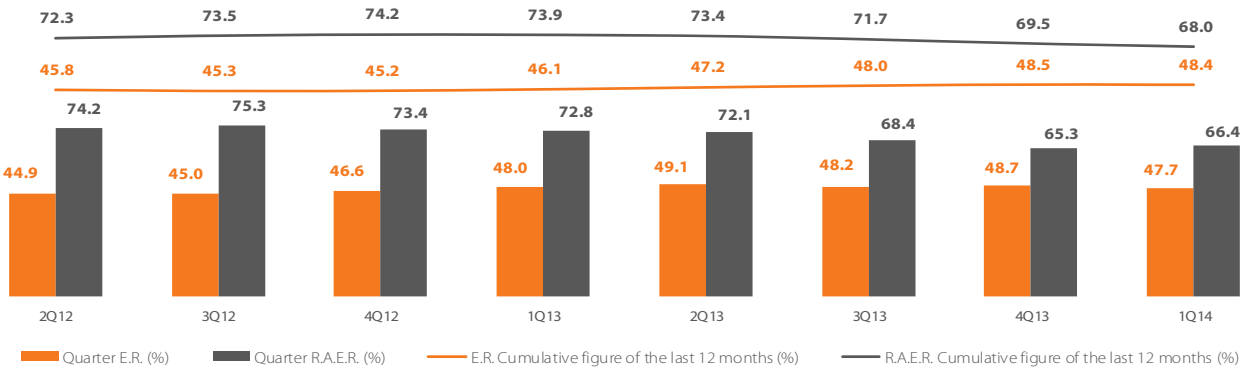
In the first quarter of 2014, other tax expenses totaled R$129 million, which represented an increase of R$25 million in relation to the fourth quarter of 2013, due to higher IOF for Foreign Exchange Operations.

When compared to the same period of the previous year, these expenses increased by R$10 million.

(*) Do not include ISS, PIS and Cofins.

Efficiency Ratio and Risk-Adjusted Efficiency Ratio

We present below the efficiency ratio and the risk-adjusted efficiency ratio, which includes the risk portions associated with banking transactions (result of the provision for loan losses) and insurance and pension plan transactions (claims).



$$\text{Risk Ajusted Efficiency Ratio} = \frac{\text{Non-Interest Expenses (Personnel Expenses + Administrative Expenses + Operating Expenses + Other Tax Expenses) + Insurance Selling Expenses + Result from Loan Losses + Retained Claims}}{\text{(Managerial Financial Margin + Banking Service Fees and Banking Charges + Operating Result of Insurance, Capitalization and Pension Plans before Retained Claims and Insurance Selling Expenses - Tax Expenses for ISS, PIS, Cofins and Other Taxes)}}$$

Risk-Adjusted Efficiency Ratio

In the first quarter of 2014, the risk-adjusted efficiency ratio, in the full concept (which includes all expenses, including claims and selling expenses from insurance), reached 66.4%, a decrease of 640 basis points in relation to the same period of 2013. This decrease was mainly due to the decrease in the result from loan losses (a decrease of 17.9% in relation to the first quarter of 2013, mainly influenced by the change in the credit profile of our portfolio), to the 18.3% increase in banking service fees and income from banking charges and to the 8.3% increase in the financial margin.

In relation to the fourth quarter of 2013, the Risk-Adjusted Efficiency Ratio increased 110 basis points, mainly due to the drop of 22.3% in the recovery of credits written-off as losses, which is seasonally stronger in the last quarter of the year, in addition to the drop of 1.7% in the financial margin. Non-interest expenses were 3.4% lower than in the previous quarter, mitigating the negative effects on the ratio.

In the 12-month period, the risk-adjusted efficiency ratio reached 68.0%, a drop of 150 basis points from the fourth quarter of 2013. **This ratio has dropped for five consecutive quarters and reached the lowest level since the merger of Itaú and Unibanco in the 12-month period.**

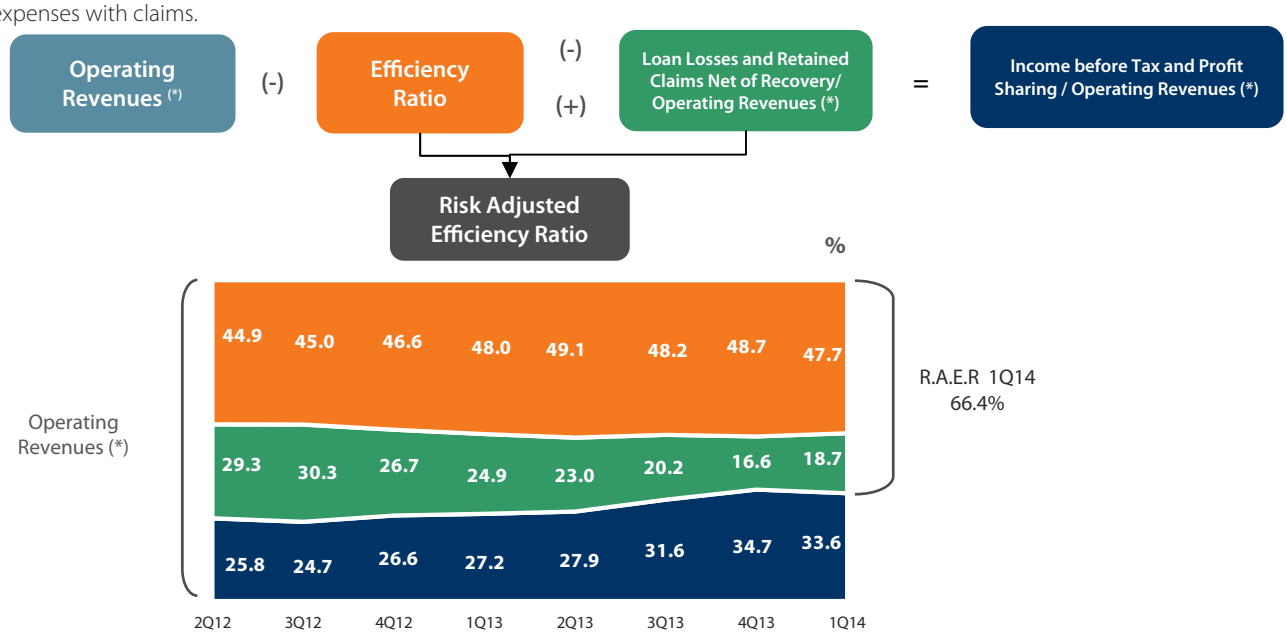
Efficiency Ratio

In the first quarter of 2014, the efficiency ratio reached 47.7%, a decrease of 100 basis points when compared to the fourth quarter of 2013. This decrease was mainly due to the 3.4% drop in non-interest expenses and the 0.6% drop in selling expenses.

In the twelve-month period, the efficiency ratio reached 48.4%, remaining almost steady when compared to the previous quarter. In relation to the first quarter of 2013, it increased 230 basis points. The main reason behind this increase is the change of the loan portfolio mix, which resulted in a 3.7% drop in the financial margin for the twelve-month period.

Usage of Operating Revenues

The chart below shows the portions of the operating revenues that are used to cover non-interest expenses, result from loan losses and expenses with claims.

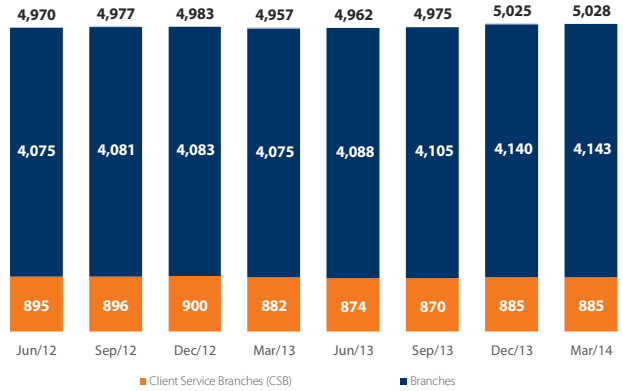


(*) Net of Tax Expenses for ISS, PIS and Cofins and Other.

Points of Service

At the end of the first quarter of 2014, our network comprised 5,028 branches and client service branches (CSB), including Brazil and abroad.

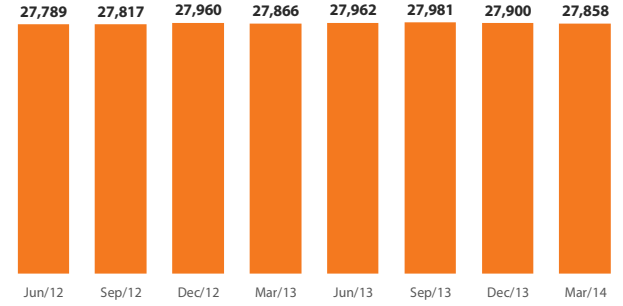
Branches and Client Service Branches (CSB) | Brazil and Abroad



Note: Includes Banco Itaú BBA, Banco Itaú Argentina and Chile, Uruguay and Paraguay companies.

Automated Teller Machines (ATMs) | Brazil and Abroad

At the end of the first quarter of 2014, the number of ATMs totaled 27,858, representing a decrease of 42 units when compared to the previous quarter.



Note: (i) Includes Banco Itaú Argentina and Chile, Uruguay and Paraguay companies.
(ii) Includes ESBs (Electronic Service Branches) and service points in third-party establishments.
(iii) Does not include points of sale and ATMs of Banco 24h.

Tax Expenses for ISS, PIS, Cofins and Other

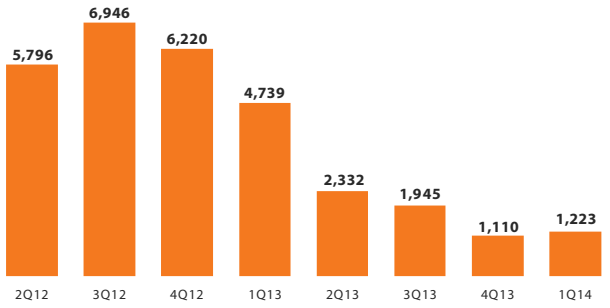
Tax expenses amounted to R$1,160 million in the first quarter of 2014, an increase of 3.2% from the previous quarter and of 11.4% in relation to the same period of 2013.

Income Tax and Social Contribution on Net Income

In the first quarter of 2014, income tax and social contribution on net income (CSLL) expenses totaled R$1,955 million, a decrease of R$184 million from the previous quarter as a result of lower income before tax and profit sharing. The effective tax rate reached 29.9%.

Unrealized Gains

R$ million



Unrealized gains increased 10.2% in relation to the previous quarter and totaled R$1,223 million at the end of the first quarter of 2014, mainly due to the increase of R$223 million in our ownership interest in Porto Seguro in the first quarter of 2014.

balance sheet, balance sheet by currency, risk management and ownership structure

1st quarter of 2014
Management Discussion & Analysis

Itaú Unibanco Holding S.A.

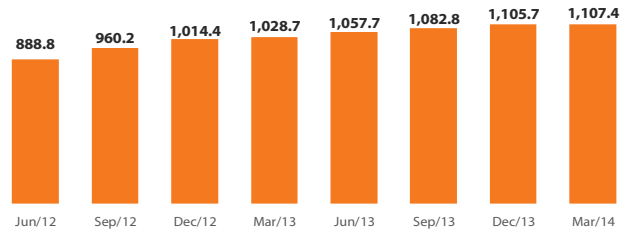
Balance Sheet

Assets

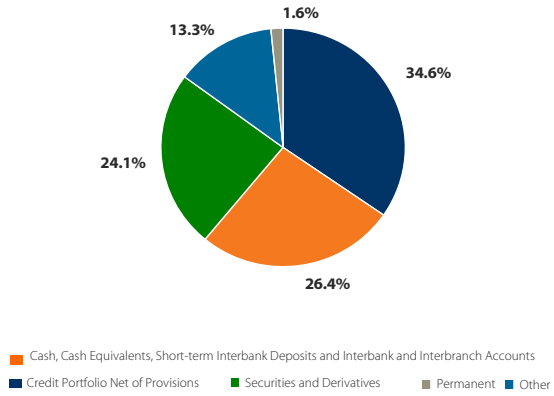
On March 31, 2014, total assets amounted to R$1.1 trillion, an increase of 0.1% in relation to the end of the previous quarter and 7.6% from the previous year. The breakdown of our assets and the details on their main components are presented below:

Total Assets

R$ billion



Assets Breakdown | March 31, 2014



Short-Term Interbank Investments and Securities Portfolio

On March 31, 2014, the balance of our short-term interbank investments and securities portfolio, including derivative financial instruments, totaled R$457,135 million, remaining nearly steady when compared to the previous quarter. The increase in short-term interbank investments of R$30,900 million was offset by the decrease in the Brazilian government securities of R$35,053 million.

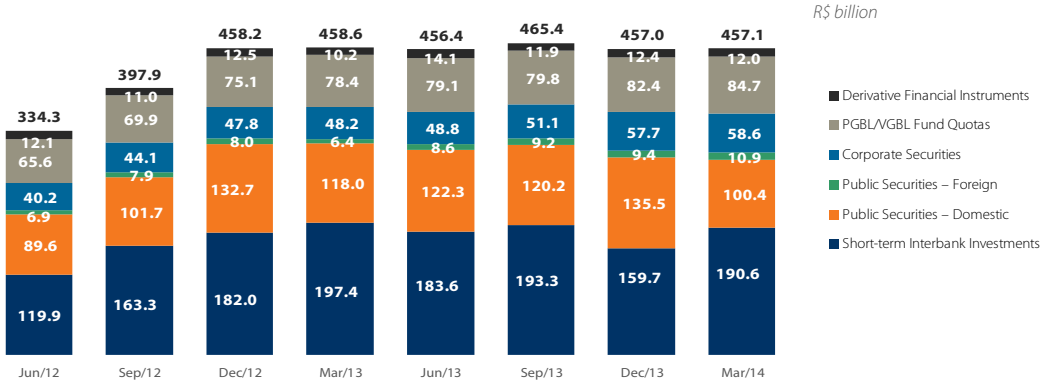
R$ million

							Variation	
	Mar 31, 14	%	Dec 31, 13	%	Mar 31, 13	%	Mar 31,14 - Dec 31,13	Mar 31,14 - Mar 31,13
Short-Term Interbank Investments	**190,553**	**41.7%**	**159,653**	**34.9%**	**197,423**	**43.0%**	**19.4%**	**-3.5%**
Total Public Securities	**111,327**	**24.4%**	**144,836**	**31.7%**	**124,404**	**27.1%**	**-23.1%**	**-10.5%**
Government Securities – Domestic	100,412	22.0%	135,465	29.6%	117,998	25.7%	-25.9%	-14.9%
Government Securities – Foreign	10,915	2.4%	9,371	2.1%	6,406	1.4%	16.5%	70.4%
Denmark	3,408	0.7%	2,631	0.6%	2,234	0.5%	29.5%	52.6%
Korea	2,910	0.6%	2,455	0.5%	426	0.1%	18.5%	583.2%
United States	1,350	0.3%	1,119	0.2%	680	0.1%	20.6%	98.5%
Chile	1,233	0.3%	1,054	0.2%	1,250	0.3%	17.1%	-1.3%
Paraguay	704	0.2%	638	0.1%	760	0.2%	10.3%	-7.4%
Uruguay	360	0.1%	484	0.1%	308	0.1%	-25.6%	16.8%
Argentina	307	0.1%	109	0.0%	261	0.1%	181.2%	17.7%
Colombia	237	0.1%	226	0.0%	34	0.0%	4.9%	592.2%
Belgium	154	0.0%	159	0.0%	156	0.0%	-3.4%	-1.4%
Netherlands	123	0.0%	126	0.0%	53	0.0%	-2.5%	132.9%
Mexico	74	0.0%	181	0.0%	99	0.0%	-59.3%	-25.7%
France	49	0.0%	88	0.0%	88	0.0%	-44.2%	-44.2%
Other	6	0.0%	6	0.0%	31	0.0%	-3.1%	-80.1%
Italy	-	0.0%	94	0.0%	-	0.0%	-	-
Peru	-	-	-	-	25	0.0%	-	-
Corporate Securities	**58,596**	**12.8%**	**57,723**	**12.6%**	**48,171**	**10.5%**	**1.5%**	**21.6%**
PGBL/VGBL Fund Quotas	**84,665**	**18.5%**	**82,394**	**18.0%**	**78,382**	**17.1%**	**2.8%**	**8.0%**
Derivative Financial Instruments	**11,994**	**2.6%**	**12,381**	**2.7%**	**10,247**	**2.2%**	**-3.1%**	**17.1%**
Total	**457,135**	**100.0%**	**456,986**	**100.0%**	**458,627**	**100.0%**	**0.0%**	**-0.3%**

Evolution of Short-term Interbank Investments and Securities Portfolio

The breakdown of short-term interbank investments and securities in the past few quarters is shown below:

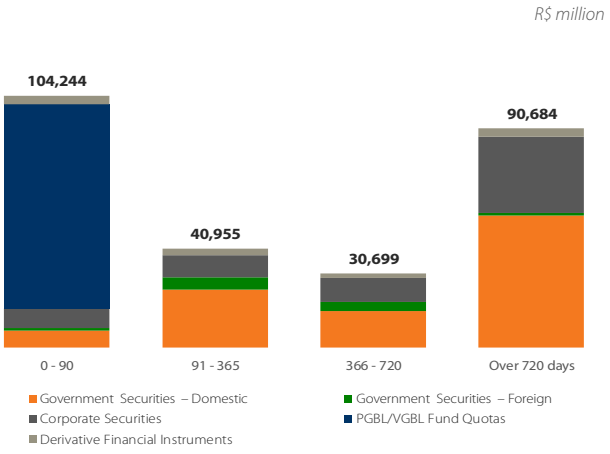
R$ billion



Balance Sheet

Securities and Derivatives Financial Instruments

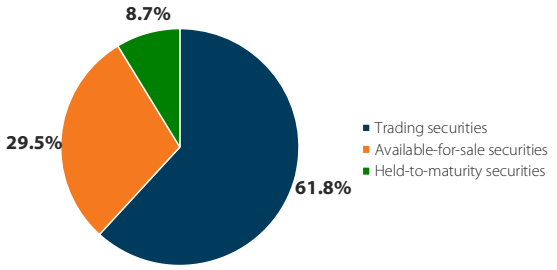
Our securities and derivatives financial instruments are presented below in accordance with their maturity period, allowing us to see our positions by maturity date.



Securities by Categories

Our securities portfolio is classified into three categories: trading, available-for-sale and held-to-maturity. On March 31, 2014, the securities portfolio totaled R$254,588 million.

For a better alignment to our risk management strategy, a portion of the Brazilian Republic Sovereign Debt securities (R$2,906 million) and securitized real estate loans - CRIs (R$9,251 million), in the amount of R$12,157 million, was reclassified from "available-for-sale" to the "held-to-maturity" category. The total of held-to-maturity securities reached R$22.2 billion on March 31, 2014.



Credit Portfolio

Credit Portfolio by Product

In the table below, the credit portfolio is split into two groups: individuals and companies. For a better understanding of the performance of these portfolios, the main product groups of each segment are presented below.

R$ million

				Variation	
	Mar 31,14	Dec 31,13	Mar 31,13	Mar 31,14 - Dec 31,13	Mar 31,14 - Mar 31,13
Individuals	**180,636**	**181,780**	**163,735**	**-0.6%**	**10.3%**
Credit Card	52,966	54,234	41,362	-2.3%	28.1%
Personal Loans	27,756	26,859	27,261	3.3%	1.8%
Payroll Loans (1)	24,652	22,578	16,261	9.2%	51.6%
Vehicles	37,086	40,319	48,532	-8.0%	-23.6%
Mortgage Loans (2)	25,236	24,209	19,165	4.2%	31.7%
Rural Loans	260	254	265	2.4%	-1.7%
Latin America (4)	12,680	13,327	10,888	-4.9%	16.5%
Companies	**227,656**	**230,455**	**207,613**	**-1.2%**	**9.7%**
Working Capital (3)	104,596	109,192	102,908	-4.2%	1.6%
BNDES/Onlending	50,503	49,162	43,889	2.7%	15.1%
Export / Import Financing	28,523	26,764	22,789	6.6%	25.2%
Vehicles	5,239	5,454	5,461	-3.9%	-4.1%
Mortgage Loans	10,083	9,941	8,131	1.4%	24.0%
Rural Loans	7,285	7,014	6,998	3.9%	4.1%
Latin America (4)	21,427	22,927	17,437	-6.5%	22.9%
Total without Endorsements and Sureties	**408,291**	**412,235**	**371,348**	**-1.0%**	**9.9%**
Endorsements and sureties	71,829	71,162	62,891	0.9%	14.2%
Total with Endorsements and Sureties	**480,120**	**483,397**	**434,239**	**-0.7%**	**10.6%**
Private Securities (5)	28,126	26,482	21,924	6.2%	28.3%
Total Risk	**508,246**	**509,879**	**456,163**	**-0.3%**	**11.4%**

(1) It includes operations originated by the institution and acquired operations. (2) It does not consider co-obligation in mortgage loan assignment in the amount of R$253.8 million in the 4Q11; (3) It also includes Overdraft, Receivables, Hot Money, Leasing, and other;; (4) It includes Argentina, Chile, Colombia, Paraguay and Uruguay; (5) It includes Debentures, CRI and Commercial Paper.

The portfolio of credits to individuals reached R$180,636 million on March 31, 2014, a 0.6% decrease when compared to the last quarter. This variation was mainly due to the decreases of 8.0% in the vehicle portfolio, which reached R$37,086 million, of 2.3% in the credit card portfolio, which reached R$52,966 million and of 4.9% of the portfolio in Latin America, which amounted to R$12,680 million, the latter impacted by the foreign exchange variation in the period.

The portfolio of credit to companies decreased 1.2% in the quarter, totaling R$227,656 million. The change in this portfolio is mainly due to the decreases of 4.2% in working capital, which reached R$104,596 million, and of 6.5% in the portfolio in Latin America, which reached R$ 21,427 million and was impacted by the foreign exchange variation in the period, as mentioned before.

Taking into account our fixed income private securities portfolio and the balance of sureties and endorsements, the adjusted balance of our overall loan portfolio amounted to R$508,246 million, a decrease of 0.3% when compared to December 31, 2013, but a growth of 11.4% when compared to March 31, 2013.

Credit Portfolio by Business Sector (including endorsements and sureties)

The changes in the portfolio of credit to companies, including the portfolio of Latin America, are listed below:

R$ million

			Variation	
Ramo	Mar 31,14	Dec 31,13	Mar 31,14 -	Dec 31,13
Vehicles and autoparts	20,144	20,865	(721)	-3.5%
Transportation	19,641	20,103	(462)	-2.3%
Real estate	18,758	19,203	(445)	-2.3%
Food and beverage	18,195	18,061	135	0.7%
Agribusiness and fertilizers	14,339	14,215	123	0.9%
Energy and water treatment	12,959	12,850	109	0.8%
Steel and metallurgy	12,266	12,020	246	2.0%
Capital assets	10,794	10,318	476	4.6%
Sugar and alcohol	9,586	9,860	(275)	-2.8%
Petrochemical and chemical	8,884	8,694	190	2.2%
Banks and other financial institutions	8,648	8,838	(190)	-2.2%
Electronic and IT	7,206	7,251	(44)	-0.6%
Construction material	7,095	6,730	365	5.4%
Infrastructure work	6,928	7,002	(74)	-1.1%
Pharmaceuticals and cosmetics	6,581	6,798	(217)	-3.2%
Mining	5,845	5,753	92	1.6%
Clothing and footwear	5,566	5,799	(233)	-4.0%
Oil and gas	5,484	5,301	183	3.5%
Leisure and tourism	3,762	3,828	(66)	-1.7%
Pulp and paper	3,500	3,647	(147)	-4.0%
Other	85,002	85,737	(736)	-0.9%
Total	**291,180**	**292,873**	**(1,693)**	**-0.6%**

Credit Concentration

Our loan, lease and other credit operations, including endorsements and sureties, are spread over our loan portfolio, in such a way that only 22.2% of the credit risk was concentrated in the 100 largest debtors at the end of March 2014. The credit concentration of the 100 largest debtors (group consolidated) is as follows:

R$ million

	Mar 31,14		
	Risk	% of Total	% of Total Assets
Largest debtor	4,879	1.0	0.4
10 largest debtors	30,166	6.3	2.7
20 largest debtors	47,668	9.9	4.3
50 largest debtors	78,944	16.4	7.1
100 largest debtors	106,622	22.2	9.6

Operations under Renegotiation

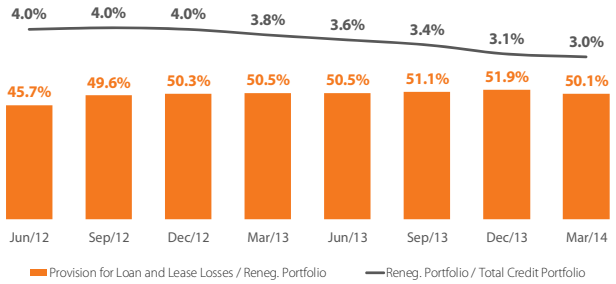
According to the rules of CMN Resolution No. 2,682/99, balances of all contracts that have had changes to their original contractual terms should be reported as renegotiated loans. To allow better understanding, we segregate renegotiated loans into those that had changes in the original contractual terms only, but are not overdue or are overdue for less than 30 days, and those that had credits effectively renegotiated, as shown below:

R$ million

	Portfolio	LLP	%
Amended Credit Agreements	**17,131**	**(7,263)**	**42.4%**
Amended Operations non-overdue	**(4,765)**	**1,065**	**22.3%**
Renegotiated Loan Operations	**12,366**	**(6,198)**	**50.1%**

Further information on note 8-d of our financial statements.

On March 31, 2014, the portfolio of operations under renegotiation reached R$12,366 million, with a decrease of R$514 million in the quarter, which represents 3.0% of our loan portfolio (a decrease of 10 basis points from the previous quarter). At the end of the first quarter of 2014, the ratio of the allowance for loan losses to the renegotiated portfolio reached 50.1%. The following chart presents this change:



The portfolio of credits under renegotiation includes all loans under renegotiation, either overdue or those already written off as losses. For credits written off as losses, we recognize a provision for the total amount renegotiated (not generating an immediate result) that is reversed only when there is a strong indication of the recovery of this credit (after payments are received on a regular basis for a few months).

The 90-day non-performing loans (NPL-90) in the renegotiated portfolio reached R$3,616 million, which caused the 90-day NPL ratio to reach 29.2%. The coverage ratio of the corresponding allowance for loan losses was 171% on March 31, 2014. The portfolio of over 90-day non-performing loans presented in the report also includes the NPL on renegotiated credits.

Other and Permanent Assets

The "other assets" item comprises foreign exchange portfolio, tax credits, taxes and contributions for offset and escrow deposits. In the first quarter of 2014, other assets reached R$147,643 million (a 2.0% decrease from the previous quarter), mainly due to the reduced foreign exchange portfolio.

The tax credit balance reached R$40.1 billion (a decrease of 1.8% from the previous quarter), of which R$33.2 billion refers to temporary differences of provisions and R$6.9 billion refer to tax losses, social contribution tax loss carryforwards, and social contribution for offset.

Our permanent assets, in the amount of R$17,632 million, are represented by non-consolidated investments in Brazil and abroad, fixed assets and deferred charges. In this quarter, this category represented 1.6% of total assets and remained practically steady when compared to the previous quarter.

Funding

R$ million

	Mar 31,14	Dec 31,13	Mar 31,13	Variation Mar 31,14 - Dec 31,13	Variation Mar 31,14 - Mar 31,13
Demand Deposits	43,217	42,891	33,718	0.8%	28.2%
Savings Deposits	108,932	106,166	87,072	2.6%	25.1%
Time Deposits	120,567	117,131	109,321	2.9%	10.3%
Debentures (Linked to Repurchase Agreements and Third Parties' Operations)	126,625	123,922	122,316	2.2%	3.5%
Funds from Bills [1] and Structured Operations Certificates	29,546	30,197	36,151	-2.2%	-18.3%
(1) Total - Funding from Account Holders and Institutional Clients (*)	**428,886**	**420,308**	**388,578**	**2.0%**	**10.4%**
Onlending	44,175	43,016	38,826	2.7%	13.8%
(2) Total – Funding from Clients	**473,062**	**463,323**	**427,403**	**2.1%**	**10.7%**
Assets Under Administration	626,696	628,271	581,918	-0.3%	7.7%
Technical Provisions for Insurance, Pension Plan and Capitalization	104,595	102,060	96,624	2.5%	8.2%
(3) Total – Clients	**1,204,353**	**1,193,654**	**1,105,945**	**0.9%**	**8.9%**
Interbank deposits	5,493	8,194	8,444	-33.0%	-34.9%
Funds from Acceptance and Issuance of Securities	14,320	16,060	16,069	-10.8%	-10.9%
Total Funds from Clients + Interbank Deposits	**1,224,166**	**1,217,908**	**1,130,458**	**0.5%**	**8.3%**
Repurchase Agreements [2]	161,991	168,257	174,844	-3.7%	-7.4%
Borrowings	32,752	33,638	24,065	-2.6%	36.1%
Foreign Exchange Portfolio	42,150	46,308	40,634	-9.0%	3.7%
Subordinated Debt	55,534	55,639	52,031	-0.2%	6.7%
Collection and payment of Taxes and Contributions	5,602	205	4,896	2633.2%	14.4%
Free Assets [3]	66,461	65,364	62,735	1.7%	5.9%
Free Assets and Other	**364,491**	**369,411**	**359,206**	**-1.3%**	**1.5%**
Total Funds (Free, Raised and Managed Assets)	**1,588,657**	**1,587,319**	**1,489,664**	**0.1%**	**6.6%**

(*) Funds from Institutional Clients totaled R$12,520 million, which corresponds to 2.9% of the total raised with Account Holders and Institutional Clients.
(1) It includes funds from Real Estate, Mortgage, Financial, Credit and Similar Notes. (2) It does not include own issued debentures classified as funding. (3) Equity + Non-Controlling Interest – Permanent Assets.

On March 31, 2014, total funds from clients, including interbank deposits, amounted to R$1.2 trillion, corresponding to an increase of R$6,258 million from the fourth quarter of 2013. The main drivers were increases of R$3,435 million in demand deposits, and R$2,765 million in savings deposits, R$2,535 million in technical provisions for insurance, pension plans and capitalization. These increases were partially offset by the reduction of R$1,575 million in investment funds and managed portfolios and R$651 million in funds from bills and structured operations certificates.

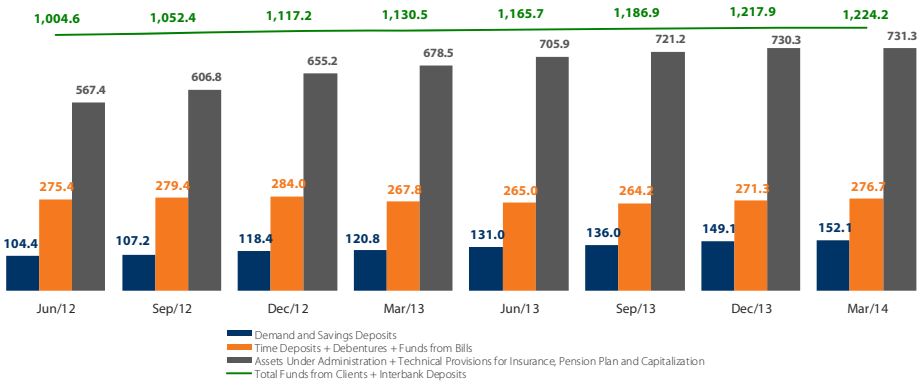
The debentures issued by leasing companies of the conglomerate, after being purchased by the bank (the Conglomerate's leading company), are traded with the same characteristics as those of CDBs and other time deposits, although they are classified as deposits received under securities repurchase agreements. Therefore, these deposits are reclassified in the table above as deposits from account holders. In the first quarter of 2014, this type of funding added to other debentures totaled R$126,625 million, including funding from institutional clients.

Total funds (free, raised and managed assets) amounted to R$1.6 trillion on March 31, 2014, an increase of R$1,338 million when compared to December 31, 2013, mainly driven by the growth of funds obtained from clients and borrowings, which was partially offset by a decrease in repurchase agreements.

In the 12-month period, we highlight the increase of R$93,709 million in funds obtained from clients, mainly due to the increase in funds obtained through investment funds and managed portfolios, savings deposits, technical provisions for insurance, pension plans and capitalization partially offset by the decrease in funds from bills. Total funds (free, raised and managed assets) grew R$98,994 million.

Funds from clients [1]

R$ billion



[1] It includes institutional clients in the proportion of each type of product invested by them.

Ratio between Loan Portfolio and Funding

R$ million

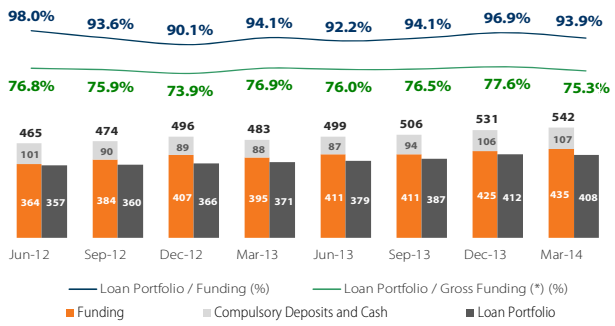
	Mar 31,14	Dec 31,13	Mar 31,13	Variation Mar 31,14 - Dec 31,13	Variation Mar 31,14 - Mar 31,13
Funding from Clients + Account Holders	473,062	463,323	427,403	2.1%	10.7%
Funds from Acceptance and Issuance of Securities Abroad	14,320	16,060	16,069	-10.8%	-10.9%
Borrowings	32,752	33,638	24,065	-2.6%	36.1%
Other [1]	21,987	17,899	15,318	22.8%	43.5%
Total (A)	**542,121**	**530,919**	**482,856**	**2.1%**	**12.3%**
(-) Reserve Required by BACEN	(91,049)	(88,998)	(74,420)	2.3%	22.3%
(-) Cash (Currency) [2]	(16,030)	(16,576)	(13,737)	-3.3%	16.7%
Total (B)	**435,041**	**425,345**	**394,698**	**2.3%**	**10.2%**
Loan Portfolio (C) [3]	**408,291**	**412,235**	**371,348**	**-1.0%**	**9.9%**
C/A	**75.3%**	**77.6%**	**76.9%**	**-230 bps**	**-160 bps**
C/B	**93.9%**	**96.9%**	**94.1%**	**-310 bps**	**-20 bps**

(1) These comprise installments of subordinated debt that are not included in the Tier II Referential Equity.
(2) It includes cash, bank deposits of institutions without reserve requirements, foreign currency deposits in Brazil, foreign currency deposits abroad, and cash and cash equivalents in foreign currency. (3) The loan portfolio balance does not include endorsements and sureties.

In March 2014, the ratio of loan portfolio to funding before the deduction of compulsory deposits and cash and cash equivalents reached 75.3%, compared to 77.6% in December 2013, mainly due to the decrease in the loan portfolio in the first quarter of 2014. Taking the compulsory deposits and cash and cash equivalents into consideration, this ratio reached 93.9% in March 2014, compared to 96.9% in December 2013.

Ratio between Loan Portfolio and Funding

R$ billion



(*) Gross funding, disregarding the deductions of compulsory deposits and cash and cash equivalents.

External Funding [1]

The table below highlights the main securities issued by Itaú Unibanco abroad in effect on March 31, 2014.

US$ million

Instrument	Issuer	Balance at Dec 31,13	Issuances	Amortization	Exchange Variation	Balance at Mar 31,14	Issue Date	Maturity Date	Coupon % p.y.
Fixed Rate Notes [2]	Itaú Chile	97				97	07/24/2007	07/24/2017	UF(5) + 3.79%
Fixed Rate Notes [3]	Itaú Chile	98				98	10/30/2007	10/30/2017	UF(5) + 3.44%
Floating Rate Notes	Itaubank	393				393	12/31/2002	03/30/2015	Libor(6) + 1.25%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,000				1,000	04/15/2010	04/15/2020	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,000				1,000	09/23/2010	01/22/2021	5.75%
Medium Term Notes [4]	Itaú Unibanco Holding S.A., Grand Cayman Branch	215			6	221	11/23/2010	11/23/2015	10.50%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	250				250	01/24/2011	01/22/2021	5.75%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	500				500	06/15/2011	12/21/2021	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	550				550	01/24/2012	12/21/2021	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,250				1,250	03/19/2012	03/19/2022	5.65%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,375				1,375	8/6/2012	8/6/2022	5.50%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,870				1,870	11/13/2012	05/13/2023	5.13%
Structured Notes		4,244	-	(975)		3,269			
Total		**12,842**	**-**	**(975)**	**6**	**11,873**			

(1) The balances refer to principal amounts; (2) and (3) Amounts in US$ equivalent on the issuance dates to CHP 46.9 billion and CHP 48.5 billion, respectively; (4) Amounts in US$ equivalent on the issuance dates to R$500 million; (5) Development Financial Unit; (6) 180-day Libor.

On March 31, 2014, funds obtained abroad totaled US$11,873 million, a decrease of US$969 million from the fourth quarter of 2013 (presented in the "Funding" table in the previous section as Foreign Borrowings through Securities and Subordinated Debt).

Balance Sheet by Currency

We adopt a management policy for foreign exchange risk associated with our asset and liability positions that is primarily intended to prevent impacts on consolidated results from fluctuations in foreign exchange rates.

The Brazilian tax legislation determines that gains and losses from exchange rate variation on permanent foreign investments must not be included in the tax basis. On the other hand, gains and losses arising from financial instruments used to hedge such asset positions are impacted by tax effects. Therefore, in order not to expose net income to foreign exchange rate variations, a liability position must be built at a higher volume than the hedged assets.

The Balance Sheet by Currency shows our assets and liabilities denominated in local and foreign currencies. On March 31, 2014, the net exchange position was a liability of US$9,118 million.

Assets | March 31, 2014

R$ million

		Business in Brazil			
	Consolidated	Total	Local Currency	Foreign Currency	Business Abroad
Cash and Cash Equivalents	**16,030**	**9,345**	**7,509**	**1,836**	**7,789**
Short - Term Interbank Deposits	**190,553**	**165,934**	**165,934**	**-**	**26,837**
Securities	**266,582**	**231,711**	**229,354**	**2,357**	**66,226**
Loans, Leases and Other Loan Operations	**383,249**	**305,051**	**291,613**	**13,438**	**103,020**
Loans	408,291	328,478	315,040	13,438	104,636
(Allowance for Loan Losses)	(25,042)	(23,427)	(23,427)	-	(1,615)
Other Assets	**233,330**	**199,682**	**186,759**	**12,923**	**51,190**
Foreign Exchange Portfolio	41,498	18,381	7,580	10,800	40,208
Other	191,831	181,301	179,179	2,122	10,982
Permanent Assets	**17,632**	**52,178**	**16,804**	**35,374**	**808**
Total Assets	**1,107,376**	**963,901**	**897,973**	**65,928**	**255,869**
Derivatives – Purchased Positions				**80,803**	
Total Assets After Adjustments (a)				**146,731**	

Liabilities and Equity | March 31, 2014

R$ million

		Business in Brazil			
	Consolidated	Total	Local Currency	Foreign Currency	Business Abroad
Deposits	**278,208**	**186,977**	**186,641**	**336**	**93,858**
Funds Received under Securities Repurchase Agreements	**288,616**	**275,500**	**275,500**	**-**	**13,116**
Funds from Acceptances and Issue of Securities	**43,866**	**60,325**	**30,616**	**29,709**	**12,533**
Borrowings and On Lendings	**76,927**	**72,821**	**44,321**	**28,499**	**31,146**
Interbank and Interbranch Accounts	**12,766**	**12,453**	**10,038**	**2,414**	**314**
Derivative Financial Instruments	**12,049**	**9,011**	**9,011**	**-**	**3,854**
Other Liabilities	**205,116**	**158,104**	**145,490**	**12,614**	**64,560**
Foreign Exchange Portfolio	42,150	19,094	6,832	12,263	40,146
Other	162,966	139,009	138,658	352	24,414
Technical Provisions of Insurance, Pension Plan and Capitalization	**104,595**	**104,552**	**102,514**	**2,038**	**43**
Deferred Income	**1,138**	**955**	**552**	**403**	**183**
Minority Interest in Subsidiaries	**1,919**	**1,029**	**1,029**	**-**	**890**
Stockholders' Equity of Parent Company	**82,173**	**82,173**	**82,173**	**-**	**35,374**
Capital Stock and Reserves	77,754	77,916	77,916	-	34,752
Net Income	4,419	4,257	4,257	-	622
Total Liabilities and Equity	**1,107,376**	**963,901**	**887,885**	**76,015**	**255,869**
Derivatives – Sold Positions				**91,350**	
Total Liabilities and Equity After Adjustments (b)				**167,365**	
Net Foreign Exchange Sold Position Itaú Unibanco (c = a - b)				**(20,634)**	
Net Foreign Exchange Sold Position Itaú Unibanco (c) in US$				**(9,118)**	

Note: It does not consider eliminations of operations between local and foreign business units.

Assets and liabilities denominated in foreign currencies

We present below the net foreign exchange position, a liability position at a higher volume than the balance of the hedged assets (overhedge), which, when considering the tax effects on the net balance of other assets and liabilities denominated in foreign currency, reflects the elimination of the exposure to foreign exchange variations.

R$ million

	Balance Sheet		Variation	
	Mar 31, 14	Dec 31, 13	Mar 31, 14 – Dec 31, 13	
Investments Abroad	35,374	28,935	6,439	22.3%
Net Foreign Exchange Position (Except Investments Abroad)	(56,008)	(45,877)	(10,131)	22.1%
Total	**(20,634)**	**(16,942)**	**(3,692)**	**21.8%**
Total in US$	**(9,118)**	**(7,231)**	**(1,887)**	**26.1%**

Corporate Principles of Risk and Capital Management

We regard risk management as an essential instrument for optimizing the use of resources and selecting the best business opportunities in order to create value to our stockholders.

The risk management processes permeate the entire institution and are in line with the guidelines of the Board of Directors and Senior Management, which, through Committees and Superior Commissions, determine the overall objectives, expressed as targets and limits for the risk management business units. Meanwhile, the control and capital management units support Itaú Unibanco's management by means of monitoring processes and risk and capital analysis.

The capital management process continually monitors the capital needs in scenarios of normality and stress, and helps in planning targets and capital needs and adopting a prospective posture in relation to capital management.

For additional information on the risk and capital management structure, please see the Investor Relations website at www.itau.com.br/investor-relations >>Corporate Governance >> Risk Management – Pillar 3.

Credit Risk

Our credit risk management is aimed at maintaining the quality of the loan portfolio at levels that are consistent with our risk appetite for each market segment in which we operate.

The credit risk control is centralized and carried out by an independent executive area responsible for risk control. The main responsibilities include monitoring and controlling the performance of loan portfolios, managing the process of development, review and approval of institutional credit risk policies and monitoring the adjustment of the Referential Equity tier to the level of credit assumed. Itaú Unibanco's centralized process for approving policies and validating models ensures the timing of credit actions.

Operational Risk

Our operational risk management structure is composed of operational risk management and control activities aimed at supporting the organization in decision-making processes, always in search of the proper identification and evaluation of risks, the creation of value for stockholders, as well as the protection of our assets and image.

Liquidity Risk

Liquidity risk is defined as the possibility of us failing to efficiently meet expected and unexpected, current and future obligations, including those arising from guarantees, without affecting daily operations and incurring significant losses.
The liquidity risk measurement comprises all financial operations of our companies, as well as possible contingent or unexpected exposures, such as those arising from settlement services, provision of endorsements and sureties and lines of credit raised but not used.

Market Risk

Our market risk management strategy is aimed at balancing corporate business goals, taking into account political, economic and market conditions, the market risk portfolio of the institution and the expertise to operate in specific markets, among others aspects.
Market risk is controlled by an area independent from the business units and responsible for carrying out, on a daily basis, the activities of risk measurement, assessment, analysis and reporting to the proper areas and persons according to the governance determined, and monitoring any necessary procedures to adjust the position and/or risk level, when applicable. To this end, Itaú Unibanco has a structured communication and information process that provides feedback for the monitoring of the Superior Committees and compliance with the requirements of Brazilian and foreign regulatory bodies.

VaR of Itaú Unibanco

The exposure to market risk of the portfolios of Itaú Unibanco and its foreign subsidiaries is presented in the table Global VaR by Risk Factor Group, which shows where the larger concentrations of market risk are. This quarter, we maintained our conservative management approach and diversified portfolio, keeping our policy of operating within lower limits in relation to our capital.

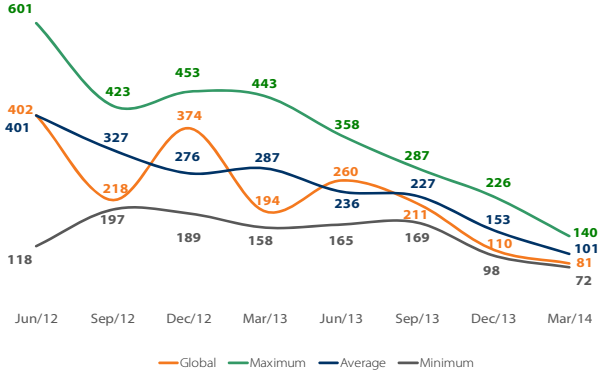
VaR by Risk Factor

R$ million

		Mar 31, 14	Dec 31, 13
Itaú Unibanco	Brazilian Interest rates	69.6	69.1
	Other Foreign Interest rates	25.7	45.2
	FX rates	27.0	10.4
	Brazilian Inflation Indexes	62.9	65.7
	Equities and Commodities	14.0	20.4
Foreign Units	Banco Itaú BBA International	1.9	1.9
	Banco Itaú Argentina	2.8	5.7
	Banco Itaú Chile	3.0	2.1
	Banco Itaú Uruguay	1.5	1.7
	Banco Itaú Paraguay	1.9	0.9
	Banco Itaú BBA Colombia	0.4	0.2
Diversification Effect		**(129.9)**	**(113.0)**
Global VaR		**80.6**	**110.4**
Maximum VaR in the Quarter		**139.8**	**225.9**
Average VaR in the Quarter		**101.1**	**152.8**
Minimum VaR in the Quarter		**72.2**	**97.9**

VaR refers to the maximum potential loss for a day, with a 99% confidence level. Volatilities and correlations are estimated based on a methodology that attributes more weight to the most recent information.

Evolution of Itaú Unibanco's Value at Risk



Capital Adequacy

Through the Internal Capital Adequacy Assessment (ICAAP), we aim to ensure the sufficiency of capital to cover our risks, represented by the regulatory capital for credit, market and operational risks and by the capital necessary to cover the other risks, the assessment of which is the subject matter of ICAAP.

Capital Ratios (BIS)

Solvency Ratios | Financial Conglomerate

R$ million

				Variation	
	Mar 31, 14	Dec 31, 13	Mar 31, 13	Mar 31, 14 - Dec 31, 13	Mar 31, 14 - Mar 31, 13
Stockholders' equity of the parent company	**82,173**	**81,024**	**74,416**	**1,149**	**7,757**
Consolidated stockholders' equity (BACEN)	**89,836**	**88,966**	**83,084**	**870**	**6,752**
Non-voting shares excluded from Tier I	(890)	(925)	(792)	35	(98)
Deductions from the core capital	(5,934)	(632)	-	(5,302)	(5,934)
Core Capital	**83,013**	**87,409**	**-**	**(4,396)**	**83,013**
Additional capital	**21**	**-**	**-**	**21**	**21**
Tier I adjustments (*)	-	-	(1,380)	-	1,380
Tier I	**83,034**	**87,409**	**80,912**	**(4,375)**	**2,122**
Tier II	**33,559**	**37,734**	**39,701**	**(4,175)**	**(6,142)**
Exclusions	-	-	(426)	-	426
Referential Equity	**116,593**	**125,144**	**120,187**	**(8,550)**	**(3,593)**
Required Referential Equity	**81,964**	**83,099**	**69,969**	**(1,134)**	**11,996**
Risk Weighted Assets (RWA)	**745,131**	**755,441**	**636,079**	**(10,310)**	**109,052**
Credit Assets Expansion Simulation	314,807	382,228	456,527	(67,420)	(141,720)
Excess of Capital	34,629	42,045	50,218	(7,416)	(15,589)
Ratios (%)					
Tier I	11.1	11.6	12.7	-50 bps	-160 bps
Tier II	4.5	5.0	6.2	-50 bps	-170 bps
BIS (Referential Equity / Total exposure weighted by risk)	**15.6**	**16.6**	**18.9**	**-100 bps**	**-330 bps**

(*) Includes Tax Credits excluded from Tier I, Deferred Permanent Assets excluded from Tier I and Adjustments to Market Value of Securities and Derivatives excluded from Tier I.

During 2013, the Brazilian Central Bank issued a set of resolutions and instructions that implement the global capital requirement standards of Basel III in Brazil. These new rules establish that, in 2014, the minimum capital requirement must be calculated using a single consolidation center, the Financial Conglomerate. For this reason, as from the fourth quarter of 2013, we stopped calculating the capital ratio in accordance with the Economic-Financial Consolidated Group.

Referential Equity | Financial Conglomerate

On March 31, 2014, our Referential Equity reached R$116,593 million, a drop of R$8,550 million when compared to December 31, 2013. The reduction was mainly due to the adoption of the new regulation of the Brazilian Central Bank, in relation to Basel III.

Tier I Capital was reduced by R$4,375 million, mainly due to the deductions included in the scheduled prudential adjustments from the Core Capital.

Tier II Capital dropped R$4,175, mainly due to the portion of the Subordinated Debt deduced from it, as per current regulations.

Taking into consideration our current capital base, if we applied the Basel III rules established by the Central Bank of Brazil in full now, our core capital (Common Equity Tier I) would be 9.6% on March 31, 2014, considering mitigating measures.

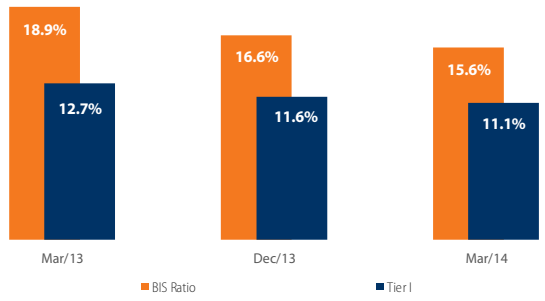
Solvency Ratios | Financial Conglomerate

On March 31, 2014, our BIS ratio reached 15.6%, down 100 basis points from December 31, 2013.

The decrease in the quarter arises from the drop of 6.8% in the Referential Equity since the total exposure of Risk-Weighted Assets (RWA) dropped 1.4% in relation to December 31, 2013.

Our BIS ratio exceeds the minimum of 11% required by the Central Bank of Brazil and indicates a capital excess of R$34.6 billion, allowing up to R$314.8 billion increase in credit assets based on 100% risk-weighting.

The evolution of the BIS ratio and Referential Equity Tier I is presented below:



Subordinated Debt and Referential Equity Tier II | Mar 31, 2014

R$ million

	Maturities						
	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
CDB (Time Deposits)	5,520	5,121	1,613	-	-	-	**12,254**
Financial Treasury Bills	490	-	4,285	9,281	8,259	2,867	**25,182**
Euronotes	249	-	-	-	-	17,410	**17,659**
Subordinated Debt	**6,259**	**5,121**	**5,898**	**9,281**	**8,259**	**20,278**	**55,096**
Subject to approval - Central Bank of Brazil (*) and Other	19	83	1	-	-	335	**439**
Subordinated Debt - Total	**6,278**	**5,204**	**5,899**	**9,281**	**8,259**	**20,613**	**55,534**
(*) Subordinated debt that does not make up the Tier II Referential Equity.							
Subordinated Debt (part of Referential Equity Tier II) (**)	**-**	**792**	**232**	**3,359**	**5,595**	**23,311**	**33,289**

(**) According to actual rules, we calculated the Referential Equity of March 2014, considering the Subordinated Debt of December 2012 including the Subordinated Debt approved by the Brazilian Central Bank after the closing of the period.

Capital Ratios (BIS)

R$ million

Exposure by Risk

	Mar 31, 14	Dec 31, 13	Mar 31, 13	Variation Mar 31, 14 - Dec 31, 13	Variation Mar 31, 14 - Mar 31, 13
Exposure weighted by credit risk (RWA_{CPAD})	**686,512**	**694,039**	**568,326**	**(7,527)**	**118,185**
FPR at 2%	53	75	-	(22)	53
FPR at 20%	7,298	6,761	5,526	537	1,772
FPR at 35%	7,033	6,517	5,377	516	1,655
FPR at 50%	23,615	27,464	23,064	(3,850)	551
FPR at 75%	127,691	123,554	209,721	4,136	(82,031)
FPR at 85%	119,733	122,191	-	(2,458)	119,733
FPR at 100%	314,160	307,217	285,647	6,942	28,513
FPR at 150%	20,201	29,580	18,542	(9,379)	1,659
FPR at 250%	31,130	24,275	-	6,854	31,130
FPR at 300%	19,288	22,660	16,561	(3,372)	2,727
FPR at 1250%	6,392	13,061	-	(6,669)	6,392
Derivatives – potential future gain and credit quality counterparty variations	9,919	10,682	3,888	(763)	6,031
Exposure weighted by operational risk (RWA_{OPAD})	**36,566**	**36,847**	**36,720**	**(281)**	**(155)**
Exposure weighted by market risk (RWA_{MPAD})	**22,054**	**24,555**	**31,032**	**(2,501)**	**(8,979)**
Gold, foreign currency and operations subject to exchange rate (RWA_{CAM})	5,642	-	-	5,642	5,642
Operations subject to interest rate variation (RWA_{JUR})	14,421	22,107	28,271	(7,686)	(13,850)
Operations subject to commodity price variations (RWA_{COM})	939	362	770	578	170
Operations subject to stock price variation (RWA_{ACS})	1,052	2,086	1,992	(1,034)	(940)
Risk weighted assets (RWA) [RWA_{CPAD}+ RWA_{OPAD}+RWA_{MPAD}]	**745,131**	**755,441**	**636,079**	**(10,310)**	**109,052**

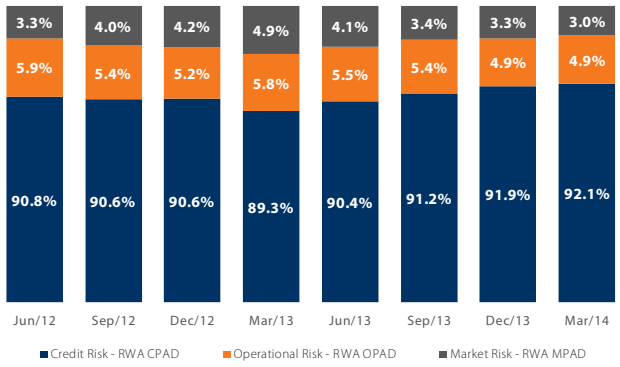
On March 31, 2014, total risk-weighted assets amounted to R$745,131 million, a drop of R$10,310 million in relation to December 31, 2013.

The credit risk exposure of our risk-weighted assets reached R$686,512 million at the end of the first quarter of 2014, R$7,527 milion lower than in the fourth quarter of 2013.

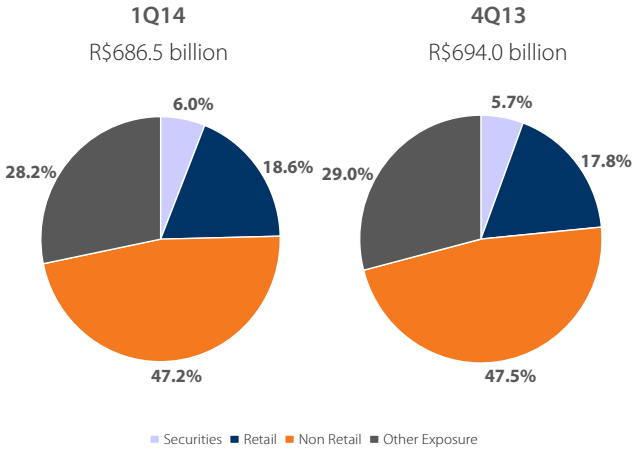
The operational risk-weighted assets (RWA_{OPAD}) reached R$36,566 million, R$281 million lower than in the last quarter of 2013.

The market risk-weighted assets fell R$2,501 million, mainly due to the drop of R$7,686 million in the portion required for operations that are subject to interest rate variation (RWA_{JUR}). The increase in the exposure to gold, foreign currency and operations that are subject to foreign exchange variations reduced the impact of the RWA_{JUR} on the market risk-weighted assets.

Evolution of the Composition of the Risk Weighted Exposure



Exposure weighted by Credit Risk



ROA - Risk Adjusted

	1Q14	4Q13	1Q13	Variation 1Q14 - 4Q13	Variation 1Q14 - 1Q13
ROA - Recurring Return on Assets (A)	1.6%	1.7%	1.4%	-10 bps	20 bps
Return on Average Risk Weighted Assets / Average Assets (B)	67.8%	65.7%	63.5%	210 bps	430 bps
Leverage	13.5	13.6	13.8	-0.1	-0.3
Risk Weighted Leverage (RWA/RE)	6.4	6.0	5.3	0.4	1.1
Risk Adjusted ROA (A/B)	**2.4%**	**2.6%**	**2.2%**	**-20 bps**	**20 bps**

In the first quarter of 2014, the annualized recurring return on average assets reached 1.6%. The ratio of the exposure weighted by credit, operational and market risks and the average total assets reached 67.8% in the first quarter of 2014 compared to 65.7% in the previous period, an increase of 210 basis points.

Consequently, the risk-adjusted ROA, which considers the return and total weighted assets that require capital allocation, was 2.4% in the first quarter of 2014, representing a decrease of 20 basis points from the fourth quarter of 2013.

In the first quarter of 2014, the risk-weighted leverage was 6.4, up 0.4 from the previous quarter, mainly due to lower Referential Equity in the period.

Ownership Structure

The Itaú Unibanco Holding's capital stock is represented by common shares (ITUB3) and non-voting shares (ITUB4), both traded on the BM&FBOVESPA. The non-voting shares are also traded on the New York (NYSE) and Argentina (BCBA) stock exchanges as receipts (ADR and CEDEAR, respectively).

ITUB LISTED NYSE	ITUB BM&FBOVESPA A Nova Bolsa	ITUB BCBA
ADR: ITUB Non-voting	Common: ITUB3 Non-voting: ITUB4	CEDEAR: ITUB4 Non-voting

Number of Shares | Itaú Unibanco Holding S.A.

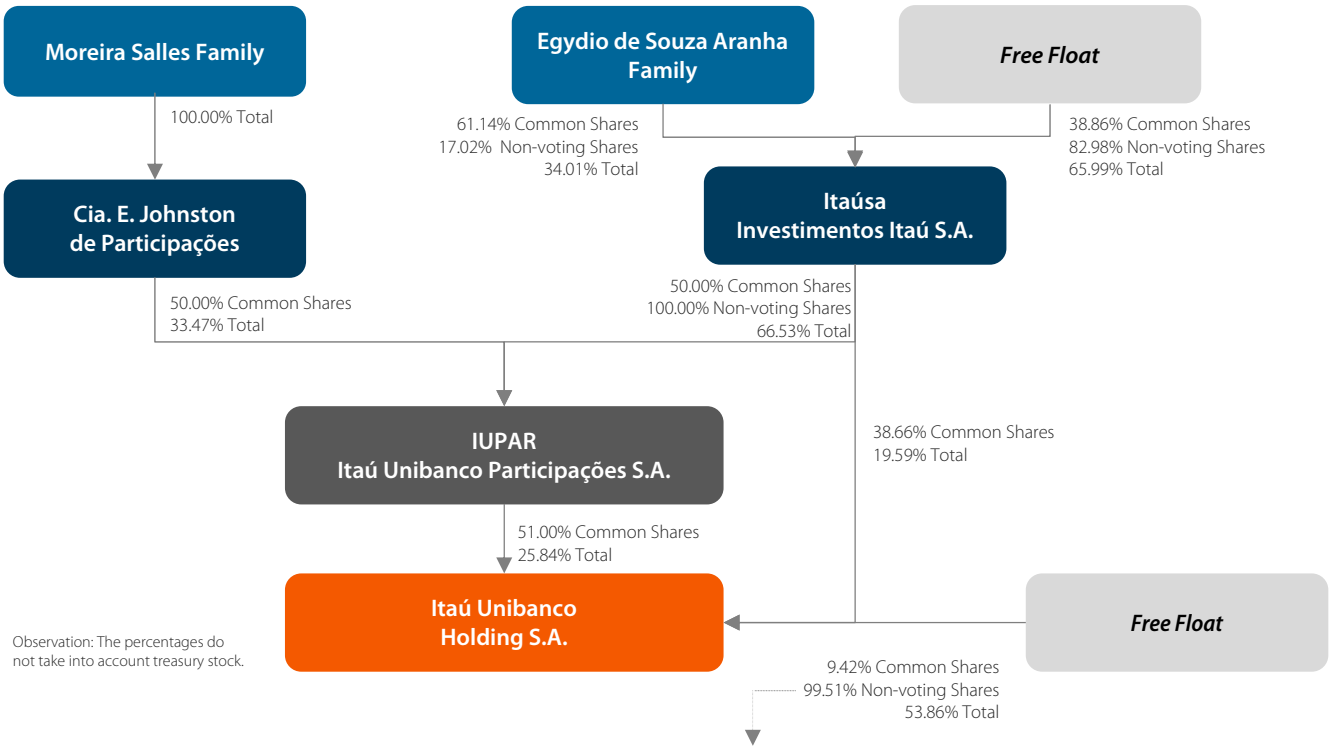
In thousands

	Common Shares	Non-voting Shares	Total
Balance of Shares	2,518,215	2,509,814	5,028,029
Treasury Shares			
On 12/31/2013	2	68,867	68,869
Exercised options - Granting of stock options	-	(5,538)	(5,538)
Disposals - Stock option plan	-	(5,096)	(5,096)
On 03/31/2014 (1)	2	58,233	58,235
Total Shares (-) Treasury	**2,518,213**	**2,451,581**	**4,969,794**

(1) On March 31, 2014, the average acquisition cost of the treasury non-voting shares was R$26.93. For further information, including information on the "Stock Option Plan", see note 16 of the financial statements.

The management of our ownership structure is intended to optimize capital allocation to the various segments comprising the conglomerate. Itaú Unibanco Holding is controlled by IUPAR, which is jointly controlled by Itaúsa and Cia. E. Johnston. Itaúsa is controlled by the members of the Egydio de Souza Aranha family and Cia. E. Johnston is controlled by the members of the Moreira Salles family.

The organization chart below summarizes the current ownership structure on March 31, 2014:



Observation: The percentages do not take into account treasury stock.

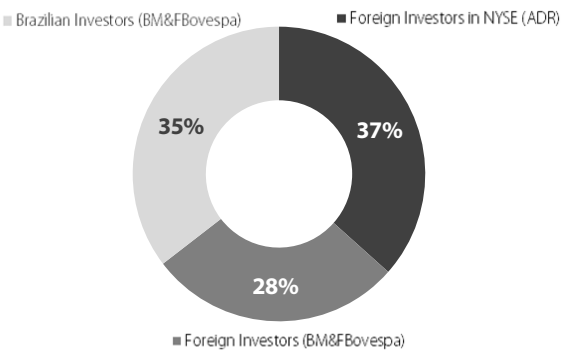
Share bonus approved in Stockholders' Meeting

The Annual Stockholders' Meeting approved on April 24, 2014, the increase of the capital stock in the amount of R$15 billion through the capitalization of profit reserves with a 10% bonus in shares. Every stockholder will be entitled, free of charge, to one (1) new share for each ten (10) shares of the same type held at a record date that will be communicated by management after the approval by the Central Bank of Brazil of the Stockholder's' Meeting resolutions. The share bonus is intended to add value to our stockholders, mainly because:

- The unit cost of the bonus shares will be R$29.83, which will impact the average price of the shares held by the shareholders;

- Monthly dividends will be maintained at R$0.015 per share, representing a 10% increase in the amounts received on a monthly basis after the share bonus.

Non-voting Shares (Free Float) | on March 31, 2014



Performance in the Stock Market

Performance in the Stock Market | 1Q14

Our voting and non-voting shares were traded on all BM&FBOVESPA's sessions in the first quarter of 2014. Additionally, our non-voting shares are included in several stock exchange indexes where financial institution shares may be listed.

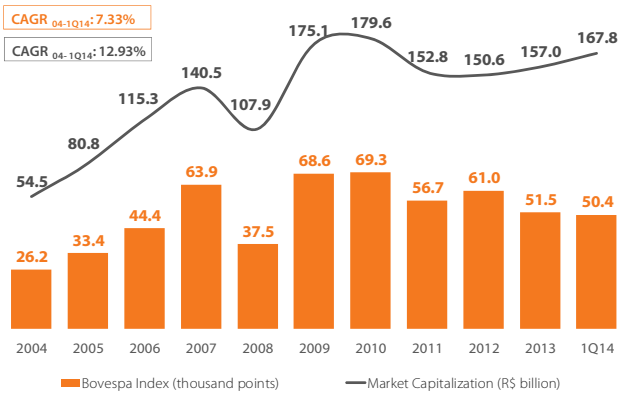
	(R$)	(R$)	(US$)
	Non-voting Shares ITUB4	Common Shares ITUB3	ADRs ITUB
Closing Price at 03/31/2014	**33.90**	**31.93**	**14.86**
Maximum price in quarter	33.94	31.93	14.95
Average price in quarter	31.03	28.79	13.09
Minimum price in quarter	28.91	26.30	11.94
Closing Price at 12/31/2013	**31.35**	**29.45**	**13.57**
Maximum price in 12 months*	36.08	36.32	17.99
Average price in 12 months	31.34	30.15	14.02
Minimum price in 12 months**	25.84	26.30	11.38
Closing Price at 03/31/2013	**35.99**	**36.30**	**17.80**
Change in the last 12 months	**-5.8%**	**-12.0%**	**-16.5%**
Change in 1Q14	**8.1%**	**8.4%**	**9.5%**
Average daily trading financial volume - in 12 months (million)	**332**	**4**	**149**
Average daily trading financial volume in 1Q14 (million)	**349**	**4**	**155**

* prices on 04/01/13 for non-voting shares, and common shares, and on 04/10/13 for ADRs.
** prices on 07/05/13 for non-voting shares and ADRs, and on 01/30/2014 for common shares.

Market Capitalization [1] vs. Ibovespa Index

As of March 31, 2014, our market capitalization was R$ 167.8 billion. When compared to the first quarter of 2004, our market capitalization grew the equivalent to 3.1 times while the Ibovespa grew 1.9 times.

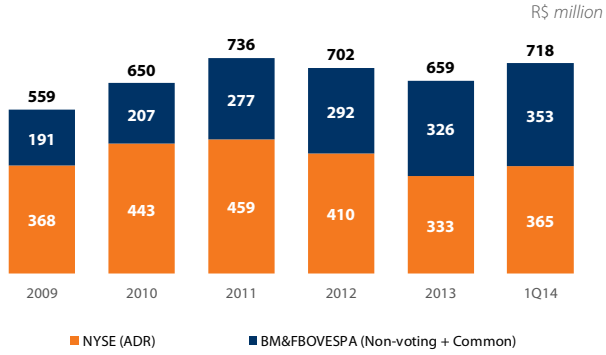
According to the information provided by Bloomberg, as of March 31, 2014, we were the 24th bank, by market capitalization, in the worldwide ranking of banks.



[1] Average price of non-voting shares (the most liquid) at the last trading day of the period x total shares outstanding.

Average Daily Trading Volume

(BM&FBovespa + NYSE)



Dividends / Interest on Capital and Repurchase of Treasury Shares

Itaú Unibanco compensates its stockholders with monthly and supplementary payments of dividends and interest on capital. In the first quarter of 2014, Itaú Unibanco paid, or provided for, R$ 797 million in dividends and interest on capital net of taxes.

No repurchase of shares was made by our treasury in the period.

Market Consensus

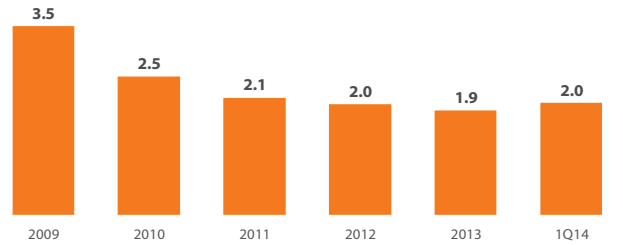
Main market analysts periodically issue their recommendations on shares subject to their analyses. These recommendations help a number of investors select the best option in which to invest.

Based on information provided by Bloomberg and Thomson Analytics on March 31, 2014, we summarize in the table below the recommendations on Itaú Unibanco Holding's non-voting shares.

	Thomson	Bloomberg
Buy	16	20
Hold	1	2
Sell	0	0
Number of Analysts	**17**	**22**

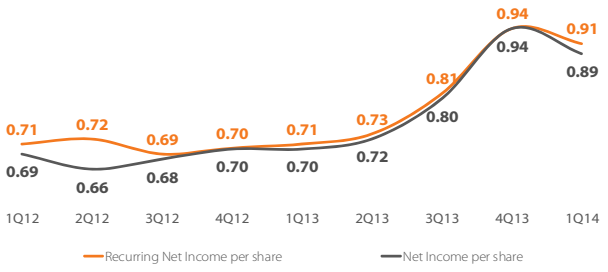
Based on information provided by Thomson, the average estimated target price is R$37.12. According to Bloomberg, the average estimated target price for the same period is R$38.33.

Price / Book Value*



* Closing price at the period end/Book value per share.

Net Income per Share and Recurring Net Income per Share (R$)



Annual and Extraordinary Stockholders' Meetings

On April 23, 2014, we held Annual and Extraordinary General Meetings for our stockholders to resolve on relevant matters to Itaú Unibanco, and, accordingly, the manner in which our business is managed. Stockholders were offered the option to prepare in advance for voting, as we disclosed the Meeting Manual in its entirety 30 days before the event. Among the main resolutions, we highlight the following:

- Share Bonus: approval of the increase in capital of R$15 billion, with a share bonus of 10% of the Company's shares. This operation is pending approval from BACEN;

- Approval of the financial statements for the year ended December 31, 2013 and the allocation of net income for this period;

- Reelection of all current members of the Board of Directors and Fiscal Council;

- Approval of the amount allocated to the compensation of the members of the Executive Board and Board of Directors and of changes in the stock options plan;

- Approval of changes in the Bylaws.

The General Stockholders' Meetings Manual is available in our Investor Relations' website at www.itau.com.br/investor-relations and on the CVM's and BM&FBOVESPA's systems.

Electronic Meeting – For the third consecutive year, we made available to our stockholders the Electronic Voting Platform, which mainly aims at encouraging and expediting their participation in the Meeting. We were the first financial institution to provide this mechanism in Brazil, thus allowing our stockholders to exercise their right to vote by electronic proxy in advance, from anywhere, without having to attend the Meeting in person.

The platform was available for earlier voting for one month, and this year this tool featured a number of improvements, among which we highlight a smoother voting process in line with our visual identity, explanatory texts, support available to issue the digital certificate and a detailed step-by-step presentation on how to guide the vote

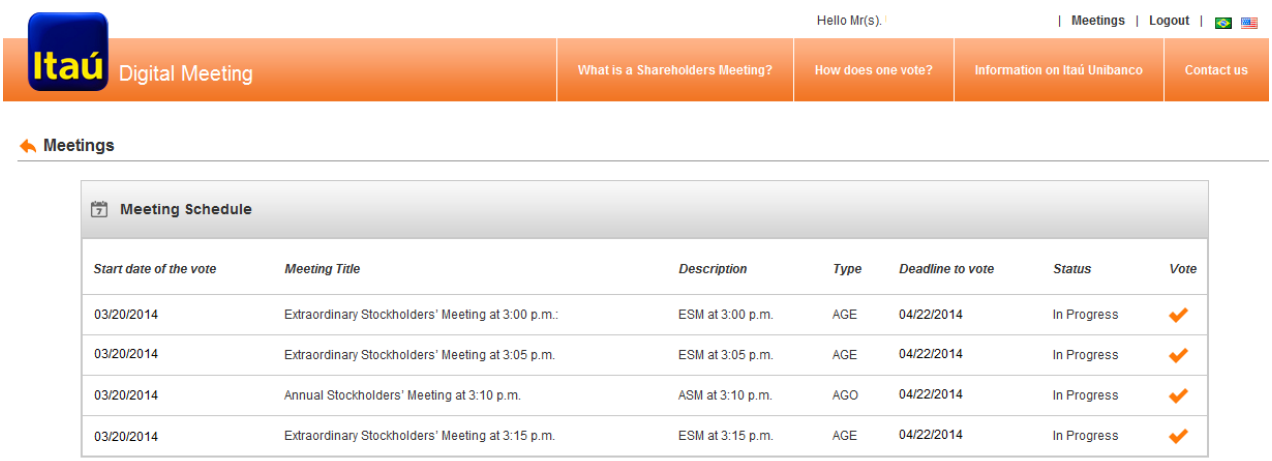
2013 New Annual Consolidated Report

We launched the 2013 Annual Consolidated Report, a pioneering undertaking in Brazil. Aiming at providing even more transparency and expediting the accountability to different stockholders, this year Itaú Unibanco gathered together the Annual Report (including sustainability indexes by the Global Reporting Initiative standards), the 20-F Form and the Debt Report in one single document. For the third consecutive time, the report is made available by electronic means, hosted on an exclusive website for these contents. This report is aimed at increasingly improving the consistency, cohesion and standardization of the information disclosed by the bank. The Consolidated Annual Report was submitted to review and certification processes, and is in compliance with the United States law requirements (SOX Certificate), ensuring reliable control and security mechanisms. Please, see the website www.itau.com.br/annual-report.

Integrated Report

The Integrated Report is a new communication approach connecting the organization's most significant information, correlating the results, the operational activities, the business strategies and the different types of capital (human, financial, intellectual, manufactured, natural, and social and relationship). The purpose is to introduce information and strategies to our different stakeholders in order to provide for a more accurate analysis in the short, medium and long terms, assessing the organization's ability to create value, identifying the main strategy points and anticipating business risks and opportunities.

In Brazil, Itaú Unibanco takes part in the Brazilian Commission for the IIRC (International Integrated Reporting Council), which gathers together publicly-held companies from a number of sectors and counts on the cooperation of finance, investor relations, sustainability and communication related areas, in order to enable every sector to actively take part in the preparation of this document. The report is an integral part of the 2013 Annual Consolidated Report and is available on the website www.itau.com.br/annual-report.



Highlights / Corporate Events

Itaú CorpBanca – in January 2014 we announced an agreement with CorpBanca and its controlling stockholders for the merger of Banco Itaú Chile with CorpBanca in a stock-for-stock transaction. The bank resulting from the merger, which is pending regulatory approvals by Brazilian, Colombian, Chilean, Panamanian, and US bodies, by stockholders of Banco Itaú Chile and CorpBanca, as well as meeting of other usual conditions, will benefit from: (i) better funding costs and capacity for an even better leverage of the Tier I regulatory capital; and (ii) annual synergies estimated at US$100 million, before taxes, after the completion of the merger of operations, thus adding value to all stockholders.

This transaction is fully in accordance with legislation and regulations applicable to all jurisdictions, as well as fully in line with the best corporate governance standards. These issues were checked and approved by renowned legal advisors in Chile, Colombia and the United States. The parties to the transaction were fully transparent, making publically available not only the terms of the agreement, but also the Stockholders' Agreement, in addition to holding conference calls with market players to present the operation.

This transaction and conditions are in line with our vision to create value and sustainable performance, and is consistent with our Latin America expansion strategy, in addition to further consolidating our leading position in this market, mainly as it leads to a stronger performance in the banking sector, in which we will become the fourth largest bank in Chile and the fifth largest bank in Colombia in terms of loans.

Through this transaction, we reaffirm our commitment to creating long-term value to our stockholders and continuing to invest overseas, through the ongoing analysis of growth opportunities in Latin America.

Corporate restructuring – on January 31, 2014, we reorganized our corporate structure to centralize, in Itaú Unibanco, the institutional treasury and corporate banking segment (large companies) activities of Itaú BBA, including the securities and loan portfolios and all other assets and liabilities in connection with these activities. Itaú BBA will maintains its investment banking and cash management activities. Since it is an internal corporate restructuring, there will be no changes in our business management.

The main driving force behind such corporate restructuring was the optimization of Itaú Unibanco's capital structure, in view of the new Basel III rules, and the intention to centralize all Itaú Unibanco Group's financial intermediation activities in Itaú Unibanco. This operation is pending approval by BACEN and competent authorities.

Ratings

Due to the downgrade of Brazil's sovereign credit rating by Standard & Poors (from BBB to BBB-), the rating agency announced the downgrade of 22 Brazilian banks ratings, including Itaú Unibanco Holding and Banco Itaú BBA on the global scale, in foreign currency, both from BBB to BBB- (long term) and from A-2 to A-3 (short term), with stable outlook. This review did not consider the intrinsic aspects of the bank .

For more information about our ratings, visit www.itau.com.br/investor-relations > Itaú Unibanco > Market Opinion > Ratings.

Schedule

April 30, 2014
Conference Call on 2014 — 1st Quarter Results (9:30 a.m. in Portuguese and 11:00 a.m. in English)

August 5, 2014
2014 — 2nd Quarter Results

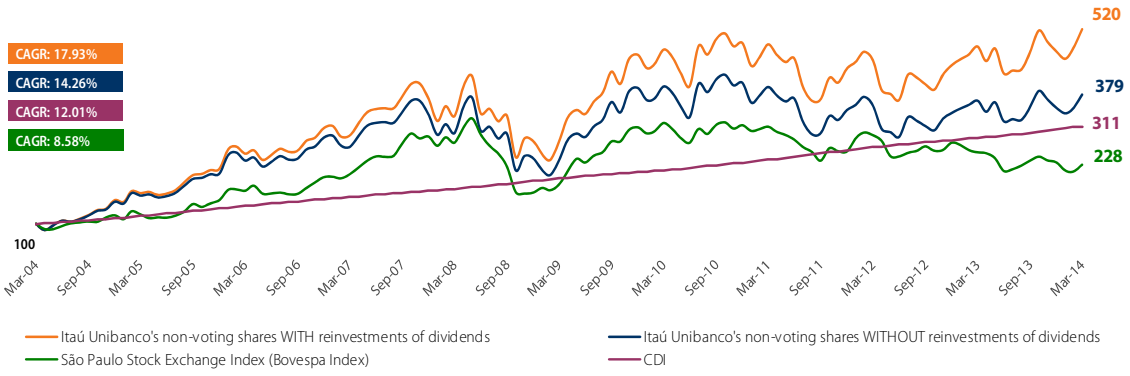
August 6, 2014
Conference Call on 2014 — 2nd Quarter Results

November 4, 2014
2014 — 3nd Quarter Results

November 5, 2014
Conference Call on 2014 — 3nd Quarter Results

Non–voting Shares (PN - ITUB4) Appreciation

The chart below shows the evolution of R$ 100 invested on March 31, 2004 through March 31, 2014, by comparing the values with and without reinvestment of dividends of Itaú Unibanco to the *performance* of Ibovespa and CDI (Interbank Deposit Certificate).



analysis of segments, products and services

1st quarter of 2014
Management Discussion & Analysis

Itaú Unibanco Holding S.A.

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Pro Forma Adjustments

Adjustments made to the balance sheet and statement of income for the year are based on managerial information from the business units.

The financial statements were adjusted in order to replace the accounting stockholders' equity with funding at market prices. Subsequently, the financial statements were adjusted in order to include revenues linked to allocated capital at each segment. The cost of subordinated debt and the respective remuneration at market prices were allocated to segments on a *pro rata* basis, in accordance with the economic allocated capital.

As from the first quarter of 2013, we changed the presentation of our segments so it became more aligned with the way we follow the results evolution. There have also been changes in nomenclature, in order to adapt it to our current structure: (a) **Commercial Banking - Retail**, (b) **Consumer Credit - Retail**, (c) **Wholesale Banking** and (d) **Activities with the Market + Corporation**. The results of the middle market companies, previously allocated in the former Commercial Banking segment, are now reported in the Wholesale Banking segment.

The Activities with the Market + Corporation column presents the result from excess capital, excess subordinated debt and the net balance of tax assets and liabilities. It also shows the financial margin on market transactions, costs of Treasury operations, equity earnings of companies that are not linked to any segment and our interest in Porto Seguro.

Allocated Capital

Impacts related to capital allocation are considered in the *Pro Forma* financial statements by segment. To this end, adjustments were made to the financial statements, using a proprietary model.

The economic allocated capital model (EAC) was adopted for the *Pro Forma* financial statements by segment, which considers, in addition to Tier I allocated capital, the allocated Tier II capital (Subordinated Debt) and the effects of the calculation of expected credit losses, in addition to that required by the Brazilian Central Bank Circular No. 2,682/99 of the CMN.

Accordingly, the allocated capital considers the following components: credit risk (including expected loss), operational risk, market risk, and insurance underwriting risk.

Based on this capital measure, we determined the Risk Adjusted Return on Capital (RAROC), which corresponds to an operational performance ratio consistently adjusted to the required capital needed to support the risks of the financial positions assumed.

Income Tax Rate

We consider the full income tax rate, net of the tax effect of the payment of interest on net equity, for the Commercial Banking - Retail, Consumer Credit - Retail, Wholesale Banking and Activities with the Market. The difference between the amount of income tax determined by segment and the amount of the effective income tax, as indicated in the consolidated financial statement, is allocated to the Activities with the Market + Corporation segment column.

Analysis of Segments

The *pro forma* financial statements of the Commercial Banking - Retail, Consumer Credit - Retail, Wholesale Banking and Activities with the Market + Corporation, presented below, are based on managerial information derived from internal models, to more accurately reflect the activities of the business units.

Pro Forma Balance Sheet by Segment | On March 31, 2014

R$ million

	Commercial Banking - Retail	Consumer Credit - Retail	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Assets					
Current and Long-Term Assets	**698,968**	**88,997**	**294,413**	**88,850**	**1,089,744**
Cash and Cash Equivalents	13,424	-	2,609	-	16,030
Short-term Interbank Investments	199,332	-	24,681	6,509	190,553
Short-term Interbank Deposits in the Market	187,199	-	-	6,509	190,553
Short-term Interbank Deposits in Intercompany (*)	12,133	-	24,681	-	-
Securities and Derivative Financial Instruments	182,614	-	83,360	36,313	266,582
Interbank and Interbranch Accounts	75,697	-	9,990	-	85,687
Loan, Lease and Other Credit Operations	152,509	85,622	169,089	1,072	408,291
(Allowance for Loan Losses)	(9,889)	(7,081)	(2,832)	(23)	(19,825)
(Complementary Expected Loss Provisions)	-	-	-	(5,217)	(5,217)
Other Assets	85,281	10,456	7,516	50,196	147,643
Foreign Exchange Portfolio	25,689	-	4,244	14,890	41,498
Others	59,593	10,455	3,272	35,305	106,145
Permanent Assets	**9,934**	**4,559**	**1,380**	**1,759**	**17,632**
Total Assets	**708,901**	**93,556**	**295,793**	**90,609**	**1,107,376**
Liabilities and Equity					
Current and Long-Term Liabilities	**682,940**	**83,073**	**273,018**	**64,598**	**1,022,145**
Deposits	259,365	-	56,609	177	278,208
Deposits from Clients	234,763	-	44,476	177	278,208
Intercompany Deposits (*)	24,602	-	12,133	-	-
Deposits Received under Securities Repurchase Agreements	97,675	60,614	120,563	11,394	288,616
Securities Repurchase Agreements in the Market	97,596	60,614	118,461	11,394	288,616
Securities Repurchase Agreements - Intercompany (*)	79	-	2,102	-	-
Funds from Acceptances and Issue of Securities	71,327	-	8,090	-	43,866
Interbank and Interbranch Accounts	11,414	-	1,355	-	12,766
Borrowings and Onlendings	25,936	1,978	50,522	-	76,927
Derivative Financial Instruments	428	-	12,617	-	12,049
Other Liabilities	112,199	20,480	23,262	53,026	205,116
Foreign Exchange Portfolio	26,130	-	4,454	14,890	42,150
Others	86,069	20,480	18,808	38,136	162,966
Technical Provisions for Insurance, Pension Plans and Capitalization	104,595	-	-	-	104,595
Deferred Income	**846**	**-**	**292**	**-**	**1,138**
Minority Interest in Subsidiaries	**-**	**-**	**-**	**1,919**	**1,919**
Economic Allocated Capital - Tier I (**)	**25,116**	**10,483**	**22,483**	**24,092**	**82,173**
Total Liabilities and Equity	**708,901**	**93,556**	**295,793**	**90,609**	**1,107,376**

(*) The Intercompany operations were eliminated in the Consolidated. (**) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution so as to arrive at the accounting net equity.

Pro Forma Income Statement by Segment | 1st Quarter of 2014

R$ million

	Commercial Banking - Retail	Consumer Credit - Retail	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**12,241**	**4,258**	**3,418**	**746**	**20,662**
Managerial Financial Margin	6,745	2,615	2,456	672	12,488
Financial Margin with Clients	6,745	2,615	2,456	58	11,874
Financial Margin with the Market	-	-	-	614	614
Banking Service Fees and Income from Banking Charges	3,426	1,643	916	72	6,057
Result from Insurance, Pension Plans and Capitalization Operations before Retained Claims and Selling Expenses	2,070	-	46	2	2,118
Loan and Retained Claims/ Losses net of Recovery	**(1,987)**	**(1,171)**	**(478)**	**(14)**	**(3,651)**
Expenses for Allowance for Loan Losses	(2,251)	(1,483)	(503)	(14)	(4,252)
Income from Recovery of Credits Written Off as Losses	746	311	31	-	1,088
Retained Claims	(481)	-	(6)	-	(487)
Operating Margin	**10,253**	**3,087**	**2,940**	**732**	**17,011**
Other Operating Income/(Expenses)	**(6,675)**	**(2,112)**	**(1,384)**	**(293)**	**(10,464)**
Non-interest Expenses	(5,745)	(1,820)	(1,203)	(271)	(9,039)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(665)	(292)	(181)	(22)	(1,160)
Selling Expenses From Insurance	(265)	-	-	-	(265)
Income before Tax and Profit Sharing	**3,578**	**975**	**1,556**	**438**	**6,547**
Income Tax and Social Contribution	**(1,274)**	**(276)**	**(500)**	**94**	**(1,955)**
Minority Interests in Subsidiaries	**-**	**(59)**	**-**	**(5)**	**(64)**
Recurring Net Income	**2,305**	**640**	**1,056**	**528**	**4,529**
(RAROC) – Return on Average Tier I Allocated Capital	**40.7%**	**25.7%**	**18.6%**	**8.4%**	**22.6%**
Risk Adjusted Efficiency Ratio (RAER)	**69.1%**	**75.4%**	**51.9%**	**39.5%**	**66.4%**
Efficiency Ratio (ER)	**51.9%**	**45.9%**	**37.2%**	**37.5%**	**47.7%**

Note: Non-interest Expenses item is made up of Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.
The Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

Analysis of Segments

The *pro forma* financial statements of the Commercial Banking - Retail, Consumer Credit - Retail, Wholesale Banking and Activities with the Market + Corporation, presented below, are based on managerial information derived from internal models, to more accurately reflect the activities of the business units.

Pro Forma Balance Sheet by Segment | On December 31, 2013

R$ million

	Commercial Banking - Retail	Consumer Credit - Retail	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Assets					
Current and Long-Term Assets	**727,904**	**89,666**	**321,146**	**114,500**	**1,088,131**
Cash and Cash Equivalents	14,487	-	2,095	-	16,576
Short-term Interbank Investments	230,772	-	33,859	5,552	159,653
Short-term Interbank Deposits in the Market	151,366	-	14,691	5,552	159,653
Short-term Interbank Deposits in Intercompany (*)	79,406	-	19,169	-	-
Securities and Derivative Financial Instruments	194,330	-	89,501	55,020	297,334
Interbank and Interbranch Accounts	72,887	-	5,288	-	78,100
Loan, Lease and Other Credit Operations	137,802	88,586	180,886	4,966	412,235
(Allowance for Loan Losses)	(9,192)	(7,694)	(4,206)	(62)	(21,154)
(Complementary Expected Loss Provisions)	-	-	-	(5,217)	(5,217)
Other Assets	86,817	8,774	13,721	54,242	150,604
Foreign Exchange Portfolio	27,980	-	8,043	20,889	46,049
Others	58,837	8,774	5,678	33,352	104,556
Permanent Assets	**9,437**	**4,507**	**1,522**	**2,124**	**17,591**
Total Assets	**737,341**	**94,174**	**322,667**	**116,625**	**1,105,721**
Liabilities and Equity					
Current and Long-Term Liabilities	**716,318**	**84,732**	**299,524**	**86,179**	**1,021,668**
Deposits	221,239	29	137,158	1,423	274,383
Deposits from Clients	206,495	29	57,752	1,423	274,383
Intercompany Deposits (*)	14,744	-	79,406	-	-
Deposits Received under Securities Repurchase Agreements	174,038	67,415	57,119	23,256	292,179
Securities Repurchase Agreements in the Market	169,614	67,415	44,998	23,256	292,179
Securities Repurchase Agreements - Intercompany (*)	4,424	-	12,121	-	-
Funds from Acceptances and Issue of Securities	69,971	-	9,896	-	46,256
Interbank and Interbranch Accounts	1,288	7	3,898	-	5,117
Borrowings and Onlendings	27,606	1,806	48,350	-	76,653
Derivative Financial Instruments	324	-	14,528	-	11,420
Other Liabilities	119,791	15,475	28,576	61,499	213,598
Foreign Exchange Portfolio	28,061	-	8,221	20,889	46,308
Others	91,730	15,475	20,354	40,610	167,290
Technical Provisions for Insurance, Pension Plans and Capitalization	102,060	-	-	-	102,060
Deferred Income	**879**	**-**	**246**	**-**	**1,125**
Minority Interest in Subsidiaries	**-**	**-**	**-**	**1,903**	**1,903**
Economic Allocated Capital - Tier I (**)	**20,143**	**9,442**	**22,897**	**28,543**	**81,024**
Total Liabilities and Equity	**737,341**	**94,174**	**322,667**	**116,625**	**1,105,721**

(*) The Intercompany operations were eliminated in the Consolidated. (**) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution so as to arrive at the accounting net equity.

Pro Forma Income Statement by Segment | 4th Quarter of 2013

R$ million

	Commercial Banking - Retail	Consumer Credit - Retail	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**11,586**	**3,805**	**4,138**	**1,351**	**20,880**
Managerial Financial Margin	6,190	2,307	2,948	1,257	12,703
Financial Margin with Clients	6,190	2,307	2,948	519	11,964
Financial Margin with the Market	-	-	-	739	739
Banking Service Fees and Income from Banking Charges	3,376	1,498	1,108	55	6,036
Result from Insurance, Pension Plans and Capitalization Operations before Retained Claims and Selling Expenses	2,019	-	83	38	2,141
Loan and Retained Claims/ Losses net of Recovery	**(1,437)**	**(1,230)**	**(599)**	**(5)**	**(3,271)**
Expenses for Allowance for Loan Losses	(1,950)	(1,530)	(707)	(5)	(4,191)
Income from Recovery of Credits Written Off as Losses	981	300	118	-	1,399
Retained Claims	(469)	-	(10)	-	(479)
Operating Margin	**10,148**	**2,576**	**3,539**	**1,347**	**17,609**
Other Operating Income/(Expenses)	**(6,828)**	**(1,959)**	**(1,664)**	**(297)**	**(10,748)**
Non-interest Expenses	(5,897)	(1,694)	(1,449)	(319)	(9,358)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(665)	(265)	(215)	21	(1,124)
Selling Expenses From Insurance	(267)	-	-	-	(267)
Income before Tax and Profit Sharing	**3,320**	**617**	**1,875**	**1,049**	**6,861**
Income Tax and Social Contribution	**(1,207)**	**(130)**	**(638)**	**(164)**	**(2,139)**
Minority Interests in Subsidiaries	**-**	**(39)**	**-**	**(3)**	**(42)**
Recurring Net Income	**2,114**	**447**	**1,237**	**882**	**4,680**
(RAROC) – Return on Average Tier I Allocated Capital	**41.3%**	**19.5%**	**21.5%**	**13.7%**	**23.9%**
Risk Adjusted Efficiency Ratio (RAER)	**69.6%**	**82.6%**	**52.2%**	**23.6%**	**65.3%**
Efficiency Ratio (ER)	**56.4%**	**47.8%**	**36.9%**	**23.2%**	**48.7%**

Note: Non-interest Expenses item is made up of Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.
The Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

Commercial Banking - Retail

The revenues from the Commercial Banking - Retail segment arise from the offer of banking products and services to a diversified client base, including individuals and companies. The segment includes retail, high-income and high-net worth clients (private banking) and very small and small companies.

This quarter, we reclassified some economic groups between Commercial Banking - Retail and Wholesale Banking, adjusting clients' profile to the service channel. From now on the result of the Commercial Banking – Retail reflects the results of this reclassification (which was not reprocessed for previous quarters).

In the first quarter of 2014, recurring net income from this segment was R$2,305 million, an increase of 9.0% from the previous quarter. This increase, which corresponds to R$191 million, is mainly due to the 5.7% increase in operating revenues (the main highlight was the increase of 9.0% in the financial margin with clients) and the 2.6% decrease in non-interest expenses. Loan and retained claim losses, net of recovery, increased 38.3% in the quarter, with lower credit recovery due to the usual seasonality of the first quarters. Such variations are mainly explained by the reclassification of the economic groups mentioned above.

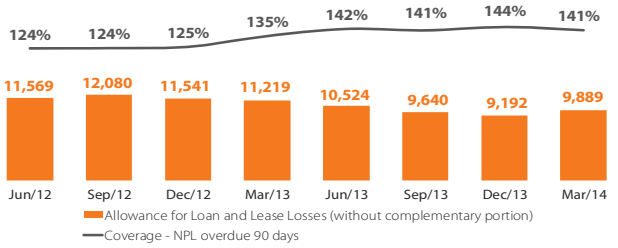
The Commercial Banking – Retail segment's annualized return on allocated capital reached 40.7% in the period. The risk-adjusted efficiency ratio reached 69.1%.

Loan Portfolio - Commercial Banking

The loan portfolio totaled R$152,509 million at the end of March 2014, increasing 10.7% when compared to December 31, 2013. Disregarding the migration effect in December 2013, Commercial Banking loan portfolio increases 1.0% in the quarter.

The coverage ratio for NPL over 90 days (with no additional allowance) reached 141% on March 31, 2014. If the additional allowance is taken into consideration, the coverage ratio will reach 176% in March 2014.

Allowance for Loan Losses and Coverage Ratio



Some additional Commercial Banking - Retail Highlights:

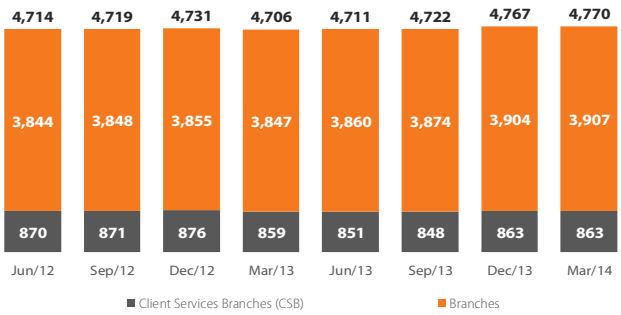
Service Network (*) | Individuals

Our service network has national coverage and adopts a segmentation strategy that includes structures, products and services developed to meet the specific needs of our different clients. Our segments are: Itaú, Itaú Personnalité and Itaú Private Bank.

Our products are available in our service network and through the "30 Horas" electronic channels including: current accounts, investments, credit cards, personal loans, insurance, consortia, mortgage loans, vehicle financing and other banking products.

At the end of the first quarter of 2014, our branch network in Brazil was composed of 4,770 units, including regular branches and customer-service branches (CSB). In the quarter, 10 branches and 10 CSBs were opened.

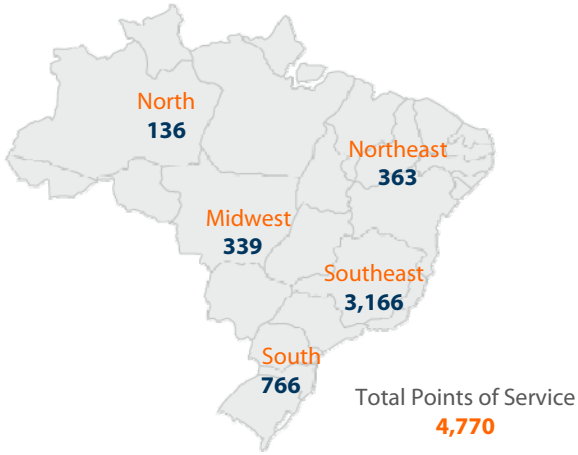
Retail Points of Service in Brazil (*)



(*) It does not include branches and CSBs abroad and Itaú BBA.

Geographical Distribution of Service Network (*)

Number of Branches and Client Service Branches **(CSB)**



(*) It does not include branches and CSBs abroad and Itaú BBA.

Consumer Credit - Retail

Revenues from the Consumer Credit segment arise from financial products and services offered to our non-current account holder clients.

In the first quarter, the segment recorded a recurring net income of R$640 million, a 43.1% increase when compared to the fourth quarter of 2013. The segment's net income was positively impacted by a 11.9% increase in operating revenues (mainly due to a 13.3% increase in the financial margin and 9.7% in banking service fees and income from banking charges) and by the 4.7% drop in losses from loans and retained claims, net of recovery. With negative effect on income, non-interest expenses increased 7.4% when compared to the fourth quarter of 2013 and totaled R$ 1,820 million in the current period.

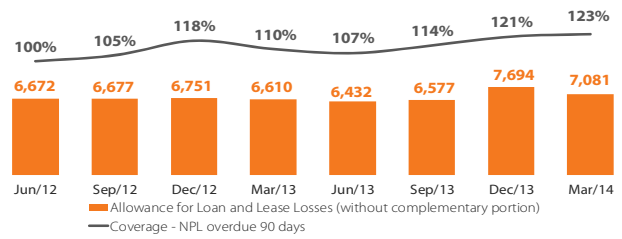
The return on allocated capital was 25.7% a year, and the adjusted efficiency ratio reached 75.4% in the first quarter of 2014.

Credit Portfolio- Consumer Credit

On March 31, 2014, the loan portfolio balance totaled R$85,622 million, a drop of R$2,964 million, or 3.3% when compared to December 31, 2013.

The coverage ratio for NPL over 90 days reached 123% at the end of the first quarter, 200 basis points higher than the fourth quarter of 2013. In the last two years, this ratio remained close to 100%. Taking the additional allowance into consideration, the coverage ratio reached 135% in March 2014.

Allowance for Loan Losses and Coverage Ratio



Wholesale Banking

The revenues from the Wholesale Banking segment arise from products and services offered to middle market companies and activities of Itaú BBA, the unit responsible for commercial operations with large companies, and for investment banking services.

The reclassification of economic groups between the Commercial Banking – Retail and the Wholesale Banking segments, mentioned before, was reflected in the decreased revenues from the Wholesale Banking, which amounted to R$1,056 million, a drop of 14.6% in relation to the previous quarter.

The return on allocated capital reached 18.6% a year and the adjusted efficiency ratio was 51.9%.

For comparison purposes between the quarters, taking the reclassification of the economic groups into consideration also for the fourth quarter of 2013, (i) the financial margin that totaled R$2,456 million increased 1.6% in the first quarter of 2014, (ii) banking service fees decreased 4.7% in relation to the previous quarter, mainly due to the high volume of revenues from investment banking in the fourth quarter of 2013, (iii) loan and retained claim losses that totaled R$478 million in the first quarter of 2014 increased 29.1% from the previous quarter, mainly due to the higher credit recovery in the previous quarter and (iv) operating expenses increased 2.8% in relation to the fourth quarter of 2013 totaling R$1,384 million in the current period.

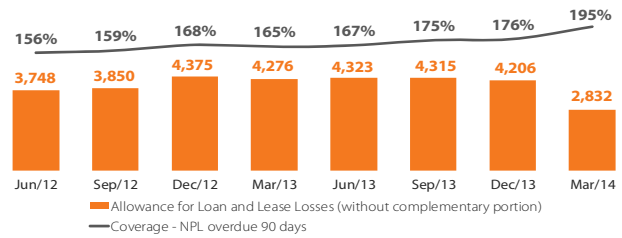
Accordingly, the drop in the Wholesale Banking net income would be 5.9% in relation to the previous quarter and the return on allocated capital would reach 20.1%.

Loan Portfolio– Wholesale Banking

The loan portfolio reached R$169,089 million on March 31, 2014, a 6.5% decrease in relation to December 31, 2013, due to the migration of economic groups to the Commercial Banking - Retail. Disregarding the migration effect in December 2013, Wholesale Banking loan portfolio increases 0.8% in the quarter.

The coverage ratio for NPL over 90 days reached 195% in the end of the first quarter of 2014, the highest level since June 2012. If the additional allowance is taken into consideration, the coverage ratio will reach 256% in March 2014, an increase of 1800 basis points from December 2013.

Allowance for Loan Losses and Coverage Ratio



Middle Market Companies

As from 2013, the middle market companies subsegment is part of Itaú Unibanco's Wholesale Banking segment. This structure aims at offering more specialized services, with more agility and better product offering in order to enable a closer relationship with our clients and to increase our penetration in the segment.

Large Companies

Our clients are the approximately 3,250 largest corporate groups in Brazil, Argentina, Chile, Colombia and Peru.

We also serve over 250 financial institutions and 770 institutional investors. We offer them a wide portfolio of banking products and services, from cash management to structured operations and transactions in the Capital Markets.

The loan portfolio with endorsements and sureties remained steady in relation to the fourth quarter of 2013.

We continue to distinguish ourselves for the excellent level of quality of the credit portfolio, in which 94.0% of the credits are attributed "AA", "A" and "B" ratings in accordance with the criteria set forth in Resolution No. 2,682 of the National Monetary Council.

We highlight our derivative operations as we have maintained our leading position in CETIP (Clearing House for the Custody and Financial Settlement of Securities). We focused on operations that hedge our clients' exposures to foreign currencies, interest rates and commodities.

Investment Banking

Fixed Income: In the period from January to March 2014, we took part in operations of debentures, promissory notes and securitization, that totaled R$4.5 billion. In the Brazilian Financial and Capital Markets Association (ANBIMA) ranking of fixed income distribution, we ranked first with a 31.2% market share. In international fixed-income issues, we acted as joint bookrunners of offers totaling US$2.1billion and ranked third in number of Brazilian Companies issues in March 2014 of BondRadar.

Mergers and Acquisitions: We provided financial advisory services for 16 transactions until March 2014, reaching the first position in the Thomson ranking in number of transactions, with a total of US$7.2 billion.

Awards | Itaú BBA

Global Finance: Best investment bank in Brazil and Latin America and best equity bank in the region in 2013.

Latin Finance Magazine: We received recognition for the "Syndicated Loan of the Year" due to the largest and most comprehensive syndicated loan operation carried out by a financial institution in Latin America. The transaction, in the amount of US$1.5 billion, involved 3 structuring banks and 35 participating banks in 14 countries.

Highlights in Project Finance:

- PFI Awards: "Latin America Oil & Gas Deal of the Year – 2013" and "Latin America Power Deal of the Year – 2013";

- Project Finance Magazine: "Latin America Offshore Drilling Deal of the Year – 2013" and "Latin America Airport Deal of the Year – 2013".

The results of each product and service are classified in the segments according to the characteristics of the operations. Accordingly, some of the products and services listed below may be included in more than one segment.

Payroll Loans

A payroll loan is a loan with fixed installments that are directly deducted from the borrower's payroll to the bank's account and directly transferred to the bank by the employer without being recorded in the debtor's account.

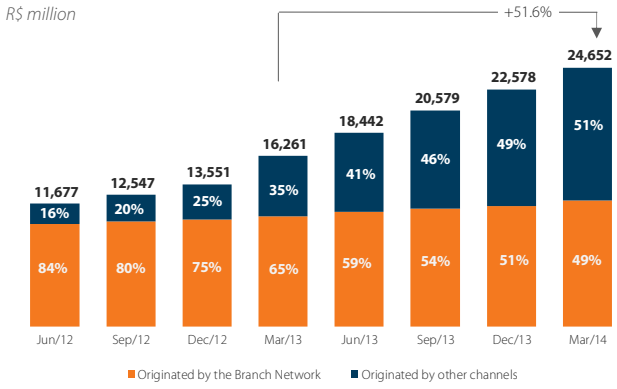
We operate in this market through two different distribution channels: directly through our own distribution network (branches, CSBs and electronic channels) and through Banco Itaú BMG Consignado S.A., a financial institution controlled by Itaú Unibanco, that aims at offering, distributing and selling payroll loans. This operation started in December 2012 and enables us to expand our business in this segment, under our values and transparency principles, following our good management practices and policies. This association aims at diversifying our loan portfolio, supplementing our payroll loan strategy, and improving the risk profile of our individuals loan portfolio.

Evolution of the Payroll Loan Portfolio and NPL

At the end of March 2014, total payroll loans reached R$24,652 million, a 51.6% increase (R$8,390 million) in twelve months. The highlight is the increase of 156% and 122% in the portfolio of loans to retirees and pensioners of the INSS and to public servants, respectively, in relation to March 2013.

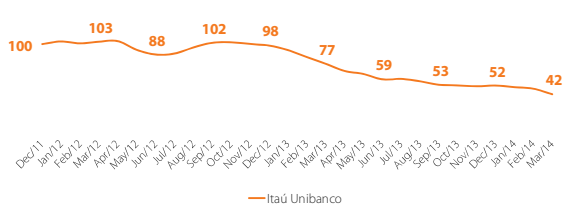
The payroll loans originated by the Branch Network totaled R$12,019 million at the end of the first quarter of 2014, an increase of 4.7% in relation to December 2013.

Evolution of the Payroll Loan Portfolio



Our strategy of higher growth in the INSS Beneficiaries segment, combined with the credit policies adopted, allowed the portfolio growth to be followed by a decrease in the delinquency levels.

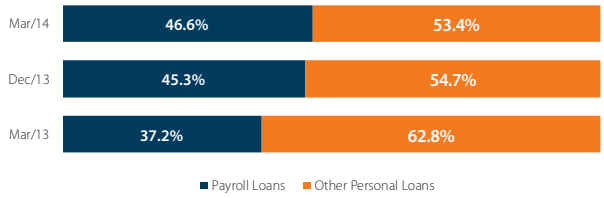
90-day NPL ratio (Base 100) | Total Payroll Loan Portfolio



Note: Information comparable to the information of the National Financial System disclosed by the Central Bank of Brazil.

This increase reflected a higher share of payroll loans in personal loans, from 37.2% in March 2013 to 46.6% in the current period.

Evolution of the Share of Payroll Loans in Personal Loans

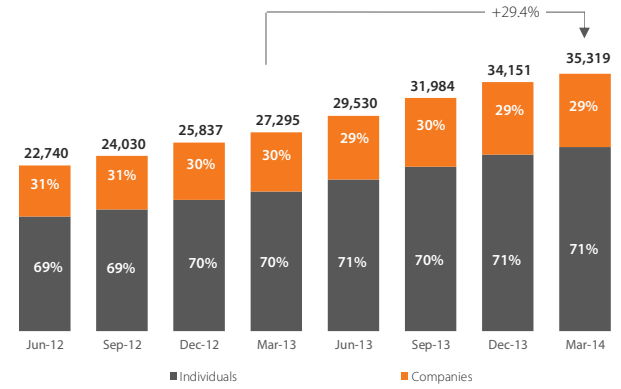


Mortgage Loans

Our mortgage loan portfolio continued to grow in the quarter and reached R$35,319 million at the end of March 2014. Our portfolio grew 29.4% in the last year and 3.4% in the quarter.

The individuals portfolio, totaling R$25,236 million at the end of this quarter, increased 4.2% when compared to the previous quarter and 31.7% in relation to March 2013. At the end of March 2014, the loan portfolio to companies totaled R$10,083 million, a 24.0% increase in twelve months.

Evolution of the Mortgage Portfolio



In the first quarter of 2014, the volume of new mortgage loan financing contracts for individuals was R$2,270 million, whereas financing to companies amounted to R$904 million, totaling R$3,174 million. The total origination volume increased 25.1% when compared to the first quarter of 2013.

Volume of Originations *R$ million*

				Variation	
	1Q14	4Q13	1Q13	1Q14 - 4Q13	1Q14 - 1Q13
Individuals	2,270	2,805	2,012	-19.1%	12.8%
Companies	904	1,805	524	-49.9%	72.5%
Total	**3,174**	**4,609**	**2,536**	-31.1%	25.1%

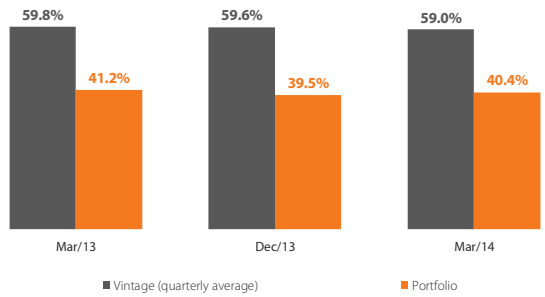
Our individual real estate loan portfolio collaterals are under the legal framework of fiduciary lien (*alienação fiduciária*), which account for 98% of the portfolio. Since 2007, we use this framework for 100% of our origination.

In the last twelve months, 100% of the new financing contracts used the Equal Amortization System, through which decreasing installments lead to a faster contract amortization, causing a more positive effect on the loan-to-value ratio (ratio between the amount of the financing and the value of the real estate properties) when compared to other amortization systems.

The loan-to-value (LTV) of the portfolio reached 40.4% at the end of March, with a 0.8% decrease in relation to March 2013.

The LTV quarterly average of the vintages originated decreased from 59.8% in the first quarter of 2013 to 59.0% in the current period.

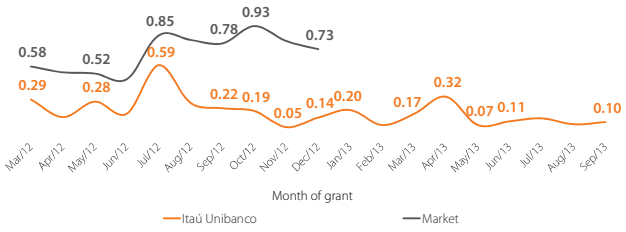
Loan–to-value | Vintage and Portfolio



The 90-day NPL measured six months after the financing origination remained below the average market rate in 2012 (period for which the Central Bank of Brazil disclosed the market rates).

In the current period, the NPL over 90 days of the vintages originated in September 2013 reached 0.10%, 12 basis points lower than in September 2012.

NPL over 90 (%) | 6 months after the financing origination

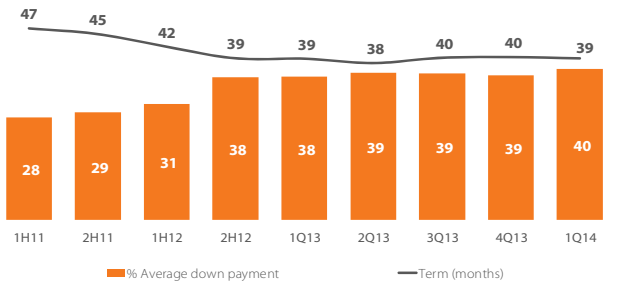


Source: Central Bank of Brazil —Financial Stability Report.

Vehicle Financing

Itaú remained in the leadership position regarding financing origination for new vehicles in the first quarter of 2014. Regarding the portfolio, we continue with a more conservative credit appetite, with proper approval rates, reduced average financing terms and increased down payment percentage.

Average Term and Down Payments - Individuals (Itaú Unibanco*)



(*) As from the fourth quarter of 2013, we included the operations originated at Itaú' s Branches. The historical information was reprocessed.

In the first quarter of 2014, the average term of vehicle financing to individuals was 39 months and the average down payment was 40%. If we take into consideration only the loans originated by dealerships and car retailers, the average term and the average down payment remain the same.

Vehicle portfolio and new financing originations (*)

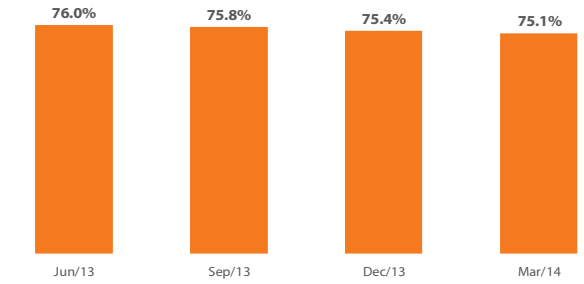
The vehicle financing portfolio to individuals amounted to R$37,086 million at the end of the first quarter of 2014.

New vehicle financing to individuals totaled R$3,190 million in the first quarter of 2014, which represents a 9.8% decrease in relation to the same period of the previous year.

New vehicle financing to companies totaled R$1,172 million in the first quarter of 2014, which represents a 5.0% increase in relation to the first quarter of the previous year and a 17.2% increase when compared to the fourth quarter of 2013.

(*) New financing originated by Itaú´s branches, dealerships and car retailers.

Loan–to-value (%) | Portfolio *



(*) Loans originated by dealerships and car retailers.

The loan-to-value of our vehicle portfolio reached 75.1% in March 2014, decreasing 30 basis points from December 2013 and 90 basis points from June 2013.

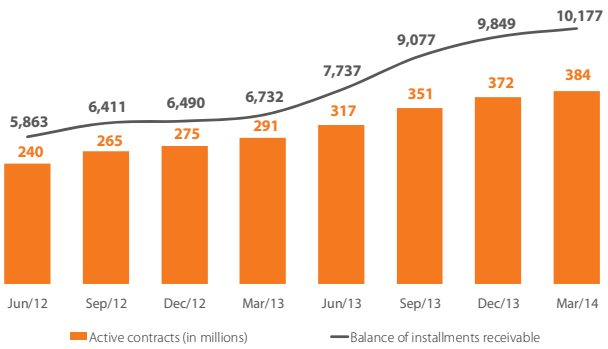
Consortia

Consortia is a self-financing system for the programmed purchase in installments of real estate and vehicles, which supplements our retail product portfolio. Since it is structure as a provision of services, the consortia management does not give rise to default risk or allocation of credit capital to the bank.

In the first quarter of 2014, the balance of installments receivable reached R$10.2 billion, a 3.3% increase in relation to the previous quarter and 51.2% from March 2013.

In the period, we reached approximately 384 thousand active contracts, which represent increases of 3.4% and 32.0% in relation to last December and March 2013, respectively.

R$ million



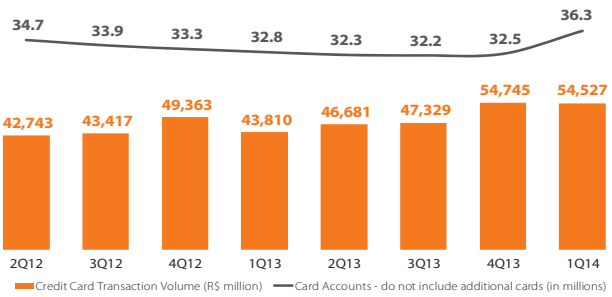
Cards

Through proprietary and partnership operations, we offer a wide range of credit and debit cards to more than 62.1 million current account holders and non-account holders (in number of accounts). In the first quarter of 2014, the volume of transactions amounted to R$71.4 billion, a 23.6% increase from the same period of 2013.

Credit Cards

We are a leading player in the Brazilian credit card market, through Itaucard, Hiper, joint ventures and commercial agreements with leading companies in sectors such as telecom, vehicles, retail and airlines in the Brazilian market, totaling 36.3 million client accounts, including both current account and non current-account holders.

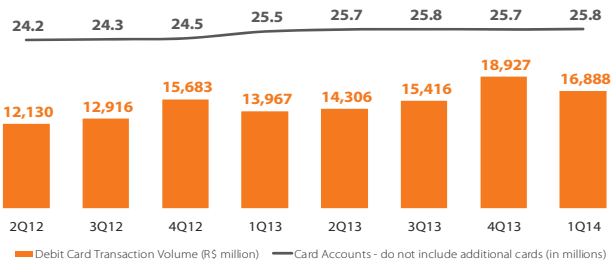
We continued to focus on businesses of larger scale, in line with the efficiency-gain strategy. We also kept the more conservative financing policy in order to maintain the credit quality of our card portfolio. In the first quarter of 2014, the volume of credit card transactions amounted to R$54,527 million, an increase of 24.5% from the same period of the previous year.



(*) As from the first quarter of 2014 we include Credicard Card Accounts, of which operation we acquired at the end of 2013.

Debit Cards

In the debit card segment, which includes only current account holders, we have 25.8 million accounts The volume of debit card transactions amounted to R$16,888 million in the first quarter of 2014, a 20.9% increase from the same period of the previous year.



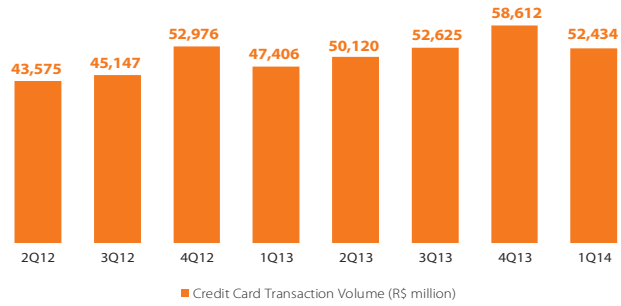
Merchant Acquirer

Our Merchant Acquiring business comprises the process of capturing of transactions through the affiliation, management and relationship with commercial establishments through the company REDE.

In the first quarter of 2014, the transaction volume totaled R$81.7 billion, a decrease of 10.8% in relation to the fourth quarter of 2013 and an increase of 10.5% from the volume recorded in the first quarter of the previous year.

Credit Card Transactions

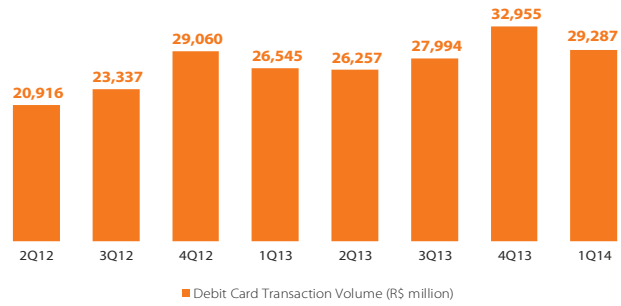
In the first quarter of 2014, the credit card transaction volume totaled R$52.4 billion, representing 64.2% of the total transaction volume, and increasing 10.6% in relation to the same quarter of the previous year.



Note: The volume of transactions includes 100% of REDE.

Debit Card Transactions

In the first quarter of 2014, the volume of debit card transactions was R$29.3 billion, representing 35.8% of the total transaction volume, a decrease of 11.1% from the fourth quarter of 2013 and an increase of 10.3% from the same period of the previous year.



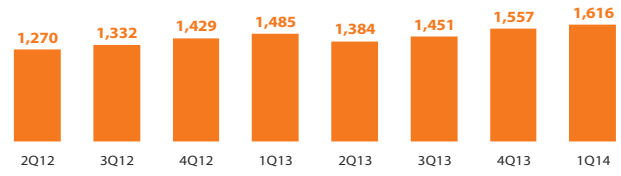
Note: The volume of transactions includes 100% of REDE.

Equipment Base(*)

At the end of the first quarter of 2014, our base of active installed equipment reached approximately 1,616,000 units, showing a growth of 3.8% from the previous quarter and of 8.8% when compared to the first quarter of 2013.

As from the second quarter of 2013, our equipment base is composed only by REDE's POS as the unifying process with Hipercard was completed.

Thousands of units



(*) 100% of the equipment base of REDE is able to capture Hipercard transactions.

Wealth Management & Services (WMS)

Asset Management(*)

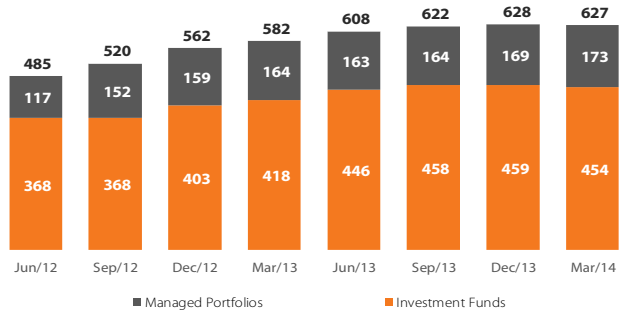
In March 2014, we had R$375.8 billion(*) in managed assets, representing 15% of the market. In twelve months, the growth totaled 7.3% and the main highlights were hedge and money market funds. In addition to the strong local presence, we are present abroad, in the most important financial centers, with professionals strategically allocated, searching for opportunities and investment appropriate solutions for different customers profiles.

*Source: ANBIMA (Brazilian Financial and Capital Markets Association) Management Ranking – March 2014 – It includes Itaú Unibanco and Intrag.

Asset Administration

We have Privatization, Fixed Income and Equity Funds, Investment Clubs and Client Portfolios under administration, both in Brazil and abroad.

R$ billion



At the end of the first quarter of 2014, assets under administration totaled R$626.7 billion, a decrease of 0.3% from the previous quarter and of 7.7% from the same period of 2013.

According to ANBIMA, in March 2014 we ranked second in the global ranking of fund management and managed portfolios*, with a 19.9% market share.

* It includes Itaú Unibanco and Intrag

Securities Services

With four lines of business, the area of Securities Services serves both publicly and closely-held companies, pension funds, asset management and international investors, totaling 2,181 clients in 21 countries. We ended March 2014 with a custody market share of 22.7% and a total of R$894.7 billion in assets under custody, representing an increase of 5% from the same period of 2013. Our business lines are:

Local Custody and Fiduciary Administration: we offer custody and accounting services for portfolios, investment, mutual and pension funds, services of fund administration, legal representation, rebalancing fund services and contracting of service providers. At the end of March, we had a total of R$733.9 billion under custody, representing a decrease of 2% from the same period of 2013. This decrease was due to the lower Ibovespa Index and to the higher interest rates that affected our portfolio, and also due to the FIDCs transfers and terminations.

International Custody: we offer services of custody and representation to investors outside Brazil, custody of ADR programs and depositary services for Brazilian Depositary Receipts (BDR) programs. At the end of March, we had a total of R$160.8 billion under custody, representing a reduction of 15% from the same period of 2013, due to the stock market reduction in value that affected the value of ADR programs.

Corporate Solutions: we offer a number of capital markets solutions, such as the control of stock option programs, bookkeeping of shares, debentures, settlement and custody of promissory notes and bank credit notes. We also work as guarantee agent in operations of Project Finance, Escrow Accounts, and loan and financing contracts. We are leaders in the bookkeeping of shares, providing services to 233 companies listed on the BM&F Bovespa, representing 63.0% of the total, and in the bookkeeping of debentures we acted as bookkeeper of 410 issues until March 2014.

Source: Internal Financial Planning, ANBIMA (Brazilian Financial and Capital Markets Association) and Bovespa - March 2014.

Private Bank

Itaú Private Bank is a leading wealth management player in Latin America, recognized as best Private Banking Services in Brazil for the seventh time by Euromoney Survey in February 2014.

Our dedicated team of more than 635 professionals provides comprehensive financial services to more than 10.000 of the wealthiest Latin American families. We serve our clients from our eight offices in Brazil and our offices located in Chile, Uruguay, Paraguay, Miami, New York, Switzerland, Cayman and Bahamas.

Our team of more than 110 private bankers as of March 31, 2014, supported by a team of investment advisors and product specialists, are dedicated to understanding and addressing the global needs of our clients.



banking & insurance operations

1st quarter of 2014
Management Discussion & Analysis

Itaú Unibanco Holding S.A.

Banking & Insurance Operations

We present below the financial statements and relevant financial indicators on the performance of our banking and insurance operations, which include the insurance, pension plan and capitalization operations, based on management information generated by internal models for the purpose of more accurately reflecting the performance of these operations. Managerially, we considered the proportional consolidation of our 30% interest in Porto Seguro.

As from the first quarter of 2014, we started to consider the minimum regulatory capital required with a 25% safety margin for the insurance, pension plan and capitalization operations, which is composed of the portions of underwriting, credit and operational risk. The historical data was reclassified so as to allow comparison.

Highlights

We present below the main indicators of our banking and insurance operations. In this analysis, we disregarded the result of excess capital in our operations, calculated as the difference between our total capital and the capital of these two businesses. The capital of our banking operations comes from our Risk Weighted Assets (RWA), excluding investments from insurance companies and considering a capital ratio of 13.75% (11% Basel with a 25% safety margin).

R$ million (except where indicated)

	1Q14	4Q13	1Q13
Statement of Income			
Recurring Net Income	4,529	4,680	3,512
Banking Operations	3,775	3,952	2,882
Excess Capital	146	169	113
Insurance Operations	608	560	517
Insurance	363	368	300
Pension Plan	182	151	172
Capitalization	63	40	45
Revenues (*)	21,520	21,704	19,565
Operating Revenues - Banking Operations [1]	18,194	18,362	16,454
Insurance Revenues [2]	3,072	3,046	2,913
Performance Ratios (%)			
Recurring Return on Average Equity – Annualized [3]	22.6%	23.9%	19.1%
Banking Operations	22.6%	25.1%	20.7%
Insurance Operations	58.9%	56.3%	54.8%
Efficiency Ratio (ER) [4]	47.7%	48.7%	48.0%
Banking Operations	50.3%	51.4%	50.7%
Insurance Operations	35.3%	35.6%	34.6%
Risk Adjusted Efficiency Ratio (RAER) [5]	66.4%	65.3%	72.8%
Banking Operations	68.8%	67.5%	75.6%
Insurance Operations	67.9%	66.9%	68.7%
Combined Ratio - Insurance Operations [6]	72.0%	71.5%	78.0%
Balance of the Allowance for Loan Losses/ Credit Portfolio - Banking Operations	6.1%	6.4%	7.3%
Claims Ratio - Insurance Operations [7]	31.2%	30.0%	37.1%
Balance Sheet	**Mar 31,14**	**Dec 31,13**	**Mar 31,13**
Total Assets [8]	1,107,376	1,105,721	1,028,707
Banking Operations [8]	989,742	988,576	914,859
Excess Capital [8]	9,620	11,599	14,983
Insurance Operations [8]	108,013	105,546	98,865
Credit Portfolio	408,291	412,235	371,348
Technical Provisions [8]	104,595	102,060	96,624
Insurance [8]	10,201	10,275	9,211
Pension Plan [8]	91,328	88,748	84,483
Capitalization [8]	3,066	3,036	2,930
Relevant Data			
Contributors to Traditional and PGBL Pension Plan (thousand)	1,656	1,545	1,378
Contributors to VGBL Pension Plan (thousand)	1,887	1,786	1,688
Certificates - Capitalization (thousand)	15,331	14,465	13,523

(*) The Consolidated does not represent the sum of banking and insurance operations, because there is a result of excess capital.

(1) Operating Revenues are the sum of the Managerial Financial Margin, Banking Service Fees and Income from Banking Charges and Result from Insurance, Pension and Capitalization Operations before Retained Claims and Selling Expenses; **(2)** Insurance Revenues comprise the Managerial Financial Margin, Banking Service Fees and Income from Banking Charges, Earned Premiums, Pension Contributions and Capitalization Revenues; **(3)** Annualized Return was calculated by dividing Net Income by the Average Stockholders' Equity. The quotient was multiplied by the number of periods in the year to derive the annualized rate. The calculation bases of the return were adjusted by the amount of dividends proposed after the balance sheet dates, which have not yet been approved in annual stockholders' meetings or by the Board of Directors. Does not consider the proportional consolidation of our 30% interest in Porto Seguro **(4)** The Efficiency Ratio was calculated by dividing Non-Interest Expenses (+) Selling Expenses from Insurance Operations by Operating Revenues (-) ISS, PIS, Cofins and Other Tax Expenses. Does not consider the proportional consolidation of our 30% interest in Porto Seguro; **(5)** The Risk-Adjusted Efficiency Ratio was calculated by dividing Non-Interest Expenses (+) Selling Expenses from Insurance Operations (+) Result from Loan Losses (+) Expenses with Claims by Operating Revenues (-) ISS, PIS Cofins and Other Tax Expenses. Does not consider the proportional consolidation of our 30% interest in Porto Seguro. **(6)** The calculation of the Combined Ratio from Insurance Operations is the sum of the following ratios: Retained Claims/ Earned Premiums, Selling Expenses/ Earned Premiums, Administrative Expenses (+) Other Operating Income and Expenses /Earned Premiums. The ratio does not take into consideration the health insurance operation and the proportional consolidation of our 30% interest in Porto Seguro; **(7)** The Claims Ratio was calculated by dividing Retained Claims by Earned Premiums. The ratio does not consider the proportional consolidation of our 30% interest in Porto Seguro. **(8)** Does not consider the proportional consolidation of our 30% interest in Porto Seguro.

Banking & Insurance Operations

The Pro Forma financial statements below were prepared based on internal information from our management model for the purpose of presenting the performance of our banking and insurance operations[1].

Sales Cost Model

The practice in Itaú Unibanco is to assign the selling costs related to all of our products and services to the corresponding channel where it is effectively used (full allocation method). Accordingly, the selling costs related to insurance, pension plan and capitalization products in our branch network and other electronic or physical distribution channels are recorded in our statement of income of the insurance segment. This practice has both accounting and managerial effects.

Statement of Income | Operating Revenues Perspective

R$ million

	1Q14			4Q13		
	Consolidated	Banking Operations	Insurance Operations	Consolidated	Banking Operations	Insurance Operations
Operating Revenues	**21,520**	**18,194**	**3,072**	**21,704**	**18,362**	**3,046**
Managerial Financial Margin [2]	12,392	12,137	-	12,621	12,326	-
Banking Service Fees and Income from Banking Charges [2]	6,057	6,057	-	6,036	6,036	-
Result from Insurance, Pension Plan and Capitalization [2]	3,125	-	3,125	3,072	-	3,072
Other Components of Operating Revenues	(53)	-	(53)	(26)	-	(26)
Loan and Retained Claim Losses Net of Recovery	**(4,134)**	**(3,164)**	**(970)**	**(3,712)**	**(2,792)**	**(920)**
Result from Loan and Lease Losses	(3,164)	(3,164)	-	(2,792)	(2,792)	-
Retained Claims	(970)	-	(970)	(920)	-	(920)
Operating Margin	**17,387**	**15,030**	**2,102**	**17,992**	**15,570**	**2,126**
Other Operating Expenses	**(10,847)**	**(9,685)**	**(1,150)**	**(11,107)**	**(9,939)**	**(1,155)**
Non-interest Expenses	(9,228)	(8,614)	(614)	(9,528)	(8,908)	(620)
Selling Expenses From Insurance	(433)	-	(433)	(427)	-	(427)
Other Results	(1,186)	(1,071)	(103)	(1,153)	(1,031)	(107)
Income before Tax and Profit Sharing	**6,540**	**5,345**	**952**	**6,885**	**5,631**	**972**
Income Tax and Social Contribution and Profit Sharing	**(2,011)**	**(1,570)**	**(344)**	**(2,204)**	**(1,680)**	**(412)**
Recurring Net Income	**4,529**	**3,775**	**608**	**4,680**	**3,952**	**560**
Recurring Return on Average Equity – Annualized	**22.6%**	**22.6%**	**58.9%**	**23.9%**	**25.1%**	**56.3%**
Efficiency Ratio (ER)	**47.5%**	**50.3%**	**35.3%**	**48.4%**	**51.4%**	**35.6%**
Risk Adjusted Efficiency Ratio (RAER)	**67.8%**	**68.8%**	**67.9%**	**66.5%**	**67.5%**	**66.9%**

Note: The Consolidated does not represent the sum of the parts, because the result from excess capital was segregated. The annualized Recurring Return on Average Equity of the excess capital reached 6.3% in the first quarter of 2014. The capital of our banking operations comes from our Risk Weighted Assets (RWA), excluding investments from insurance companies and considering a capital ratio of 13.75% (11% Basel with a 25% safety margin). **(1)** The Insurance Operations, in this section, include insurance, pension plan and capitalization operations. **(2)** Under our managerial reporting standards, both the fees and the financial margins are allocated to result from insurance, pension plans and capitalization.

Evolution of Net Income and Segments' Share in Net Income of Itaú Unibanco

Banking Operations

The recurring net income from **banking operations** (banking products and services) reached R$3,775 million in the first quarter of 2014, a decrease of 4.5% from the previous quarter, due to the decrease in operating revenues arising from the decrease in the managerial financial margin, partially offset by the increase in banking service fees. The result from loan losses increased 13.3% in relation to the previous quarter.

The share of the banking operations in total net income, disregarding the result of excess capital, reached 86.1% in the quarter, a decrease of 150 basis points from the fourth quarter of 2013.

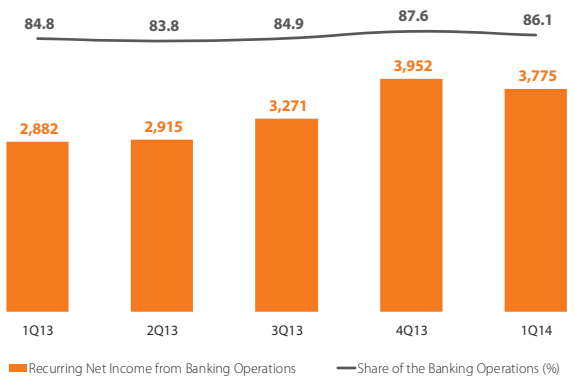
Insurance Operations

The recurring net income from **insurance operations**[1] reached R$608 million in the first quarter of 2014, an increase of 8.7% from the previous quarter, impacted by the result from insurance, pension plan and capitalization operations before retained claims and selling expenses.

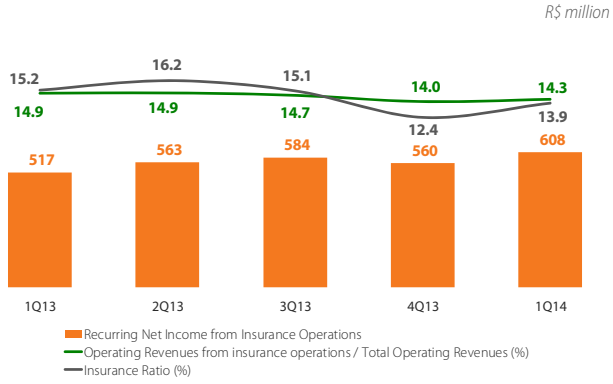
The insurance ratio[2], which represents the share of recurring net income from Insurance, Pension Plan and Capitalization operations in Itaú Unibanco's recurring net income, without excess capital, reached 13.9%, an increase of 150 basis points from the previous quarter.

The ratio of operating revenues from insurance operations to total operating revenues reached 14.3%, an increase of 30 basis points in relation to the previous quarter.

R$ million



R$ million



(1) Net income from Insurance Operations, in this section, includes net income from the insurance, pension plan and capitalization operations.
(2) Insurance Ratio (%) = Insurance, Life and Pension Plan and Capitalization segment's recurring net income/ Itaú Unibanco's recurring net income, without excess capital.

Banking & Insurance Operations

Evolution of Efficiency Ratio, Risk-Adjusted Efficiency Ratio and Annualized Return on Average Equity

The efficiency ratio of the **banking operations** reached 50.3% in the first quarter of 2014, a decrease of 110 basis points when compared to the previous quarter, mainly as a result of the drop of 3.3% in non-interest expenses.

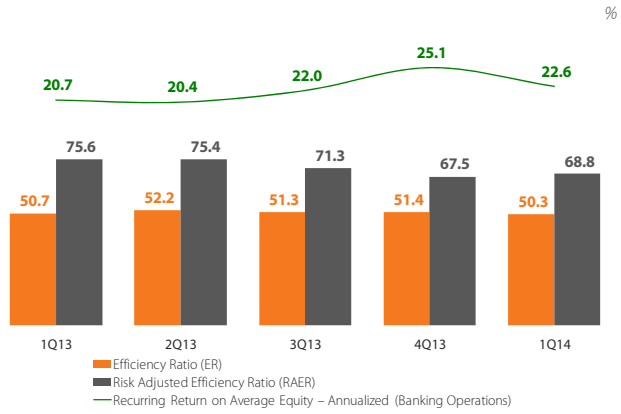
The risk-adjusted efficiency ratio reached 68.8%, an increase of 130 basis points from the previous quarter. This increase is mainly due to the decrease in income from the recovery of credits written off as losses, impacted by the seasonality of the period.

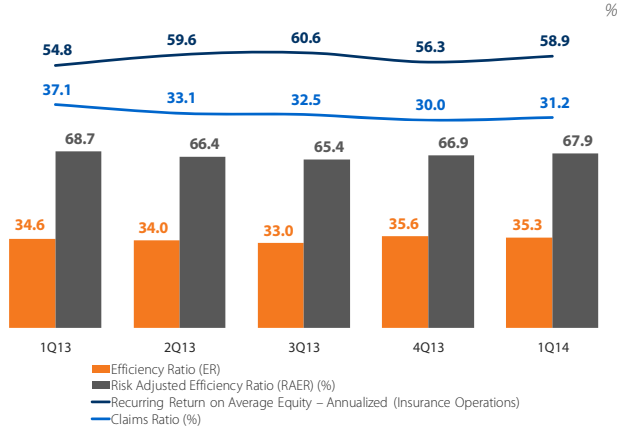
The annualized recurring return of the banking operations reached 22.6% in the period, a decrease of 250 basis points from the previous quarter.

The efficiency ratio of the **insurance operations** reached 35.3% in the first quarter of 2014, a decrease of 30 basis points from the previous quarter. This change is due to the increase in the result from insurance, pension plan and capitalization operations before retained claims and selling expenses and to the decrease in non-interest expenses.

The risk-adjusted efficiency ratio in the first quarter of 2014 reached 67.9% in the period, an increase of 100 basis points from the previous quarter, and the loss ratio reached 31.2%, an increase of 120 basis points in relation to the previous quarter.

The annualized recurring return of the insurance operations reached 58.9% in the period, an increase of 260 basis points in relation to the previous quarter.





Note: The claims ratio does not include the Itauseg Saúde company and the proportional consolidation of our 30% interest in Porto Seguro.

Balance Sheet

R$ million

	Mar 31,14			Dec 31,13		
	Consolidated (1)	Banking Operations	Insurance Operations	Consolidated (1)	Banking Operations	Insurance Operations
Assets						
Current and Long-term Assets	**1,095,998**	**972,111**	**114,268**	**1,094,383**	**970,985**	**111,799**
Securities and Derivative Financial Instruments	269,380	154,581	105,179	300,014	186,144	102,271
Loan, Lease and Other Loan Operations	408,291	408,291	-	412,235	412,235	-
(Allowance for Loan Losses)	(25,042)	(25,042)	-	(26,371)	(26,371)	-
Other Assets	443,369	434,281	9,089	408,506	398,977	9,528
Permanent Assets	**15,821**	**17,632**	**-**	**16,006**	**17,591**	**-**
Total Assets	**1,111,819**	**989,742**	**114,268**	**1,110,390**	**988,576**	**111,799**
Liabilities and Equity						
Current and Long – Term Liabilities	**1,027,727**	**917,690**	**110,037**	**1,027,462**	**919,688**	**107,774**
Deposits Received under Securities Repurchase Agreements	288,616	288,616	-	292,179	292,179	-
Borrowings and Onlendings	76,927	76,927	-	76,653	76,653	-
Technical Provisions for Ins., Pension Plans and Cap.	107,411	-	107,411	104,682	-	104,682
Other Liabilities (2)	554,772	552,147	2,625	553,948	550,855	3,093
Minority Interest in Subsidiaries	1,919	1,919	-	1,903	1,903	-
Stockholders' Equity	82,173	70,133	4,231	81,024	66,985	4,025
Total Liabilities and Equity	**1,111,819**	**989,742**	**114,268**	**1,110,390**	**988,576**	**111,799**

(1) The Consolidated does not represent the sum of banking and insurance operations, because the excess capital is allocated only in the consolidated.
(2) This includes Deferred Income.

On March 31, 2014, total assets from **banking operations**, which includes securities, derivative financial instruments and loan, lease and other credit operations, reached R$989,742 million, remaining practically steady when compared to the previous quarter.

Stockholders' equity from banking operations reached R$70,133 million in the period, an increase of R$3,148 million. Liabilities remained steady in relation to the previous quarter.

Total assets from **insurance operations** reached R$114,268 million on March 31, 2014, a growth of 2.2% from the previous quarter, mainly due to the increase of 2.6% in investments related to pension plan technical provisions, totaling R$107,411 million in the period.

Insurance, Pension Plan & Capitalization

The Pro Forma financial statements below were prepared based on Itaú Unibanco's managerial information and are intended to explain the performance of the insurance-related businesses. The figures presented in this section include our 30% interest in Porto Seguro.

Pro Forma Statement of Recurring Income of the Insurance, Pension Plan and Capitalization Segment

R$ million

			Variation	
	1Q14	4Q13	1Q14 - 4Q13	
Earned Premiums	2,294	2,255	39	1.7%
Result of Pension Plan and Capitalization	179	135	44	32.2%
Retained Claims	(970)	(920)	(50)	5.4%
Selling Expenses	(433)	(427)	(6)	1.4%
Other Operating Income/(Expenses) of Insurance Operations	(43)	(31)	(12)	37.7%
Underwriting Margin	**849**	**877**	**(29)**	**-3.3%**
Result from Insurance, Pension Plan and Capitalization	**1,028**	**1,013**	**15**	**1.5%**
Managerial Financial Margin	243	291	(48)	-16.5%
Service Fees	409	391	18	4.6%
Non-interest Expenses	(614)	(620)	6	-1.0%
Tax Expenses for ISS, PIS and Cofins and other taxes	(103)	(107)	4	-3.9%
Other Operating Income/(Expenses)	(10)	5	(15)	-
Income Before Income Tax and Social Contribution	**952**	**972**	**(20)**	**-2.0%**
Income Tax/Social Contribution and Profit Sharing	(344)	(412)	68	-16.6%
Recurring Net Income	**608**	**560**	**49**	**8.7%**
Recurring Return on Allocated Capital	**58.9%**	**56.3%**		**260 bps**
Efficiency Ratio (ER)	**35.3%**	**35.6%**		**-30 bps**

Note: Non-interest Expenses comprise Personnel Expenses, Other Administrative Expenses, Tax Expenses, and Other Operating Expenses.

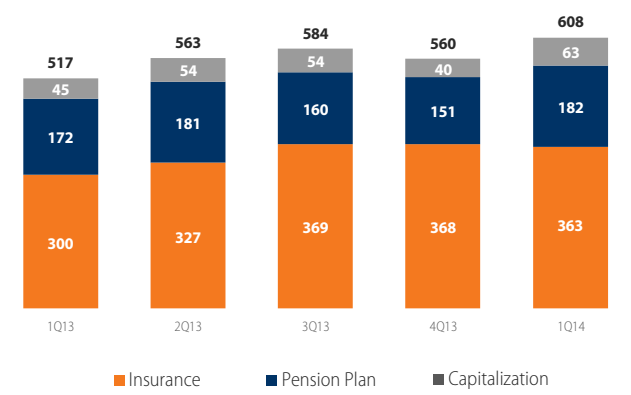
The return of the bancassurance operation, and the generation of income with no credit risk, make this a strategic and increasingly important service for the diversification of revenues. The higher efficiency of sales and improvement in the percentage of customer retention, achieved through a focus on ensuring the offer to the client at the most appropriate sales channel, has already brought positive impacts to the insurance operation. Recurring net income from bancassurance operations grew 24.8% compared to the first quarter of 2013.

We operate in selected markets, focused on profitability. In order to increase the offer to non current-account holder clients and the presence of our products in electronic channels, we launched the virtual insurance store, an innovative initiative in the bank insurance market, to monitor the consumer's profile and purchasing habits. By means of this virtual store, which had a significant number of accesses in the first months, we offer personal injury and home insurance lines and we plan to extend it to other product lines.

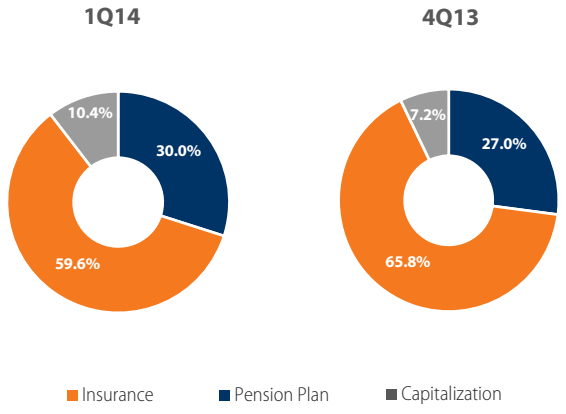
In the first quarter of 2014, recurring net income from Insurance, Pension Plan and Capitalization totaled R$608 million, an 8.7% increase from the previous quarter and a 17.7% increase when compared to the same period of the previous year. The return on allocated capital reached 58.9% in the period, a 260 basis point increase from the fourth quarter of 2013. When compared to the previous quarter, the result of Pension Plan and Capitalization increased R$ 44 million and service fees grew R$ 18 million.

Recurring Net Income

R$ million



Composition of Recurring Net Income of Insurance, Pension Plan and Capitalization



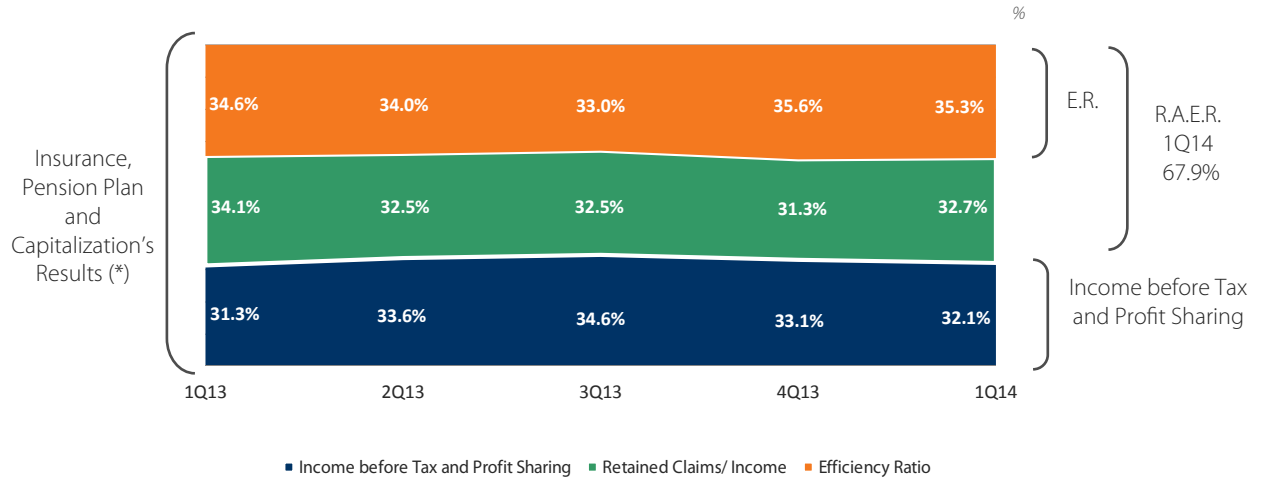
In the first quarter of 2014, in the breakdown of recurring net income, the Insurance sub-segment represents 59.6%.

This quarter, the Pension Plan sub-segment increased 300 basis points in relation to the previous quarter, representing 30.0% of net income.

Efficiency Ratio

In the first quarter, the efficiency ratio, in the full concept (which includes all expenses) reached 35.3%, corresponding to a decrease of 30 basis points in relation to the previous quarter, mainly influenced by the increase in earned premiums, revenues from capitalization certificates and banking service fees.

The risk-adjusted efficiency ratio, which adds the impacts of risk associated with insurance operations to the formula, was 67.9% in the first quarter, an increase of 100 basis points from the fourth quarter of 2013, mainly due to the increase in expenses with retained claims in the Life and Personal Injury lines.



(*) Net of Tax expenses for ISS, PIS and Cofins and Other

Pro Forma Insurance, Pension Plan and Capitalization Balance Sheet

The Balance Sheet of the Insurance, Pension Plan and Capitalization operations is presented below. On March 31, 2014, total assets amounted to R$114.3 billion, an increase of R$2,468 million from the end of the fourth quarter of 2013.

Technical provisions totaled R$107.4 billion, a 2.6% increase from the previous quarter, mainly due to the increase in the technical provisions of the VGBL product.

R$ million

	Mar 31,14				Dec 31,13				Variation Mar 31,14 - Dec 31,13	
	Insurance	Pension Plan	Capitalization	Total	Insurance	Pension Plan	Capitalization	Total	Total	
Assets										
Current and Long-Term Assets										
Securities	9,263	92,764	3,152	105,179	8,992	90,158	3,121	102,271	2,908	5.9%
Other Assets (mainly receivables from insurance)	9,089	-	-	9,089	9,528	-	-	9,528	(440)	19.9%
Total Assets	**18,351**	**92,764**	**3,152**	**114,268**	**18,521**	**90,158**	**3,121**	**111,799**	**2,468**	**6.9%**
Liabilities and Equity										
Current and Long – Term Liabilities	**15,185**	**91,759**	**3,092**	**110,037**	**15,541**	**89,171**	**3,062**	**107,774**	**2,262**	**6.9%**
Technical Provisions – Insurance	12,486	-	-	12,486	12,390	-	-	12,390	96	10.8%
Technical Provisions – Pension Plans and VGBL	501	91,328	-	91,829	486	88,748	-	89,234	2,595	5.0%
Technical Provisions – Capitalization	30	-	3,066	3,096	21	-	3,036	3,058	38	4.2%
Other Liabilities	2,169	431	26	2,625	2,644	423	25	3,093	(467)	81.7%
Allocated Tier I Capital	**3,166**	**1,005**	**60**	**4,231**	**2,979**	**987**	**59**	**4,025**	**206**	**6.6%**
Total Liabilities and Equity	**18,351**	**92,764**	**3,152**	**114,268**	**18,521**	**90,158**	**3,121**	**111,799**	**2,468**	**6.9%**

Insurance

The figures presented in this section are part of Itaú Unibanco insurance operations and proportionally include the results of the association with Porto Seguro.

Pro Forma Recurring Income Statement of Insurance Segment

R$ million

			Variation	
	1Q14	4Q13	1Q14 - 4Q13	
Earned Premiums	2,294	2,255	39	1.7%
Retained Claims	(963)	(913)	(50)	5.5%
Selling Expenses	(433)	(426)	(7)	1.6%
Other Operating Income/(Expenses) of Insurance Operations	(43)	(31)	(12)	37.7%
Underwriting Margin	**855**	**885**	**(30)**	**-3.4%**
Managerial Financial Margin	132	174	(42)	-24.0%
Service Fees	111	116	(4)	-3.5%
Non-interest Expenses	(457)	(439)	(18)	4.0%
Tax Expenses for ISS, PIS and Cofins and other taxes	(80)	(87)	7	-7.9%
Other Operating Income/(Expenses)	(10)	5	(15)	0.0%
Income Before Income Tax and Social Contribution	**552**	**653**	**(102)**	**-15.5%**
Income Tax/Social Contribution and Profit Sharing	(189)	(285)	96	-33.7%
Recurring Net Income	**363**	**368**	**(5)**	**-1.5%**
Recurring Return on Allocated Capital	**47.2%**	**49.9%**		**-270 bps**
Efficiency Ratio (ER)	**37.0%**	**35.6%**		**140 bps**

After a comprehensive work to simplify the portfolio and processes, so that the products offered to clients could be more clear and appropriate to their needs, we continue to focus on effectively and efficiently using our own distribution channels.

In the first quarter of 2014, we conducted life, personal injury and travel insurance campaigns in the printed, television and digital media that have been strengthening our relationship with clients and the importance of their safety.

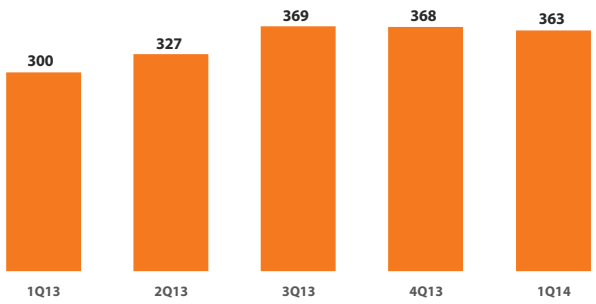
Our market share reached 12.2% (*), in accordance with data supplied by SUSEP (Superintendency of Private Insurance, which regulates all insurance lines, except Health Insurance, which is regulated by ANS, the National Health Agency) in the period from January to November 2013.

In the first quarter of 2014, the recurring net income of insurance operations reached R$363 million, a 1.5% decrease from the previous quarter, mainly due to the increase in retained claims and reduction in the managerial financial margin. If Porto Seguro and IRB operations were disregarded, due to atypical effects present on the fourth quarter of 2013, the insurance segment recurring net income would have grown 7.7% in relation to the previous quarter.

(*) November data is the last available.

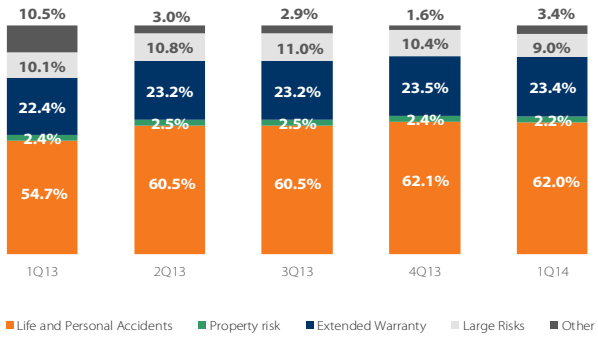
Evolution of Net Income

R$ million



Evolution of the Composition of Earned Premiums

%



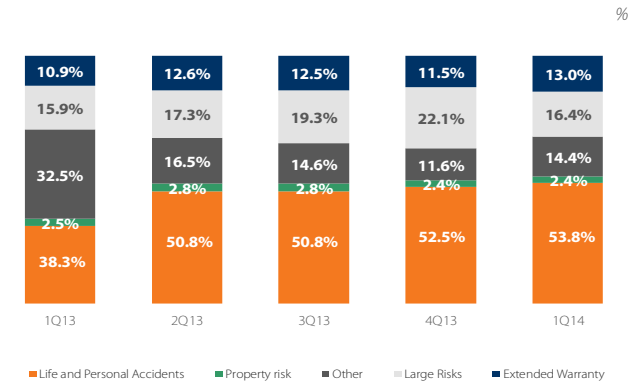
Note: The chart does not include the Itauseg Saúde company and the proportional consolidation of our 30% interest in Porto Seguro. The category of Life and Personal Accidents considers all insurance of people.

In the first quarter of 2014, earned premiums reached R$1,440 million, excluding our 30% interest in Porto Seguro, decreasing 0.5% in relation to the previous quarter due to lower revenues. Taking into consideration our 30% interest in Porto Seguro, earned premiums totaled R$2,294 million, an increase of 1.7% in relation to the fourth quarter of 2013.

The consolidated underwriting margin amounted to R$693 million in the first quarter of 2014, excluding our 30% interest in Porto Seguro, a 2.4% drop when compared to the previous quarter, mainly influenced by the increase in the retained claims of the Life and Personal Accidents products. If the health insurance line was disregarded, the underwriting margin would have totaled R$704 million.

This quarter, the ratio of underwriting margin, divided by earned premiums, excluding the health insurance line and our 30% interest in Porto Seguro, reached 50.0%, a drop of 130 basis points from the previous period.

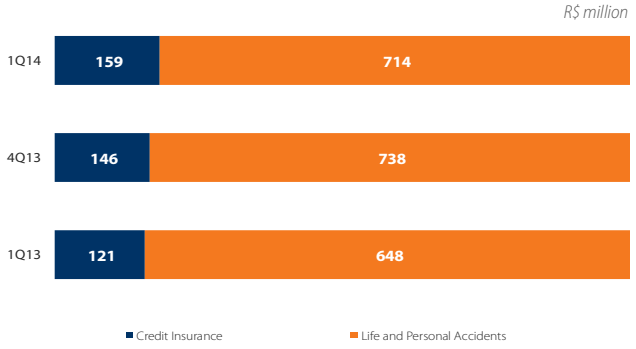
Evolution of the Composition of Retained Claims



Note: The chart does not include the Itauseg Saúde company and the proportional consolidation of our 30% interest in Porto Seguro. The category of Life and Personal Accidents considers all insurance of people.

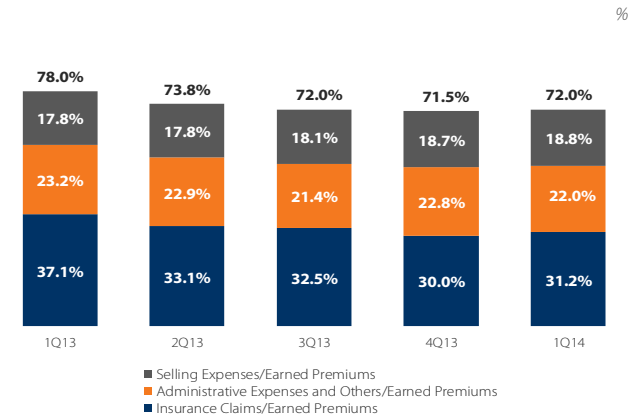
In the first quarter of 2014, retained claims amounted to R$482 million, excluding our 30% interest in Porto Seguro, and increased 2.2% in relation to the previous quarter, mainly influenced by the Life and Personal Accidents products.

Composition of Earned Premiums - Life



Note: The chart does not include the proportional consolidation of our 30% interest in Porto Seguro. The category of Life considers all insurance of people.

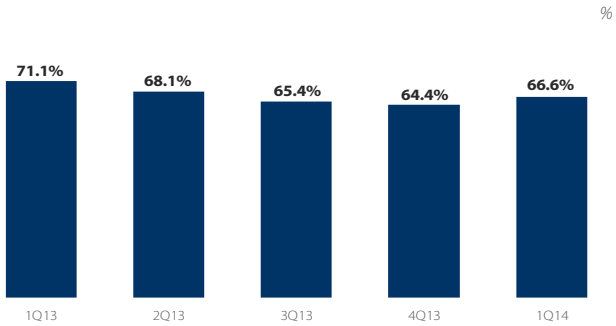
Combined Ratio



Note: The combined ratio is the sum of the following ratios: retained claims/ earned premiums, selling expenses/earned premiums and administrative expenses and other operating income and expenses /earned premiums.
Note: The chart does not include the Itauseg Saúde company and the proportional consolidation of our 30% interest in Porto Seguro.

The combined ratio, which reflects operating cost efficiency in relation to income from earned premiums, reached 72.0% in the period, a 50 basis point increase from the previous quarter, mainly due to the increase in the retained claims of the Life and Personal Accidents products.

Extended Combined Ratio

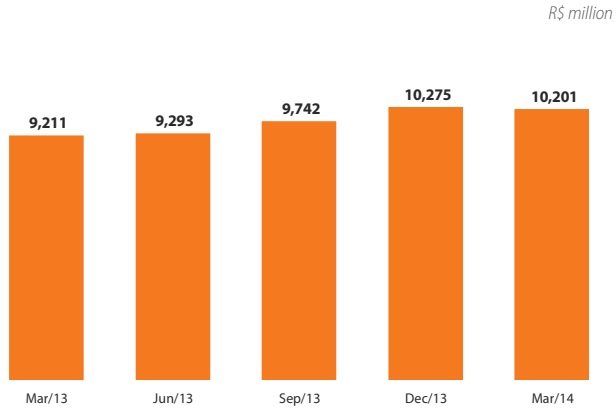


Note: The extended combined ratio is the sum of retained claims (+) selling expenses (+) administrative expenses (+) other operating income and expenses divided by earned premiums (+) managerial financial margin (+) service fees.
Note: The chart does not include the Itauseg Saúde company and the proportional consolidation of our 30% interest in Porto Seguro.

The extended combined ratio, which reflects the operating cost efficiency in relation to income from earned premiums, the managerial financial margin and banking service fees, reached 66.6%, in the first quarter of 2014, an increase of 220 basis points from the previous quarter, due to the same factors that influenced the combined ratio.

Insurance Technical Provisions

On March 31, 2014, the technical provisions for insurance totaled R$10,201 million, a drop of 0.7% from the previous quarter and an increase of 10.7% from the same period of the previous year.



Note: The chart does not include the proportional consolidation of our 30% interest in Porto Seguro.

Pension Plan

Pro Forma Recurring Income Statement of Pension Plan Segment

R$ million

			Variation	
	1Q14	4Q13	1Q14 - 4Q13	
Result of Pension Plan	54	38	16	41.5%
Retained Claims	(7)	(7)	-	-
Selling Expenses	-	(1)	1	-
Result from Pension Plan	**47**	**30**	**17**	**56.9%**
Managerial Financial Margin	56	71	(15)	-21.5%
Service Fees	298	275	22	8.0%
Non-interest Expenses	(90)	(111)	20	-18.5%
Tax Expenses for ISS, PIS and Cofins and other taxes	(16)	(15)	(1)	9.3%
Income Before Income Tax and Social Contribution	**295**	**252**	**43**	**17.0%**
Income Tax/Social Contribution and Profit Sharing	(112)	(100)	(12)	12.0%
Recurring Net Income	**182**	**151**	**31**	**20.4%**
Recurring Return on Allocated Capital	**73.2%**	**62.6%**		**1,060.0 bps**
Efficiency Ratio (ER)	**23.0%**	**30.1%**		**-710.0 bps**

Product innovation has played a significant role in the sustainable growth of our pension plan operations for individuals. For companies, we offer specialized advisory services and develop customized solutions. We establish long-term partnerships with our corporate clients, keeping a close relationship with the human resources departments and adopting a communication strategy designed for the financial education of their employees.

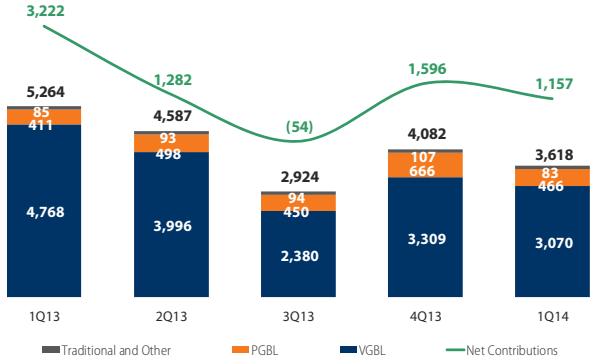
In the beginning of 2014, we launched a new pension plan product for individuals, the Multimercado Macro fund, with the purpose of increasing the options and serving the different profiles of our clients.

According to the National Federation of Pension and Life Insurance (FENAPREVI), in November 2013 our market share in plans for individuals was 24.5%, a decrease of 50 basis points when compared to the same period of the previous year.

The recurring net income of the Pension plan subsegment amounted to R$182 million, a 20.4% increase in relation to the previous quarter, mainly impacted by increased service fees and result from pension plan, and decreased non-interest expenses.

Evolution of Total and Net Contributions to Pension Plan

R$ million

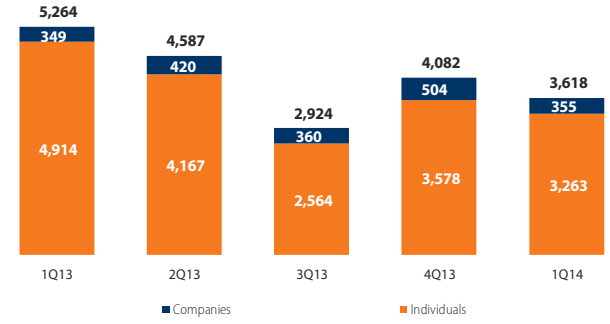


In the first quarter of 2014, total contributions to pension plan for individuals totaled R$3,618 million, a decrease of 11.4% when compared to the fourth quarter of 2013, mainly impacted by the seasonal effect of the last quarter of the year. Net contributions to pension plan reached R$1,157 million, a decrease of 27.5% when compared to the fourth quarter of 2013.

Taking into consideration net contributions from January to November 2013 (according to data provided by SUSEP), our market share reached 19.3% in the period.

Composition of Total Contributions

R$ million



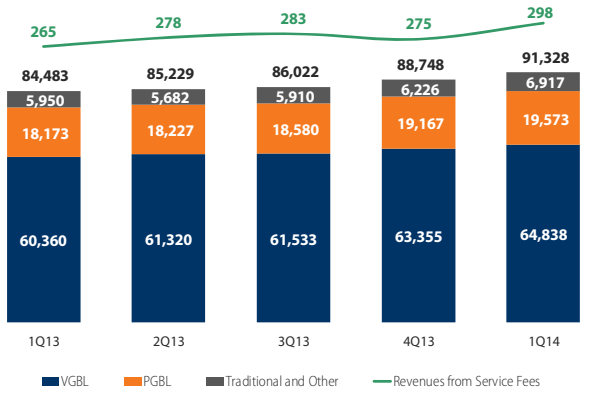
In the first quarter of 2014, total contributions to pension plan for individuals decreased 8.8% in relation to the previous quarter. Total contributions to pension plan for companies totaled R$355 million in the period, a decrease of 29.5% in relation to the fourth quarter of 2013. This decrease was mainly impacted by the seasonal effect of the last quarter of the year.

Pension Plan Technical Provisions and Administration Fees

On March 31, 2014, pension plan technical provisions totaled R$91,328 million, with increases of 2.9% and 8.1% when compared to December 31, 2013 and the same period of the previous year, respectively.

Revenues from administration fees totaled R$298 million in the first quarter of 2014, an 8.0% increase from the fourth quarter.

R$ million

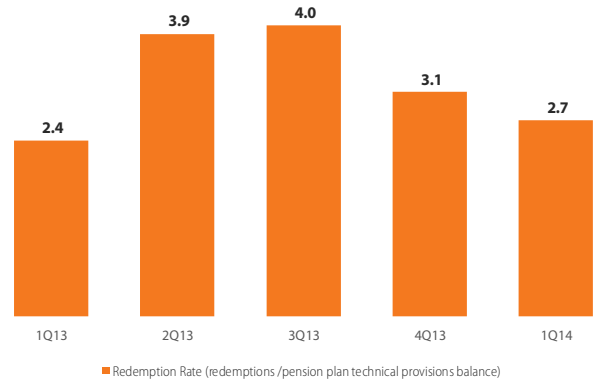


Note: The charts do not include the proportional consolidation of our 30% interest in Porto Seguro.

Evolution of Redemption Rate

The redemption rate, which represents the ratio between redemptions and the balance of pension plan technical provisions, reached 2.7%, a decrease of 40 basis points from the previous quarter, influenced by the decreased volatility of fixed income funds in the pension market in the period.

%



Note: The charts do not include the proportional consolidation of our 30% interest in Porto Seguro.

Capitalization

Pro Forma Capitalization Recurring Income Statement

R$ million

			Variation	
	1Q14	4Q13	1Q14 - 4Q13	
Result of Capitalization	**125**	**97**	**28**	**28.6%**
Managerial Financial Margin	54	45	9	20.3%
Non-interest Expenses	(67)	(70)	3	-4.8%
Tax Expenses for ISS, PIS and Cofins and other taxes	(7)	(5)	(1)	24.0%
Income Before Income Tax and Social Contribution	**106**	**67**	**39**	**58.4%**
Income Tax/Social Contribution and Profit Sharing	(42)	(27)	(16)	59.6%
Recurring Net Income	**63**	**40**	**23**	**57.6%**
Recurring Return on Allocated Capital	**425.7%**	**276.3%**		**14,940.0 bps**
Efficiency Ratio (ER)	**38.8%**	**51.3%**		**- 1.250.0 bps**

The PIC Capitalization Certificate product is targeted at clients that like to run for prizes. It can be purchased through a single or monthly payment, in accordance with the profile and segment of each client.

At the end of the first quarter of 2014, the capitalization business had 15.3 million certificates outstanding.

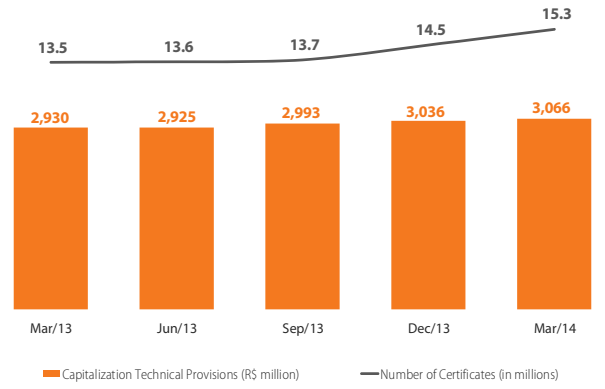
In the period between January and March 2014, 897 clients received prizes in the aggregate amount of R$18.9 million.

In the first quarter of 2014, we carried out commercial campaigns and the launch of the "PIC da Copa", with raffles for prizes related to the 2014 FIFA World Cup™. For our corporate clients, we reformulated our product offerings in accordance with the profile of our clients.

The Capitalization subsegment's recurring net income totaled R$63 million, a 57.6% increase from the previous quarter, mainly impacted by the increase in the result from capitalization and in the managerial financial margin.

Capitalization Technical Provisions

On March 31, 2014, capitalization technical provisions reached R$3,066 million, an increase of 1.0% from the fourth quarter of 2013 and an increase of 4.6% when compared to the same period of the previous year.



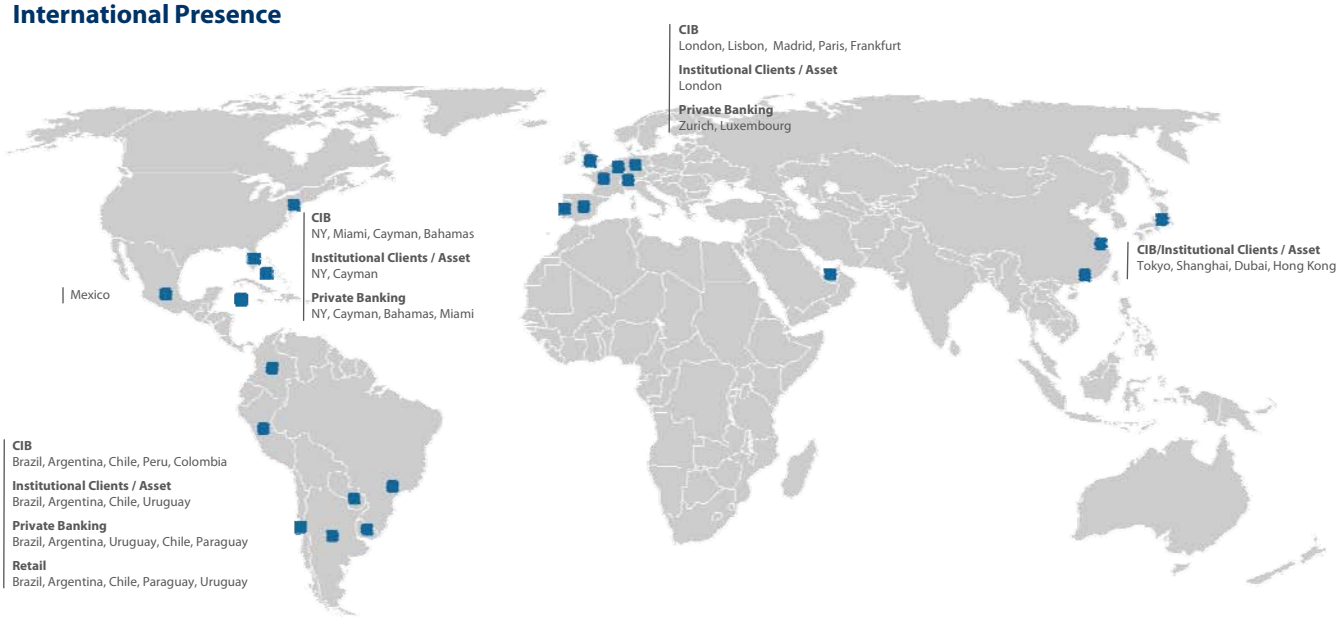
activities abroad

1st quarter of 2014
Management Discussion & Analysis

Itaú Unibanco Holding S.A.

Activities Abroad

International Presence



We are present in 19 countries outside Brazil, seven of which are in Latin America.

In Argentina, Chile, Paraguay and Uruguay, we serve the retail banking, companies, corporate and treasury areas, with main focus on commercial banking. In Mexico, we are taking the first steps to open a brokerage company and an investment bank. We also have an Itaú BBA representation office in Peru, and we are gradually intensifying our presence in Colombia through our investment banking and corporate operation.

Additionally, we have operations in Europe (Lisbon, London, Luxembourg, Madrid, Paris, Frankfurt and Zurich), in the United States (Miami and New York), in the Caribbean (Cayman Islands and Bahamas), in the Middle East (Dubai), and in Asia (Hong Kong, Shanghai and Tokyo). These are operations that mainly serve institutional, investment banking, corporate and private banking clients.

Information about our international operations (including results and assets and liabilities of our foreign branches) is presented below:

International Units' Highlights

R$ million (except as indicated)

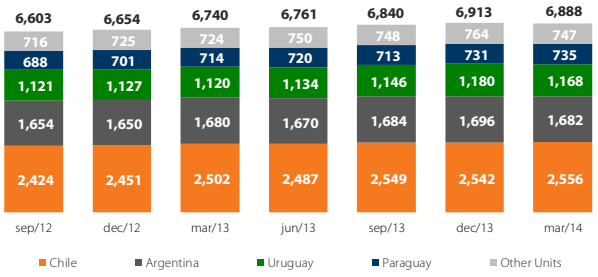
Income Statement

				Variation	
	1Q14	4Q13	1Q13	1Q14 - 4Q13	1Q14 - 1Q13
Recurring Net Income	**622**	**686**	**430**	**-9.2%**	**44.9%**
Operating Revenues	**1,814**	**1,814**	**1,339**	**0.0%**	**35.5%**
Financial Margin	**1,319**	**1,323**	**937**	**-0.2%**	**40.8%**

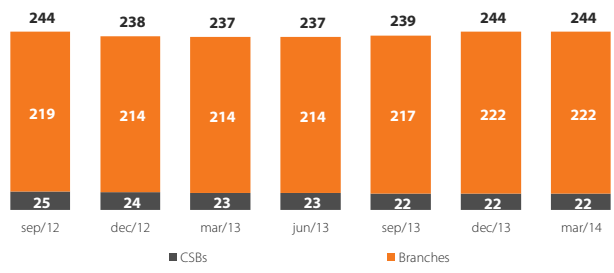
Balance Sheet

				Variation	
	Mar 31,14	Dec 31, 13	Mar 31, 13	Mar 31, 14 - Dec 31, 13	Mar 31, 14 - Mar 31, 13
Total Assets	**255,869**	**254,486**	**206,061**	**0.5%**	**24.2%**
Securities and Derivative Financial Instruments	66,226	68,438	65,977	-3.2%	0.4%
Loans, Leases and Other Credit Operations	104,636	99,688	76,380	5.0%	37.0%
Deposits	**93,858**	**84,640**	**62,210**	**10.9%**	**50.9%**
Stockholders' Equity	**35,374**	**28,935**	**24,353**	**22.3%**	**45.3%**

Employees Abroad



International Service Network



Latin America

Our operations in Latin America are mainly focused on commercial banking, which is concentrated in the Southern Cone (Argentina, Chile, Paraguay and Uruguay), but also include Colombia in investment banking and corporate operations, and Peru in corporate operations through a representation office. In Mexico, we are in the initial phase of opening a brokerage company and an investment bank.

Operations in Latin America

R$ billion



Latin America is a priority in our international expansion due to the geographic and cultural proximity to Brazil. Our purpose is to be recognized as the "Latin American Bank", becoming a reference in the region for all financial services provided to individuals or companies. We have expanded our business in the region in a sustainable way over the past years and our priority now is to gain economies of scale, maintain a strong relationship with the local retail market and strengthen our footprint with local companies.

On January 29, 2014, we took an important step toward consolidating our international strategy: the merger agreement of Banco Itaú Chile and our operation in Colombia with CorpBanca, that will originate "Itaú CorpBanca", controlled by Itaú Unibanco. The operation will begin with a capital increase of US$652 million to Banco Itaú Chile. Once the integration is concluded, the controlling shareholders of Itaú Unibanco and CorpGroup will sign a shareholder's agreement which will determine control of 66.50% of the new bank in Chile, which will hold 66.39% of the bank in Colombia.

The transaction creates an important platform for expansion and search for new business in the region. In Chile, Itaú Unibanco will move from the 7th to the 4th in the ranking of the largest banks in terms of loans, whereas in Colombia it will rank fifth. The annual cost savings are estimated at approximately US$100 million before taxes based on the full capture of the synergies in operation after the merger. This operation will certainly contribute to the development of a truly regional financial institution, creating more value to stockholders, clients and employees.

The processes for obtaining the required authorizations from the regulatory bodies involved are in progress and are expected to be completed up until the last quarter of 2014.

R$ million

Income Statement | Latin America [1]

			Variation
	1Q14	4Q13	1Q14 - 4Q13
Operating Revenues	**1,085**	**990**	**9.6%**
Financial Margin	710	656	8.2%
Banking Service Fees and Income from Banking Charges	349	298	16.9%
Other Income	26	35	-26.5%
Loans and Retained Claims Losses net of Recovery	**(94)**	**(90)**	**4.4%**
Non-Interest Expenses	**(579)**	**(608)**	**-4.8%**
Income Before Tax and Profit Sharing	**412**	**292**	**41.3%**
Income Tax and Social Contribution	**(94)**	**(69)**	**35.9%**
Profit Sharing	**(11)**	**(12)**	**-6.9%**
Recurring Net Income	**308**	**211**	**45.8%**
Return on Average Equity - Annualized	**19.3%**	**13.8%**	**550 bps**
Return on Average Assets - Annualized	**2.3%**	**1.6%**	**70 bps**
Efficiency Ratio	**53.3%**	**61.4%**	**-810 bps**

Net income for the first quarter of 2014 was positively impacted by the increase of 9.6% (or 12.9% in current currency[2]) in operating revenues. We highlight an increase of financial margin in Uruguay of 117.2% (or 117.3% in current currency[2]) mainly due to exchange rate variation as well as a greater result from higher interest rates and operations with derivatives. Additionally, we highlight an increase of financial margin in Argentina of 24.0% (or 45.1% in current currency[2]) as a result of higher revenue from derivatives, securities, advance payments and time deposits.

Regarding banking service fees, we recorded an increase of 16.9% (or 21.4% in current currency[2]) mainly due to the increase in Argentina of 29.5% (or 56.5% in current currency[2]) related to services in current accounts, credit cards, funds and foreign trade in the corporate segment, and in Chile 34.4% (or 39.7% in current currency[2]) mainly in the corporate segment. In Uruguay, we recorded an increase of 10.7% (or 10.1% in current currency[2]), due to increase in commissions of credit cards, the impact of the purchase of the retail portfolio of Citibank, and foreign exchange.

(1) It includes our operations in Argentina, Chile, Paraguay, Uruguay, Colombia, Peru and Mexico.
(2) Current currency for 03/31/14. The elimination of the exchange rate variation impact was obtained by applying the average exchange rate of March 2014 to all periods.

Additionally, losses on loans and retained claims, net of recovery, increased 4.4% (or 6.3% in current currency[2]) mainly in Chile, which were partially offset by the decrease in provisions in Uruguay and by the improved quality of the portfolio in Paraguay.

Non-interest expenses decreased 4.8%, basically due to the impact of the foreign exchange variation in the period (in current currency, the first quarter of 2014 was in line with the previous quarter).

Balance Sheet | Latin America [1]

R$ million

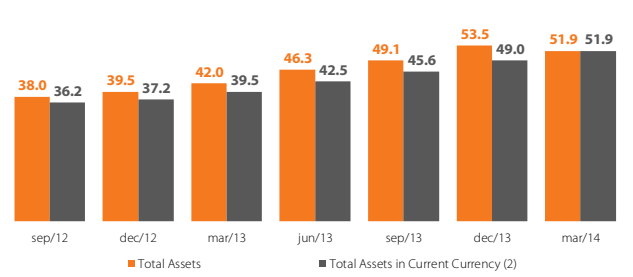
	Mar 31, 14	Dec 31, 13	Variation Mar 31, 14 – Dec 31, 13
Assets			
Current and Long-Term Assets	**51,267**	**52,815**	**-2.9%**
Cash and Cash Equivalents	3,509	3,167	10.8%
Short-Term Interbank Investments	3,045	2,236	36.2%
Securities and Derivative Financial Instruments	5,548	5,503	0.8%
Interbank and Interbranch Accounts	3,379	4,251	-20.5%
Loans, Leases and Other Credit Operations	34,117	36,266	-5.9%
(Allowance for Loan Losses)	(694)	(728)	-4.7%
Other Assets	2,362	2,120	11.4%
Permanent Assets	**616**	**681**	**-9.5%**
Total Assets	**51,882**	**53,495**	**-3.0%**
Liabilities and Equity			
Current and Long-Term Liabilities	**45,530**	**47,074**	**-3.3%**
Deposits	33,292	34,789	-4.3%
Deposits Received under Securities Repurchase Agreements	444	267	66.5%
Funds from Acceptances and Issue of Securities	3,359	3,650	-8.0%
Interbank and Interbranch Accounts	312	203	53.9%
Borrowings and Onlendings	2,933	3,216	-8.8%
Derivative Financial Instruments	923	585	57.9%
Foreign Exchange Portfolio	1,311	1,162	12.8%
Other Liabilities	2,913	3,159	-7.8%
Technical Provisions for Insurance, Pension Plans and Capitalization	43	43	-1.2%
Deferred Income	**3**	**4**	**-26.3%**
Stockholders' Equity	**6,349**	**6,417**	**-1.1%**
Total Liabilities and Equity	**51,882**	**53,495**	**-3.0%**

Assets [1]

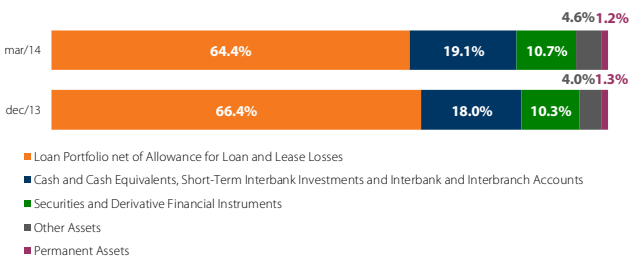
Our assets totaled R$51.9 billion in March 2014, a variation of -3.0% (or increase of 5.9% in current currency[2]) in relation to December 2013. Of these total assets, 59.4% are in Chile, which was impacted by the exchange rate variation, a -0.9% variation (or an increase of 7.5% in current currency[2]) in the quarter.

Asset Evolution

R$ billion



Breakdown of Assets

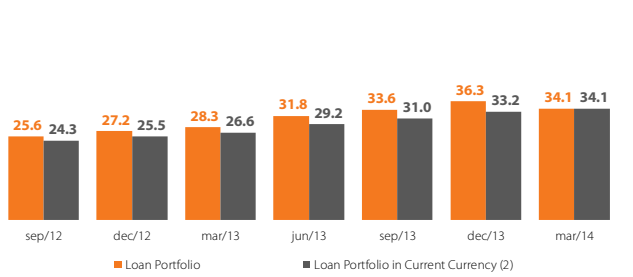


Loan Portfolio [1]

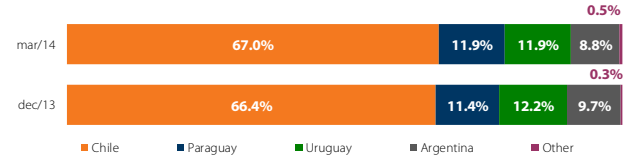
The total loan portfolio decreased 5.9% (or an increase of 2.8% in current currency[2]) when compared to December 2013, to R$34.1 billion. This increase is mainly explained by the growth of the loan portfolio in Chile, which corresponds to 67.0% of our total loan portfolio in the region, and a variation of -5.1% (or increase of 2.9% in current currency[2]) in the quarter.

Loan Portfolio Evolution

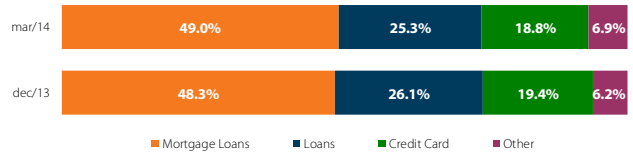
R$ billion



Loan Portfolio by Country



Individual Loan Balances - Composition



(1) It includes our operations in Argentina, Chile, Paraguay, Uruguay, Colombia, Peru and Mexico.
(2) Current currency for 03/31/14. The elimination of the exchange rate variation impact was obtained by applying the average PTAX exchange rate of March 2014 to all periods.

Activities Abroad

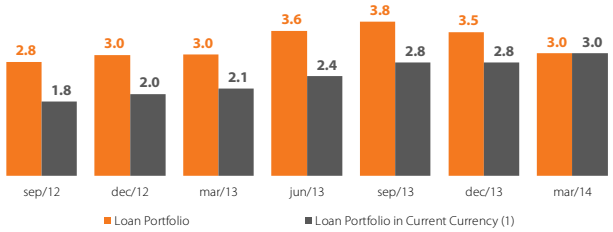
Argentina

Total assets in Argentina reached R$4.3 billion, a variation of -14.3% when compared to December 2013. This decrease is mainly due to the appreciation of the Brazilian real in relation to the local currency, since the increase was 9.0% in current currency in the same period. When compared to March 2013, there was a decrease of 6.2% (or increase of 30.7% in current currency[1]). The loan portfolio totaled R$3.0 billion, a variation of -14.9% (or increase of 8.3% in current currency[1]) in relation to December 2013 and an increase of 0.9% (or 40.5% in current currency[1]) when compared to the same period of 2013, due to increased loan activity in the corporate segment.

Net income for the first quarter of 2014 was R$72 million and stockholders' equity reached R$443 million.

Loan Portfolio Evolution | Argentina

R$ billion



Income Statement | Argentina

R$ million

			Variation
	1Q14	4Q13	1Q14 - 4Q13
Operating Revenues	**312**	**249**	**25.3%**
Financial Margin	228	184	24.0%
Banking Service Fees and Income from Banking Charges	83	64	29.5%
Other Income	1	1	1.2%
Loans and Retained Claims Losses net of Recovery	**(17)**	**(16)**	**9.3%**
Non-Interest Expenses	**(168)**	**(173)**	**-2.9%**
Income Before Tax and Profit Sharing	**127**	**60**	**111.2%**
Income Tax and Social Contribution	**(52)**	**(20)**	**160.8%**
Profit Sharing	**(2)**	**(1)**	**39.6%**
Recurring Net Income	**72**	**38**	**88.6%**
Return on Average Equity - Annualized	**61.9%**	**31.6%**	**3,040 bps**
Return on Average Assets - Annualized	**6.1%**	**3.0%**	**310 bps**
Efficiency Ratio	**54.0%**	**69.6%**	**-1,570 bps**

Chile

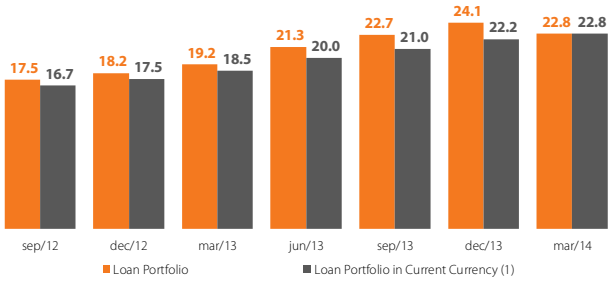
Our business in Chile is mainly focused on retail and high-income clients, in addition to operations in the companies and corporate segments. Currently, we are leaders in wealth management and have the second fastest growing loan portfolio in Chile (data provided by SBIF - Superintendency of Banks and Financial Institutions, February 2014). The company "*Itaú Administradora General de Fondos*", a subsidiary of Banco Itaú Chile, won two Morningstar 2014 awards, as the best fixed income asset manager and best fixed income mutual fund in Latin America.

Total assets in Chile totaled R$30.8 billion, in line with December 2013 (or an increase of 7.5% in current currency[1]). The loan portfolio in March 2014 totaled R$22.8 billion, a variation of -5.1% (or 2.9% in current currency[1]) in the quarter and an increase of 18.9% (or 23.6% in current currency[1]) from March 2013, due to our strong focused growth in comparison to our competitors taking advantage of the strong growth of the local economy and full employment in the year. The individuals loan portfolio in Chile represents 71.9% of our loans to individuals in Latin America (ex-Brazil) and 63.2% of this portfolio involves mortgage loans.

Stockholders' equity in March 2014 totaled R$3.5 billion and net income in the quarter was R$58 million.

Loan Portfolio Evolution | Chile

R$ billion



Income Statement | Chile

R$ million

			Variation
	1Q14	4Q13	1Q14 - 4Q13
Operating Revenues	**329**	**372**	**-11.7%**
Financial Margin	218	290	-24.6%
Banking Service Fees and Income from Banking Charges	89	66	34.4%
Other Income	22	17	28.7%
Loans and Retained Claims Losses net of Recovery	**(70)**	**(45)**	**53.7%**
Non-Interest Expenses	**(176)**	**(184)**	**-4.4%**
Income Before Tax and Profit Sharing	**82**	**143**	**-42.4%**
Income Tax and Social Contribution	**(24)**	**(31)**	**-22.6%**
Recurring Net Income	**58**	**111**	**-47.9%**
Return on Average Equity - Annualized	**6.5%**	**12.7%**	**-630 bps**
Return on Average Assets - Annualized	**0.8%**	**1.5%**	**-70 bps**
Efficiency Ratio	**53.7%**	**49.5%**	**420 bps**

(1) Current currency for 03/31/14. The elimination of the exchange rate variation impact was obtained by applying the average PTAX exchange rate of March 2014 to all periods.

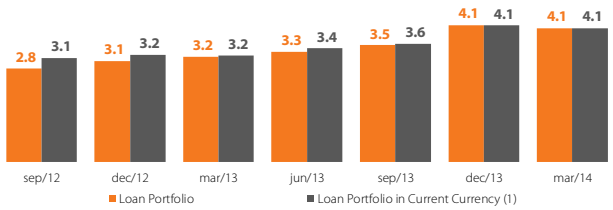
Paraguay

Our strategy for the retail and companies segments during the last years resulted in a significant increase in the local market share. We are the leading player in the credit card segment and hold the first position among the banks in Paraguay regarding results, return on average equity, efficiency ratio, assets and deposits (data provided by the Central Bank of Paraguay, March 2014). In 2010, 2011 and 2012, we were the most highly regarded brand in accordance with IBOPE (Brazilian Institute of Public Opinion and Statistics) – Paraguay Branch, and were recognized as the best bank in Paraguay by the Global Finance magazine in 2011, 2012 and 2013.

Our assets totaled R$6.8 billion and the loan portfolio reached R$4.1 billion, a variation of -2.3% (or -2.1% in current currency[1]) in the quarter and 27.4% (or 25.9% in current currency[1]) in relation to the same period of the previous year. This growth is explained by the increase in levels of bank penetration in the local market. Stockholders' equity totaled R$920 million and net income was R$74 million in the quarter.

Loan Portfolio Evolution | Paraguay

R$ billion



Income Statement | Paraguay

R$ million

	1Q14	4Q13	Variation 1Q14 - 4Q13
Operating Revenues	**153**	**155**	**-1.2%**
Financial Margin	109	107	1.5%
Banking Service Fees and Income from Banking Charges	47	48	-2.1%
Other Income	(2)	0	-
Loans and Retained Claims Losses net of Recovery	**(8)**	**(17)**	**-50.2%**
Non-Interest Expenses	**(64)**	**(73)**	**-11.7%**
Income Before Tax and Profit Sharing	**81**	**65**	**23.1%**
Income Tax and Social Contribution	**(6)**	**(4)**	**42.5%**
Recurring Net Income	**74**	**61**	**21.8%**
Return on Average Equity - Annualized	**33.7%**	**30.0%**	**360 bps**
Return on Average Assets - Annualized	**4.3%**	**3.7%**	**60 bps**
Efficiency Ratio	**41.8%**	**46.8%**	**-500 bps**

Uruguay

We are the second largest private bank in Uruguay in terms of market share since July 2012 (data provided by the Central Bank of Uruguay - BCU) and were recognized as the best bank in Uruguay by Euromoney magazine. With the purpose of maintaining this pace of growth and local penetration, we entered into an agreement to purchase the retail operations of Citibank in Uruguay, assuming a portfolio with over 15 thousand account holder clients. The assets acquired mainly involve Visa, Mastercard and Diners credit card operations developed by Citibank in Uruguay, that represent a portfolio of around US$45.6 million in credit card loans and US$12.6 million in personal loans. This transaction was closed in December 2013, after obtaining the approvals of the local regulatory authorities.

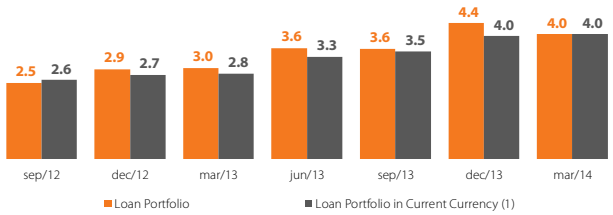
In March 2014, we purchased 305,615 shares of Compañía Uruguaya de Medios de Procesamiento S.A. (CUMPSA), which operates under the Visanet brand. These shares were owned by Citibank and were included in the agreement mentioned above. The stockholding interest acquired was 6.2% and our market share went from 27.8% to 33.9%.

Our assets totaled R$9.4 billion, a variation of -4.6% (or increase of 5.5% in current currency[1]) when compared to December 2013, and of 39.2% (or 48.9% in current currency[1]) in relation to March 2013, due to the increase in loan operations and interbank accounts (compulsory). The loan portfolio reached R$4.0 billion, a drop of -8.2% (or increase of 1.5% in current currency[1]) in the quarter and of 36.7% (or 46.2% in current currency[1]) when compared to the same period of 2013, mainly due to the higher volume of loans in foreign currency to the agribusiness segment and to the increase in the volume of credit card operations.

Net income for the first quarter of 2014 was R$110 million and stockholders' equity reached R$982 million.

Loan Portfolio Evolution | Uruguay

R$ billion



Income Statement | Uruguay

R$ million

	1Q14	4Q13	Variation 1Q14 - 4Q13
Operating Revenues	**278**	**184**	**50.9%**
Financial Margin	149	68	117.2%
Banking Service Fees and Income from Banking Charges	128	116	10.7%
Other Income	1	(0)	-633.6%
Loans and Retained Claims Losses net of Recovery	**4**	**(11)**	**-133.4%**
Non-Interest Expenses	**(152)**	**(130)**	**16.6%**
Income Before Tax and Profit Sharing	**130**	**43**	**198.9%**
Income Tax and Social Contribution	**(11)**	**(13)**	**-21.3%**
Profit Sharing	**(9)**	**(10)**	**-12.5%**
Recurring Net Income	**110**	**20**	**458.5%**
Return on Average Equity - Annualized	**45.2%**	**9.2%**	**3,600 bps**
Return on Average Assets - Annualized	**4.6%**	**0.9%**	**370 bps**
Efficiency Ratio	**54.7%**	**70.8%**	**-1,610 bps**

(1) Current currency for 03/31/14. The elimination of the exchange rate variation impact was obtained by applying the PTAX exchange rate of March 2014 to all periods.

Colombia

Our presence in Colombia is increasing and we aim to be one of the three main investment and wholesale banks in the next five years. The segments evaluated as the most attractive are mining, energy, oil, gas, and infrastructure-related.

In addition, as from the merger of operations with CorpBanca (detailed on page 67), we will enter the financial retail market in Colombia, which currently shows political and economic stability, high growth rates and low inflation.

In March 2014, the loan portfolio totaled R$167.3 million, a variation of 69.8% (or 79.3% in current currency[1]) from December 2013.

Peru

In Peru, we have a representation office and are considering increasing our activities in corporate and investment banking, following the same strategy as in Colombia, so as to take advantage of the strong growth experienced by this country.

Mexico

In Mexico, we are taking the first steps to open a brokerage company and an investment bank.

(1) Current currency for 03/31/14. The elimination of the exchange rate variation impact was obtained by applying the PTAX exchange rate of March 2014 to all periods.

Itaú BBA International

Our banking activities held under the corporate structure of Itaú BBA International are mainly focused in two business lines:

· Corporate & Investment Banking: Headquartered in the United Kingdom, but with business platforms in several cities in Europe, we meet the financial needs of companies with international presence and operations, with focus on operations related to financing and investment relationships between companies in Latin America and Europe. The services offered include the origination of structured financing, hedging, trade financing and advisory to both European companies investing in Latin America and Latin American companies investing overseas.

· Private Banking: Under the corporate structure of Itaú BBA International, we manage private banking activities in Miami, Zurich and Luxembourg, offering specialized financial products and services to high net-worth Latin American clients.

The information on our operations consolidated in Itaú BBA International is presented below:

Balance Sheet | Itaú BBA International

R$ million

	Itaú BBA International	
	Mar 31, 14	Dec 31, 13
Assets		
Current and Long-Term Assets	**19,140**	**19,009**
Cash and Cash Equivalents	535	546
Short-Term Interbank Investments	3,728	3,523
Securities and Derivative Financial Instruments	2,402	2,562
Loans, Lease and Other Credit Operations	8,408	8,894
(Allowance for Loan Losses)	(54)	(30)
Other Assets	4,121	3,514
Permanent Assets	**161**	**173**
Total Assets	**19,301**	**19,182**
Liabilities and Equity		
Current and Long-Term Liabilities	**17,013**	**16,797**
Deposits	6,902	6,998
Funds from Acceptances and Issue of Securities	4,779	4,676
Interbank and Interbranch Accounts	2	4
Borrowings and Onlendings	625	646
Derivative Financial Instruments	572	633
Foreign Exchange Portfolio	3,836	3,266
Other Liabilities	298	573
Deferred Income	**27**	**27**
Stockholders' Equity	**2,261**	**2,358**
Total Liabilities and Equity	**19,301**	**19,182**

In March 2014, the consolidated assets of Itaú BBA International totaled R$19.3 billion. When compared to March 2013, there was a positive variation of 13.3%, mainly due to the increase in interbank investments and loan operations.

In the first quarter of 2014, the financial margin increased R$37 million when compared to December 2013, mainly due to the increase in the result of securities, partially offset by the decline in the foreign exchange result.

Itaú Private Bank International

Itaú Private Bank International is the unit responsible for our wealth management services within our offshore platforms, focused on Latin American families with at least US$1 million in funds available for investments. Our relationship managers are based in Brazil, Miami, Zurich, Santiago de Chile, Montevideo and Asuncion.

We offer our clients a complete portfolio of banking and investment solutions in our operations in Miami (Itaú Europa International) and Zurich (Banco Itaú Suisse S.A.), both of which were established exclusively for private banking activities. Our platform in the Caribbean, which includes units in Nassau (Itaú Bank & Trust Bahamas Ltd) and George Town (Itaú Bank & Trust Cayman Ltd.), incorporated under legal systems based on common law, offers sophisticated fiduciary services including structuring of trusts and offshore companies.

In addition to our platforms established in Europe, the United States and the Caribbean under the structure of Itaú BBA International, we are positioned among the leaders in the local Chilean market through a joint venture with Munita, Cruzat & Claro (MCC), specialists in investment advisory to high net-worth clients and recognized for their expertise in managing global fixed income.

Through our service platform, we offer our clients access to global markets and to a diverse range of financial and asset management services, as well as advice on economy and strategy by our team of specialists. Our offering includes, among other services, negotiation and administration of securities, financial instruments, wealth advisory and credit, through our open architecture model, which allows us to offer our clients the best investment alternatives in the market.

Assets under management (including clients' deposits) and loans to clients of our private banking segment reached R$43.2 billion in March 2014, an increase of 13.4% in relation to the same period of the previous year.

Products and Services for International Institutional Clients

We also provide our international institutional clients with a broad range of products and services, such as asset management, custody, alternative investment products, equities, fixed-income and treasury. Our clients are served by professionals based in New York, London, Hong Kong, Tokyo and Dubai, as well as by our specialized product teams in Latin America.

(1) This includes our 50% interest in MCC.

(A free translation of the original in Portuguese)

Report of independent accountants on supplementary information

To the Board of Directors and Stockholders
Itaú Unibanco Holding S.A.

Introduction

In connection with our review of the financial statements of Itaú Unibanco Holding S.A. ("Bank") and Itaú Unibanco Holding S.A. and its subsidiary companies ("Consolidated") as of March 31, 2014, on which we issued a report without exceptions dated April 28, 2014, we performed a review of the accounting information contained in the supplementary information included in the Management Discussion and Analysis Report of Itaú Unibanco Holding S.A. and its subsidiaries for the three-month period ended March 31, 2014.

Scope of the review

We conducted our review in accordance with Brazilian standards issued by the Federal Accountancy Council. Our review mainly comprised: (a) inquiry of, and discussion with, management responsible for the accounting, financial and operational areas of the Bank and its subsidiaries with regard to the main criteria adopted for the preparation of the accounting information presented in the supplementary information and (b) review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and the operations of the Bank and its subsidiaries. The supplementary information included in the Management Discussion and Analysis Report is presented to permit additional analysis. Notwithstanding, this information should not be considered an integral part of the financial statements.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accounting information contained in this supplementary information, in order for it to be adequately presented, in all material respects, in relation to the financial statements at March 31, 2014, taken as a whole, prepared in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

São Paulo, April 28, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti
Contador CRC 1SP172940/O-6

PricewaterhouseCoopers, Av. Francisco Matarazzo 1400, Torre Torino, São Paulo, SP, Brasil 05001-903, Caixa Postal 61005
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complete financial statements

March 31, 2014

Itaú Unibanco Holding S.A.

MANAGEMENT REPORT – 1ST QUARTER OF 2014

To our Stockholders

We present the Management Report and the Financial Statements of Itaú Unibanco Holding S.A. (Itaú Unibanco) and its subsidiaries for the first quarter of 2014, in accordance with the regulations established by the Brazilian Corporate Law, the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), the Brazilian Securities and Exchange Commission (CVM), the Superintendency of Private Insurance (SUSEP) and the National Council of Private Insurance (CNSP), and the National Superintendence of Supplementary Pension (PREVIC).

The information included in this material is available on the Investor Relations' website of Itaú Unibanco: www.itau.com.br/investor-relations > Financial Information. Our results may also be accessed on mobile devices and tablets, and through our application "Itaú RI" (APP).

1) HIGHLIGHTS

1.1) Corporate Events

Itaú CorpBanca – in January 2014 we announced an agreement with Corpbanca and its controlling shareholders for the merger of Banco Itaú Chile with CorpBanca in a stock-for-stock transaction. The bank resulting from the merger, which is pending regulatory approvals by Brazilian, Colombian, Chilean, Panamanian, and US bodies, by stockholders of Banco Itaú Chile and CorpBanca, as well as meeting of other usual conditions, will benefit from: (i) better funding costs and capacity for an even better leverage of the Tier I regulatory capital; and (ii) annual synergies estimated at US$100 million, before taxes, after the completion of the merger of operations, thus adding value to all stockholders.

This transaction is fully in accordance with legislation and regulations applicable to all jurisdictions, as well as fully in line with the best corporate governance standards. These issues were checked and approved by renowned legal advisors in Chile, Colombia and the United States. The parties to the transaction were fully transparent, making publically available not only the terms of the agreement, but also the Shareholders' Agreement, in addition to holding videoconferences with market players to present the operation.

This transaction and conditions are in line with our vision to create value and sustainable performance, and is consistent with our Latin America expansion strategy, in addition to further consolidating our leading position in this market, mainly as it leads to a stronger performance in the banking sector, in which we will become the fourth largest bank in Chile and the fifth largest bank in Colombia in terms of loans.

Share Bonus of 10% – on April 23, 2014 the Extraordinary General Meeting approved the proposal to increase our capital through the capitalization of the statutory revenue reserves, with a 10% bonus in shares. Capital will be increased with the issue of 502,802,971 new book-entry shares, without par value, of which 251,821,504 are common and 250,981,467 are preferred shares, assigned to shareholders as share bonus, free of charge, in the proportion of one new share for ten shares of the same type held. The base date of the right to the share bonus will be communicated to the market after authorization by BACEN. This proposal aims at adding value to our stockholders, as follows:

- Average cost of the shares held in the portfolio by the shareholders - the unit cost assigned to these shares is R$29.832759281767.
- Payment of dividends – monthly dividends will remain at R$0.015 per share. Therefore, the amounts paid monthly to our stockholders will be increased by 10% (ten percent) after the inclusion of the share bonus in the stock position.

Corporate restructuring – on January 31, 2014, we reorganized our corporate structure to centralize, in Itaú Unibanco, Itaú BBA's institutional treasury and corporate banking segment (large companies) activities, including the securities and loan portfolios and all other assets and liabilities in connection with these activities. Itaú BBA will proceed with its investiment banking and cash management activities. Since it is an internal corporate restructuring, there will be no changes in our business management.

The main driving force behind such corporate restructuring was the optimization of Itaú Unibanco's capital structure, in view of the new Basel III rules, and the intention to centralize all Itaú Unibanco Conglomerate's financial intermediation activities in Itaú Unibanco. This operation is pending approval by BACEN and competent authorities.

1.2) Annual and Extraordinary General Meetings

On April 23, 2014 we held Annual and Extraordinary General Meetings for our stockholders to resolve on relevant matters to Itaú Unibanco, and, accordingly, the manner in which our business is managed. Stockholders were offered the option to prepare in advance for voting, as we disclosed the Meeting Manual in its entirety 30 days before the event. Among the main resolutions, we highlight the following:

- Share bonus – as mentioned before, the Extraordinary General Meeting approved the increase in capital of R$15 billion, with a 10% bonus in shares of the Company's shares. This operation is pending approval from BACEN.
- Approval of the financial statements for the year ended December 31, 2013 and the allocation of net income for this period.
- Election of members of the Board of Directors and Fiscal Council – the Meeting approved the reelection of all current members.

The General Stockholders' Meetings Manual is available in our investor relations' website at www.itau.com.br/investor-relations and on the CVM's and BM&FBOVESPA's systems.

Electronic Meeting – for the third consecutive year we made available to our stockholders the Electronic Voting Platform, which mainly aims at encouraging and expediting their participation in the Meeting. We were the first financial institution to provide this mechanism in Brazil, thus allowing our stockholders to exercise their right to vote by electronic proxy in advance, from any part of the world, without having to attend the Meeting in person.

The platform was available for earlier voting for one month, and this year this tool featured a number of improvements, among which we highlight a smoother voting process in line with our visual identity, explanatory texts encouraging the digital voting, support available to issue the digital certificate and a detailed step-by-step presentation on how to guide the vote.

1.3) Technology

Investments – up to March 31, 2014 we made use of more than 60% out of the R$11.1 billion announced for technology investments through 2015, financed by internal funds. A portion of these investments is intended for the development of our digital channels, internet banking and mobile banking, which, in 2014 represent 59% of the volume of transactions carried out by our customers. Our new data center, under construction in the interior of the State of São Paulo, was delivered as expected, and is currently under the testing stage, including engineering procedures to check, inspect and test each physical component of this enterprise, with 98% of the civil works completed so far. The Waste Treatment Plant, implemented in the São Paulo Technology Center, was awarded recognition earlier 2014 at the *First Annual Brill Award for Efficient IT*, when it stood out in the *Operational Data Center Upgrade (Latin America)* category. This award was granted by the Uptime Institute, a pool of companies focused on the fields of education, advisory, conferences, seminars and issue of data center industry related certificates.

1.4) 2013 New Annual Consolidated Report

We launched the 2013 Annual Consolidated Report, a pioneering undertaking in Brazil. Aiming at providing even more transparency and expediting the accountability to different stockholders, this year Itaú Unibanco gathered together the Annual Report (including sustainability indexes by the Global Reporting Initiative standards), the 20-F Form and the Debt Report in one single document. For the third consecutive time, the report is made available by electronic means, hosted on an exclusive website for these contents. This report is aimed at increasingly improving the consistency, cohesion and standardization of the information disclosed in its Annual Consolidated Report, which is submitted for the SOX Certificate, thus ensuring reliable control and security mechanisms in its preparation. The website www.itau.com.br/annual-report specially designed to host this annual report, is a significant tool within this governance, since it provides for greater mobility and disclosure among our stakeholders.

1.5) Integrated Report

The Integrated Report is a new communication approach connecting the organization's most significant information, correlating the results, the operational activities, the business strategies and the different types of capital (human, financial, intellectual, manufacture, natural, and social and relationship). The purpose is to introduce information and strategies to our different stockholders in order to provide for a more accurate analysis in the short, medium and long terms. Additionally, the Integrated Report is and will be a tool to assess the organization's capacity to generate value, identify the main strategy points and anticipate business risks and opportunities.

As a member of the International Integrated Reporting Council (IIRC), we take part in the building of the template through working groups and, therefore, we increasingly improve the market communication and information process. In Brazil, Itaú Unibanco takes part in the Brazilian Commission for the IIRC, which gathers together publicly-held companies from a number of sectors and counts on the cooperation of finance, investor relations, sustainability and communication related areas, in order to enable every sector to actively take part in the preparation of this document. The report is an integral part of the 2013 Annual Consolidated Report and is available on www.itau.com.br/annual-report.

1.6) Awards and Recognition

Global Finance Awards – organized by the Global Finance magazine, the winners are chosen in a survey with analysts, executives and consultants from financial institutions, and we were acknowledged in the following categories:

- *2014 Best Emerging Markets Banks in Latin America* to Banco Itaú Paraguay and Itaú Unibanco;
- *2014 World's Best Investment Banks* to Itaú BBA in the Best Investment Bank and Best Equity Bank categories, and outstanding institution in Regional Winners – Latin America and Country Winners – Latin America (Brazil).

Morningstar Awards 2014 – Itaú Chile AGF was elected by Morningstar, a leading company in the provision of independent investment surveys, in the following categories: *Mejor Fondo de Renta Fija Latinoamérica* (best fixed income fund in Latin America) with the *Itaú Latam Corporate Bond Fund A* fund, and *Mejor Administradora de Renta Fija* (best fixed income manager).

2014 ILO Latin American Counsel Awards – Itaú BBA received the award as best team in financial services regulation of Latin America in the Regulatory (Financial Services) category. Deemed as one of the most relevant acknowledgments in the legal segment, this award counted on the participation of professionals from legal and advisory offices from throughout Latin America. This award is promoted by the International Law Office in partnership with the Association of Corporate Counsel.

"Empresas Notáveis (outstanding companies) Consumidor Moderno" – we stood out in the banking sector in a survey by Consumidor Moderno (modern consumer) magazine, conducted in partnership with survey institutes and specialized advisory companies, based on surveys conducted over 2013. Accordingly, attributes were analyzed in the strategy, marketing, financial and service areas, as were customers' and consumers' perceptions.

2) PERFORMANCE

2.1) Returns

			% / *bps*
ROE / ROA	**March 31, 2014**	**March 31, 2013**	**Change**
Recurring return on average equity - annualized	22.6	19.1	350
Return on average equity - annualized	22.0	18.9	310
Recurring return on average assets - annualized	1.6	1.4	20
Return on average assets - annualized	1.6	1.4	20

2.2) Income

		R$ billion	*%*
Statement of Income for the Period[(1)]	**Jan to Mar/2014**	**Jan to Mar/2013**	**Change[(2)]**
Income from financial operations before loan and losses	13.2	11.7	12.6
Expenses for allowance for loan losses	(4.2)	(4.9)	-14.3
Income from recovery of credits written off as loss	1.1	1.1	0.2
Banking service fees and income from bank charges	6.5	5.6	16.3
Result from insurance, pension plan and capitalization operations	0.9	0.9	7.5
Personnel, other administrative and operating expenses	(9.2)	(8.3)	10.1
Tax expenses	(1.4)	(1.2)	16.5
Equity in earnings of affiliates, jointly controlled entities and other investments	0.1	0.1	32.5
Other operating revenues	0.0	0.1	-10.1
Income tax and social contribution	(2.5)	(1.4)	84.6
Recurring net income	4.5	3.5	29.0
Net income	4.4	3.5	27.3
Dividends and interest on capital (net of taxes)	0.8	0.6	35.8

(1) Excludes the non-recurring effects of each period.
(2) Change is calculated based on actual figures.

The increase of 16.3% in banking service fees and income from banking charges, the increase of 7.5% in income from insurance, pension plan and capitalization operations, and the decrease of 14.3% in expenses for allowance for loan losses, compared to the same period of 2013, contributed to the increased net income. We also highlight the increase of 10.6% in the loan portfolio, and noteworthy are the payroll advance loans, mortgage, and credit card areas, as drivers of income through lower risks and provisions, thus reflecting our strategy to give priority to lower risk portfolios.

The risk-adjusted efficiency ratio reached 66.4% in the year-to-date 2014, compared to 72.8% recorded in the same period of 2013, that is, a 640 bps decrease.

2.3) Asset Data

R$ billion *%*

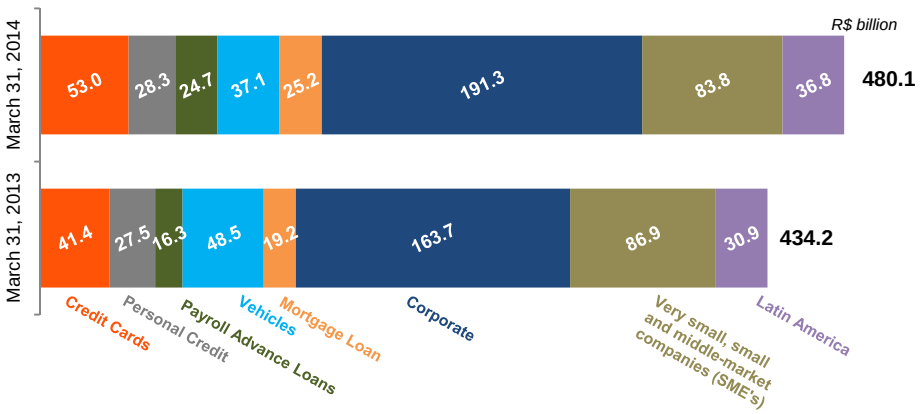
Balance Sheet	March 31, 2014	March 31, 2013	Change[(1)]
Total assets	1,107.4	1,028.7	7.6
Loan portfolio with endorsements and sureties	480.1	434.2	10.6
Free, raised and managed own assets	1,588.7	1,489.7	6.6
Subordinated debt	55.5	52.0	6.7
Stockholders' equity	82.2	74.4	10.4
Referential equity (financial conglomerate)	116.6	120.2	-3.0

(1) Change is calculated based on actual figures.

2.3.1) Assets

Total consolidated assets reached R$1.1 trillion at the end of March 2014, which represented a growth of 7.6% compared to the same period of the previous year.

The diversification of our business is reflected in the changed composition of our funding and loan portfolio, reducing risks to specific segments that may be less impacted by the volatility in economy. The share of each segment in our loan portfolio, with endorsements and sureties, is as follows:



Loan Portfolio *including endorsements and sureties*	Change mar/14 - mar/13
Brazil	**9.9%**
Individuals	**10.1%**
Credit Cards	28.1%
Personal Credit	3.0%
Payroll Advance Loans	51.6%
Vehicles	-23.6%
Mortgage Loan	31.7%
Companies	**9.8%**
Corporate	16.9%
SME's	-3.6%
Latin America	**19.3%**
Total with endorsements and sureties	**10.6%**

R$ billion *%*

Loan Portfolio	March 31, 2014	March 31, 2013	Change
Total with endorsements and sureties	**480.1**	**434.2**	**10.6**
Corporate – Private securities	28.1	21.9	28.3
Total with endorsements, sureties and private securities	**508.2**	**456.2**	**11.4**
Total with endorsements, sureties and private securities (former exchange rate variation)	**508.2**	**460.8**	**10.3**

At March 31, 2014 the balance of the loan portfolio, including endorsements and sureties, reached R$480.1 billion, an increase of 10.6% compared to March 31, 2013. If we also consider the risks associated to the credits we borrow in the private securities modality, this increase will reach 11.4%. In Brazil, the balance of our loan portfolio to individuals reflects our strategy to prioritize portfolios with lower risks. The highlights of the first quarter of 2014 are as follows:

Brazil

Individuals

Credit Card (Itaucard, Hipercard and partnerships)	▪ We are leaders in the credit card segment in Brazil. ▪ In the first quarter of 2014, the transacted amount in debit and credit cards reached R$71.4 billion, a 23.6% increase as compared to the same period of 2013. ▪ The balance of the loan portfolio reached R$53.0 billion, a 28.1% increase compared to the same period of the previous year. ▪ In the first quarter of 2014, our income from cards kept on a sustainable growth, impacted by the better performance of the portfolio, lower expenses and increasing revenues. Quality indicators, as well as the volume of sales, which includes Credicard, continued to a positive and consistent improvement, closing the quarter 42.8% above the level
Personal Credit	▪ The balance of the loan portfolio reached R$28.3 billion, a 3.0% increase compared to the same period of the previous year.
Payroll Advance Loans	▪ The balance of the loan portfolio reached R$24.7 billion, a 51.6% increase compared to March 31, 2013, and reached 5.1% of the bank's total loans. ▪ The payroll advance loans portfolio originated from our branch network closed the first quarter of 2014 totaling R$12.0 billion, and that originated from other trading channels was approximately R$12.7 billion.
Vehicles	▪ We continued in the leadership of financing granted for brand new vehicles. ▪ In the first quarter of 2014, financing to individuals totaled R$3.2 billion, a 9.8% decrease in granting of consumer loans (CDC), leasing and Finame compared to the previous year. ▪ The balance of the loan portfolio reached R$37.1 billion, a 23.6% decrease compared to the same period of the previous year. ▪ In the first quarter of 2014, we kept the appetite for more conservative credit risk, which led to a positive contribution for the reduction of default levels and of the average terms of contracts and the increase in the percentage of down payments.
Mortgage Loans	▪ We are the leaders in mortgage loans to individuals among Brazilian private banks. ▪ Our offering is made by the network of branches, development companies, real estate agencies and partnerships. In the first quarter of 2014 we carried out approximately 13.2 thousand financing, a 44.5% increase compared to the first quarter of 2013. As compared to the average rate for private banks, the increase was 22.1% in the same period, according to the Brazilian Association of Real Estate Loans and Savings Companies (ABECIP). ▪ Strengthening the focus on the operation profitability, we kept a strict control on operating expenses, which, added to the increased operation margin, led to a significant improvement in the efficiency ratio, which closed the first quarter of 2014 710 bps below that achieved in the same period of the previous year.

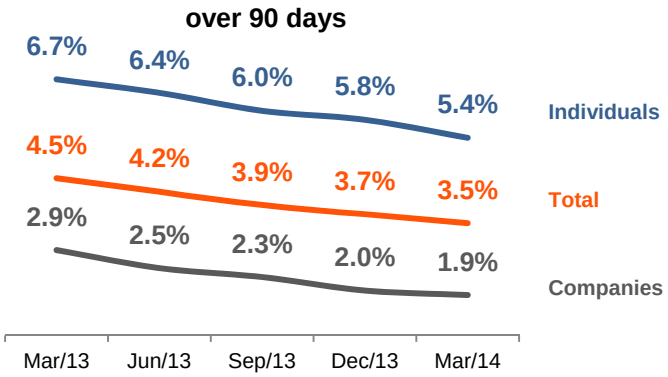
Companies

Corporate (Wholesale Banking)	▪ Managed by the wholesale banking, this portfolio is composed of loans in foreign and local currencies, mandatory loans and guarantees, with outstanding quality, with 94.0% of the loans rated at the "AA", "A" and "B" risk levels. ▪ In the period from January to March, noteworthy are the transactions in foreign currency that posted a 23.8% growth when compared to the same period of 2013, particularly due to exchange devaluation, and the mandatory loans, which increased 16.3% compared to the same period of the previous year. ▪ We kept our outstanding position with regards to the derivative contracts traded on the CETIP (Clearing House). The focus was on operations hedging the exposures to foreign currencies, interest rates and commodities with clients. ▪ We were acknowledged by LatinFinance Magazine for the largest and most comprehensive syndicated loan carried out by a financial institution in Latin America. The Latin America's Syndicated Loan of the Year award for the US$1.5 billion transaction counted on the participation of three lead arrangers and 35 participant banks from 147 countries.

Latin America

Argentina, Chile, Colombia, Paraguay and Uruguay	▪ Our loan portfolio recorded a significant increase of 19.3% in relation to March 2013, of which 16.4% was to individuals and 20.9% to companies, which comprises very small, small, middle-market and large companies. We highlight the increase of loan portfolios in the corporate segment in Chile and Uruguay, which increased 20.2% and 44.6%, respectively. In the individuals segment, we highlight the 13.4% increase in the Chile portfolio compared to the same period of prior year.

Default



In line with our policy for mitigating risk in credit granting, the total default rate, considering the balance of transactions overdue for over 90 days, reached 3.5% at March 31, 2014, posting a decrease of 100 bps compared to March 31, 2013. This ratio recorded the lowest level since Itaú Unibanco merger in 2008, mainly impacted by the change in the credit profile of our portfolio. This ratio reached 5.4% for the individuals and 1.9% for the companies' portfolio at the end of March 2014, dropping 130 bps and 100 bps, respectively, as compared to the same period of the previous year.

2.3.2) Funding

At March 31, 2014, free, raised and managed assets totaled R$1.59 trillion, a 6.6% increase when compared to the same period of 2013. This total is represented as:

- 46.0% refer to investment funds, managed portfolios and technical provisions for insurance, social funds and capitalization,
- 27.0% refer to deposits, debentures and funds from bills,
- 23.0% refer to free assets and other liabilities; and
- 4.0% refer to onlending, interbank deposits and foreign borrowings through securities.

As compared to March 2013, we recorded a 26.0% increase in demand deposits added to savings deposits, which are funded at a lower cost, showing the attractiveness of our brand. The increase in funding (net of Compulsory deposits and Cash and cash equivalents) provided improvement in the loan portfolio and funding ratio, reaching 75.3% at March 31, 2014.

2.3.3) Capital Strength

In order to ensure our strength and the capital availability to support our business growth, the regulatory capital levels were kept above the requirements to cover the risks, as evidenced by the Basel ratio, which at the end of March 2014 reached 15.6%, and was composed of 11.1% of Tier I Capital and 4.5% Tier II Capital.

Our subordinated debt, which is part of our regulatory capital Tier II, reached R$53.9 billion at March 31, 2014, and R$50.4 billion at March 31, 2013.

Credit Risk Rating by Rating Agencies – In view of the Brazilian sovereign rating downgraded by Standard&Poor's, in March 2014 this agency announced the downgrade of 13 Brazilian banks ratings, including Itaú Unibanco Holding, at the international level, from BBB to BBB- (long term) and from A-2 to A-3 (short term). This revision has not taken into account the inherent aspects of the banks.

For additional information on ratings, access www.itau.com.br/investor-relations > Itaú Unibanco > Market Opinion > Ratings.

2.4) Services

Asset Management	▪ In March 2014, we reached R$375.8 billion in assets under management, according to the ANBIMA management ranking, accounting for 15.7% of the market. Since early 2014 we have posted a total growth of 0.4%, particularly in multimarket funds and DI Funds. ▪ Kinea, the investment management company controlled by Itaú Unibanco, holds R$5.8 billion in managed assets.
Custody and Bookkeeping Services	▪ In the custody market, we hold R$894.7 billion in assets, according to the ANBIMA management ranking in March 2014, which represents a 4.5% decrease compared to the same period of the previous year. ▪ We provided services to 233 companies listed on the BM&FBOVESPA, accounting for 63.8% of the total share; in Debenture Bookkeeping, we operated as the bookkeeper of 410 issues over the course of our history. ▪ We were elected, by Global Custodian, the *Single Market Sub-Custody in the Americas: Emerging Markets*, which represents the customers' opinions regarding the quality of services provided.
Insurance, Pension Plan and Capitalization	▪ The change in retained insurance premiums was 0.7% in relation to the first quarter of 2013, reaching R$1.4 billion (not including our share in Porto Seguro, in which we hold 30% of capital). Technical provisions for insurance reached R$10.2 billion at March 31, 2014. ▪ Aiming at expanding the offer to non-accountholders and the presence of our products in electronic channels, we launched the virtual insurance store, a pioneering undertaking in the banking insurance market, following up the consumers' profile and purchasing habits. Through this store, which recorded a significant number of accesses in the first months, we offer personal accident and residence insurance products, with an expansion plan to other lines of products. ▪ The total funding for pension plans totaled R$3.6 billion in the first quarter of 2014, a 11.4% decrease when compared to the same period of 2013. Total revenues from management fees increased 12.1% when compared to the first quarter of 2013, reaching R$297.5 million. Technical provisions increased 8.1%, totaling R$91.3 billion at the end of the quarter. ▪ We posted a 13.4% increase in the certificates in effect in 2014 when compared to the first quarter of 2013. The technical provisions for capitalization reached R$3.1 billion at March 31, 2014, and the collection with capitalization certificates reached R$579,0 million from January to March, recording increases of 4.6% and 10.1% in the last 12 months, respectively.
Electronic Payment Means (REDE)	▪ In the first quarter of 2014, we reached 899.5 million transactions in debit and credit credits, a 2.9% increase in relation to the same period of 2013. Total revenues of debit and credit reached R$81.7 billion in the year-to-date 2014, a 10.5% increase in relation to the same period of 2013. We closed the period with 1.6 million POS equipment pieces, with a 8.8% growth as compared to the previous year, and a 26.4% in the establishments accredited by REDE. ▪ In January 2014 we expanded the acceptance of cards in our portfolio. In addition to the "Alimentação Pass Sodexo" meal cards, we now accept "Refeição Pass Sodexo" (with chips) cards. In the first quarter we also started to accept Cabal brand cards (with chips), a measure that will provide for the safer capture of its transactions and will strengthen our relationship with this brand, of which we have been partners since 2010.
Investment Banking	▪ Between January and March 2014, our Merger and Acquisition operation, which provided financial advisory to 16 transactions, totaling US$7.2 billion, was outstanding. ▪ In fixed income, we took part in debentures, promissory notes and securitization transactions, which totaled R$4.5 billion in the period from January to March 2014. In international issuances of fixed income, we acted as the joint bookrunner of offerings with a total volume of US$2.1 billion. ▪ Our operation also comprises Chile, with a broker, and Argentina, Colombia, Peru and Mexico, where we have representation offices, supplementing our coverage to the head offices of our international clients, operating through the units in Europe, the United States, the Caribbean, Middle East and Asia. The international coverage is key to the performance of cross-border mandates in M&A and Capital Markets.

2.5) Stock Market

Market value – At the end of the first quarter of 2014, we ranked as the twentieth-fourth largest bank in the world based on the market value criterion (R$167.8 billion), according to the Bloomberg ranking.

Traded Volume and Volume of Transactions – In the first quarter of 2014 the daily average financial volumes traded on BM&FBOVESPA (securities, commodities and futures exchange) and on the New York Stock Exchange (NYSE) were R$352.8 million and R$365.2 million, respectively. In the period, the daily average volume of transactions of our shares on BM&FBOVESPA was over 23 thousand per session, with an average traded volume of R$14.8 thousand/transactions. Taking into account all companies listed on the Bovespa Index (IBOVESPA), the average traded volume was R$7.4 thousand/transactions. Should we take into account the companies listed on the Financial Index (IFNC), the average traded volume would be R$2.4 thousand/transactions.

Relations with the market – In February 2014 we held the fourth Itaú Unibanco Investors' Day meeting in São Paulo, intended for institutional investors. This meeting was attended by our CEO and some of Itaú Unibanco's main executives, as well as by 86 analysts and investors who were able to learn more about the bank's strategies, in addition to interacting with our executives. For more information on the meeting held, access www.itau.com.br/investor-relations > Archives Featured > Investors' Day Presentation.

	R$		*%*
Shares	**March 31, 2014**	**March 31, 2013**	**Change**
Recurring net income per share[(1)]	0.91	0.71	28.2
Net income per share[(1)]	0.89	0.70	27.1
Book value per share[(1)]	16.53	14.96	10.5
Number of outstanding shares (in millions)[(2)]	4,969.8	4,975.4	-0.1
Dividends/Interest on capital, net per share	0.16	0.13	23.1
Price of preferred share (ITUB4)[(2)(3)]	33.77	32.44	4.1
Price of common share (ITUB3)[(2)(3)]	31.66	32.62	-2.9
Price of preferred share (PN)[(3)]/Net income per share (annualized)	9.49	11.59	-18.1
Price of preferred share (PN)[(3)]/Stockholders' equity per share	2.04	2.17	-6.0
Market value (in billions) [(4)(5)]	167.8	161.4	4.0

(1) Calculated based on the weighted average of the number of shares;
(2) The number of outstanding shares and the price of share were adjusted to reflect the 10% bonus ocurred on May 20, 2013;
(3) Based on the closing quotation on the last day of the period;
(4) 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);
(5) R$ 163.5 billion considering the closing quotation of common and preferred (ON and PN) shares multiplied by total outstanding shares of each type of shares.

3) PEOPLE

Itaú Unibanco had 94.9 thousand employees at the end of the first quarter of 2014, including almost 6.9 thousand employees in foreign units. The employees' fixed compensation plus charges and benefits totaled R$2.7 billion in the year-to-date.

International Framework Agreement – on March 21, 2014 we signed an agreement with Union Network International for Americas, a document ensuring all our employees the fundamental principles and rights at work established in the International Labor Agreement (ILO) Declaration.

4) INDEPENDENT AUDITORS – CVM Instruction No. 381

Procedures adopted by the Company

The policy adopted by Itaú Unibanco Holding S.A., its subsidiaries, and parent company to engage in 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 his or her client.

During the period from January to March 2014, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

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

- January 13 and 22 and March 14 – acquisition of technical material.
- January 29 – tax advisory.

Independent Auditors' justification – PricewaterhouseCoopers

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

5) BACEN – Circular No. 3,068/01

Itaú Unibanco hereby represents to have the financial capacity and the intention to hold to maturity securities classified under the line "held-to-maturity securities" in the balance sheet, in the amount of R$22.2 billion, corresponding to 8.3% of total securities held.

6) IFRS (*International Financial Reporting Standards*)

We disclose the complete financial statements in compliance with the international financial reporting standards (IFRS), at the same date of this publication, pursuant to CVM/SEP Circular Letter No. 01/13.

7) ACKNOWLEDGMENTS

We thank our employees for their determination and skills which have been essential to reaching consistent and differentiated results, and our stockholders and clients for their trust.

(Approved at the Board of Directors' Meeting held on April 28, 2014).

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Pedro Moreira Salles

Vice-Chairmen
Alfredo Egydio Arruda Villela Filho
Roberto Egydio Setubal

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President
Iran Siqueira Lima

Members
Alberto Sozin Furuguem
Luiz Alberto de Castro Falleiros

(**)Elected at EGM on March 20, 2014, sworn in April 10, 2014
(***) Elected at EGM on March 27, 2014, sworn in April 1, 2014

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Executive Directors
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(*) Investor Relations Director

Accountant
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CRC-1SP – 114.497/O-9

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Caio Ibrahim David
Claudia Politanski
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Wagner Bettini Sanches

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Marcelo Ariel Rosenhek
Marco Antônio Sudano
Mário Lúcio Gurgel Pires
Mário Luís Brugnetti
Thales Ferreira Silva
Vanessa Lopes Reisner

ITAÚ SEGUROS S.A.

Chief Executive Officer
Fernando José Costa Teles

Directors
Adriano Cabral Volpini
Alexsandro Broedel Lopes
Antonio Eduardo Márquez de Figueiredo Trindade
Cláudio José Coutinho Arromatte
Fernando Barçante Tostes Malta
Henrique Pinto Echenique
Mario Luiz Amabile

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Balance Sheet (Note 2a)
(In thousands of Reais)

Assets	Note	03/31/2014	03/31/2013
Current assets		**799,659,468**	**752,511,563**
Cash and cash equivalents		**16,030,078**	**13,737,128**
Interbank investments	**4b and 6**	**189,341,650**	**196,626,499**
Money market		157,652,070	176,559,922
Money market – Assets Guaranteeing Technical Provisions - SUSEP	11b	2,509,181	2,971,373
Interbank deposits		29,180,399	17,095,204
Securities and derivative financial instruments	**4c, 4d and 7**	**191,720,690**	**190,509,800**
Own portfolio		48,725,584	48,943,717
Subject to repurchase commitments		27,254,390	34,494,991
Pledged in guarantee		5,995,395	5,018,221
Securities under resale agreements with free movement		59,664	-
Deposited with the Central Bank		11,768,776	12,559,393
Derivative financial instruments		6,494,705	4,603,075
Assets guaranteeing technical provisions - PGBL/VGBL fund quotas	11b	84,664,815	78,381,764
Assets guaranteeing technical provisions – other securities	11b	6,757,361	6,508,639
Interbank accounts		**84,835,784**	**65,477,861**
Pending settlement		5,467,033	3,565,053
Central Bank deposits		79,280,704	61,861,059
National Housing System (SFH)		4,306	2,251
Correspondents		83,741	33,878
Interbank onlending		-	15,620
Interbranch accounts		**119,438**	**55,186**
Loan, lease and other credit operations	**8**	**214,189,967**	**194,376,190**
Operations with credit granting characteristics	4e	228,032,124	209,515,403
(Allowance for loan losses)	4f	(13,842,157)	(15,139,213)
Other receivables		**99,399,629**	**88,653,311**
Foreign exchange portfolio	9	39,718,564	39,597,185
Income receivable		1,727,729	1,483,690
Transactions with credit card issuers	4e	21,664,364	18,870,846
Receivables from insurance and reinsurance operations	4m I and 11b	4,952,969	4,328,150
Negotiation and intermediation of securities		2,078,356	3,209,903
Sundry	13a	29,257,647	21,163,537
Other assets	**4g**	**4,022,232**	**3,075,588**
Assets held for sale		169,936	152,492
(Valuation allowance)		(53,554)	(39,956)
Unearned premiums of reinsurance	4m I	807,530	559,530
Prepaid expenses	4g and 13b	3,098,320	2,403,522
Long-term receivables		**290,084,386**	**262,817,416**
Interbank investments	**4b and 6**	**1,211,370**	**796,937**
Money market		9,980	5
Interbank deposits		1,201,390	796,932
Securities and derivative financial instruments	**4c, 4d and 7**	**74,861,219**	**70,693,878**
Own portfolio		50,332,816	40,931,636
Subject to repurchase commitments		13,179,530	16,875,422
Pledged in guarantee		649,766	2,715,241
Derivative financial instruments		5,499,629	5,643,855
Assets guaranteeing technical provisions – other securities	11b	5,199,478	4,527,724
Interbank accounts - National Housing System (SFH)		**731,653**	**689,027**
Loan, lease and other credit operations	**8**	**169,059,004**	**149,783,632**
Operations with credit granting characteristics	4e	180,259,204	161,832,613
(Allowance for loan losses)	4f	(11,200,200)	(12,048,981)
Other receivables		**42,809,193**	**38,912,709**
Foreign exchange portfolio	9	1,779,824	627,561
Sundry	13a	41,029,369	38,285,148
Other assets	**4g**	**1,411,947**	**1,941,233**
Unearned premiums of reinsurance	4m I	155,599	147,982
Prepaid expenses	4g and 13b	1,256,348	1,793,251
Permanent assets		**17,631,705**	**13,377,894**
Investments	**4h and 15a II**	**3,375,467**	**2,963,312**
Investments in affiliates and jointly controlled entities		3,046,523	2,251,815
Other investments		532,066	979,376
(Allowance for losses)		(203,122)	(267,879)
Real estate in use	**4i and 15b**	**6,621,379**	**5,603,653**
Real estate in use		4,055,260	3,543,245
Other fixed assets		10,549,532	9,329,482
(Accumulated depreciation)		(7,983,413)	(7,269,074)
Goodwill	**4j and 15b**	**1,893,235**	**47,137**
Intangible assets	**4k and 15b**	**5,741,624**	**4,763,792**
Acquisition of rights to credit payroll		1,143,734	1,366,322
Other intangible assets		6,654,008	5,282,478
(Accumulated amortization)		(2,056,118)	(1,885,008)
Total assets		**1,107,375,559**	**1,028,706,873**

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

ITAÚ UNIBANCO HOLDING S.A.

Consolidated Balance Sheet (Note 2a)

(In thousands of Reais)

Liabilities	Note	03/31/2014	03/31/2013
Current liabilities		**595,506,247**	**562,898,403**
Deposits	**4b and 10b**	**207,303,641**	**178,574,229**
Demand deposits		43,216,760	33,717,703
Savings deposits		108,931,513	87,071,786
Interbank deposits		5,166,053	8,132,346
Time deposits		49,989,315	49,652,394
Deposits received under securities repurchase agreements	**4b and 10c**	**166,462,218**	**188,950,579**
Own portfolio		67,823,275	83,825,632
Third-party portfolio		97,552,849	103,067,623
Free portfolio		1,086,094	2,057,324
Funds from acceptances and issuance of securities	**4b and 10d**	**20,819,041**	**29,362,517**
Real estate, mortgage, credit and similar notes		15,357,183	21,728,195
Debentures		111	1,056,720
Foreign borrowings through securities		4,786,283	6,577,602
Structured Operations Certificates		675,464	-
Interbank accounts		**7,428,241**	**5,114,604**
Pending settlement		4,701,340	3,945,226
Correspondents		2,726,901	1,169,378
Interbranch accounts		**5,338,153**	**4,130,323**
Third-party funds in transit		5,301,285	4,112,209
Internal transfer of funds		36,868	18,114
Borrowings and onlending	**4b and 10e**	**37,208,186**	**32,690,623**
Borrowings		24,777,664	20,157,683
Onlending		12,430,522	12,532,940
Derivative financial instruments	**4d and 7g**	**5,136,087**	**3,306,411**
Technical provision for insurance, pension plan and capitalization	**4m II and 11a**	**12,383,919**	**10,897,156**
Other liabilities		**133,426,761**	**109,871,961**
Collection and payment of taxes and contributions		5,602,479	4,896,299
Foreign exchange portfolio	9	40,370,448	40,056,107
Social and statutory	16b II	1,685,723	1,367,876
Tax and social security contributions	4n 4o and 14c	5,973,901	4,815,264
Negotiation and intermediation of securities		4,769,956	4,734,417
Credit card operations	4e	49,011,101	41,736,120
Subordinated debt	10f	6,278,337	901,930
Sundry	13c	19,734,816	11,363,948
Long-term liabilities		**426,638,704**	**388,605,488**
Deposits	**4b and 10b**	**70,904,539**	**59,980,395**
Interbank deposits		327,157	311,337
Time deposits		70,577,382	59,669,058
Deposits received under securities repurchase agreements	**4b and 10c**	**122,153,951**	**107,152,265**
Own portfolio		98,554,001	89,211,611
Free portfolio		23,599,950	17,940,654
Funds from acceptances and issuance of securities	**4b and 10d**	**23,047,443**	**23,914,636**
Real estate, mortgage, credit and similar notes		13,349,987	14,422,750
Foreign borrowings through securities		9,533,782	9,491,886
Structured Operations Certificates		163,674	-
Borrowings and onlending	**4b and 10e**	**39,719,036**	**30,199,793**
Borrowings		7,974,089	3,907,194
Onlending		31,744,947	26,292,599
Derivative financial instruments	**4d and 7g**	**6,912,943**	**5,127,526**
Technical provision for insurance, pension plan and capitalization	**4m II and 11a**	**92,211,266**	**85,726,761**
Other liabilities		**71,689,526**	**76,504,112**
Foreign exchange portfolio	9	1,779,824	578,279
Tax and social security contributions	4n, 4o and 14c	11,132,921	13,385,150
Subordinated debt	10f	49,256,102	51,129,534
Sundry	13c	9,520,679	11,411,149
Deferred income	**4p**	**1,138,251**	**1,089,997**
Minority interest in subsidiaries	**16e**	**1,919,152**	**1,697,028**
Stockholders' equity	**16**	**82,173,205**	**74,415,957**
Capital		60,000,000	45,000,000
Capital reserves		827,314	870,524
Revenue reserves		24,317,152	29,332,893
Asset valuation adjustment	4c, 4d and 7d	(1,403,164)	598,757
(Treasury shares)		(1,568,097)	(1,386,217)
Total liabilities and stockholders' equity		**1,107,375,559**	**1,028,706,873**

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

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Income (Note 2a)
(In thousands of Reais)

	Note	01/01 to 03/31/2014	01/01 to 03/31/2013
Income from financial operations		**26,169,090**	**20,329,861**
Loan, lease and other credit operations		15,367,613	13,534,870
Securities and derivative financial instruments		6,622,431	5,070,355
Financial income from insurance, pension plan and capitalization operations	11c	2,025,684	596,008
Foreign exchange operations		598,443	257,109
Compulsory deposits		1,554,919	871,519
Expenses of financial operations		**(12,966,578)**	**(8,607,466)**
Money market		(11,217,669)	(7,641,479)
Financial expenses on technical provisions for insurance, pension plan and capitalization	11c	(1,849,908)	(493,209)
Borrowings and onlending		100,999	(472,778)
Income from financial operations before loan and losses		**13,202,512**	**11,722,395**
Result of allowance for loan losses	**8d I**	**(3,147,995)**	**(3,859,333)**
Expenses for allowance for loan losses		(4,235,655)	(4,945,194)
Income from recovery of credits written off as loss		1,087,660	1,085,861
Gross income from financial operations		**10,054,517**	**7,863,062**
Other operating revenues (expenses)		**(2,985,720)**	**(2,938,891)**
Banking service fees	13d	4,507,384	3,928,625
Asset management		915,619	833,310
Current account services		190,803	177,490
Credit cards		2,131,947	1,786,116
Sureties and credits granted		451,532	399,462
Receipt services		362,591	339,953
Other		454,892	392,294
Income from bank charges	13e	1,982,430	1,651,846
Result from insurance, pension plan and capitalization operations	11c	931,510	866,363
Personnel expenses	13f	(3,787,588)	(3,649,699)
Other administrative expenses	13g	(3,725,881)	(3,429,488)
Tax expenses	4o and 14a II	(1,368,654)	(1,174,839)
Equity in earnings of affiliates, jointly controlled entities and other investments	15a lll	89,622	67,627
Other operating revenues	13h	49,841	55,444
Other operating expenses	13i	(1,664,384)	(1,254,770)
Operating income		**7,068,797**	**4,924,171**
Non-operating income		**24,597**	**11,420**
Income before taxes on income and profit sharing		**7,093,394**	**4,935,591**
Income tax and social contribution	**4o and 14a I**	**(2,549,046)**	**(1,381,016)**
Due on operations for the period		(2,690,151)	(1,885,048)
Related to temporary differences		141,105	504,032
Profit sharing – Management Members - Statutory - Law No. 6,404 of 12/15/1976		**(61,414)**	**(61,392)**
Minority interest in subsidiaries	**16e**	**(63,855)**	**(20,744)**
Net income		**4,419,079**	**3,472,439**
Weighted average of the number of outstanding shares	**16a**	**4,965,276,617**	**4,973,591,236**
Net income per share – R$		**0.89**	**0.70**
Book value per share - R$ (outstanding at 03/31)		**16.53**	**14.96**

Supplementary information

Exclusion of nonrecurring effects	**2a and 22k**	**109,882**	**39,614**
Net income without nonrecurring effects		**4,528,961**	**3,512,053**
Net income per share – R$		**0.91**	**0.71**

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

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Cash Flows
(In thousands of Reais)

	NOTE	01/01 to 03/31/2014	01/01 to 03/31/2013
Adjusted net income		**13,036,096**	**10,475,108**
Net income		4,419,079	3,472,439
Adjustments to net income:		8,617,017	7,002,669
Granted options recognized		51,594	53,735
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	7h	(1,071,502)	334,768
Effects of changes in exchange rates on cash and cash equivalents		1,286,738	267,748
Allowance for loan losses		4,235,655	4,945,194
Interest and foreign exchange expense from operations with subordinated debt		1,255,250	732,119
Interest expense from operations with debentures		111	19,609
Financial expenses on technical provisions for pension plan and capitalization		1,849,908	493,209
Depreciation and amortization	15b	666,227	562,870
Interest expense from provision for contingent and legal liabilities	12b	257,630	227,094
Provision for contingent and legal liabilities	12b	949,699	803,721
Interest income from escrow deposits	12b	(101,840)	(55,031)
Deferred taxes		(141,105)	(504,032)
Equity in earnings of affiliates, jointly controlled entities and other investments	15a lll	(89,622)	(67,627)
Interest and foreign exchange income from available-for-sale securities		(666,792)	(705,221)
Interest and foreign exchange income from held-to-maturity securities		(106,211)	(86,880)
(Gain) loss from sale of available-for-sale financial assets	7i	92,839	(41,374)
(Gain) loss from sale of investments		1,123	1,124
(Gain) loss from sale of foreclosed assets		6,233	(7,271)
(Gain) loss from sale of fixed assets		8,197	3,999
Minority interest		63,855	20,744
Other		69,030	4,171
Change in assets and liabilities		**7,260,568**	**(6,135,758)**
(Increase) decrease in assets		**7,947,961**	**(13,847,174)**
Interbank investments		(10,779,778)	(14,096,504)
Securities and derivative financial instruments (assets/liabilities)		24,417,988	2,544,245
Compulsory deposits with the Central Bank of Brazil		(2,270,423)	1,840,313
Interbank and interbranch accounts (assets/liabilities)		2,332,414	813,086
Loan, lease and other credit operations		(1,636,892)	(7,542,053)
Other receivables and other assets		(3,669,282)	2,414,888
Foreign exchange portfolio and negotiation and intermediation of securities (assets/liabilities)		(446,066)	178,851
(Decrease) increase in liabilities		**(687,393)**	**7,711,416**
Deposits		3,824,718	(4,637,184)
Deposits received under securities repurchase agreements		(3,563,008)	7,319,915
Funds for issuance of securities		(2,390,017)	(1,318,093)
Borrowings and onlending		273,920	3,765,209
Credit card operations (assets/liabilities)		(4,267,508)	(2,767,321)
Technical provision for insurance, pension plan and capitalization		916,657	2,994,562
Collection and payment of taxes and contributions		5,397,499	4,480,486
Other liabilities		(892,451)	(2,061,935)
Deferred income		12,797	(64,223)
Payment of income tax and social contribution		(3,302,825)	(3,069,846)
Net cash provided by (used in) operating activities		**16,993,838**	**1,266,944**
Interest on capital / dividends received from affiliated companies		13,893	9,165
Funds received from sale of available-for-sale securities		37,522,079	14,125,671
Funds received from redemption of held-to-maturity securities		202,966	85,576
Disposal of assets not for own use		5,322	33,812
Disposal of investments		157,983	100,674
Cash and cash equivalents net assets and liabilities due from BMG Seguradora acquisition	2c	(88,138)	-
Sale of fixed assets		5,428	2,338
Termination of intangible asset agreements		(128)	(77)
Purchase of available-for-sale securities		(28,041,715)	(5,328,505)
Purchase of held-to-maturity securities		(21,299)	(173,322)
Purchase of investments		(39,037)	(944)
Purchase of fixed assets	15b	(567,424)	(403,386)
Purchase of intangible assets	15b	(256,371)	(222,266)
Net cash provided by (used in) invesment activities		**8,893,560**	**8,228,737**
Decrease in subordinated debt		(1,359,873)	(3,072,780)
Decrease in debentures		-	(531,942)
Change in minority interest	16e	(46,721)	286,778
Granting of stock options		210,765	118,985
Dividends and interest on capital paid to minority interests		(1,437)	(4,155)
Dividends and interest on capital paid		(3,829,795)	(3,342,566)
Net cash provided by (used in) financing activities		**(5,027,061)**	**(6,545,680)**
Net increase (decrease) in cash and cash equivalents		**20,860,337**	**2,950,000**
Cash and cash equivalents at the beginning of the period		45,802,194	40,935,830
Effects of changes in exchange rates on cash and cash equivalents		(1,286,738)	(267,748)
Cash and cash equivalents at the end of the period	4a and 5	65,375,793	43,618,082

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

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Added Value
(In thousands of Reais)

	Note	01/01 to 03/31/2014		01/01 to 03/31/2013	
Income		**31,835,424**		**22,984,226**	
Financial operations		26,169,090		20,329,861	
Banking services		6,489,814		5,580,471	
Result from insurance, pension plan and capitalization operations		931,510		866,363	
Result of loan losses	8d	(3,147,995)		(3,859,333)	
Other		1,393,005		66,864	
Expenses		**(14,630,962)**		**(9,862,236)**	
Financial operations		(12,966,578)		(8,607,466)	
Other		(1,664,384)		(1,254,770)	
Inputs purchased from third parties		**(2,937,112)**		**(2,733,132)**	
Materials, energy and others	13g	(71,416)		(74,344)	
Third-party services	13g	(891,610)		(769,358)	
Other		(1,974,086)		(1,889,430)	
Data processing and telecommunications	13g	(915,528)		(866,633)	
Advertising, promotions and publication	13g	(193,291)		(200,402)	
Installations		(289,032)		(285,215)	
Transportation	13g	(105,688)		(113,233)	
Security	13g	(152,781)		(130,935)	
Travel expenses	13g	(42,121)		(40,909)	
Other		(275,645)		(252,103)	
Gross added value		**14,267,350**		**10,388,858**	
Depreciation and amortization	13g	**(506,982)**		**(442,967)**	
Net added value produced by the company		**13,760,368**		**9,945,891**	
Added value received from transfer	**15a III**	**89,622**		**67,627**	
Total added value to be distributed		**13,849,990**		**10,013,518**	
Distribution of added value		**13,849,990**		**10,013,518**	
Personnel		**3,430,575**	**24.8%**	**3,315,547**	**33.1%**
Compensation		2,756,104	19.9%	2,636,596	26.3%
Benefits		508,551	3.7%	512,764	5.1%
FGTS – government severance pay fund		165,920	1.2%	166,187	1.7%
Taxes, fees and contributions		**5,654,694**	**40.8%**	**2,951,399**	**29.5%**
Federal		5,429,922	39.2%	2,749,575	27.5%
State		1,862	0.0%	506	0.0%
Municipal		222,910	1.6%	201,318	2.0%
Return on third parties' assets - Rent		**281,787**	**2.0%**	**253,389**	**2.5%**
Return on own assets		**4,482,934**	**32.4%**	**3,493,183**	**34.9%**
Dividends and interest on capital		898,690	6.5%	655,086	6.5%
Retained earnings (loss) for the period		3,520,389	25.4%	2,817,353	28.1%
Minority interest in retained earnings		63,855	0.5%	20,744	0.2%

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

ITAÚ UNIBANCO HOLDING S.A.
Balance Sheet
(In thousands of Reais)

Assets	Note	03/31/2014	03/31/2013
Current assets		**14,326,720**	**10,651,748**
Cash and cash equivalents		**166,653**	**15,471**
Interbank investments	**4b and 6**	**153,882**	**175,666**
Money market		92,710	72,833
Interbank deposits		61,172	102,833
Securities and derivative financial instruments - Own portfolio	**4c, 4d and 7**	**11,528,233**	**10,255,732**
Other receivables		**2,473,996**	**201,084**
Income receivable	15a I	2,370,679	103,554
Sundry	13a	103,317	97,530
Other assets – prepaid expenses	**4g**	**3,956**	**3,795**
Long-term receivables		**35,702,519**	**39,356,573**
Interbank invesments – interbank deposits	**4b and 6**	**35,329,197**	**38,532,910**
Other receivables - sundry	**13a**	**373,322**	**823,663**
Permanent assets		**58,944,125**	**53,494,467**
Investments		**58,944,019**	**53,494,293**
Investments in subsidiaries	4h and 15a I	58,944,019	53,494,293
Real estate in use	**4i**	**106**	**174**
Total assets		**108,973,364**	**103,502,788**

Liabilities

Current liabilities		**1,224,885**	**1,057,922**
Deposits - interbank deposits	**4b and 10b**	**-**	**100,103**
Funds from acceptance and issuance of securities	**4b and 10d**	**18,667**	**18,667**
Other liabilities		**1,206,218**	**939,152**
Social and statutory	16b II	831,831	596,154
Tax and social security contributions	4n, 4o and 14c	87,652	70,512
Subordinated debt	10f	251,405	223,721
Sundry		35,330	48,765
Long-term liabilities		**18,100,992**	**17,270,442**
Funds from acceptance and issuance of securities	**4b and 10d**	**500,000**	**500,000**
Other liabilities		**17,600,992**	**16,770,442**
Tax and social security contributions	4n, 4o and 14c	4,796	1,120,448
Subordinated debt	10f	17,576,521	15,632,726
Sundry		19,675	17,268
Stockholders' equity	**16**	**89,647,487**	**85,174,424**
Capital		60,000,000	45,000,000
Capital reserves		827,314	870,524
Revenue reserves		31,629,212	40,091,360
Asset valuation adjustment	4c and 4d	(1,240,942)	598,757
(Treasury shares)		(1,568,097)	(1,386,217)
Total liabilities and stockholders' equity		**108,973,364**	**103,502,788**

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

ITAÚ UNIBANCO HOLDING S.A.
Statement of Income
(In thousands of Reais)

	Note	01/01 to 03/31/2014	01/01 to 03/31/2013
Income from financial operations		**1,011,854**	**754,117**
Securities and derivative financial instruments		1,011,854	754,117
Expenses of financial operations		**(279,233)**	**(235,102)**
Money market		(279,233)	(235,102)
Gross income from financial operations		**732,621**	**519,015**
Other operating revenues (expenses)		**2,464,182**	**1,728,241**
Personnel expenses		(57,528)	(60,661)
Other administrative expenses		(12,686)	(11,560)
Tax expenses	14a II	(63,333)	(55,214)
Equity in earnings of subsidiaries	15a I	2,612,806	1,865,709
Other operating revenues (expenses)		(15,077)	(10,033)
Operating income		**3,196,803**	**2,247,256**
Non-operating income		**15,290**	**14,855**
Income before taxes on income and profit sharing		**3,212,093**	**2,262,111**
Income tax and social contribution	**4p**	**147,832**	**216,411**
Due on operations for the period		(13,579)	(19,316)
Related to temporary differences		161,411	235,727
Profit sharing – Management Members - Statutory - Law No. 6,404 of 12/15/1976		**(2,545)**	**(5,545)**
Net income		**3,357,380**	**2,472,977**
Weighted average of the number of outstanding shares	**16a**	**4,965,276,617**	**4,973,591,236**
Net income per share – R$		**0.68**	**0.50**
Book value per share - R$ (outstanding at 03/31)		**18.04**	**17.12**

Supplementary information

Exclusion of nonrecurring effects	**2a and 22k**	**109,882**	**39,614**
Net income without nonrecurring effects		**3,467,262**	**2,512,591**
Net income per share – R$		**0.70**	**0.51**

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

ITAÚ UNIBANCO HOLDING S.A.

Statement of Changes in Stockholders' Equity (Note 16)

(In thousands of Reais)

	Capital	Capital reserves	Revenue reserves	Asset valuation adjustment (Note 7d)	Retained earnings	(Treasury shares)	Total
Balance at 01/01/2013	**45,000,000**	**843,694**	**39,993,495**	**1,506,889**	**-**	**(1,523,500)**	**85,820,578**
Granting of stock options	-	(27,853)	9,555	-	-	137,283	118,985
Granting of options recognized	-	53,735	-	-	-	-	53,735
Addition to interest on capital paid on 03/14/2013 - year 2012	-	-	(1,977)	-	-	-	(1,977)
Payment of interest on capital on 03/14/2013 – declared after 12/31/2012 - R$ 0.3824 per share	-	-	(1,727,604)	-	-	-	(1,727,604)
Asset valuation adjustments:							
Change in adjustment to market value	-	-	-	(908,132)	-	-	(908,132)
Remeasurements in liabilities of post-employment benefits	-	948	-	-	-	-	948
Net income	-	-	-	-	2,472,977	-	2,472,977
Appropriations:							
Legal reserve	-	-	123,649	-	(123,649)	-	-
Statutory reserves	-	-	1,694,242	-	(1,694,242)	-	-
Dividends and interest on capital	-	-	-	-	(655,086)	-	(655,086)
Balance at 03/31/2013	**45,000,000**	**870,524**	**40,091,360**	**598,757**	**-**	**(1,386,217)**	**85,174,424**
Changes in the period	**-**	**26,830**	**97,865**	**(908,132)**	**-**	**137,283**	**(646,154)**
Balance at 01/01/2014	**60,000,000**	**870,456**	**31,748,411**	**(1,534,691)**	**-**	**(1,854,432)**	**89,229,744**
Granting of stock options	-	(94,736)	19,166	-	-	286,335	210,765
Granting of options recognized	-	51,594	-	-	-	-	51,594
Payment of interest on capital on 02/28/2014 – declared after 12/31/2013 - R$ 0.5236 per share	-	-	(2,597,055)	-	-	-	(2,597,055)
Asset valuation adjustments:							
Change in adjustment to market value	-	-	-	274,962	-	-	274,962
Remeasurements in liabilities of post-employment benefits	-	-	-	18,787	-	-	18,787
Net income	-	-	-	-	3,357,380	-	3,357,380
Appropriations:							
Legal reserve	-	-	167,869	-	(167,869)	-	-
Statutory reserves	-	-	2,290,821	-	(2,290,821)	-	-
Dividends and interest on capital	-	-	-	-	(898,690)	-	(898,690)
Balance at 03/31/2014	**60,000,000**	**827,314**	**31,629,212**	**(1,240,942)**	**-**	**(1,568,097)**	**89,647,487**
Changes in the period	**-**	**(43,142)**	**(119,199)**	**293,749**	**-**	**286,335**	**417,743**

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

ITAÚ UNIBANCO HOLDING S.A.
Statement of Cash Flows
(In thousands of Reais)

	Note	01/01 to 03/31/2014	01/01 to 03/31/2013
Adjusted net income		**872,312**	**425,411**
Net income		3,357,380	2,472,977
Adjustments to net income:		(2,485,068)	(2,047,566)
Granting of options recognized		51,594	53,735
Interest and foreign exchange expense from operations with subordinated debt		228,394	(14,676)
Deferred taxes		(161,411)	(235,727)
Equity in earnings of subsidiaries	15a I	(2,612,806)	(1,865,709)
Amortization of goodwill		14,435	14,435
Effects of changes in exchange rates on cash and cash equivalents		(5,293)	352
Other		19	24
Change in assets and liabilities		**452,802**	**430,399**
(Increase) decrease in other receivables and other assets		435,793	115,312
(Decrease) increase in other liabilities		17,009	315,087
Net cash provided by (used in) operating activities		**1,325,114**	**855,810**
Interest on capital / dividends received		147,435	7,750,182
(Increase) decrease in interbank investments		2,677,174	(5,231,743)
(Increase) decrease in securities and derivative financial instruments (assets / liabilities)		414,349	158,973
(Purchase) sale of investments		1	(259,967)
(Purchase) sale of fixed assets		-	1
(Purchase) sale of intangible assets		(23)	-
Net cash provided by (used in) investment activities		**3,238,936**	**2,417,446**
Increase (decrease) in deposits		(106,540)	100,103
Decrease in subordinated debt		(850,416)	(215,761)
(Increase) decrease in funds for issuance of securities		13,125	13,125
Granting of stock options		210,765	118,985
Dividends and interest on capital paid		(3,829,795)	(3,342,566)
Net cash provided by (used in) financing activities		**(4,562,861)**	**(3,326,114)**
Net increase (decrease) in cash and cash equivalents		**1,189**	**(52,858)**
Cash and cash equivalents at the beginning of the period		252,881	141,514
Effects of changes in exchange rates on cash and cash equivalents		5,293	(352)
Cash and cash equivalents at the end of the period	4a and 5	259,363	88,304

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

ITAÚ UNIBANCO HOLDING S.A.

Statement of Added Value

(In thousands of Reais)

	Note	01/01 to 03/31/2014	01/01 to 03/31/2013
Income		**1,182,197**	**993,298**
Financial operations		1,011,854	754,117
Other		170,343	239,181
Expenses		**(279,233)**	**(235,102)**
Financial operations		(279,233)	(235,102)
Inputs purchased from third parties		**1,894**	**(11,440)**
Third-party services		(7,237)	(5,205)
Advertising, promotions and publication		(732)	(833)
Expenses for financial system services		(1,191)	(1,007)
Insurance		-	(1,320)
Other		11,054	(3,075)
Gross added value		**904,858**	**746,756**
Deprecitation and amortization		**(14,455)**	**(24)**
Net added value produced by the company		**890,403**	**746,732**
Added value received from transfer	**15a I**	**2,612,806**	**1,865,709**
Total added value to be distributed		**3,503,209**	**2,612,441**
Distribution of added value		**3,503,209**	**2,612,441**
Personnel		58,909	64,667
Compensation		58,454	64,049
Benefits		386	464
FGTS – government severance pay fund		69	154
Taxes, fees and contributions		86,796	74,702
Federal		86,788	74,666
Municipal		8	36
Return on third parties' assets - rent		124	95
Return on own assets		3,357,380	2,472,977
Dividends and interest on capital		898,690	655,086
Retained earnings (loss) for the period		2,458,690	1,817,891

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

ITAÚ UNIBANCO HOLDING S.A.

Notes to the Financial Statements

Exercise from January 1 to March 31, 2014 and 2013

(In thousands of Reais)

Note 1 - Operations

Itaú Unibanco Holding S.A. (ITAÚ UNIBANCO HOLDING) is a publicly-held company which, together with its subsidiaries and affiliated companies, operates in Brazil and abroad, with all types of banking activities, through its commercial, investment, real estate loan, finance and investment credit, and lease portfolios, including foreign exchange operations, and other complementary activities, with emphasis on Insurance, Private Pension Plans, Capitalization, Securities Brokerage and Administration of Credit Cards, Consortia, Investment Funds and Managed Portfolios.

Note 2 – Presentation of the financial statements

a) Presentation of the financial statements

The financial statements of ITAÚ UNIBANCO HOLDING and of its subsidiaries (ITAÚ UNIBANCO HOLDING CONSOLIDATED) have been prepared in accordance with accounting principles established by 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 Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Brazilian Securities and Exchange Commission (CVM), the Superintendence of Private Insurance (SUSEP), the National Council of Private Insurance (CNSP) and the National Superintendence of Supplementary Pension – (PREVIC), which include the use of estimates necessary to calculate accounting provisions and valuation of financial assets.

In order to enable the 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 22k).

As set forth in the sole paragraph of article 7 of BACEN Circular No. 3,068, of November 8, 2001, securities classified as trading securities (Note 4c) are presented in the Balance Sheet under Current Assets regardless of their maturity dates.

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 loan, lease and other loan operations in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign exchange portfolio to Loan Operations. 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.

b) Consolidation

As set forth in paragraph 1, article 2, of BACEN Circular Letter No. 2,804, of February 11, 1998, the financial statements of ITAÚ UNIBANCO HOLDING comprise the consolidation of its foreign branches and subsidiaries.

Intercompany transactions and balances and results have been eliminated on consolidation. The investment funds in which ITAÚ UNIBANCO HOLDING's companies are the main beneficiaries or holders of principal obligations 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 effects of the foreign exchange variation on investments abroad are classified in the heading Securities and Derivative Financial Instruments in the Statement of Income and for subsidiaries which functional currency is equal to that of the parent company and in Asset Valuation Adjustment for subsidiaries which functional currency is different from that of the parent company (Note 4s).

The difference of Net Income and Stockholders' Equity between ITAÚ UNIBANCO HOLDING and ITAÚ UNIBANCO HOLDING CONSOLIDATED (Note 16d) results from the adoption of different criteria for the amortization of goodwill originated on purchase of investments and in the record of transactions with minority stockholders where there is no change of control (Note 4q), net of the respective deferred tax assets.

In ITAÚ UNIBANCO HOLDING, the goodwill recorded in subsidiaries, mainly originated from the ITAÚ UNIBANCO merger and acquisition by minority stockholders of REDE, is being amortized based on the expected future profitability and appraisal reports or upon realization of the investment, according to the rules and guidance of CMN and BACEN.

In ITAÚ UNIBANCO HOLDING CONSOLIDATED, from January 1, 2010, the goodwill originated from the purchase of investments is no longer fully amortized in the consolidated financial statements (Note 4j). By 12/31/2009, goodwill generated had been fully amortized in the periods investments were made.

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

		Incorporation country	Activity	Interest in voting capital at		Interest in total capital at	
				03/31/2014	03/31/2013	03/31/2014	03/31/2013
Banco Credicard S.A.	(1)	Brazil	Financial institution	100.00%	-	100.00%	-
Banco Dibens S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaú Veículos S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	99.99%
Banco Investcred Unibanco S.A.		Brazil	Financial institution	50.00%	50.00%	50.00%	50.00%
Banco Itaú Argentina S.A.		Argentina	Financial institution	100.00%	100.00%	100.00%	99.99%
Banco Itaú BBA S.A.		Brazil	Financial institution	99.99%	99.99%	99.99%	99.99%
Banco Itaú Chile		Chile	Financial institution	99.99%	99.99%	99.99%	99.99%
Banco Itaú BMG Consignado S.A		Brazil	Financial institution	70.00%	70.00%	70.00%	70.00%
Banco Itaú Europa Luxembourg S.A.		Luxembourg	Financial institution	100.00%	99.99%	100.00%	99.99%
Banco Itaú Paraguay S.A.		Paraguay	Financial institution	99.99%	99.99%	99.99%	99.99%
Banco Itaú Suisse S.A.		Switzerland	Financial institution	100.00%	99.99%	100.00%	99.99%
Banco Itaú Uruguay S.A.		Uruguay	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaucard S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itauleasing S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Cia. Itaú de Capitalização		Brazil	Capitalization	99.99%	99.99%	99.99%	99.99%
Credicard Promotora de Vendas Ltda.	(2)	Brazil	Service	100.00%	-	100.00%	-
Dibens Leasing S.A. - Arrendamento Mercantil		Brazil	Leasing	100.00%	100.00%	100.00%	100.00%
Itaú Unibanco Veículos Administradora de Consórcios Ltda.		Brazil	Consortia administrator	100.00%	99.99%	100.00%	99.99%
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento		Brazil	Consumer Finance Credit	50.00%	50.00%	50.00%	50.00%
Hipercard Banco Múltiplo S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Itaú Administradora de Consórcios Ltda.		Brazil	Consortia administrator	100.00%	99.99%	100.00%	99.99%
Itaú Ásia Securities Ltd		Hong Kong	Broker	100.00%	100.00%	100.00%	100.00%
Itau Bank, Ltd.	(3)	Cayman Islands	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau BBA Colombia S.A. Corporación Financiera		Colombia	Financial institution	100.00%	99.99%	100.00%	99.99%
Itaú BBA International PLC		United Kingdom	Financial institution	100.00%	99.99%	100.00%	99.99%
Itaú BBA USA Securities Inc.		United States	Broker	100.00%	100.00%	100.00%	100.00%
Itaú BMG Seguradora S.A.	(Note 2c)	Brazil	Insurance	70.00%	-	70.00%	-
Itaú Companhia Securitizadora de Créditos Financeiros		Brazil	Securitization	100.00%	99.99%	100.00%	99.98%
Itaú Corretora de Valores S.A.		Brazil	Broker	100.00%	100.00%	100.00%	100.00%
Itaú Distribuidora de Títulos e Valores Mobiliários S.A.		Brazil	Dealer	100.00%	100.00%	99.99%	99.99%
Itaú Japan Asset Management Limited		Japan	Asset Management	100.00%	100.00%	100.00%	100.00%
Itaú Middle East Limited		Arab Emirates	Advisory	100.00%	100.00%	100.00%	100.00%
Itaú Seguros S.A.		Brazil	Insurance	100.00%	100.00%	100.00%	100.00%
Itaú Unibanco Financeira S.A. - Crédito, Financiamento e Investimento		Brazil	Consumer Finance Credit	100.00%	100.00%	100.00%	100.00%
Itaú Unibanco S.A.		Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Itaú Unibanco Serviços e Processamento de Informações Comerciais Ltda.		Brazil	Technology services	100.00%	100.00%	100.00%	100.00%
Itaú Vida e Previdência S.A.		Brazil	Pension Plan	100.00%	100.00%	100.00%	100.00%
Luizacred S.A. Soc. Cred. Financiamento Investimento		Brazil	Consumer Finance Credit	50.00%	50.00%	50.00%	50.00%
Redecard S.A. - REDE		Brazil	Acquirer	100.00%	100.00%	100.00%	100.00%
Tarjetas Unisoluciones S. A. de Capital Variable		Mexico	Credit Card administrator	100.00%	100.00%	100.00%	100.00%

(1) New company name of Banco Citicard S.A.

(2) New company name of CitiFinancial Promotora de Négocios e Cobrança S.A..

(3) Does not include Redeemable Preferred Shares (Note 10f).

c) Business development

REDE

On September 24, 2012, ITAÚ UNIBANCO HOLDING completed the auction of the Tender Public Offer (OPA) to cancel REDE's listed company register, which occurred on October 18, 2012, pursuant to the OPA call notice published on August 23, 2012. As a result of the auction, ITAÚ UNIBANCO HOLDING started to hold 100.0% of REDE's capital, with the acquisition of 335,413,093 common shares for R$ 11,752,183.

Changes in ownership interest in a subsidiary, which do not result in loss of control, are accounted for as capital transactions and any difference between the amount paid and the amount corresponding to minority stockholders should be recognized directly in consolidated stockholders' equity - caption Revenue Reserve.

Association agreement with Banco BMG S.A.

On July 9, 2012, ITAÚ UNIBANCO HOLDING entered into an Association Agreement with Banco BMG S.A. ("BMG"), aiming at the offering, distribution and commercialization of payroll debit loans through the incorporation of a financial institution, the Banco Itaú BMG Consignado S.A. ("Itaú BMG Consignado"). After obtaining the previous approval required for starting operations, issued by the Administrative Council for Economic Defense (CADE) on October 17, 2012, the final documents were signed on December 13, 2012 and Banco BMG has been a stockholder of Itaú BMG Consignado since January 7, 2013. The completion of the operation was subject to the approval of the Central Bank of Brazil, which was obtained on April 18, 2013.

As a result of this transaction stockholders' equity attributed to non-controlling stockholders increased by R$ 303.177 at the base date of 2013.

Credicard

On May 14, 2013, Itaú Unibanco Holding, signed with Banco Citibank, a Share and Quotas Purchase Agreement for the acquisition of Banco Credicard and Credicard Promotora de Vendas, for the amount of R$ 2,948,410 (monetarily restated) , including "Credicard" brand. The transaction has given rise to goodwill of R$ 1,878,840, which is being amortized based on the expected future profitability and appraisal reports or upon realization of the investment, according to the rules and guidance of CMN and BACEN. The completion of this transaction was pending approval by the Central Bank of Brazil, which was obtained on December 12, 2013 and settled on December 20, 2013.

Banco Credicard and Credicard Promotora de Vendas are the entities responsible for the supply and distribution of financial products and services under the "Credicard" brand, principally personal loans and credit cards. In view of this transaction, ITAÚ UNIBANCO HOLDING now fully consolidates Banco Credicard and Credicard Promotora de Vendas in the consolidated financial statements from December, 2013.

BMG Seguradora S.A.

On June 25, 2013, ITAÚ UNIBANCO HOLDING, through Banco Itaú BMG Consignado S.A. ("JV"), which is an entity indirectly controlled by ITAÚ UNIBANCO HOLDING signed a Share Purchase Agreement with controlling shareholders of Banco BMG S.A. ("Sellers") whereby JV agreed to acquire 99.996% of the shares issued by BMG Seguradora S.A.

BMG Seguradora generated R$ 62.6 million in retained premiums during 2012 and, from January to May 2013, a retained premiums' volume of R$ 42.4 million, 77% higher than the volume generated during the same period of 2012.

BMG Seguradora signed exclusivity agreements with Banco BMG S.A and with the JV for the purpose of distributing insurance products to be offered jointly with the products distributed by these financial institutions.

The approval by the Central Bank of Brazil was obtained on December 19, 2013 and the transaction was settled on January 27, 2014 in the amount of R $ 88,138. This acquisition has not had any significant accounting impact on the results of ITAÚ UNIBANCO HOLDING, which has consolidated the transaction in its financial statements since January, 2014.

Citibank N.A. Uruguay Branch

On June 28, 2013, ITAU UNIBANCO HOLDING, through its subsidiary Banco Itaú Uruguay S.A. (“BIU”) executed a binding agreement with Citibank N.A. Uruguay Branch (“Citi”) establishing the rules for the acquisition by BIU of the retail business conducted by Citi in Uruguay.

As result of this transaction, BIU will assume a portfolio of more than 15,000 clients in Uruguay related to the retail business (bank accounts, saving and term deposits). The acquired assets include mainly the credit card operations conducted by Citi in Uruguay under the Visa, Mastercard and Diners brand, which in 2012 represented slightly more than 6% of the Uruguayan market share.

The amount involved in the transaction is not material for ITAU UNIBANCO HOLDING and, therefore, will not cause any material accounting effect in its results.

The closing of the transaction was subject to the fulfillment of certain conditions precedent, including the approval by competent regulatory authorities, which was obtained on December 10, 2013.

Partnership with Fiat

On August 20, 2013, ITAÚ UNIBANCO HOLDING announced that it renewed for another 10 years, by means of its subsidiary Itaú Unibanco S.A., the commercial cooperation agreement entered into with Fiat Group Automobiles S.p.A. and Fiat Automóveis S.A. (“Fiat”). This agreement sets forth: (i) exclusive financing offer in promotional campaigns held by Fiat car maker Fiat for the sale of new automobiles; and (ii) the exclusive use of Fiat brand in vehicle-financing related activities.

The amount involved in the transaction is not material for ITAÚ UNIBANCO HOLDING and, therefore, will not cause any material accounting effect in its results.

Itaú CorpBanca

On January 29, 2014, ITAÚ UNIBANCO HOLDING, together with its subsidiary Banco Itaú Chile S.A. (“BIC”) entered into an agreement (Transaction Agreement) with CorpBanca (“CorpBanca”) and its controlling stockholders (“Corp Group”) establishing the terms and conditions for the union of operations of BIC and CorpBanca Chile in Chile and in the other jurisdictions in which CorpBanca operates.

The operation will be realized by means of (i) capital increase of BIC in the amount of US$ 652 million to be carried out by ITAÚ UNIBANCO HOLDING or one of its subsidiaries, (ii) merger of BIC into CorpBanca, with the cancellation of BIC shares and the issuance of new shares, at the estimated rate of 85,420.07 shares of CorpBanca for each 1 share of BIC, to be approved at the stockholders' meeting of CorpBanca upon the affirmative vote of two thirds (2/3) of shares issued by CorpBanca, so that the interests in the bank resulting from the merger (to be named “Itaú CorpBanca”) are 33.58% for ITAÚ UNIBANCO HOLDING and 32.92% for Corp Group, and (iii) subsequent integration of Itaú BBA Colombia, S.A. into the operations of Itaú CorpBanca or its subsidiaries.

Itaú CorpBanca will be controlled by ITAÚ UNIBANCO HOLDING, which will enter into a stockholders’ agreement with Corp Group when the operation is consummated. This agreement will entitle ITAU UNIBANCO HOLDING and Corp Group to appoint members for the Board of Directors of Itaú CorpBanca in accordance to their interests in capital stock, and this group of stockholders will have the privilege of electing the majority of members of the Board of Directors, and ITAÚ UNIBANCO HOLDING will be entitled to elect the majority of these members. The chairmen of the Boards of Directors of Itaú CorpBanca and its subsidiaries will be appointed by Corp Group, and their vice-chairmen by ITAÚ UNIBANCO HOLDING. The executives of Itaú CorpBanca and its subsidiaries will be proposed by ITAÚ UNIBANCO HOLDING and ratified by the Board of Directors of Itaú CorpBanca. The stockholders’ agreement will also set forth that Corp Group will be entitled to approve, together with ITAÚ UNIBANCO HOLDING, certain strategic matters of Itaú CorpBanca, and it will include provisions on the transfer of shares between ITAU UNIBANCO HOLDING and Corp Group, and also to third parties.

It is estimated that said operation will not have significant accounting effects on the results of ITAÚ UNIBANCO HOLDING, which will consolidate Itaú CorpBanca in its financial statements.

The consummation of said operation is subject to the satisfaction of certain conditions precedent, including the aforementioned approval by the stockholders’ meeting of CorpBanca and regulatory approvals in Brazil, Chile and Colombia, as well as in other applicable jurisdictions in which CorpBanca carries out activities.

Note 3 – Requirements of capital and fixed asset limits

a) Basel and fixed asset ratios

Represented below are the main indicators at March 31, 2014, according to present regulation which defines the Financial Conglomerate as the calculation basis:

	Financial conglomerate [1]
Referential equity [2]	116,593,210
Basel ratio	15.6%
Tier I	11.1%
Common Equity	11.1%
Additional Capital	0.0%
Tier II	4.5%
Fixed assets ratio	49.2%
Excess capital in relation to fixed assets	925,990

(1) Consolidated financial statements including financial companies only. From October, 2013, according to Resolutions No. 4,278, this is the calculation basis;

(2) According to CMN Resolutions No. 4,192, of March 1, 2013 and No. 4,278, of October 31, 2013, CMN defines Regulatory Capital, for the purpose of operational limit calculation, as the sum of two tiers, Tiers I and II, in which Tier I is comprised of Common Equity Tier 1 and Additional Tier 1 Capital. The calculation is composed of items that are an integral part of the Stockholders' Equity plus prudential adjustments and deductions, in addition to eligible instruments, particularly subordinated debt.

Management considers the current Basel ratio (15.6%, based on Financial consolidated, of which 11.1% of Common Equity and Tier I and 4.5% of Tier II) to be adequate, taking into account the following it exceeds by 4.6 percent the minimum required by the authorities (11.0 %); and

CMN Resolutions No. 4,192, of March 1st, 2013, No. 4,278 of October 21, 2013 and No.4,311 of February 20, 2014, provide for the criteria for computation of the Regulatory Capital Minimum Requirements Referential Equity (PRE), Tier I, Capital Principal and Resolution No. 4,193, of March 1st, 2013, which introduces the Additional Capital Principal.In order to calculate of the risk portions, the procedures for credit risk from Circular No 3,644, of March 04, 2013, No. 3,652 of March 26, 2013, No. 3,679, of October 31, 2013 and No. 3,696 of January 3rd, 2014, of Circulars Nos. 3,634, 3,635, 3,636, 3,637, 3,638, 3,639, 3,641 and 3,645, of March 04, 2013 and Circular Letters Nos. 3,310, of April 15, 2008 and 3,498, of April 08, 2011 for market risk, and Circulars No. 3,640, of March 04, 2013 and No. 3,675, October 31, 2013 and Circular Letters No. 3,625, of December 27, 2013 for operational risk were followed. For the operational risk portion, ITAÚ UNIBANCO HOLDING opted to use the Alternative Standardized Approach.

The referential equity used for the calculation of ratios and the risk-weighted assets at March 31, 2014, are as follows:

	Financial conglomerate	
Stockholders' equity ITAÚ UNIBANCO HOLDING S.A. (consolidated)	**82,173,205**	
Minority interest in subsidiaries	1,844,361	
Corporate reorganizations	5,818,724	
Consolidated stockholders' equity (BACEN)	**89,836,290**	
Preferred shares with clause of redemption excluded from Tier I	(889,561)	
Deductions	(5,933,930)	
Common Equity Tier I	**83,012,799**	
Instruments eligible to comprise Additional Tier I	-	
Additional Tier I deductions	21,256	
Additional Tier I Capital	**21,256**	
Tier I	**83,034,055**	
Instruments eligible to comprise Tier II	33,546,949	
Tier II deductions	12,206	
Tier II	**33,559,155**	
Regulatory Capital (Tier I + Tier II)	**116,593,210**	
Risk-weighted assets	**745,131,085**	
Risk-weighted assets of credit risk (RWA_{CPAD})	**686,511,522**	**92.1%**
a) Per weighting factor (FPR):		
FPR at 2%	52,747	0.0%
FPR at 20%	7,297,776	1.0%
FPR at 35%	7,032,715	0.9%
FPR at 50%	23,614,899	3.2%
FPR at 75%	127,690,527	17.1%
FPR at 85%	119,733,196	16.1%
FPR at 100%	314,159,659	42.2%
FPR at 150%	20,200,610	2.7%
FPR at 250%	31,129,799	4.2%
FPR at 300%	19,288,163	2.6%
FPR at 1250%	6,392,225	0.9%
Derivatives – Future potential gain and Variation of the counterparty credit quality Minimum Required Regulatory Capital	9,919,206	1.3%
b) Per type:		
Securities	41,332,475	5.5%
Loan operations - retail	104,157,774	14.0%
Loan operations – non-retail	230,688,971	31.0%
Joint obligations - retail	181,229	0.0%
Joint obligations – non-retail	63,995,142	8.6%
Loan commitments - retail	23,345,390	3.1%
Loan commitments – non-retail	29,130,954	3.9%
Other exposures	193,679,587	26.0%
Risk-weighted assets of operational risk (RWA_{OPAD})	**36,565,736**	**4.9%**
Retail	6,896,618	0.9%
Commercial	12,502,173	1.7%
Corporate finance	1,126,530	0.2%
Negotiation and sales	9,429,660	1.3%
Payments and settlements	2,785,068	0.4%
Financial agent services	1,813,556	0.2%
Asset management	1,993,148	0.3%
Retail brokerage	18,983	0.0%
Business plans	-	0.0%
Risk-weighted assets of market risk:	**22,053,827**	**3.0%**
Gold, foreign currency and operations subject to foreign exchange variation (RWA_{CAM})	**5,641,627**	**0.8%**
Operations subject to interest rate variation	**14,421,018**	**1.9%**
Fixed rate denominated in Real (RWA_{JUR1})	2,763,982	0.4%
Foreign currency coupon (RWA_{JUR2})	7,425,245	1.0%
Price index coupon (RWA_{JUR3})	3,990,527	0.5%
Interest rate coupon (RWA_{JUR4})	241,264	0.0%
Operations subject to commodity price variation (RWA_{COM})	**939,355**	**0.1%**
Operations subject to stock price variation (RWA_{ACS})	**1,051,827**	**0.1%**
RWA	**745,131,085**	**100.0%**
Minimum Required Regulatory Capital	**81,964,419**	
Excess capital in relation to Minimum Required Regulatory Capital	**34,628,791**	**42.2%**
Ratio (%)	**15.6%**	
Regulatory Capital calculated for covering the interest rate risk of operations not classified into the trading portfolio (RBAN)	**935,068**	

During this period, the effects of the changes in legislation and balances were as follows:

Changes in the Basel Ratio	Financial conglomerate		
	Referential equity	Weighted exposure	Effect
Ratio at 12/31/2013	**125,143,549**	**755,441,023**	**16.6%**
Net income for the period	3,845,576	-	0.5%
Interest on capital and dividends	(3,495,745)	-	-0.5%
Benefits to employees - CVM Resolution No. 695, December 13, 2012	18,787	-	0.0%
Granting of options recognized	210,765	-	0.0%
Granting of stock options – exercised options in the period	51,594	-	0.0%
Asset valuation adjustment	274,962	-	0.0%
Deductions in referential equity	(5,900,468)	-	-0.8%
Deferred assets excluded from Tier I of referential equity	(4,193,369)	-	-0.6%
Other changes in referential equity	637,559	-	0.1%
Changes in risk exposure	-	(10,309,938)	0.2%
Ratio at 03/31/2014	**116,593,210**	**745,131,085**	**15.6%**

b) Capital for insurance activity

CNSP – Conselho Nacional de Seguros Privados (National Council for Private Insurance) published on February 18, 2013 Rules No. 280 (revoked Rule No. 411 of December 22, 2010), No. 283 and No. 284. As of December 23, 2013, CNSP modified capital requirements publishing Rule No. 302(revoked Rule No. 282 of February 18, 2013 and changed Rules nº 228 e 280) .These rules establish general guidelines for the operation of insurance companies and capital requirements for underwriting and operational risk. In January 2011, CNSP Rule No. 228 of December 6, 2010 provided criteria for additional credit risk capital requirements for insurance companies.

Note 4 – Summary of the main accounting practices

a) Cash and cash equivalents - For the purpose of the Consolidated Statement of Cash Flows, this item 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 that have original maturities of up to 90 days.

b) Interbank investments, remunerated restricted credits – Brazilian Central Bank, remunerated deposits, deposits received under securities repurchase agreements, funds from acceptance and issuance of securities, borrowings and onlending, subordinated debt and other receivables and payables – 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, according to CVM Resolution No. 649 of December 16, 2010.

c) Securities - Recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to BACEN Circular No. 3,068, of November 8, 2001. 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;

- **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;

- **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 using the accrual method through their maturity date, not being adjusted to market value.

Gains and losses on available-for-sale securities, when realized, are recognized at the trade 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.

d) Derivative financial instruments - these are classified on the date of their acquisition, according to management's intention of using them either as a hedge or not, according to BACEN Circular No. 3,082, of January 30, 2002. 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 the hedge is recorded directly in the statement of income.

- Net Investment Hedge in Foreign Operations - It is accounted for similarly to a cash flow hedge, i.e., the portion of gains or losses on the hedging instrument that is determined to be an effective hedge is recognized in stockholders' equity, and reclassified to income for the period in the case of a disposal of the foreign operation. The ineffective portion is recognized in income for the period.

e) Loan, lease and other credit operations (operations with credit granting characteristics) – These transactions are recorded at present value and calculated "pro rata die" based on the variation of the contracted index and interest rate, and are recorded on the accrual basis until the 60th day overdue in financial companies, according to the estimate of receipt. 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 - the balance of the allowance for loan losses was recorded based on a credit risk analysis, at an amount considered sufficient to cover loan losses according to 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;

- Taking into account default exclusively, the write-off as losses occur after 360 days of credits have matured or after 540 days for operations that mature after a period of 36 months.

g) Other assets - these assets are mainly comprised of assets held for sale relating to real estate available for sale, own real estate not in use and real estate received as payment in kind, which are adjusted to market value through the set-up of a provision, according to current regulations, reinsurance unearned premiums (Note 4m I); and prepaid expenses, corresponding to disbursements, the benefit of which will occur in future periods.

h) Investments – investments in subsidiary and affiliated companies are accounted for under the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into *Reais*. Other investments are recorded at cost and adjusted to market value by setting up a provision in accordance with current standards.

i) Fixed assets - These assets are stated at cost of acquisition or construction, less accumulated depreciation, adjusted to market value until December 31, 2007, when applicable. For insurance, pension plan and capitalization operations, property and equipment are adjusted to market value supported by appraisal reports. 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 according to CVM Resolution No. 554, of November 12, 2008, as contra-entry to Lease obligations. Depreciation is calculated using the straight-line method, based on monetarily restated cost.

j) Goodwill – corresponds to the amount paid in excess for the purchase of investments and is amortized based on expected future profitability or as realized. It is annually tested for impairment.

k) Intangible assets – correspond to rights acquired whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose, according to the CMN Resolution No. 3,642, of November 26, 2008. They are composed of (i) the goodwill amount paid on acquisition of the company, transferred to intangible assets in view of the transfer of the adquirer's equity by the acquired, as set forth by Law No. 9,532/97, to be amortized based on the period defined in appraisal reports; (ii) rights acquired to credit payrolls and partnership agreements, amortized over the agreement terms, and (iii) soft ware and customer portfolios, amortized over a term varying from five to ten years.

l) **Impairment of assets –** a loss is recognized when there is clear evidence that assets are stated at a non-recoverable value. This procedure is adopted semiannually.

m) **Insurance, pension plan and capitalization operations -** 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 CNSP Resolution No. 162, of December 26, 2006, as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 464, of March 1, 2013;

- 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 CNSP current legislation as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 464, of March 1, 2013.

II - The technical provisions of insurance, pension plan and capitalization are recognized according to the technical notes approved by SUSEP and criteria established by current legislation.

II.I- Insurance and pension plan:

- **Provision for unearned premiums –** it is recognized for the coverage of amounts payable related to claims and expenses to be incurred, throughout the terms to be elapsed, in connection with the risks assumed at the calculation base date. The provision includes an estimate for effective and not issued risks (PPNG-RVNE).

- **Provision for unsettled claims -** it is recognized for the coverage of expected unsettled amounts related to single payments and income overdue, of claims reported up to the calculation base date, including accepted coinsurance operations, gross of reinsurance operations, and net of ceded coinsurance operations. The provision should include, whenever required, IBNER (claims incurred but not sufficiently reported) for the aggregate development of claims reported but not paid, which amounts may be changed throughout the process up to the final settlement.

- **Provision for claims incurred and not reported (IBNR) –** it is recognized for the coverage of expected unsettled amounts related to claims incurred but not reported up to the calculation base date, including accepted coinsurance operations, gross of reinsurance operations, and net of ceded coinsurance operations.

- **Mathematical provisions for benefits to be granted -** it is recognized until the event triggering the benefit occurs, for coverage of the commitments assumed with the participants or insured, and it is calculated in accordance with methodologies approved in the technical actuarial note of the plan or product.

- **Mathematical provisions for granted benefits -** it is recognized after the event that triggering the benefit occurs, for coverage of the commitments assumed with the participants or insured, and it is calculated in accordance with methodologies approved in the technical actuarial note of the plan or product.

- **Provision for financial surplus –** recognized to ensure the amounts intended for distribution of financial surplus, in accordance with regulation in force, in the event it is stated in the agreement.

- **Other technical provisions –** recognized when insufficiency of premiums or contributions are identified related to payments of claims and benefits.

- **Provision for redemptions and other amounts to regularize –** it comprises the amounts related to redemptions to regularize, returns of premiums or funds, portability requested but, for any reason, not yet transferred to the insurance company or open private pension entity beneficiary, and premiums received but not quoted.

- **Provision for related expenses -** recognized for the coverage of expected amounts related to expenses with claims and benefits.

II.II - Capitalization:

- **Mathematical provision for capitalization –** recognized until the event triggering the benefit occurs, and comprises the portion of the amounts collected for capitalization. It includes monetary restatement and interest, as from the beginning of the validity date.

- **Provision for redemption –** recognized as from the date of the event triggering the redemption of the certificate and/or the event triggering the distribution of the bonus until the date of the financial settlement or the date the evidence of payment of the obligation is received

- **Provision for raffles unrealized** – comprises the portion of the amounts collected for raffles for each certificate, which raffles have been cost, but that, at the recognition date, have not yet been realized.

- **Provision for raffles payable –** recognized as from the date the raffle is drawn until the date of the financial settlement or the date the evidence of payment of the obligation is received, or in conformity with other cases provided by law.

- **Supplementary provision for raffles** – recognized to supplement the Provision for Raffles to be Drawn, and is used for coverage of possible insufficient amounts related to the expected amount of raffles to be drawn.

- **Provision for administrative** - recognized for the coverage of expected amounts related to administrative expenses with capitalization plans.

n) Contingent assets and liabilities and legal liabilities – tax and social security - assessed, recognized and disclosed according to the provisions set forth in CMN Resolution No. 3,823 of December 16, 2009, and BACEN Circular Letter No. 3,429 of February 11, 2010.

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 judicial defense, recognized in the full amount under discussion.

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

o) Taxes - 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)	15.00%
PIS (2)	0.65%
COFINS (2)	4.00%
ISS up to	5.00%

(1) *For ITAÚ UNIBANCO HOLDING and its financial subsidiaries and equivalent companies, the rate corresponds to 15.00%. For non-financial and pension plan subsidiaries, the rate is 9.00%.*

(2) *For non-financial subsidiaries that fall into the non-cumulative calculation system, the PIS rate is 1.65% and COFINS rate is 7.60%.*

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.

p) Deferred income – this refers to: (i) unexpired interest received in advance that is recognized in income as earned, and (ii) the negative goodwill on acquisition of investments arising from expected future losses, which has not been absorbed in the consolidation process.

q) Transactions with minority stockholders - Changes in ownership interest in a subsidiary, which do not result in loss of control, are accounted for as capital transactions and any difference between the amount paid and the amount corresponding to minority stockholders is recognized directly in consolidated stockholders' equity.

r) Post-employments benefits

Pension plans - defined benefit plans

The liability (or asset, as the case may be) recognized in the consolidated balance sheet with respect to the defined benefit plan corresponds to the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets. The defined benefit obligation is annually calculated by an independent actuarial consulting company using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated amount of future cash flows of benefit payments based on the Brazilian treasury long term securities denominated in *reais* and with maturity periods similar to the term of the pension plan liabilities.

The following amounts are recognized in the consolidated statement of income:

- current service cost – defined as the increase in the present value of obligations resulting from employee service in the current period;

- interest on the net amount of assets (liabilities) of defined benefit plans is the change, during the period, in the net amount recognized in assets and liabilities, due to the time elapsed, which comprises the interest income on plan assets, interest expense on the obligations of the defined benefit plan and interest on the asset ceiling effects.

Actuarial gains and losses arise from the non-realization of the actuarial assumptions established in the latest actuarial evaluation as compared to those effectively carried out, as well as the effects from changes in such assumptions. Gains and losses are fully recognized in asset valuation adjustments.

Pension plans - defined contribution

For defined contribution plans, contributions to plans made by ITAÚ UNIBANCO HOLDING, through pension plan funds, are recognized as an expense when due.

Other post-employment benefit obligations

Certain companies that merged into ITAÚ UNIBANCO HOLDING over the past few years were sponsors of post-employment healthcare benefit plans and ITAÚ UNIBANCO HOLDING is contractual committed to maintain such benefits over specific periods, as well as in relation to the benefits granted due to a judicial ruling.

Similarly to the defined benefit pension plans, these obligations are assessed annually by independent and qualified actuaries, and the costs expected from these benefits are accrued during the length of service. Gains and losses arising from adjustments and changes in actuarial assumptions are debited from or credited to stockholders' equity in asset valuation adjustments in the period in which they occur.

s) Foreign currency translation

I- Functional and presentation currency

The consolidated financial statements of ITAÚ UNIBANCO HOLDING are presented in reais, which is its functional currency and the presentation. For each subsidiary and investment in associates and joint ventures, ITAÚ UNIBANCO HOLDING defined the functional currency, as provided for in CVM deliberation CVM nº 640/10.

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

- assets and liabilities are translated at the closing rate at the balance sheet date;
- income and expenses are translated at monthly average exchange rates;
- exchange differences arising from currency translation are recorded in asset valuation adjustments.

II - Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income as part of securities and derivative financial instruments.

In the case of monetary assets classified as available-for-sale, the exchange differences resulting from a change in the amortized cost of the instrument are recognized in the income statement, while those resulting from other changes in the carrying amount, except impairment losses, are recognized in asset valuation adjustments until derecognition or impairment.

Note 5 - Cash and cash equivalents

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

	03/31/2014	03/31/2013
Cash and cash equivalents	16,030,078	13,737,128
Interbank deposits	22,898,993	9,738,216
Securities purchased under agreements to resell – Funded position	26,447,694	20,142,738
Total	**65,376,765**	**43,618,082**

In ITAÚ UNIBANCO HOLDING it is composed of the following:

	03/31/2014	03/31/2013
Cash and cash equivalents	166,653	15,471
Securities purchased under agreements to resell – Funded position	92,710	72,833
Total	**259,363**	**88,304**

Note 6 - Interbank investments

	03/31/2014						03/31/2013	
	0 - 30	31 - 180	181 - 365	Over 365	Total	%	Total	%
Money market	**106,233,934**	**46,418,140**	**4,999,996**	**9,980**	**157,662,050**	**82.7**	**176,559,927**	**89.4**
Funded position (*)	30,408,773	3,163,462	1,888,705	-	35,460,940	18.6	53,143,153	26.9
Financed position	75,596,894	21,263,558	971,390	9,980	97,841,822	51.3	103,067,622	52.2
With free movement	4,840,226	21,263,558	971,390	-	27,075,174	14.2	20,982,950	10.6
Without free movement	70,756,668	-	-	9,980	70,766,648	37.1	82,084,672	41.6
Short position	228,267	21,991,120	2,139,901	-	24,359,288	12.8	20,349,152	10.3
Money market – Assets Guaranteeing Technical Provisions - SUSEP	**2,509,181**	**-**	**-**	**-**	**2,509,181**	**1.3**	**2,971,373**	**1.5**
Interbank deposits	**22,831,129**	**4,370,889**	**1,978,381**	**1,201,390**	**30,381,789**	**16.0**	**17,892,136**	**9.1**
Total	**131,574,244**	**50,789,029**	**6,978,377**	**1,211,370**	**190,553,020**		**197,423,436**	
% per maturity term	69.0	26.7	3.7	0.6				
Total – 03/31/2013	**129,809,916**	**66,200,126**	**616,457**	**796,937**	**197,423,436**			
% per maturity term	65.8	33.5	0.3	0.4				

(*) Includes R$ 5,613,174 (R$ 6,218,304 at 03/31/2013) related to money market with free movement, in which securities are restricted to guarantee transactions at the BM&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros (Securities, Commodities and Futures Exchange) and the Central Bank of Brazil (BACEN).

In ITAÚ UNIBANCO HOLDING the portfolio is composed of Money market – Funded position falling due in up to 30 days amounting to R$ 92,710 (R$ 72,833 at 03/31/2013), Interbank deposits with maturity of 181 to 365 days amounting to R$ 61,172 (R$ 102,833 at 03/31/2013) and over 365 days amounting to R$ 35,329,197 (R$ 38,532,910 at 03/31/2013).

Note 7 – Securities and derivative financial instruments (assets and liabilities)

See below the composition by Securities and Derivatives type, maturity and portfolio already adjusted to their respective market values.

a) Summary per maturity

	03/31/2014											03/31/2013
	Cost	Adjustment to market value reflected in:		Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
		Results	Stockholders' equity									
Government securities - domestic	**102,018,748**	**(275,338)**	**(1,331,556)**	**100,411,854**	**37.7**	**6,962,782**	**5,822**	**13,754,924**	**10,235,755**	**14,963,289**	**54,489,282**	**117,997,863**
Financial treasury bills	24,669,149	1,165	96	24,670,410	9.3	-	-	5,087,242	6,563,869	8,533,681	4,485,618	29,621,012
National treasury bills	22,118,817	(113,626)	(27,531)	21,977,660	8.2	6,958,221	-	3,327,543	3,301,468	2,430,970	5,959,458	38,027,751
National treasury notes	34,766,670	(185,729)	(821,412)	33,759,529	12.7	4,399	5,766	5,145,684	64,231	2,817,849	25,721,600	29,241,754
National treasury/securitization	273,021	(144)	(7,976)	264,901	0.1	162	56	1,592	1,242	2,699	259,150	305,420
Brazilian external debt bonds	20,191,091	22,996	(474,733)	19,739,354	7.4	-	-	192,863	304,945	1,178,090	18,063,456	20,801,510
Other	-	-	-	-	0.0	-	-	-	-	-	-	416
Government securities - abroad	**10,975,569**	**8,466**	**(68,787)**	**10,915,248**	**4.2**	**218,910**	**680,678**	**1,034,059**	**3,981,803**	**3,760,921**	**1,238,877**	**6,406,008**
Argentina	304,940	2,165	-	307,105	0.1	33,421	179,765	83,161	3	5,547	5,208	260,969
Denmark	3,408,042	-	-	3,408,042	1.3	-	-	-	2,014,478	1,393,564	-	2,233,815
Korea	2,909,931	-	-	2,909,931	1.1	-	-	-	1,129,434	1,780,497	-	425,924
Chile	1,226,440	154	6,621	1,233,215	0.5	121,350	292,183	790,851	11,841	15,473	1,517	1,249,796
Paraguay	758,955	-	(54,752)	704,203	0.3	50,804	186,014	48,291	275,327	64,560	79,207	760,356
Uruguay	376,937	(898)	(15,891)	360,148	0.1	13,335	2,719	111,546	31,560	126,032	74,956	308,437
United States	1,349,872	5,155	(5,302)	1,349,725	0.5	-	17,498	-	470,457	272,475	589,295	679,889
Mexico	71,999	1,785	-	73,784	0.0	-	-	-	-	-	73,784	99,253
Colombia	235,426	1,370	-	236,796	0.1	-	2,499	210	-	53,648	180,439	34,211
Belgium	154,650	(1,264)	314	153,700	0.1	-	-	-	48,684	-	105,016	155,844
France	48,764	-	361	49,125	0.0	-	-	-	-	49,125	-	88,059
Netherlands	123,047	-	204	123,251	0.0	-	-	-	-	-	123,251	52,930
Peru	-	-	-	-	0.0	-	-	-	-	-	-	25,292
Other	6,566	(1)	(342)	6,223	0.0	-	-	-	19	-	6,204	31,233
Corporate securities	**58,264,744**	**23,930**	**306,984**	**58,595,658**	**21.8**	**3,847,240**	**4,283,558**	**2,653,387**	**6,380,463**	**10,009,719**	**31,421,291**	**48,171,113**
Eurobonds and others	6,060,094	26,252	138,858	6,225,204	2.3	93,009	6,049	220,617	736,648	1,894,831	3,274,050	6,934,521
Bank deposit certificates	1,722,082	-	1,936	1,724,018	0.6	198,865	866,728	294,523	269,838	94,064	-	688,218
Shares	1,814,325	(7,250)	(24,704)	1,782,371	0.7	1,782,371	-	-	-	-	-	3,244,420
Debentures	18,274,737	2,248	188,249	18,465,234	6.9	311,862	295,086	155,366	371,094	2,105,456	15,226,370	15,003,906
Promissory notes	1,290,906	-	(2,011)	1,288,895	0.5	94,377	816,075	378,443	-	-	-	777,895
Rural product note	981,096	-	(18,020)	963,076	0.4	25,058	370,501	74,945	63,894	102,343	326,335	850,905
Fund quotas	906,518	11,752	4,317	922,587	0.3	918,265	-	-	4,322	-	-	1,386,223
Fixed income	518,649	-	(2)	518,647	0.2	514,325	-	-	4,322	-	-	863,007
Credit rights	215,837	-	-	215,837	0.1	215,837	-	-	-	-	-	288,410
Variable income	172,032	11,752	4,319	188,103	0.0	188,103	-	-	-	-	-	234,806
Securitized real estate loans	12,322,550	47	32,586	12,355,183	4.6	129,990	42,237	398,025	242,847	482,123	11,059,961	8,421,381
Financial bills	14,065,499	-	(9,971)	14,055,528	5.3	288,271	1,886,882	1,131,468	4,691,772	5,158,580	898,555	10,553,690
Other	826,937	(9,119)	(4,256)	813,562	0.2	5,172	-	-	48	172,322	636,020	309,954
PGBL/VGBL fund quotas [1]	**84,664,815**	**-**	**-**	**84,664,815**	**31.8**	**84,664,815**	**-**	**-**	**-**	**-**	**-**	**78,381,764**
Subtotal - securities	**255,923,876**	**(242,942)**	**(1,093,359)**	**254,587,575**	**95.5**	**95,693,747**	**4,970,058**	**17,442,370**	**20,598,021**	**28,733,929**	**87,149,450**	**250,956,748**
Trading securities	157,534,323	(242,942)	-	157,291,381	59.0	88,037,422	432,505	10,716,016	11,583,650	18,600,936	27,920,852	168,184,778
Available-for-sale securities	76,201,904	-	(1,093,359)	75,108,545	28.2	7,545,310	4,489,125	6,280,823	8,730,319	9,535,316	38,527,652	79,395,097
Held-to-maturity securities [2]	22,187,649	-	-	22,187,649	8.3	111,015	48,428	445,531	284,052	597,677	20,700,946	3,376,873
Derivative financial instruments	**9,778,866**	**2,215,468**	**-**	**11,994,334**	**4.5**	**2,613,305**	**967,104**	**1,571,333**	**1,342,963**	**1,965,446**	**3,534,183**	**10,246,930**
Total securities and derivative financial instruments (assets)	**265,702,742**	**1,972,526**	**(1,093,359)**	**266,581,909**	**100.0**	**98,307,052**	**5,937,162**	**19,013,703**	**21,940,984**	**30,699,375**	**90,683,633**	**261,203,678**
Derivative financial instruments (liabilities)	**(10,851,896)**	**(1,216,607)**	**19,473**	**(12,049,030)**	**100.0**	**(2,066,371)**	**(612,575)**	**(1,341,439)**	**(1,115,702)**	**(1,279,494)**	**(5,633,449)**	**(8,433,937)**

(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 Pension Plan Technical Provisions account, as determined by SUSEP.

(2) Unrecorded positive adjustment to market value in the amount of R$ 579,140 (R$ 1,147,211 at 03/31/2013), according to Note 7e.

b) Summary by portfolio

	03/31/2014							
		Restricted to						
	Own portfolio	Repurchase agreements	Pledged guarantees (*)	Free portfolio	Central Bank	Derivative financial instruments	Assets guaranteeing technical provisions (Note 11b)	Total
Government securities - domestic	**37,666,228**	**39,128,811**	**6,031,711**	**-**	**11,768,776**	**-**	**5,816,328**	**100,411,854**
Financial treasury bills	1,866,247	8,914,681	1,677,251	-	11,768,776	-	443,455	24,670,410
National treasury bills	10,981,827	8,348,379	2,647,454	-	-	-	-	21,977,660
National treasury notes	16,596,342	10,132,183	1,658,131	-	-	-	5,372,873	33,759,529
National treasury/securitization	264,901	-	-	-	-	-	-	264,901
Brazilian external debt bonds	7,956,911	11,733,568	48,875	-	-	-	-	19,739,354
Government securities - abroad	**10,566,059**	**94,407**	**185,020**	**59,664**	**-**	**-**	**10,098**	**10,915,248**
Argentina	218,579	60,385	28,141	-	-	-	-	307,105
Denmark	3,408,042	-	-	-	-	-	-	3,408,042
Korea	2,909,931	-	-	-	-	-	-	2,909,931
Chile	1,185,702	34,022	3,393	-	-	-	10,098	1,233,215
Paraguay	704,203	-	-	-	-	-	-	704,203
Uruguay	359,094	-	1,054	-	-	-	-	360,148
United States	1,197,293	-	152,432	-	-	-	-	1,349,725
Mexico	73,784	-	-	-	-	-	-	73,784
Colombia	177,132	-	-	59,664	-	-	-	236,796
Belgium	153,700	-	-	-	-	-	-	153,700
France	49,125	-	-	-	-	-	-	49,125
Netherlands	123,251	-	-	-	-	-	-	123,251
Other	6,223	-	-	-	-	-	-	6,223
Corporate securities	**50,826,113**	**1,210,702**	**428,430**	**-**	**-**	**-**	**6,130,413**	**58,595,658**
Eurobonds and other	5,283,055	927,778		-	-	-	14,371	6,225,204
Bank deposit certificates	1,363,485	282,924	1,177	-	-	-	76,432	1,724,018
Shares	1,767,551	-	14,820	-	-	-	-	1,782,371
Debentures	17,139,401	-	330,431	-	-	-	995,402	18,465,234
Promissory notes	1,288,895	-	-	-	-	-	-	1,288,895
Rural product note	963,076	-	-	-	-	-	-	963,076
Fund quotas	748,858	-	34	-	-	-	173,695	922,587
Fixed income	436,875	-	34	-	-	-	81,738	518,647
Credit rights	123,880	-	-	-	-	-	91,957	215,837
Variable income	188,103	-	-	-	-	-	-	188,103
Securitized real estate loans	12,352,693	-	-	-	-	-	2,490	12,355,183
Financial bills	9,187,505	-	-	-	-	-	4,868,023	14,055,528
Other	731,594	-	81,968	-	-	-	-	813,562
PGBL/VGBL fund quotas	**-**	-	-	-	-	-	**84,664,815**	**84,664,815**
Subtotal - securities	**99,058,400**	**40,433,920**	**6,645,161**	**59,664**	**11,768,776**	**-**	**96,621,654**	**254,587,575**
Trading securities	23,956,659	26,571,137	3,549,672	59,664	11,768,444	-	91,385,805	157,291,381
Available-for-sale securities	61,342,382	8,836,359	3,095,489	-	332	-	1,833,983	75,108,545
Held-to-maturity securities	13,759,359	5,026,424	-	-	-	-	3,401,866	22,187,649
Derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**11,994,334**	**-**	**11,994,334**
Total securities and derivative financial instruments (assets)	**99,058,400**	**40,433,920**	**6,645,161**	**59,664**	**11,768,776**	**11,994,334**	**96,621,654**	**266,581,909**
Total securities and derivative financial instruments (assets) – 03/31/2013	**89,875,353**	**51,370,413**	**7,733,462**	**-**	**12,559,393**	**10,246,930**	**89,418,127**	**261,203,678**

(*) Represent securities deposited with Contingent Liabilities (Note 12b), Stock Exchanges and the Clearing House for the Custody and Financial Settlement of Securities.

c) Trading securities

See below the composition of the portfolio of trading securities by type, stated at cost and market value and by maturity term.

	03/31/2014										03/31/2013
	Cost	Adjustment to market value (in results)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Government securities - domestic	**61,076,476**	**(275,338)**	**60,801,138**	**38.6**	**1,564,197**	**5,676**	**10,370,140**	**10,192,013**	**14,810,696**	**23,858,416**	**78,977,925**
Financial treasury bills	24,054,957	1,165	24,056,122	15.3	-	-	4,842,224	6,555,548	8,533,681	4,124,669	26,901,590
National treasury bills	12,862,591	(113,626)	12,748,965	8.1	1,559,642	-	295,415	3,301,468	2,430,970	5,161,470	29,290,114
National treasury notes	21,874,613	(185,729)	21,688,884	13.8	4,393	5,620	5,144,889	63,961	2,665,256	13,804,765	20,839,460
National treasury/securitization	8,379	(144)	8,235	0.0	162	56	1,592	1,242	2,699	2,484	13,901
Brazilian external debt bonds	2,275,936	22,996	2,298,932	1.4	-	-	86,020	269,794	1,178,090	765,028	1,932,860
Government securities - abroad	**1,469,052**	**8,466**	**1,477,518**	**1.0**	**38,413**	**221,724**	**141,233**	**350,332**	**70,796**	**655,020**	**826,869**
Argentina	304,940	2,165	307,105	0	33,421	179,765	83,161	3	5,547	5,208	260,969
Chile	92,929	154	93,083	0.1	3,029	39,460	49,043	1,360	-	191	61,663
Uruguay	36,704	(898)	35,806	0.0	1,963	-	8,819	13,446	11,578	-	41,032
United States	620,767	5,155	625,922	0.4	-	-	-	335,523	23	290,376	304,449
Mexico	71,999	1,785	73,784	0.0	-	-	-	-	-	73,784	99,253
Colombia	235,426	1,370	236,796	0.2	-	2,499	210	-	53,648	180,439	34,211
Belgium	106,280	(1,264)	105,016	0.1	-	-	-	-	-	105,016	-
Peru	-	-	-	-	-	-	-	-	-	-	25,292
Other	7	(1)	6	-	-	-	-	-	-	6	-
Corporate securities	**10,323,980**	**23,930**	**10,347,910**	**6.6**	**1,769,997**	**205,105**	**204,643**	**1,041,305**	**3,719,444**	**3,407,416**	**9,998,220**
Eurobonds and other	1,212,060	26,252	1,238,312	0.7	18,907	591	24,616	246,820	95,256	852,122	1,623,477
Bank deposit certificates	100,808	-	100,808	0.1	14	6,730	-	-	94,064	-	263,696
Shares	1,031,005	(7,250)	1,023,755	0.6	1,023,755	-	-	-	-	-	1,375,087
Debentures	1,678,847	2,248	1,681,095	1.1	99,940	78,159	28,187	92,909	78,479	1,303,421	1,754,570
Promissory notes	-	-	-	0.0	-	-	-	-	-	-	50,528
Fund quotas	615,629	11,752	627,381	0.7	627,381	-	-	-	-	-	1,135,066
Fixed income	381,662	-	381,662	0.5	381,662	-	-	-	-	-	836,710
Credit rights	96,777	-	96,777	0.1	96,777	-	-	-	-	-	100,085
Variable income	137,190	11,752	148,942	0.1	148,942	-	-	-	-	-	198,271
Securitized real estate loans	5,520	47	5,567	0.0	-	1,516	-	1,290	-	2,761	17,156
Financial bills	5,313,312	-	5,313,312	3.4	-	118,109	151,840	700,238	3,451,645	891,480	3,778,640
Others	366,799	(9,119)	357,680	0.2	-	-	-	48	-	357,632	-
PGBL/VGBL fund quotas	**84,664,815**	**-**	**84,664,815**	**54**	**84,664,815**	**-**	**-**	**-**	**-**	**-**	**78,381,764**
Total	**157,534,323**	**(242,942)**	**157,291,381**	**100.0**	**88,037,422**	**432,505**	**10,716,016**	**11,583,650**	**18,600,936**	**27,920,852**	**168,184,778**
% per maturity term					56.0	0.2	6.8	7.4	11.8	17.8	
Total – 03/31/2013	**168,748,393**	**(563,615)**	**168,184,778**	**100.0**	**82,156,038**	**2,169,915**	**2,259,089**	**7,560,446**	**22,411,985**	**51,627,305**	
% per maturity term					48.9	1.3	1.3	4.5	13.3	30.7	

At March 31, 2014, ITAÚ UNIBANCO HOLDING's portfolio is composed of Corporate Securities – Bank deposit certificates amounting to R$ 11,528,233 with maturity over 720 days (R$ 10,255,732 of 03/31/2013).

d) Available-for-sale securities

See below the composition of the portfolio of available-for-sale securities by type, stated at cost and market value and by maturity term.

	03/31/2014										03/31/2013
	Cost	Adjustments to market value (in stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Government securities - domestic	**28,167,282**	**(1,331,556)**	**26,835,726**	**35.7**	**5,398,585**	**146**	**3,350,989**	**43,742**	**103,783**	**17,938,481**	**35,713,140**
Financial treasury bills	614,192	96	614,288	0.8	-	-	245,018	8,321	-	360,949	2,719,422
National treasury bills	9,256,226	(27,531)	9,228,695	12.3	5,398,579	-	3,032,128	-	-	797,988	8,737,637
National treasury notes	9,024,724	(821,412)	8,203,312	10.9	6	146	795	270	103,783	8,098,312	5,214,109
National treasury/securitization	264,642	(7,976)	256,666	0.3	-	-	-	-	-	256,666	291,519
Brazilian external debt bonds	9,007,498	(474,733)	8,532,765	11.4	-	-	73,048	35,151	-	8,424,566	18,750,037
Other	-	-	-	0.0	-	-	-	-	-	-	416
Government securities - abroad	**9,484,988**	**(68,787)**	**9,416,201**	**12.6**	**180,497**	**458,954**	**892,826**	**3,618,333**	**3,690,125**	**575,466**	**5,559,965**
Denmark	3,408,042	-	3,408,042	4.5	-	-	-	2,014,478	1,393,564	-	2,233,815
Korea	2,909,931	-	2,909,931	3.9	-	-	-	1,129,434	1,780,497	-	425,924
Chile	1,133,511	6,621	1,140,132	1.5	118,321	252,723	741,808	10,481	15,473	1,326	1,188,133
Paraguay	758,955	(54,752)	704,203	0.9	50,804	186,014	48,291	275,327	64,560	79,207	760,356
Uruguay	318,715	(15,891)	302,824	0.4	11,372	2,719	102,727	4,976	114,454	66,576	248,241
United States	729,105	(5,302)	723,803	1.0	-	17,498	-	134,934	272,452	298,919	375,440
Belgium	48,370	314	48,684	0.1	-	-	-	48,684	-	-	155,844
France	48,764	361	49,125	0.1	-	-	-	-	49,125	-	88,059
Netherlands	123,047	204	123,251	0.2	-	-	-	-	-	123,251	52,930
Other	6,548	(342)	6,206	0.0	-	-	-	19	-	6,187	31,223
Corporate securities	**38,549,634**	**306,984**	**38,856,618**	**51.7**	**1,966,228**	**4,030,025**	**2,037,008**	**5,068,244**	**5,741,408**	**20,013,705**	**38,121,992**
Eurobonds and other	4,847,603	138,858	4,986,461	6.6	74,102	5,458	196,001	489,828	1,799,575	2,421,497	5,260,143
Bank deposit certificate	1,621,274	1,936	1,623,210	2.2	198,851	859,998	294,523	269,838	-	-	424,522
Shares	783,320	(24,704)	758,616	1.0	758,616	-	-	-	-	-	1,869,333
Debentures	16,595,890	188,249	16,784,139	22.3	211,922	216,927	127,179	278,185	2,026,977	13,922,949	13,249,336
Promissory notes	1,290,906	(2,011)	1,288,895	1.7	94,377	816,075	378,443	-	-	-	727,367
Rural product note	981,096	(18,020)	963,076	1.3	25,058	370,501	74,945	63,894	102,343	326,335	850,905
Fund quotas	290,889	4,317	295,206	0.5	290,884	-	-	4,322	-	-	251,157
Fixed income	136,987	(2)	136,985	0.2	132,663	-	-	4,322	-	-	26,297
Credit rights	119,060	-	119,060	0.2	119,060	-	-	-	-	-	188,325
Variable income	34,842	4,319	39,161	0.1	39,161	-	-	-	-	-	36,535
Securitized real estate loans	2,926,331	32,586	2,958,917	3.9	18,975	(7,707)	(13,711)	(29,357)	(66,744)	3,057,461	8,404,225
Financial nills	8,752,187	(9,971)	8,742,216	11.6	288,271	1,768,773	979,628	3,991,534	1,706,935	7,075	6,775,050
Other	460,138	(4,256)	455,882	0.6	5,172	-	-	-	172,322	278,388	309,954
Total	**76,201,904**	**(1,093,359)**	**75,108,545**	**100.0**	**7,545,310**	**4,489,125**	**6,280,823**	**8,730,319**	**9,535,316**	**38,527,652**	**79,395,097**
Adjustments of securities reclassified to the held-to-maturity category		(681,510)			10.0	6.0	8.4	11.6	12.7	51.3	
Minority interest in subsidiaries		(2,319)									
Accounting adjustment - hedge - Circular No.		324,537									
Foreign exchange variation on investments / Net Investment Hedge in Foreign Operations		(162,222)									
Deferred taxes		571,280									
Adjustment to market value		**(1,043,593)**									
Liabilities of post-employment benefits		(359,571)									
Asset valuation adjustments		**(1,403,164)**									
Total – 03/31/2013	**78,155,422**	**1,239,675**	**79,395,097**	**100.0**	**4,484,630**	**2,194,551**	**5,856,962**	**5,006,933**	**16,792,212**	**45,059,809**	
Adjustments of securities reclassified in prior years to the held-to-maturity category		9,536			5.6	2.8	7.4	6.3	21.2	56.7	
Accounting adjustment - hedge - Circular No.		(179,637)									
Deferred taxes		(472,641)									
Minority interest in subsidiaries		1,824									
Adjustment to market value – securities –		**598,757**									

e) Held-to-maturity securities

See below the composition of the portfolio of held-to-maturity securities by type, stated at cost and by maturity term. Included in the carrying value at March 31, 2014, not considered in results, is an impairment loss of R$ 681,510 (R$ 9.536 at 03/31/2013) relating to the market adjustment of the reclassified securities. Securities classified under this type, if stated at market value, would present a positive adjustment of R$ 579,140 (R$ 1,147,211 at 03/31/2013).

	03/31/2014								03/31/2013
	Carrying value	**%**	**0 - 30**	**31 - 90**	**91 - 180**	**181 - 365**	**366 - 720**	**Over 720 days**	**Carrying value**
Government securities - domestic	**12,774,990**	**57.5**	**-**	**-**	**33,795**	**-**	**48,810**	**12,692,385**	**3,306,798**
National treasury notes (*)	3,867,333	17.4	-	-	-	-	48,810	3,818,523	3,188,185
Brazilian external debt bonds	8,907,657	40.1	-	-	33,795	-	-	8,873,862	118,613
Government securities - abroad	**21,529**	**0.1**	**-**	**-**	**-**	**13,138**	**-**	**8,391**	**19,174**
Uruguay	21,518	0.1	-	-	-	13,138	-	8,380	19,164.00
Other	11	0.0	-	-	-	-	-	11	10
Corporate securities	**9,391,130**	**42.4**	**111,015**	**48,428**	**411,736**	**270,914**	**548,867**	**8,000,170**	**50,901**
Eurobonds and other	431	0.0	-	-	-	-	-	431	50,901
Securitized real estate loans	9,390,699	42	111,015	48,428	411,736	270,914	548,867	7,999,739	0
Total	**22,187,649**	**100.0**	**111,015**	**48,428**	**445,531**	**284,052**	**597,677**	**20,700,946**	**3,376,873**
% per maturity term			0.5	0.2	2.0	1.3	2.7	93.3	
Total – 03/31/2013	**3,376,873**	**100.0**	**1,652**	**118,481**	**13,205**	**45,533**	**11,748**	**3,186,254**	
% per maturity term			0.0	3.5	0.4	1.3	0.3	94.4	

(*) Includes investments of Itaú Vida e Previdência S.A. in the amount of R$ 2,322,454 (R$ 2,160,324 at 03/31/2013).

f) Reclassification of securities (article 5 of BACEN Circular No. 3,068, of 11/08/2001)

Management sets forth guidelines to classify securities. The classification of the current portfolio of securities, as well as the securities purchased in the period, is periodically and systematically evaluated based on such guidelines.

During the preparation of the consolidated financial statements for the period, Management decided to reclassify Securities from Available-for-Sale to Held-to-Maturity category, in the amount of R$ 12,157,013 related to the Brazilian Debt Bonds held in Subsidiaries Abroad and Securitized Real Estate Loans, without effects on income, since the unrealized loss (impairment loss) of R$ 498,653 will be deferred over the maturity period of the instruments, as established in Paragraph 1, item II (b) of said Circular. This reclassification was determined as a result of the risk management strategy and the Institution noted that it has the financial condition and the intention to hold these securities to maturity.

g) 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, ITAU UNIBANCO HOLDING 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 meets the needs of the client.

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

The derivative contracts traded by the institution with clients in Brazil are swap, forward, option and futures contracts, which are registered at the BM&FBOVESPA or at the CETIP S.A. OTC Clearing House (CETIP). Overseas transactions are carried out with futures, forwards (onshore), 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 March 31, 2014, 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 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 liquidity of a specific contract is identified. Derivatives typically valued like this are futures contracts. Likewise, there are other instruments whose quotations (fair prices) are directly disclosed by independent institutions and which are valued 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$ 5,779,177 (R$ 5,321,108 at March 31, 2013) and was basically composed of government securities.

I - Derivatives by index

	Memorandum account Notional amount		Balance sheet account receivable / (received) (payable) paid	Adjustment to market value (in results / stockholders' equity)	Market value	
	03/31/2014	03/31/2013	03/31/2014	03/31/2014	03/31/2014	03/31/2013
Futures contracts	**500,229,153**	**398,417,727**	**(36,661)**	**104,154**	**67,493**	**(117,445)**
Purchase commitments	**175,842,349**	**123,529,290**	**14,247**	**131,719**	**145,966**	**8,315**
Foreign currency	14,490,733	6,584,902	7,450	134,345	141,795	17,261
Interbank market	121,257,551	89,030,612	(30,800)	116	(30,684)	(87,761)
Fixed rates	104,098	-	-	73	73	-
Indexes	34,064,609	22,170,243	36,926	(2,815)	34,111	78,830
Securities	5,709,964	5,539,051	443	-	443	-
Commodities	215,394	190,175	228	-	228	(15)
Other	-	14,307	-	-	-	-
Commitments to sell	**324,386,804**	**274,888,437**	**(50,908)**	**(27,565)**	**(78,473)**	**(125,760)**
Foreign currency	113,508,138	75,499,488	(6,935)	(37,774)	(44,709)	(113,632)
Interbank market	150,316,140	167,887,449	18,880	131	19,011	88,047
Fixed rates	76,489	92,232	-	598	598	(207)
Indexes	54,522,169	24,650,474	(63,224)	9,480	(53,744)	(101,283)
Securities	5,754,658	6,429,046	39	-	39	629
Commodities	209,210	329,748	332	-	332	686
Swap contracts			**(3,110,604)**	**661,009**	**(2,449,595)**	**(784,908)**
Asset position	**520,290,480**	**136,215,835**	**2,586,204**	**1,748,821**	**4,335,025**	**3,361,302**
Foreign currency	14,338,035	10,610,087	509,480	327,649	837,129	599,233
Interbank market	64,595,032	44,048,122	494,129	851,591	1,345,720	470,414
Fixed rates	77,548,941	40,218,876	684,368	429,621	1,113,989	730,463
Floating rate	2,909,579	5,255,616	51,155	87,181	138,336	19,420
Indexes	360,872,595	35,566,951	846,166	51,905	898,071	1,499,727
Securities	13,250	516,140	(15)	758	743	39,194
Commodities	3,337	-	35	(21)	14	-
Other	9,711	43	886	137	1,023	2,851
Liability position	**523,401,084**	**136,780,518**	**(5,696,808)**	**(1,087,812)**	**(6,784,620)**	**(4,146,210)**
Foreign currency	22,691,236	15,819,504	(944,056)	(191,492)	(1,135,548)	(938,004)
Interbank market	45,378,289	30,890,617	45,722	(704,253)	(658,531)	(114,081)
Fixed rates	106,903,259	43,907,089	(2,238,918)	(392,105)	(2,631,023)	(772,218)
Floating rate	289,047,627	6,714,640	(58,143)	(27,158)	(85,301)	(42,406)
Indexes	59,053,806	38,754,147	(2,420,933)	206,710	(2,214,223)	(2,200,192)
Securities	127,135	644,764	(78,156)	20,900	(57,256)	(79,281)
Commodities	19,652	42,392	(46)	45	(1)	(28)
Other	180,080	7,365	(2,278)	(459)	(2,737)	-
Option contracts	**753,594,079**	**1,311,963,999**	**851,808**	**94,239**	**946,047**	**736,974**
Purchase commitments - long position	**251,711,432**	**282,039,635**	**924,499**	**(92,114)**	**832,385**	**316,690**
Foreign currency	25,050,798	16,146,395	637,343	(278,575)	358,768	130,875
Interbank market	16,312,919	39,722,031	63,804	8,267	72,071	58,127
Floating rate	49,831	122,057	1,141	(1,141)	-	13
Indexes	207,095,179	224,779,468	179,752	(1,156)	178,596	100,221
Securities	2,708,005	505,151	27,877	171,321	199,198	16,973
Commodities	444,335	745,855	9,700	7,717	17,417	10,458
Other	50,365	18,678	4,882	1,453	6,335	23
Commitments to sell - long position	**159,384,090**	**437,998,456**	**1,605,116**	**214,744**	**1,819,860**	**1,491,285**
Foreign currency	16,824,685	7,454,732	314,791	203,903	518,694	107,581
Interbank market	24,638,747	39,777,732	57,351	(20,169)	37,182	38,464
Fixed rates	27,394	-	514	(136)	378	-
Floating rate	383,578	759,887	831	(344)	487	892
Indexes	111,565,116	386,557,040	80,767	(43,186)	37,581	306,648
Securities	5,347,460	3,073,637	1,139,263	76,691	1,215,954	1,022,247
Commodities	590,140	363,174	11,388	(2,180)	9,208	13,753
Other	6,970	12,254	211	165	376	1,700
Purchase commitments - short position	**151,821,061**	**169,726,822**	**(1,044,679)**	**106,350**	**(938,329)**	**(321,348)**
Foreign currency	26,413,819	10,132,842	(866,053)	314,855	(551,198)	(119,864)
Interbank market	10,490,048	22,041,318	(37,120)	(24,859)	(61,979)	(49,864)
Fixed rates	1,584	-	-	(17)	(17)	-
Indexes	112,314,073	136,944,862	(106,873)	(15,599)	(122,472)	(130,578)
Securities	2,288,092	400,757	(20,278)	(159,704)	(179,982)	(15,669)
Commodities	263,080	188,365	(9,473)	(6,873)	(16,346)	(5,350)
Other	50,365	18,678	(4,882)	(1,453)	(6,335)	(23)
Commitments to sell - short position	**190,677,496**	**422,199,086**	**(633,128)**	**(134,741)**	**(767,869)**	**(749,653)**
Foreign currency	15,427,691	7,891,702	(305,050)	(139,397)	(444,447)	(236,546)
Interbank market	21,753,780	100,719,732	(53,360)	8,685	(44,675)	(55,143)
Fixed rates	2,263	-	(13)	(2)	(15)	-
Floating rate	-	-	-	165	165	(486)
Indexes	149,674,185	311,801,326	(85,975)	49,177	(36,798)	(269,318)
Securities	3,412,674	1,315,641	(181,024)	(52,092)	(233,116)	(172,144)
Commodities	399,933	454,310	(7,495)	(1,112)	(8,607)	(14,076)
Other	6,970	16,375	(211)	(165)	(376)	(1,940)
Forward contracts	**48,150,021**	**43,105,129**	**941,069**	**86,663**	**1,027,732**	**685,208**
Purchases receivable	**4,093,380**	**7,087,773**	**601,117**	**89,891**	**691,008**	**684,717**
Foreign currency	3,451,777	6,595,700	89,506	90,156	179,662	165,570
Fixed rates	97,150	303,830	97,075	-	97,075	303,845
Floating rate	369,399	186,596	369,397	-	369,397	186,835
Securities	29,431	3	29,431	1,559	30,990	28,465
Commodities	145,623	1,644	15,708	(1,824)	13,884	2
Purchases payable	**9,298,001**	**4,712,410**	**(959,652)**	**76,291**	**(883,361)**	**(627,513)**
Foreign currency	9,198,288	4,569,610	(460,489)	76,604	(383,885)	(114,873)
Fixed rates	-	-	(97,075)	-	(97,075)	(303,846)
Floating rate	-	-	(369,397)	-	(369,397)	(186,835)
Securities	-	-	(29,431)	-	(29,431)	(3)
Commodities	99,713	142,800	(3,260)	(313)	(3,573)	(21,956)
Sales receivable	**18,445,864**	**17,844,770**	**2,323,856**	**(41,096)**	**2,282,760**	**2,543,260**
Foreign currency	9,292,876	15,096,174	383,114	(42,926)	340,188	308,574
Interbank market	7,169,080	408,243	4,424	1,093	5,517	5,000
Fixed rates	411,184	1,191,516	410,906	-	410,906	1,190,978
Floating rate	235,844	442,079	235,972	-	235,972	442,437
Indexes	499	895	491	-	491	892
Securities	1,307,056	570,504	1,286,205	468	1,286,673	567,122
Commodities	29,325	126,106	2,744	269	3,013	19,084
Other	-	9,253	-	-	-	9,173
Sales deliverable	**16,312,776**	**13,460,176**	**(1,024,252)**	**(38,423)**	**(1,062,675)**	**(1,915,256)**
Foreign currency	2,435,470	13,460,176	(98,789)	(48,379)	(147,168)	(279,398)
Interbank market	13,829,057	-	-	(1,195)	(1,195)	-
Fixed rates	-	-	(410,868)	-	(410,868)	(1,123,695)
Floating rate	-	-	(235,972)	-	(235,972)	(442,437)
Securities	-	-	(276,015)	11,238	(264,777)	(69,726)
Commodities	48,249	-	(2,608)	(87)	(2,695)	-

	Memorandum account / Notional amount		Balance sheet account receivable / (received) (payable) / paid	Adjustments to market value (in results / stockholders' equity)	Market value	
	03/31/2014	03/31/2013	03/31/2014	03/31/2014	03/31/2014	03/31/2013
Credit derivatives	**9,001,475**	**6,847,562**	**(7,980)**	**65,522**	**57,542**	**651,447**
Asset position	**4,060,637**	**3,440,627**	**155,456**	**100,205**	**255,661**	**758,666**
Fixed rate	3,152,585	2,807,437	154,990	83,859	238,849	751,654
Securities	695,633	507,799	314	11,454	11,768	4,822
Other	212,419	125,391	152	4,892	5,044	2,190
Liability position	**4,940,838**	**3,406,935**	**(163,436)**	**(34,683)**	**(198,119)**	**(107,219)**
Fixed rate	3,779,210	2,708,561	(152,809)	(13,736)	(166,545)	(94,771)
Securities	1,130,082	687,006	(10,633)	(20,006)	(30,639)	(11,287)
Other	31,546	11,368	6	(941)	(935)	(1,161)
Forwards operations	**62,537,877**	**27,289,985**	**(7,504)**	**19,946**	**12,442**	**125,239**
Asset position	**29,650,970**	**13,762,488**	**890,118**	**25,828**	**915,946**	**246,342**
Foreign currency	29,470,253	13,456,393	885,246	25,828	911,074	241,079
Interbank market	-	-	-	-	-	12
Indexes	162,853	298,574	4,711	-	4,711	4,874
Securities	17,864	7,521	161	-	161	377
Liability position	**32,886,907**	**13,527,497**	**(897,622)**	**(5,882)**	**(903,504)**	**(121,103)**
Foreign currency	32,852,016	13,469,543	(895,540)	(5,882)	(901,422)	(120,389)
Interbank market	-	14,107	-	-	-	(166)
Indexes	34,891	42,651	(2,082)	-	(2,082)	(521)
Securities	-	1,196	-	-	-	(27)
Swap with target flow	**1,584,425**	**1,068,061**	**(78,559)**	**(43,565)**	**(122,124)**	**(31,557)**
Asset position - Interbank market	**752,933**	**535,479**	**-**	**-**	**-**	**62**
Liability position	**831,492**	**532,582**	**(78,559)**	**(43,565)**	**(122,124)**	**(31,619)**
Foreign currency	779,285	466,735	(78,188)	(43,021)	(121,209)	(30,100)
Interbank market	52,207	65,847	(371)	(544)	(915)	(1,519)
Target flow of swap - asset position - foreign currency	**837,701**	**539,022**	**-**	**68,277**	**68,277**	**31,577**
Other derivative financial instruments	**7,169,920**	**5,921,653**	**375,401**	**(37,911)**	**337,490**	**516,458**
Asset position	**5,319,817**	**4,811,052**	**729,161**	**(3,242)**	**725,919**	**813,029**
Foreign currency	725,035	467,106	30,560	4,261	34,821	112,517
Fixed rate	1,213,702	1,286,425	374,073	(196)	373,877	401,087
Indexes	-	-	-	-	-	239
Securities	3,353,902	3,042,055	324,549	(7,754)	316,795	298,233
Other	27,178	15,466	(21)	447	426	953
Liability position	**1,850,103**	**1,110,601**	**(353,760)**	**(34,669)**	**(388,429)**	**(296,571)**
Foreign currency	437,850	175,968	(17,489)	(17,146)	(34,635)	42,594
Fixed rate	-	-	(316,624)	(428)	(317,052)	(283,827)
Securities	1,195,466	813,339	(19,533)	(13,399)	(32,932)	(53,991)
Other	216,787	121,294	(114)	(3,696)	(3,810)	(1,347)
		Asset	**9,778,866**	**2,215,468**	**11,994,334**	**10,246,930**
		Liabilities	**(10,851,896)**	**(1,197,134)**	**(12,049,030)**	**(8,433,937)**
		Total	**(1,073,030)**	**1,018,334**	**(54,696)**	**1,812,993**

Derivative contracts mature as follows (in days):

Memorandum account/notional amount	0 - 30	31 - 180	181 - 365	Over 365	03/31/2014	03/31/2013
Futures	64,610,065	207,962,556	89,150,942	138,505,590	500,229,153	398,417,727
Swaps	24,268,553	36,863,176	23,190,557	433,381,990	517,704,276	133,979,549
Options	99,407,429	558,625,073	79,576,601	15,984,976	753,594,079	1,311,963,999
Forwards (onshore)	9,470,509	26,546,508	8,536,992	3,596,012	48,150,021	43,105,129
Credit derivatives	252,325	1,704,530	1,053,717	5,990,903	9,001,475	6,847,562
Forwards (offshore)	28,209,842	24,203,188	8,223,168	1,901,679	62,537,877	27,289,985
Swaps with target flow	-	-	51,836	701,097	752,933	532,300
Target flow of swap	-	-	64,529	773,172	837,701	539,022
Other derivative financial instruments	80,667	1,625,052	1,387,033	4,077,168	7,169,920	5,921,653

II - Derivatives by counterparty

See below the composition of the Derivative Financial Instruments portfolio (assets and liabilities) by type of instrument, stated at cost, market value, and maturity term.

	03/31/2014										03/31/2013
	Cost	Adjustments to market value (in results / stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Asset											
Futures - BM&F Bovespa	**(36,661)**	**104,154**	**67,493**	**1**	**66,965**	**-**	**-**	**-**	**528**	**-**	**-**
Swaps - adjustment receivable	**2,586,204**	**1,748,821**	**4,335,025**	**36.1**	**156,930**	**164,341**	**258,438**	**591,588**	**715,120**	**2,448,608**	**3,361,302**
BM&F Bovespa	260,423	28,393	288,816	2.4	37,193	15,263	11,889	29,841	21,159	173,471	411,583
Financial institutions	471,279	554,589	1,025,868	8.6	1,735	2,049	42,356	136,577	119,760	723,391	370,132
Companies	1,830,412	851,138	2,681,550	22.3	117,955	146,846	194,137	419,840	336,148	1,466,624	2,528,210
Individuals	24,090	314,701	338,791	2.8	47	183	10,056	5,330	238,053	85,122	51,377
Option premiums	**2,529,615**	**122,630**	**2,652,245**	**22.1**	**362,586**	**154,986**	**481,493**	**418,509**	**1,104,390**	**130,281**	**1,807,975**
BM&FBOVESPA	1,757,890	(125,922)	1,631,968	13.6	131,015	33,075	325,728	166,735	975,115	300	484,506
Financial institutions	515,708	209,516	725,224	6.0	190,468	84,427	130,284	192,972	59,817	67,256	146,869
Companies	255,652	39,286	294,938	2.5	41,103	37,450	25,400	58,802	69,458	62,725	1,176,600
Individuals	365	(250)	115	0.0	-	34	81	-	-	-	-
Forwards (onshore)	**2,924,973**	**48,795**	**2,973,768**	**24.8**	**1,646,748**	**434,510**	**387,174**	**141,586**	**36,957**	**326,793**	**3,227,977**
BM&FBOVESPA	1,014,746	1,561	1,016,307	8.5	381,321	319,455	295,873	19,576	82	-	633,406
Financial institutions	108,087	14,418	122,505	1.0	65,439	27,484	2,414	26,803	6	359	79,415
Companies	1,801,403	32,456	1,833,859	15.3	1,199,988	87,571	88,887	94,110	36,869	326,434	2,514,468
Individuals	737	360	1,097	0.0	-	-	-	1,097	-	-	688
Credit derivatives - Financial institutions	**155,456**	**100,205**	**255,661**	**2.1**	**-**	**258**	**167**	**955**	**3,680**	**250,601**	**758,666**
Forwards (offshore)	**890,118**	**25,828**	**915,946**	**7.6**	**379,184**	**207,578**	**116,444**	**117,433**	**47,576**	**47,731**	**246,342**
Financial institutions	480,700	3,851	484,551	4.0	228,168	60,376	60,912	84,338	20,051	30,706	100,977
Companies	399,949	22,300	422,249	3.5	150,017	146,860	48,820	32,961	26,566	17,025	143,463
Individuals	9,469	(323)	9,146	0.1	999	342	6,712	134	959	-	1,902
Swaps with target flow - companies	**-**	**-**	**-**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**62**
Target flow of swap - companies	**-**	**68,277**	**68,277**	**0.6**	**-**	**-**	**-**	**313**	**5,304**	**62,660**	**31,577**
Financial institutions	-	-	-	0.0	-	-	-	-	-	-	31,577
Companies	-	68,277	68,277	0.6	-	-	-	313	5,304	62,660	-
Other derivative financial instruments	**729,161**	**(3,242)**	**725,919**	**6.1**	**892**	**5,431**	**327,617**	**72,579**	**51,891**	**267,509**	**813,029**
Financial institutions	470,110	(15,333)	454,777	3.8	18	104	303,021	14,746	38,063	98,825	189,908
Companies	259,051	12,091	271,142	2.3	874	5,327	24,596	57,833	13,828	168,684	622,881
Total	**9,778,866**	**2,215,468**	**11,994,334**	**100.0**	**2,613,305**	**967,104**	**1,571,333**	**1,342,963**	**1,965,446**	**3,534,183**	**10,246,930**
% per maturity term					21.8	8.1	13.1	11.2	16.4	29.5	
Total at 03/31/2013	**9,059,263**	**1,187,667**	**10,246,930**	**100.0**	**827,777**	**1,463,684**	**1,439,429**	**872,185**	**1,791,952**	**3,851,903**	
% per maturity term					8.1	14.3	14.0	8.5	17.5	37.6	

	03/31/2014										03/31/2013
	Cost	Adjustments to market value (in results / stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Liabilities											
Futures - BM&Fbovespa	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(117,445)**
Swaps - difference payable	**(5,696,808)**	**(1,087,812)**	**(6,784,620)**	**56.3**	**(130,105)**	**(109,127)**	**(407,814)**	**(370,006)**	**(924,908)**	**(4,842,660)**	**(4,146,210)**
BM&FBovespa	(384,480)	(49,822)	(434,302)	3.6	(7,719)	(2,700)	(56,928)	(41,962)	(139,308)	(185,685)	(765,327)
Financial institutions	(607,983)	(330,836)	(938,819)	7.8	(9,806)	(4,055)	(18,532)	(141,366)	(157,265)	(607,795)	(807,178)
Companies	(2,142,954)	(511,931)	(2,654,885)	22.0	(112,399)	(101,783)	(327,333)	(171,321)	(439,131)	(1,502,918)	(2,539,246)
Individuals	(2,561,391)	(195,223)	(2,756,614)	22.9	(181)	(589)	(5,021)	(15,357)	(189,204)	(2,546,262)	(34,459)
Option premiums	**(1,677,807)**	**(28,391)**	**(1,706,198)**	**14.1**	**(211,194)**	**(220,302)**	**(421,676)**	**(484,389)**	**(209,532)**	**(159,105)**	**(1,071,001)**
BM&FBovespa	(759,828)	141,847	(617,981)	5.1	(43,038)	(30,139)	(329,365)	(192,821)	(22,592)	(26)	(475,263)
Financial institutions	(829,439)	5,994	(823,445)	6.8	(127,564)	(162,331)	(73,740)	(225,457)	(142,447)	(91,906)	(296,717)
Companies	(87,928)	(176,534)	(264,462)	2.2	(40,592)	(27,730)	(18,504)	(65,970)	(44,493)	(67,173)	(298,763)
Individuals	(612)	302	(310)	-	-	(102)	(67)	(141)	-	-	(258)
Forwards (onshore)	**(1,983,904)**	**37,868**	**(1,946,036)**	**16.1**	**(1,306,443)**	**(121,696)**	**(44,042)**	**(101,288)**	**(79,273)**	**(293,294)**	**(2,542,769)**
BM&FBovespa	-	(1,195)	(1,195)	-	-	(698)	(88)	(409)	-	-	(28,461)
Financial institutions	(148,540)	24,256	(124,284)	1.0	(65,797)	(2,217)	(553)	(55,529)	(188)	-	(71,884)
Companies	(1,835,364)	14,807	(1,820,557)	15.1	(1,240,646)	(118,781)	(43,401)	(45,350)	(79,085)	(293,294)	(2,442,241)
Credit derivatives	**(163,436)**	**(34,683)**	**(198,119)**	**1.7**	**-**	**(40)**	**(88)**	**(5,409)**	**(16,498)**	**(176,084)**	**(107,219)**
Financial institutions	(152,504)	(34,739)	(187,243)	1.6	-	(40)	(88)	(5,409)	(5,622)	(176,084)	(101,709)
Companies	(10,932)	56	(10,876)	0.1	-	-	-	-	(10,876)	-	(5,510)
Forwards (offshore)	**(897,622)**	**(5,882)**	**(903,504)**	**7.5**	**(418,005)**	**(161,082)**	**(139,334)**	**(149,539)**	**(21,393)**	**(14,151)**	**(121,103)**
Financial institutions	(712,291)	2,250	(710,041)	5.9	(377,066)	(124,604)	(88,766)	(111,713)	(7,892)	-	(88,880)
Companies	(185,183)	(8,018)	(193,201)	1.6	(40,870)	(36,317)	(50,537)	(37,825)	(13,501)	(14,151)	(32,121)
Individuals	(148)	(114)	(262)	-	(69)	(161)	(31)	(1)	-	-	(102)
Swaps with target flow - companies	**(78,559)**	**(43,565)**	**(122,124)**	**1.0**	**-**	**-**	**-**	**(915)**	**(18,639)**	**(102,570)**	**(31,619)**
Other derivative financial instruments	**(353,760)**	**(34,669)**	**(388,429)**	**3.3**	**(624)**	**(328)**	**(328,485)**	**(4,156)**	**(9,251)**	**(45,585)**	**(296,571)**
Financial institutions	(318,969)	(427)	(319,396)	2.7	-	-	(317,052)	(2,344)	-	-	(93,677)
Companies	(34,791)	(34,242)	(69,033)	0.6	(624)	(328)	(11,433)	(1,812)	(9,251)	(45,585)	(202,894)
Total	**(10,851,896)**	**(1,197,134)**	**(12,049,030)**	**100.0**	**(2,066,371)**	**(612,575)**	**(1,341,439)**	**(1,115,702)**	**(1,279,494)**	**(5,633,449)**	**(8,433,937)**
% per maturity term					17.1	5.1	11.1	9.3	10.6	46.8	
Total at 03/31/2013	**(7,369,900)**	**(1,064,037)**	**(8,433,937)**	**100.0**	**(436,259)**	**(1,056,269)**	**(901,522)**	**(912,361)**	**(1,779,274)**	**(3,348,252)**	
% per maturity term					5.2	12.5	10.7	10.8	21.1	39.7	

III - Derivatives by notional amount

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.

	03/31/2014								
	Futures	**Swaps**	**Options**	**Forwards (onshore)**	**Credit derivatives**	**Forwards (offshore)**	**Swap with target flow**	**Target flow of swap**	**Other derivative financial instruments**
BM&FBOVESPA	**368,999,294**	**5,981,748**	**685,040,484**	**22,029,872**	**-**	**-**	**-**	**-**	**-**
Overt-the-counter market	**131,229,859**	**511,722,528**	**68,553,595**	**26,120,149**	**9,001,475**	**62,537,877**	**752,933**	**837,701**	**7,169,920**
Financial institutions	97,837,858	345,113,664	53,904,488	4,502,066	8,990,543	49,860,839	-	-	3,458,563
Companies	33,392,001	106,752,482	14,517,647	21,611,821	10,932	12,516,839	752,933	837,701	3,711,357
Individuals	-	59,856,382	131,460	6,262	-	160,199	-	-	-
Total	**500,229,153**	**517,704,276**	**753,594,079**	**48,150,021**	**9,001,475**	**62,537,877**	**752,933**	**837,701**	**7,169,920**
Total – 03/31/2013	**398,417,727**	**133,979,549**	**1,311,963,999**	**43,105,129**	**6,847,562**	**27,289,985**	**532,300**	**539,022**	**5,921,653**

IV - Credit derivatives

See below the composition of the Credit Derivatives (assets and liabilities) portfolio stated at notional amount, and their effect on calculation of Required Referential Equity.

	03/31/2014			03/31/2013		
	Notional amount of credit protection sold	**Notional amount of credit protection purchased with identical underlying amount**	**Net position**	**Notional amount of credit protection sold**	**Notional amount of credit protection purchased with identical underlying amount**	**Net position**
Credit swaps	(5,767,468)	1,810,736	(3,956,732)	(4,017,666)	1,563,354	(2,454,312)
Total return rate swaps	(1,423,271)	-	(1,423,271)	(1,266,542)	-	(1,266,542)
Total	**(7,190,739)**	**1,810,736**	**(5,380,003)**	**(5,284,208)**	**1,563,354**	**(3,720,854)**

The effect on the referential equity (Note 3) was R$ 248,453 (R$ 125,370 at 03/31/2013).

During the period, there was no occurrence of a credit event as defined in the agreements.

V - Accounting hedge

The effectiveness computed for the hedge portfolio was in conformity with the provisions of BACEN Circular No. 3,082 of January 30, 2002, and the following accounting hedge structures are established:

a) Cash flow - the purpose of the hedge relationship of ITAÚ UNIBANCO HOLDING is to protect the cash flows of the payment of debt interest (CDB / Redeemable preferred shares) and the future foreign exchange rate, (anticipated transactions) related to its variable interest rate risk (CDI / LIBOR), and foreign exchange rate risk, making the cash flow constant (fixed rate) and regardless of the variations of DI Cetip Over and LIBOR and foreign exchange rate.

Strategies	03/31/2014			03/31/2013		
	Hedge Instrument		Hedge assets	Hedge Instruments		Hedge assets
	Nominal value	Adjustment to market value (*)	Book value	Nominal value	Adjustment to market value (*)	Book value
Hedge of deposits and securities purchased under agreements to resell	81,683,811	188,288	84,051,755	55,855,650	(99,024)	56,342,160
Hedge of preferred shares	889,522	12,852	889,522	791,568	(9,634)	791,568
Hedge of subordinated CDB	-	-	-	152,931	-	131,087
Hedge of highly probable anticipated transaction	300,270	(5,250)	277,466	-	-	-
Total	**82,873,603**	**195,890**	**85,218,743**	**56,800,149**	**(108,658)**	**57,264,815**

(*) Net amount of tax effects recorded in Stockholders' Equity under heading Asset Valuation Adjustments.

The gains or losses related to the accounting hedge of cash flows that we expect to recognize in Results in the following 12 months amount to R$ (440,541) (R$ (201,351) at March 31, 2013).

The amount of R$ 301 related to Foreign Exchange Rates Futures for the period was reclassified from Asset Valuation Adjustments and included in the initial cost of assets.

To protect the future cash flows of debt against exposure to variable interest rates (CDI), ITAÚ UNIBANCO HOLDING negotiated DI Futures agreements on BM&FBOVESPA with maturities between 2014 and 2018.

To protect the future cash flows of debt against exposure to variable interest rates (LIBOR), ITAÚ UNIBANCO HOLDING negotiated Swaps agreements on BM&FBOVESPA with maturity during 2015.

ITAÚ UNIBANCO HOLDING entered into Futures DDI contracts on BM&F Bovespa maturing during 2014 to protect the future cash flows of highly probable anticipated transactions, with financial effects during 2014, arising from future contractual agreements in foreign currency against the exposure to future foreign exchange rates.

b) Market risk – The hedging strategy against market risk of ITAÚ UNIBANCO HOLDING consists of hedging the exposure to variation in market risk, in interest receipt, which are attributable to changes in interest rates related to recognized assets.

Strategies	03/31/2014			
	Hedge instrument		Hedge assets	
	Nominal value	Adjustment to market value (*)	Nominal value	Adjustment to market value (*)
Hedge of loans	1,660,759	(41,937)	1,660,759	41,197
Total	**1,660,759**	**(41,937)**	**1,660,759**	**41,197**

Strategies	03/31/2013			
	Hedge instrument		Hedge assets	
	Nominal value	Adjustment to market value (*)	Nominal value	Adjustment to market value (*)
Hedge of loans	799,743	650	799,743	(636)
Total	**799,743**	**650**	**799,743**	**(636)**

(*) Net amount of tax effects recorded under heading Results from Securities and Derivative Financial Instruments.

To hedge the variation in market risk in interest receipt, ITAÚ UNIBANCO HOLDING uses interest rate swap contracts. Hedge assets are related to fixed-rate assets expressed in unidad de fomento (CLF) and denominated in euros, issued by subsidiaries in Chile and London, respectively and with maturities between 2016 and 2029.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income in monthly periods.

c) **Hedge of net investment in foreign operations** – ITAÚ UNIBANCO HOLDING strategy of net investments in foreign operations consist of a hedge of the exposure in foreign currency arising from the functional currency of foreign operations, compared to the functional currency of the head office.

Strategies	03/31/2014		
	Hedge instrument		Hedge assets
	Nominal value	Adjustment to market value (*)	Nominal value
Hedge of net investment in foreign operations	11,305,120	346,943	6,782,936
Total	**11,305,120**	**346,943**	**6,782,936**

(*) Net amount of tax effects recorded in Stockholders' Equity under heading Asset Valuation Adjustments.

To hedge the changes of future cash flows of exchange variation of net investments in foreign operations, ITAÚ UNIBANCO HOLDING uses DDI Futures contracts traded on BM&FBOVESPA, Financial Assets and Forward contracts or NDF contracts entered into by our subsidiaries abroad.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income upon the total or partial disposal of investments.

d) We present below the maturity terms of cash flow hedge and market risk hedge strategies:

	03/31/2014						03/31/2013
Maturity term	Hedge of deposits and securities purchased under agreements to resell	Hedge of preferred shares	Hedge of highly probable anticipated transaction	Hedge of loans	Hedge of net investment in foreign operations	Total	Total
2013	-	-	-	-	-	-	46,333,484
2014	53,511,613	-	300,270	-	11,305,120	65,117,003	8,240,834
2015	13,169,122	889,522	-	-	-	14,058,644	1,310,818
2016	5,624,595	-	-	249,500	-	5,874,095	-
2017	7,834,338	-	-	124,750	-	7,959,088	915,013
2018	1,544,143	-	-	155,938	-	1,700,081	-
2019	-	-	-	23,079	-	23,079	-
2020	-	-	-	37,171	-	37,171	44,730
2022	-	-	-	175,737	-	175,737	204,622
2023	-	-	-	166,698	-	166,698	193,560
2025	-	-	-	41,253	-	41,253	46,294
2027	-	-	-	147,104	-	147,104	164,147
2028	-	-	-	445,192	-	445,192	146,390
2029	-	-	-	94,337	-	94,337	-
Total	**81,683,811**	**889,522**	**300,270**	**1,660,759**	**11,305,120**	**95,839,482**	**57,599,892**

h) Changes in adjustment to unrealized (*) market value for the period

	01/01 to 03/31/2014	01/01 to 03/31/2013
Opening balance	**(2,016,483)**	**2,406,079**
Adjustments with impact on:		
Results	**1,071,502**	**(334,768)**
Trading securities	588,204	(938,546)
Derivative financial instruments	483,298	603,778
Stockholders' equity	**1,510,316**	**(1,436,661)**
Available-for-sale	840,231	(1,543,467)
Accounting hedge – derivative financial instruments	670,085	106,806
Futures	672,454	111,640
Swap	(2,369)	(4,834)
Closing balance	**565,335**	**634,650**
Adjustment to market value	**565,335**	**634,650**
Trading securities	(242,942)	(563,615)
Available-for-sale securities	(1,093,359)	1,239,675
Derivative financial instruments	1,901,636	(41,410)
Trading securities	998,861	138,227
Accounting hedge	902,775	(179,637)
Futures	883,302	(165,040)
Swap	19,473	(14,597)

(*) The term unrealized in the context of Circular nº. 3.068 of 11/08/2001, of the Central Bank means not converted into cash.

i) Realized gain of securities portfolio and derivatives financial instruments

	01/01 to 03/31/2014	01/01 to 03/31/2013
Gain (loss) – trading securities	(374,053)	(65,802)
Gain (loss) – available-for-sale securities	(92,839)	41,374
Gain (loss) – derivatives	(2,217,337)	(1,309,736)
Gain (loss) – foreign exchange variation on investments abroad	(1,050,118)	(163,202)
Total	**(3,734,347)**	**(1,497,366)**

j) Sensitivity analysis (trading and banking portfolios)

In compliance with CVM Instruction No. 475 of December 17, 2008, ITAÚ UNIBANCO HOLDING carried out a sensitivity analysis by market risk factors considered relevant to which it was exposed. The biggest losses arising, by risk factor, in each scenario, were stated with impact on result, net of tax effects, by providing a vision of the ITAÚ UNIBANCO HOLDING exposure under exceptional scenarios.

The sensitivity analyses of non-trading and trading portfolio shown in this report are an evaluation of an instant position of the portfolio exposure and, therefore, do not consider the management's quick response capacity (treasury and control areas), which triggers risk mitigating measures, whenever a situation of high loss or risk is identified by minimizing the sensitivity towards 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 ITAÚ UNIBANCO HOLDING.

Trading portfolio	Exposures	03/31/2014 (*)		
Risk factors	Risk of variation in:	Scenarios		
		I	II	III
Interest Rate	Fixed Income Interest Rates in reais	(374)	(9,343)	(18,668)
Foreign Exchange Linked	Foreign Exchange Linked Interest	731	(18,513)	(37,488)
Foreign Exchange Rates	Prices of Foreign Currencies	(2,339)	(58,475)	(116,950)
Price Index Linked	Price Indexes Linked Interest Rates	(220)	(5,307)	(10,253)
TR	TR Linked Interest Rates	3	(73)	(145)
Equities	Prices of Equities	(325)	(8,128)	(16,255)
	Total without correlation	**(2,524)**	**(99,839)**	**(199,759)**
	Total with correlation	**(2,440)**	**(96,528)**	**(193,135)**

(*) Amounts net of tax effects.

Trading and Banking portfolios	Exposures	03/31/2014 (*)		
Risk factors	Risk of variation in:	Scenarios		
		I	II	III
Interest Rate	Fixed Income Interest Rates in reais	(2,817)	(70,228)	(140,033)
Foreign Exchange Linked	Foreign Exchange Linked Interest	1,137	(28,625)	(57,618)
Foreign Exchange Rates	Prices of Foreign Currencies	1,950	(48,758)	(97,517)
Price Index Linked	Price Indexes Linked Interest Rates	(3,761)	(92,053)	(180,139)
TR	TR Linked Interest Rates	840	(21,115)	(42,446)
Equities	Prices of Equities	1,128	(28,196)	(56,392)
	Total without correlation	**(1,523)**	**(288,975)**	**(574,144)**
	Total with correlation	**(1,472)**	**(279,392)**	**(555,104)**

(*) Amounts net of tax effects.

The following scenarios are used to measure the sensitivity:

- **Scenario I**: Shocks of 1 base point in interest rates and associated indexes, and 1 percentage point in currency and share prices;
- **Scenario II**: Shocks of 25 base points in interest rates and associated indexes, and 25 percentage points in currency and share prices, both for growth and fall, considering the largest resulting losses per risk factor;
- **Scenario III**: Shocks of 50 base points in interest rates and associated indexes, and 50 percentage points in currency and share prices, both for growth and fall, considering the largest resulting losses per risk factor.

Derivative financial instruments engaged by ITAÚ UNIBANCO HOLDING are shown in the item Derivative financial instruments in this note.

Note 8 - Loan, lease and other credit operations

a) Composition of the portfolio with credit granting characteristics

I – By type of operations and risk level

Risk levels	03/31/2014										03/31/2013
	AA	A	B	C	D	E	F	G	H	Total	Total
Loan operations	**187,108,787**	**80,128,902**	**30,422,120**	**14,190,153**	**7,820,718**	**2,784,213**	**2,247,354**	**2,957,159**	**8,941,667**	**336,601,073**	**304,041,587**
Loans and discounted trade receivables	61,606,643	64,999,310	22,135,491	9,687,887	6,661,393	2,149,431	1,751,304	2,537,451	6,876,425	178,405,335	158,487,483
Financing	79,354,354	13,870,334	7,004,841	4,009,291	1,021,061	516,051	466,036	396,661	1,997,579	108,636,208	105,274,420
Farming and agribusiness financing	6,050,328	784,332	389,265	204,624	33,465	55,769	1,826	261	25,070	7,544,940	7,263,188
Real estate financing	40,097,462	474,926	892,523	288,351	104,799	62,962	28,188	22,786	42,593	42,014,590	33,016,496
Lease operations	**5,093,895**	**873,630**	**1,406,273**	**581,010**	**251,071**	**113,003**	**77,589**	**86,067**	**426,578**	**8,909,116**	**14,987,624**
Credit card operations	**-**	**44,158,444**	**4,639,543**	**1,778,850**	**1,050,852**	**631,754**	**554,126**	**434,686**	**2,909,718**	**56,157,973**	**43,325,047**
Advance on exchange contracts [(1)]	**2,955,865**	**751,582**	**220,848**	**329,593**	**12,961**	**22,646**	**118**	**313**	**955**	**4,294,881**	**4,928,419**
Other sundry receivables [(2)]	**808**	**1,972,924**	**3,013**	**274,602**	**1,705**	**235**	**12,295**	**7,202**	**55,500**	**2,328,284**	**4,065,339**
Total operations with credit granting characteristics	**195,159,355**	**127,885,482**	**36,691,797**	**17,154,208**	**9,137,307**	**3,551,851**	**2,891,482**	**3,485,427**	**12,334,419**	**408,291,328**	**371,348,016**
Endorsements and sureties [(3)]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**71,828,705**	**62,890,752**
Total with endorsements and sureties	**195,159,355**	**127,885,482**	**36,691,797**	**17,154,208**	**9,137,307**	**3,551,851**	**2,891,482**	**3,485,427**	**12,334,419**	**480,120,033**	**434,238,768**
Total – 03/31/2013	**131,966,488**	**141,791,850**	**37,150,893**	**25,451,684**	**10,432,906**	**3,815,239**	**3,389,543**	**3,154,284**	**14,195,129**	**371,348,016**	

(1) Includes Advances on exchange contracts and Income receivable from advances granted, reclassified from Liabilities – Foreign exchange portfolio / Other receivables (Note 2a);

(2) Includes Securities and credits receivable, Debtors for purchase of assets and Endorsements and sureties paid;

(3) Recorded in Memorandum Accounts.

II – By maturity and risk level

	03/31/2014										03/31/2013
	AA	A	B	C	D	E	F	G	H	Total	Total
						Overdue Operations (1) (2)					
Falling due installments	**-**	**-**	**2,231,595**	**2,612,008**	**1,659,976**	**1,354,221**	**1,144,462**	**1,083,832**	**4,926,177**	**15,012,270**	**19,004,203**
01 to 30	-	-	125,481	141,007	78,961	57,372	45,464	49,830	511,081	1,009,196	1,086,840
31 to 60	-	-	89,694	116,450	72,046	50,485	43,034	53,609	287,878	713,196	737,312
61 to 90	-	-	91,859	105,939	67,314	46,230	45,611	42,740	228,348	628,041	707,123
91 to 180	-	-	252,499	320,590	195,119	292,150	134,359	131,458	512,919	1,839,094	2,157,278
181 to 365	-	-	488,260	592,247	363,811	258,055	258,000	248,275	973,475	3,182,122	3,800,404
Over 365	-	-	1,183,802	1,335,775	882,725	649,929	617,994	557,920	2,412,476	7,640,621	10,515,246
Overdue installments	**-**	**-**	**667,623**	**918,393**	**832,825**	**725,805**	**932,716**	**1,202,608**	**5,489,612**	**10,769,581**	**11,542,908**
01 to 14	-	-	11,105	83,605	46,900	28,537	26,855	25,047	102,873	324,922	366,527
15 to 30	-	-	638,388	112,703	85,342	50,719	44,960	40,076	173,468	1,145,656	1,313,716
31 to 60	-	-	18,130	702,024	172,554	127,507	102,556	104,539	291,811	1,519,121	1,584,274
61 to 90	-	-	-	16,726	510,601	118,819	175,894	117,534	275,917	1,215,491	1,295,296
91 to 180	-	-	-	3,335	17,428	393,264	569,115	900,785	996,165	2,880,092	3,022,462
181 to 365	-	-	-	-	-	6,959	13,336	14,627	3,539,318	3,574,240	3,834,098
Over 365	-	-	-	-	-	-	-	-	110,060	110,060	126,535
Subtotal	**-**	**-**	**2,899,218**	**3,530,401**	**2,492,800**	**2,080,026**	**2,077,178**	**2,286,440**	**10,415,789**	**25,781,852**	**30,547,111**
Specific allowance	**-**	**-**	**(28,992)**	**(105,912)**	**(249,280)**	**(624,008)**	**(1,038,589)**	**(1,600,508)**	**(10,415,789)**	**(14,063,078)**	**(15,557,518)**
Subtotal - 03/31/2013	**-**	**-**	**3,999,406**	**4,331,771**	**3,587,322**	**2,531,068**	**2,387,124**	**2,114,878**	**11,595,542**	**30,547,111**	
						Non-overdue operations					
Falling due installments	**194,907,418**	**127,021,358**	**33,507,512**	**13,511,235**	**6,579,194**	**1,438,747**	**794,538**	**1,181,500**	**1,842,203**	**380,783,704**	**337,233,697**
01 to 30	17,927,333	30,720,271	6,606,268	3,180,952	1,275,604	422,135	158,656	125,117	243,614	60,659,950	54,094,626
31 to 60	10,276,633	13,423,911	2,524,676	1,026,266	302,787	71,922	36,549	28,535	78,508	27,769,786	25,151,829
61 to 90	8,600,918	9,630,701	1,919,288	1,012,489	215,007	52,431	25,914	33,148	45,875	21,535,771	22,344,500
91 to 180	20,337,048	17,392,791	3,801,519	1,350,908	373,775	114,695	66,745	82,554	217,804	43,737,839	38,384,328
181 to 365	26,609,371	17,996,704	5,039,620	2,086,319	2,037,853	182,787	111,601	104,127	293,394	54,461,775	45,941,047
Over 365	111,156,115	37,856,980	13,616,141	4,854,302	2,374,168	594,777	395,073	808,019	963,008	172,618,583	151,317,367
Overdue up to 14 days	**251,937**	**864,124**	**285,068**	**112,572**	**65,313**	**33,078**	**19,766**	**17,487**	**76,427**	**1,725,772**	**3,567,208**
Subtotal	**195,159,355**	**127,885,482**	**33,792,580**	**13,623,807**	**6,644,507**	**1,471,825**	**814,304**	**1,198,987**	**1,918,630**	**382,509,476**	**340,800,905**
Generic allowance	**-**	**(639,427)**	**(337,926)**	**(408,714)**	**(769,618)**	**(441,548)**	**(407,152)**	**(839,297)**	**(1,918,630)**	**(5,762,312)**	**(6,572,261)**
Subtotal - 03/31/2013	**131,966,488**	**141,791,850**	**33,151,487**	**21,119,913**	**6,845,584**	**1,284,171**	**1,002,419**	**1,039,406**	**2,599,587**	**340,800,905**	
Grand total	**195,159,355**	**127,885,482**	**36,691,797**	**17,154,208**	**9,137,307**	**3,551,851**	**2,891,482**	**3,485,427**	**12,334,419**	**408,291,328**	**371,348,016**
Existing allowance	**-**	**(639,427)**	**(366,918)**	**(1,571,744)**	**(2,845,446)**	**(1,775,571)**	**(2,023,748)**	**(3,485,084)**	**(12,334,419)**	**(25,042,357)**	**(27,188,194)**
Minimum allowance required	-	(639,427)	(366,918)	(514,626)	(1,018,898)	(1,065,556)	(1,445,741)	(2,439,805)	(12,334,419)	(19,825,390)	(22,129,779)
Additional allowance (3)	-	-	-	(1,057,118)	(1,826,548)	(710,015)	(578,007)	(1,045,279)	-	(5,216,967)	(5,058,415)
Grand total - 03/31/2013	**131,966,488**	**141,791,850**	**37,150,893**	**25,451,684**	**10,432,906**	**3,815,239**	**3,389,543**	**3,154,284**	**14,195,129**	**371,348,016**	
Existing allowance	**-**	**(708,959)**	**(371,509)**	**(1,350,221)**	**(3,128,828)**	**(1,907,237)**	**(2,372,342)**	**(3,153,969)**	**(14,195,129)**	**(27,188,194)**	
Minimum allowance required	-	(708,959)	(371,509)	(763,550)	(1,043,290)	(1,144,571)	(1,694,772)	(2,207,999)	(14,195,129)	(22,129,779)	
Additional allowance (3)	-	-	-	(586,671)	(2,085,538)	(762,666)	(677,570)	(945,970)	-	(5,058,415)	

(1) Operations with overdue installments for more than 14 days or under control of administrators or in bankruptcy processcompanies.

(2) The balance of non-accrual operations amounts to R$ 17,127,050 (R$ 20,414,050 at 03/31/2013).

(3) Allocated to each level of risk in order to explain the additional volume required for alignment to the amount of the expected loss.

III – By business sector

	03/31/2014	%	03/31/2013	%
Public Sector	**3,919,634**	**1.0%**	**1,367,925**	**0.4%**
Energy	51,061	0.0%	236,951	0.1%
Petrochemical and chemical	3,647,553	0.9%	938,866	0.3%
Sundry	221,020	0.1%	192,108	0.1%
Private sector	**404,371,694**	**99.0%**	**369,980,091**	**99.6%**
Companies	**221,195,702**	**54.1%**	**205,635,579**	**55.4%**
Sugar and alcohol	8,708,778	2.1%	7,782,111	2.1%
Agribusiness and fertilizers	12,325,493	3.0%	11,512,245	3.1%
Food and beverage	10,788,247	2.6%	10,296,361	2.8%
Banks and other financial institutions	4,167,478	1.0%	3,674,893	1.0%
Capital assets	8,701,489	2.1%	7,751,508	2.1%
Pulp and paper	3,174,479	0.8%	2,836,376	0.8%
Publishing and printing	1,088,203	0.3%	1,545,547	0.4%
Electronic and IT	4,775,573	1.2%	4,834,084	1.3%
Packaging	2,239,188	0.6%	2,141,338	0.6%
Energy and sewage	6,739,321	1.7%	5,769,808	1.6%
Education	1,405,735	0.3%	1,152,177	0.3%
Pharmaceuticals and cosmetics	4,149,159	1.0%	4,224,200	1.1%
Real estate agents	17,292,291	4.2%	14,508,123	3.9%
Entertainment and tourism	3,360,137	0.8%	3,435,062	0.9%
Wood and furniture	2,936,993	0.7%	3,143,036	0.8%
Construction material	5,614,238	1.4%	5,384,574	1.5%
Steel and metallurgy	9,120,232	2.2%	8,882,080	2.4%
Media	939,784	0.2%	839,935	0.2%
Mining	3,621,084	0.9%	2,916,600	0.8%
Infrastructure work	5,048,404	1.2%	4,712,227	1.3%
Oil and gas	3,953,958	1.0%	3,360,210	0.9%
Petrochemical and chemical	6,563,137	1.6%	5,809,624	1.6%
Health care	1,699,348	0.4%	1,827,634	0.5%
Insurance and reinsurance and pension plans	2,987	0.0%	4,883	0.0%
Telecommucations	1,246,009	0.3%	930,246	0.3%
Third sector	187,509	0.0%	98,020	0.0%
Trading	1,893,299	0.5%	1,941,416	0.5%
Transportation	17,545,589	4.3%	17,042,977	4.6%
Domestic appliances	3,110,976	0.8%	2,454,351	0.7%
Vehicles and autoparts	13,947,254	3.4%	13,268,471	3.6%
Clothing and shoes	5,095,720	1.3%	5,205,314	1.4%
Commerce - sundry	13,762,669	3.4%	13,433,363	3.6%
Industry - sundry	5,128,372	1.3%	4,356,671	1.2%
Sundry services	20,159,232	4.9%	17,266,780	4.6%
Sundry	10,703,337	2.6%	11,293,334	3.0%
Individuals	**183,175,992**	**44.9%**	**164,344,512**	**44.3%**
Credit cards	55,317,505	13.5%	42,989,075	11.6%
Real estate financing	31,266,708	7.7%	24,316,096	6.5%
Consumer loans / overdraft	57,568,825	14.1%	48,318,005	13.0%
Vehicles	39,022,954	9.6%	48,721,336	13.1%
Grand total	**408,291,328**	**100.0%**	**371,348,016**	**100.0%**

b) Credit concentration

Loan, lease and other credit operations (*)	03/31/2014		03/31/2013	
	Risk	% of total	Risk	% of total
Largest debtor	4,879,224	1.0	4,697,755	1.1
10 largest debtors	30,166,213	6.3	28,319,581	6.5
20 largest debtors	47,668,134	9.9	44,465,922	10.2
50 largest debtors	78,943,684	16.4	69,782,999	16.1
100 largest debtors	106,621,528	22.2	92,118,012	21.2

(*) The amounts include endorsements and sureties.

Loan, lease and other credit operations and securities of companies and financial institutions (*)	03/31/2014		03/31/2013	
	Risk	% of total	Risk	% of total
Largest debtor	5,048,272	0.9	5,303,903	1.1
10 largest debtors	39,242,050	7.1	37,004,915	7.5
20 largest debtors	63,694,246	11.6	58,664,810	11.9
50 largest debtors	106,757,825	19.4	95,699,289	19.4
100 largest debtors	142,866,667	26.0	124,362,506	25.3

(*) The amounts include endorsements and sureties.

c) Changes in allowance for loan losses

	01/01 to 03/31/2014	01/01 to 03/31/2013
Opening balance	**(26,371,185)**	**(27,744,938)**
Effect of change in consolidation criteria (Note 2b)	-	(483,210)
Net increase for the period	(4,235,655)	(4,945,194)
Write-Off	5,564,483	5,985,148
Closing balance (1)	**(25,042,357)**	**(27,188,194)**
Required by Resolution No. 2,682/99	(19,825,390)	(22,129,779)
Specific allowance (2)	(14,063,078)	(15,557,518)
Generic allowance (3)	(5,762,312)	(6,572,261)
Additional allowance (4)	(5,216,967)	(5,058,415)

(1) The allowance for loan losses related to the lease portfolio amounts to: R$ (621,340) (R$ (1,291,820) at March 31, 2013.

(2) Operations with overdue installments for more than 14 days or under responsibility of administrators or in bankruptcy process companies.

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

(4) Refers to the provision in excess of the minimum required percentage by CMN Resolution No. 2,682 of December 21, 1999, based on the expected loss methodology adopted in the institution's credit risk management, which also considers the potential losses in revolving credit.

At March 31, 2014, the balance of the allowance in relation to the loan portfolio is equivalent to 6.1**%** (7.3**%** at 03/31/2013).

d) Recovery and renegotiation of credits

I - Composition of the result of allowance for loan losses

	01/01 to 03/31/2014	01/01 to 03/31/2013
Expenses for allowance for loan losses	(4,235,655)	(4,945,194)
Income from recovery of credits written off as loss	1,087,660	1,085,861
Result of allowance for loan losses (*)	**(3,147,995)**	**(3,859,333)**

(*) The amounts related to the lease portfolio from 01/01 to 03/31/2014 are: Expenses for allowance for loan losses R$ (74,083) (R$ (198,876) from 01/01 to 03/31/2013) and Income from recovery of credits written off as loss R$ 52,738 (R$ 200,578 from 01/01 to 03/31/2013).

II - Renegotiated loan operations

	03/31/2014			03/31/2013		
	Portfolio (1)	Allowance for Loan Losses	%	Portfolio (1)	Allowance for Loan Losses	%
Amended Credit Agreements	17,131,111	(7,262,757)	42.4%	19,123,731	(8,493,349)	44.4%
(-) Amended Operations non-overdue (2)	(4,764,995)	1,064,903	22.3%	(5,107,732)	1,417,041	27.7%
Renegotiated loan operations	12,366,116	(6,197,854)	50.1%	14,015,999	(7,076,308)	50.5%

(1) The amounts related to the lease portfolio are R$ 576,301 (R$ 942,797 at March 31, 2013).

(2) Resulting from non-overdue transations or with a delay of less than 30 days, reflex of changes in the original contractual terms.

e) Restricted operations on assets

See below the information related to the restricted operations on assets, in accordance with CMN Resolution No. 2,921, of January 17, 2002.

	03/31/2014					01/01 to 03/31/2014	03/31/2013	01/01 to 03/31/2013
	0 - 30	31 - 180	181 - 365	Over 365 days	Total	Income (expenses)	Total	Income (expenses)
Restricted operations on assets								
Loan operations	820	1,631	78,377	157,386	238,214	(228)	118,646	371
Liabilities - restricted operations on assets								
Foreign borrowings through securities	820	1,563	78,368	157,386	238,137	240	118,646	(371)
Net revenue from restricted operations						**12**		**-**

At March 31, 2014, and 2013 there were no balances in default.

f) Operations of sale or transfers and acquisitions of financial assets

I. Credit assignments (transfers of receivables) carried out through December 2011 were recorded in accordance with current regulation together with income recognition at the time of the assignment, regardless of the risks and benefits being retained or not.

In compliance with CMN Resolution No. 3,809, of October 28, 2009, the amount of operations assigned with joint obligation, at March 31, 2014 where the entity significantly retained the related risks and benefits is R$ 277,569 (R$ 379,196 at 03/31/2013), composed of real estate financing of R$ 262,069 (R$ 361,685 at 03/31/2013) and farming financing of R$ 15,500 (R$ 17,511 at 03/31/2013).

II. Beginning January 2012, as provided for by CMN Resolution No. 3,533, of January 31, 2008 and supplementary regulation, accounting records take into consideration the retention or non-retention of risks and benefits on sale or transfers of financial assets.

ITAÚ UNIBANCO HOLDING carried out operations for sale or transfer of financial assets in which there was retention of credit risks of financial assets transferred, through the acquisition of securitized real estate loans. Therefore, such credits continue to be recorded as credit operations, in which the amount recorded as assets at 03/31/2014 was R$ 3,919,034, composed of real estate financing and a fair value of R$ 3,910,098 and the amount recorded as liabilities in the line Other sundry liabilities of R$ 3,918,355 and a fair value of R$ 3,910,098.

Sales or transfers of financial assets without risk and benefit retention totaling R$ 93,309 with effect on results of R$ 2,526, net of Allowance for Loan Losses.

Acquisitions of loan portfolios with the retention of assignor's risks carried out as from January 2012 to March 31, 2014 totals R$ 2,221,377, and the total amount of acquired portfolios is R$ 2,401,413, at March 31, 2014. On 31/12/2013 the balance of acquired portfolios with risk retention of assignor's totaled R$ 5,584,878. The decrease in the quarter is influenced by the exclusion of the retention clause of the acquired volume.

Note 9 - Foreign exchange portfolio

	03/31/2014	03/31/2013
Assets - other receivables	**41,498,388**	**40,224,746**
Exchange purchase pending settlement – foreign currency	21,897,661	21,500,201
Bills of exchange and term documents – foreign currency	4,678	3,577
Exchange sale rights – local currency	20,240,115	19,173,052
(Advances received) – local currency	(644,066)	(452,084)
Liabilities – other liabilities (Note 2a)	**42,150,272**	**40,634,386**
Exchange sales pending settlement – foreign currency	20,118,580	19,104,310
Liabilities from purchase of foreign currency – local currency	21,986,644	21,523,828
Other	45,048	6,248
Memorandum accounts	**1,151,226**	**987,888**
Outstanding import credits – foreign currency	1,105,384	949,059
Confirmed export credits – foreign currency	45,842	38,829

Note 10 – Funding and borrowings and onlending

a) Summary

	03/31/2014						03/31/2013	
	0-30	**31-180**	**181-365**	**Over 365 days**	**Total**	**%**	**Total**	**%**
Deposits	163,584,133	31,863,577	11,855,931	70,904,539	278,208,180	37.4	238,554,624	33.9
Deposits received under securities repurchase agreements	139,887,779	12,157,776	14,416,663	122,153,951	288,616,169	38.8	296,102,844	42.1
Funds from acceptance and issuance of securities	2,369,697	10,996,598	7,452,746	23,047,443	43,866,484	5.9	53,277,153	7.6
Borrowings and onlending	3,919,808	19,075,725	14,212,653	39,719,036	76,927,222	10.3	62,890,416	8.9
Subordinated debt (*)	258,246	4,175,417	2,734,235	49,256,102	56,424,000	7.6	52,823,181	7.5
Total	**310,019,663**	**78,269,093**	**50,672,228**	**305,081,071**	**744,042,055**		**703,648,218**	
% per maturity term	41.6	10.5	6.8	41.0				
Total – 03/31/2013	**311,091,058**	**64,818,737**	**54,570,232**	**273,168,191**	**703,648,218**			
% per maturity term	44.2	9.2	7.8	38.8				

(*) Includes R$ 889,561 (R$ 791,717 at 03/31/2013) of Redeemable Preferred Shares classified under Minority Interest in Balance Sheet.

b) Deposits

	03/31/2014						03/31/2013	
	0-30	**31-180**	**181-365**	**Over 365 days**	**Total**	**%**	**Total**	**%**
Demand deposits	43,216,760	-	-	-	43,216,760	15.5	33,717,703	14.1
Savings accounts	108,931,513	-	-	-	108,931,513	39.2	87,071,786	36.5
Interbank	1,386,883	2,496,609	1,282,561	327,157	5,493,210	2.0	8,443,683	3.5
Time deposits	10,048,977	29,366,968	10,573,370	70,577,382	120,566,697	43.3	109,321,452	45.9
Total	**163,584,133**	**31,863,577**	**11,855,931**	**70,904,539**	**278,208,180**		**238,554,624**	
% per maturity term	58.8	11.5	4.3	25.5				
Total – 03/31/2013	**145,267,937**	**17,474,655**	**15,831,637**	**59,980,395**	**238,554,624**			
% per maturity term	60.9	7.3	6.6	25.2				

ITAÚ UNIBANCO HOLDING's portfolio is composed of interbank deposits in the amount of R$ 100,103 at 03/31/2013 with maturities of 181 to 365 days. There are no operations at 03/31/2014.

c) Deposits received under securities repurchase agreements

	03/31/2014						03/31/2013	
	0 - 30	31 - 180	181 - 365	Over 365 days	Total	%	Total	%
Own portfolio	**42,275,558**	**12,157,776**	**13,389,941**	**98,554,001**	**166,377,276**	**57.6**	**173,037,243**	**58.4**
Government securities	26,307,988	399,644	2,150	4,046	26,713,828	9.3	32,616,170	11.0
Own issue	2,976,871	11,710,154	13,387,791	98,549,955	126,624,771	43.8	121,259,024	41.0
Foreign	12,990,699	47,978	-	-	13,038,677	4.5	19,162,049	6.4
Third-party portfolio	**97,552,849**	**-**	**-**	**-**	**97,552,849**	**33.8**	**103,067,623**	**34.8**
Free portfolio	**59,372**	**-**	**1,026,722**	**23,599,950**	**24,686,044**	**8.6**	**19,997,978**	**6.8**
Total	**139,887,779**	**12,157,776**	**14,416,663**	**122,153,951**	**288,616,169**		**296,102,844**	
% per maturity term	48.5	4.2	5.0	42.3				
Total – 03/31/2013	**157,402,896**	**15,306,958**	**16,240,725**	**107,152,265**	**296,102,844**			
% per maturity term	53.1	5.2	5.5	36.2				

d) Funds from acceptance and issuance of securities

	03/31/2014						03/31/2013	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Funds from bills:	**1,303,266**	**8,761,865**	**5,292,052**	**13,349,987**	**28,707,170**	**65.4**	**36,150,945**	**67.8**
Financial	42,338	2,303,603	2,591,524	7,666,764	12,604,229	28.7	18,121,207	34.0
Of real estate loans	747,009	4,939,042	675,424	2,227,194	8,588,669	19.6	11,804,696	22.2
Bill of credit related to agribusiness	506,212	1,511,359	2,006,018	3,331,598	7,355,187	16.8	6,013,571	11.2
Mortgage notes	7,707	7,861	19,086	124,431	159,085	0.4	211,471	0.4
Debentures	**111**	**-**	**-**	**-**	**111**	**0.0**	**1,056,720**	**2.0**
Foreign securities	**1,024,417**	**1,777,905**	**1,983,961**	**9,533,782**	**14,320,065**	**32.7**	**16,069,488**	**30.2**
Brazil risk note programme	141,070	1,163,106	792,688	2,108,892	4,205,756	9.6	8,261,830	15.5
Structure note issued	146,137	431,121	792,291	3,493,683	4,863,232	11.1	3,778,522	7.1
Bonds	3,794	47,731	51,373	2,843,215	2,946,113	6.8	2,279,904	4.3
Fixed rate notes	732,444	78,326	260,918	874,918	1,946,606	4.4	1,397,568	2.6
Eurobonds	972	-	28,943	74,736	104,651	0.2	150,533	0.3
Other	-	57,621	57,748	138,338	253,707	0.6	201,131	0.4
Structured Operations Certificates (*)	**41,903**	**456,828**	**176,733**	**163,674**	**839,138**	**1.9**	**-**	**-**
Total	**2,369,697**	**10,996,598**	**7,452,746**	**23,047,443**	**43,866,484**		**53,277,153**	
% per maturity term	5.4	25.1	17.0	52.5				
Total – 03/31/2013	**3,354,174**	**16,124,881**	**9,883,462**	**23,914,636**	**53,277,153**			
% per maturity term	6.3	30.3	18.6	44.8				

(*) As of March 31, 2014, the market value of the funding from Structured Operations Certificates issued is R$ 916,158, according to BACEN Circular Letter No. 3,623.

ITAÚ UNIBANCO HOLDING's portfolio is composed of Brazil Risk Note Programme with maturities of 31 days to 180 days in the amount of R$ 18,667 (R$ 18,667 at 03/31/2013) and over 365 days in the amount of R$ 500,000 (R$ 500,000 at 03/31/2013), totaling R$ 518,667 (R$ 518,667 at 03/31/2013).

e) Borrowings and onlending

	03/31/2014						03/31/2013	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Borrowings	**2,627,654**	**13,569,158**	**8,580,852**	**7,974,089**	**32,751,753**	**42.6**	**24,064,877**	**38.3**
Domestic	347,422	148,281	105,012	146,314	747,029	1.0	442,024	0.7
Foreign (*)	2,280,232	13,420,877	8,475,840	7,827,775	32,004,724	41.6	23,622,853	37.6
Onlending	**1,292,154**	**5,506,567**	**5,631,801**	**31,744,947**	**44,175,469**	**57.4**	**38,825,539**	**61.7**
Domestic – official institutions	1,292,154	5,506,567	5,631,801	31,576,984	44,007,506	57.2	38,240,305	60.8
BNDES	403,351	1,528,637	1,762,544	12,839,881	16,534,413	21.5	11,400,258	18.1
FINAME	871,758	3,839,916	3,809,169	18,471,839	26,992,682	35.1	26,430,794	42.0
Other	17,045	138,014	60,088	265,264	480,411	0.6	409,253	0.7
Foreign	-	-	-	167,963	167,963	0.2	585,234	0.9
Total	**3,919,808**	**19,075,725**	**14,212,653**	**39,719,036**	**76,927,222**		**62,890,416**	
% per maturity term	5.1	24.8	18.5	51.6				
Total – 03/31/2013	**4,725,125**	**15,484,939**	**12,480,559**	**30,199,793**	**62,890,416**			
% per maturity term	7.5	24.6	19.8	48.0				

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

f) Subordinated debt

	03/31/2014						03/31/2013	
	0-30	**31-180**	**181-365**	**Over 365 days**	**Total**	**%**	**Total**	**%**
CDB	-	3,680,856	1,839,417	6,817,237	12,337,510	21.9	11,412,129	21.6
Financial treasury bills	185,297	299,111	5,257	24,693,240	25,182,905	44.6	24,573,848	46.5
Euronotes	64,307	187,099	-	17,634,349	17,885,755	31.7	15,915,147	30.1
Bonds	8,642	8,351	-	169,105	186,098	0.3	189,040	0.4
(-) Transaction costs incurred (Note 4b)	-	-	-	(57,829)	(57,829)	(0.1)	(58,700)	(0.1)
Total Other Liabilities	**258,246**	**4,175,417**	**1,844,674**	**49,256,102**	**55,534,439**		**52,031,464**	
Redeemable preferred shares	-	-	889,561	-	889,561	1.6	791,717	1.5
Grand total [(*)]	**258,246**	**4,175,417**	**2,734,235**	**49,256,102**	**56,424,000**		**52,823,181**	
% per maturity term	0.5	7.4	4.8	87.3				
Total – 03/31/2013	**340,926**	**427,304**	**133,849**	**51,921,102**	**52,823,181**			
% per maturity term	0.6	0.8	0.3	98.3				

(*) According to current legislation, the accounting balance of subordinated debt as of December 2012 was used for the calculation of referential equity as of March, 2014, considering instruments approved after the closing date to compose Tier II, totaling R$ 53,920,747.

Description

Name of security / currency	Principal amount (original currency)	Issue	Maturity	Return p.a.	Account balance
Subordinated CDB - BRL					
	1,864,500	2007	2014	100% of CDI + 0.35% to 0.6%	3,699,837
	33,200			IGPM + 7.22%	79,734
	1,000,000	2008	2014	112% of CDI	1,740,701
	400,000	2008	2015	119.8% of CDI	741,436
	50,000	2010	2015	113% of CDI	76,874
	465,835	2006	2016	100% of CDI + 0.7% (*)	995,767
	2,719,268	2010	2016	110% to 114% of CDI	4,179,797
	122,500			IPCA + 7.21%	205,409
	366,830	2010	2017	IPCA + 7.33%	617,955
				Total	**12,337,510**
Subordinated financial bills - BRL					
	365,000	2010	2016	100% of CDI + 1.35% to 1.36%	369,246
	1,874,000			112% to 112.5% of CDI	1,895,547
	30,000			IPCA + 7%	45,738
	206,000	2010	2017	IPCA + 6.95% to 7.2%	270,931
	3,223,500	2011	2017	108% to 112% of CDI	3,337,875
	352,400			IPCA + 6.15% to 7.8%	462,988
	138,000			IGPM + 6.55% to 7.6%	190,445
	3,650,000			100% of CDI + 1.29% to 1.52%	3,724,006
	500,000	2012	2017	100% of CDI + 1.12%	517,867
	42,000	2011	2018	IGPM + 7%	50,985
	30,000			IPCA + 7.53% to 7.7%	38,195
	460,645	2012	2018	IPCA + 4.4% to 6.58%	556,023
	3,782,100			100% of CDI + 1.01% to 1.32%	3,909,158
	6,373,127			108% to 113% of CDI	6,736,041
	112,000			9.95% to 11.95%	132,862
	2,000	2011	2019	109% to 109.7% of CDI	2,490
	12,000	2012	2019	11.96%	15,208
	100,500			IPCA + 4.70% to 6.3%	122,257
	1,000			110% of CDI	1,220
	20,000	2012	2020	IPCA + 6% to 6.17%	25,525
	1,000			111% of CDI	1,223
	6,000	2011	2021	109.25% to 110.5% of CDI	7,651
	2,306,500	2012	2022	IPCA + 5.15% to 5.83%	2,747,152
	20,000			IGPM + 4.63%	22,272
				Total	**25,182,905**
Subordinated euronotes - USD					
	1,000,000	2010	2020	6.2%	2,321,182
	1,000,000	2010	2021	5.75%	2,281,963
	750,000	2011	2021	5.75% to 6.2%	1,738,872
	550,000	2012	2021	6.2%	1,256,999
	2,625,000	2012	2022	5.5% to 5.65%	5,913,963
	1,870,000	2012	2023	5.13%	4,314,947
				Total	**17,827,926**
Subordinated bonds - CLP	41,528,200	2008	2033	3.5% to 4.5%	186,098
				Total	**186,098**
Preferred shares - USD	393,072	2002	2015	3.04%	889,561
Total					**56,424,000**

(*) Subordinated CDBs may be redeemed as from November 2011.

ITAÚ UNIBANCO HOLDING's portfolio is composed of Subordinated Euronotes with maturity of up to 30 days in the amount of R$ 64,307 (R$ 57,225 at 03/31/2013), with maturities of 31 to 180 days in the amount of R$ 187,099 (R$ 166,496 03/31/2013) and over 365 days in the amount of R$ 17,576,520 (R$ 15,632,726 at 03/31/2013), totaling R$ 17,827,926 (R$ 15,856,447 at 03/31/2013).

Note 11 - Insurance, pension plan and capitalization operations

a) Composition of the technical provisions

	Insurance		Pension plan		Capitalization		Total	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Unearned premiums	5,348,197	4,764,244	9,697	5,779	-	-	5,357,895	4,770,024
Mathematical provision of benefits to be granted and benefits granted	19,439	19,044	89,782,218	83,014,436	-	-	89,801,657	83,033,480
Redemptions and Other Unsettled Amounts	19,404	18,322	162,635	55,294	-	-	182,039	73,616
Financial surplus	1,366	1,450	491,071	509,042	-	-	492,437	510,492
Unsettled claims	3,474,549	2,978,107	15,077	88,121	-	-	3,489,626	3,066,228
Claims / events incurred but not reported (IBNR)	794,061	905,043	12,444	12,286	-	-	806,505	917,329
Administrative and Related Expenses	192,565	185,473	46,659	41,229	36,970	8,534	276,194	235,236
Mathematics for Capitalization and Redemptions	-	-	-	-	2,995,558	2,875,576	2,995,558	2,875,576
Raffles Payable and To Be Held	-	-	-	-	25,658	16,772	25,658	16,772
Complementary Raffles	-	-	-	-	4,504	17,256	4,504	17,256
Other provisions	351,080	339,138	808,470	756,770	3,562	12,001	1,163,112	1,107,909
Total [(*)]	**10,200,662**	**9,210,821**	**91,328,271**	**84,482,956**	**3,066,252**	**2,930,140**	**104,595,185**	**96,623,917**

(*) This table covers the amendments established by Susep Circular No. 462, of 03/01/2013, also for comparison purposes.

The Liability adequacy test did not show any deficiency in this period.

b) Assets guaranteeing technical provisions - SUSEP

	Insurance		Pension plan		Capitalization		Total	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Interbank investments – money market	**1,034,147**	**948,135**	**552,320**	**1,005,069**	**922,714**	**1,018,169**	**2,509,181**	**2,971,373**
Securities and derivative financial instruments	**3,664,875**	**3,533,478**	**90,712,876**	**83,859,222**	**2,243,903**	**2,025,427**	**96,621,654**	**89,418,127**
PGBL/VGBL fund quotas [1]	-	-	**84,664,815**	78,381,764	-	-	**84,664,815**	**78,381,764**
Government securities - domestic	-	-	56,233,348	54,704,677	-	-	56,233,348	54,704,677
National treasury bills	-	-	22,314,489	16,159,518	-	-	22,314,489	16,159,518
National treasury notes	-	-	23,997,003	21,110,269	-	-	23,997,003	21,110,269
Financial treasury bills	-	-	9,921,856	17,434,890	-	-	9,921,856	17,434,890
Corporate securities	-	-	27,676,138	23,316,630	-	-	27,676,138	23,316,630
Bank deposit certificates	-	-	3,505,093	2,445,773	-	-	3,505,093	2,445,773
Debentures	-	-	4,419,288	3,570,574	-	-	4,419,288	3,570,574
Shares	-	-	694,279	1,288,054	-	-	694,279	1,288,054
Credit note	-	-	196,541	151,288	-	-	196,541	151,288
Financial treasury bills	-	-	18,856,781	15,856,196	-	-	18,856,781	15,856,196
Securitized real estate loans	-	-	4,156	4,745	-	-	4,156	4,745
PGBL/VGBL fund quotas	-	-	375,637	-	-	-	375,637	-
Derivative financial instruments	-	-	62,173	293,636	-	-	62,173	293,636
Loans for Shares	-	-	344,319	36,961	-	-	344,319	36,961
Accounts receivable / (payable)	-	-	(26,800)	29,860	-	-	(26,800)	29,860
Other assets	**3,664,875**	**3,533,478**	**6,048,061**	**5,477,458**	**2,243,903**	**2,025,427**	**11,956,839**	**11,036,363**
Government	1,121,140	1,204,733	4,665,898	4,193,837	39,388	190,258	5,826,426	5,588,828
Private	2,543,735	2,328,745	1,382,163	1,283,621	2,204,515	1,835,169	6,130,413	5,447,535
Receivables from insurance and reinsurance operations [2]	**5,632,107**	**4,955,177**	**-**	**-**	**-**	**-**	**5,632,107**	**4,955,177**
Credit rights	753,276	976,033	-	-	-	-	753,276	976,033
Commercial – extended guarantee	1,333,143	1,336,714	-	-	-	-	1,333,143	1,336,714
Reinsurance	3,545,688	2,642,430	-	-	-	-	3,545,688	2,642,430
Total	**10,331,129**	**9,436,790**	**91,265,196**	**84,864,291**	**3,166,617**	**3,043,596**	**104,762,942**	**97,344,677**

(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 liabilities in Pension Plan Technical Provisions account.

(2) Recorded under Other receivables and Other assets.

c) Financial and operating income

	Insurance						Pension plan						Capitalization		Total	
	01/01 to 03/31/2014			01/01 to 03/31/2013			01/01 to 03/31/2014			01/01 to 03/31/2013			01/01 to	01/01 to	01/01 to	01/01 to
	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Financial income from insurance, pension plan and capitalization operations	**59,438**	**-**	**59,438**	**46,439**	**-**	**46,439**	**82,041**	**-**	**82,041**	**43,097**	**-**	**43,097**	**34,297**	**13,263**	**175,776**	**102,799**
Financial income	100,426	-	100,426	61,507	-	61,507	1,845,769	-	1,845,769	485,866	-	485,866	79,489	48,635	2,025,684	596,008
Financial expenses	(40,988)	-	(40,988)	(15,068)	-	(15,068)	(1,763,728)	-	(1,763,728)	(442,769)	-	(442,769)	(45,192)	(35,372)	(1,849,908)	(493,209)
Operating income from insurance, pension plan and capitalization operations	**905,964**	**(167,752)**	**738,212**	**827,644**	**(138,257)**	**689,387**	**49,784**	**(894)**	**48,890**	**55,347**	**(713)**	**54,634**	**144,408**	**122,342**	**931,510**	**866,363**
Premiums and contributions	1,881,646	(310,621)	1,571,025	1,849,320	(273,439)	1,575,881	3,159,654	(894)	3,158,760	5,027,609	(1,406)	5,026,203	566,053	519,711	5,295,838	7,121,795
Changes in technical provisions	(56,710)	(34,113)	(90,823)	(75,958)	8,399	(67,559)	(3,102,106)	-	(3,102,106)	(4,971,592)	-	(4,971,592)	613	(882)	(3,192,316)	(5,040,033)
Expenses for claims, benefits, redemptions and raffles	(647,436)	160,457	(486,979)	(677,469)	110,559	(566,910)	(6,627)	-	(6,627)	960	-	960	(435,715)	(401,549)	(929,321)	(967,499)
Selling expenses	(281,017)	16,525	(264,492)	(262,332)	16,224	(246,108)	(507)	-	(507)	(1,232)	-	(1,232)	-	-	(264,999)	(247,340)
Other operating revenues and expenses	9,481	-	9,481	(5,917)	-	(5,917)	(630)	-	(630)	(398)	693	295	13,457	5,062	22,308	(560)
Total result from insurance, pension plan and capitalization operations	**965,402**	**(167,752)**	**797,650**	**874,083**	**(138,257)**	**735,826**	**131,825**	**(894)**	**130,931**	**98,444**	**(713)**	**97,731**	**178,705**	**135,605**	**1,107,286**	**969,162**

Note 12 – Contingent assets and liabilities and legal liabilities – tax and social security

In the ordinary course of its businesses, ITAÚ UNIBANCO HOLDING CONSOLIDATED is involved in contingencies that may be classified as follows.

a) Contingent Assets: there are no contingent assets recorded.

b) Provisions and contingencies: The criteria to quantify contingencies are adequate in relation to the specific characteristics of civil, labor and tax lawsuits portfolios, as well as other risks.

- **Civil lawsuits:**

  Collective lawsuits (related to claims considered similar and which each individual amount is not considered significant): contingencies are determined on a monthly basis and the expected amount of losses is accrued according to statistical references that take into account the type of lawsuit and the characteristics of the legal body (Small Claims Court or Regular Court).

  Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): determined from time to time, based on the amount claimed and the likelihood of loss, which, in turn, is estimated according to the “de facto” and “de jure” characteristics related to such lawsuit. The amounts of losses which likelihood of loss is considered probable are accrued.

  Contingencies usually arise from revision of contracts and compensation for property damage and pain and suffering; most of these lawsuits are filed in the Small Claims Court and therefore limited to 40 minimum monthly wages. 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 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.

  In the accounting books no amount is recognized in relation to Civil lawsuits which likelihood of loss is considered possible, which total estimated risk is R$ 2,030,328 (R$ 1,613,002 at March 31, 2013) and the main nature of which refers to claims form compensation or collections, the individual amounts of which are not significant.

- **Labor claims**

  Collective lawsuits (related to claims considered similar and which each individual amount is not considered significant): The expected amount of loss is determined and accrued monthly according to the statistical share pricing model. These are adjusted to the amounts deposited as guarantee for their execution when realized.

  Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): determined from time to time, based on the amount claimed and the likelihood of loss, which, in turn, is estimated according to the “de facto” and “de jure” characteristics related to such lawsuit. The amounts of losses which likelihood of loss is considered probable are accrued.

  Contingencies are related to lawsuits in which 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, are discussed.

  There are no labor claims of significant amounts falling under the category of possible loss.

- **Other Risks**

  These are quantified and accrued mainly based on the evaluation of rural credit transactions with joint liability and FCVS (salary variations compensation fund) credits assigned to Banco Nacional.

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

	01/01 to 03/31/2014				01/01 to 03/31/2013
	Civil	**Labor**	**Other**	**Total**	**Total**
Opening balance	**4,472,537**	**5,192,247**	**223,235**	**9,888,019**	**8,776,137**
Effect of change in consolidation criteria (Note 2b)	-	-	-	-	27,157
(-) Contingencies guaranteed by indemnity clauses (Note 4n I)	(133,828)	(811,249)	-	(945,077)	(1,066,413)
Subtotal	**4,338,709**	**4,380,998**	**223,235**	**8,942,942**	**7,736,881**
Monetary restatement/charges	63,355	57,326	-	120,681	122,060
Changes in the period reflected in results (Notes 13f and 13i)	390,337	258,737	2,846	651,920	738,237
Increase (*)	475,259	431,864	3,557	910,680	969,799
Reversal	(84,922)	(173,127)	(711)	(258,760)	(231,562)
Payment	(327,630)	(229,069)	-	(556,699)	(668,005)
Subtotal	**4,464,771**	**4,467,992**	**226,081**	**9,158,844**	**7,929,173**
(+) Contingencies guaranteed by indemnity clauses (Note 4n I)	128,720	810,137	-	938,857	1,031,064
Closing balance (Note 13c)	**4,593,491**	**5,278,129**	**226,081**	**10,097,701**	**8,960,237**
Closing balance at 03/31/2013 (Note 13c)	**3,826,697**	**4,936,100**	**197,440**	**8,960,237**	
Escrow deposits at 03/31/2014 (Note 13a)	**2,105,726**	**2,485,465**	**-**	**4,591,191**	
Escrow deposits at 03/31/2013 (Note 13a)	**2,070,036**	**2,385,775**	**-**	**4,455,811**	

(*) Civil provisions include the provision for economic plans amounting to R$ 68,865 (R$ 66,023 from January 1 to March 31, 2013) (Note 22k).

- **Tax and social security lawsuits**

  Contingencies are equivalent to the principal amount of taxes involved in tax, administrative or judicial challenges, subject to tax assessment notices, plus interest and, when applicable, fines and charges. The amount is accrued when it involves legal obligation, regardless of the likelihood of loss, that is, a favorable outcome to the institution is dependent upon the recognition of the unconstitutionality of the applicable law in force. In other cases, the Bank recognizes a provision whenever the likelihood of loss is probable.

The table below shows the changes in the provisions and respective escrow deposits for Tax and Social Security lawsuits balances:

Provisions	01/01 to 03/31/2014			01/01 to 03/31/2013
	Legal obligation	Contingencies	Total	Total
Opening balance	**6,446,886**	**2,527,011**	**8,973,897**	**10,432,925**
Effect of change in consolidation criteria (Note 2b)	-	-	-	9,461
(-) Contingencies guaranteed by indemnity clauses	-	(57,028)	(57,028)	(61,198)
Subtotal	**6,446,886**	**2,469,983**	**8,916,869**	**10,381,188**
Monetary restatement/charges	107,984	28,965	136,949	105,034
Changes in the period reflected in results	197,692	100,087	297,779	65,484
Increase	203,975	412,862	616,837	272,536
Reversal	(6,283)	(312,775)	(319,058)	(207,052)
Payment	(8,729)	(15,544)	(24,273)	(402,391)
Subtotal	**6,743,833**	**2,583,491**	**9,327,324**	**10,149,315**
(+) Contingencies guaranteed by indemnity clauses	-	57,962	57,962	62,139
Closing balance (Notes 13c and 14c)	**6,743,833**	**2,641,453**	**9,385,286**	**10,211,454**
Closing balance at 03/31/2013 (Notes 13c and 14c)	**7,333,849**	**2,877,605**	**10,211,454**	**-**

Escrow deposits	01/01 to 03/31/2014			01/01 to 03/31/2013
	Legal obligation	Contingencies	Total	Total
Opening balance	**5,276,820**	**381,278**	**5,658,098**	**4,556,839**
Effect of change in consolidation criteria (Note 2b)	-	-	-	8,211
Appropriation of income	91,087	10,753	101,840	55,031
Changes in the period	258,346	(3,021)	255,325	(369,613)
Deposited	265,047	-	265,047	200,741
Withdrawals	-	(745)	(745)	(4,738)
Reversals to income	(6,701)	(2,276)	(8,977)	(565,616)
Closing balance	**5,626,253**	**389,010**	**6,015,263**	**4,250,468**
Relocated to assets pledged in guarantee of contingencies (Note 12d)	**-**	**1,002**	**1,002**	**438**
Closing balance after relocated (Note 13a)	**5,626,253**	**390,012**	**6,016,265**	**4,250,906**
Closing balance at 03/31/2013 (Note 13a)	**3,856,265**	**394,641**	**4,250,906**	

The main discussions related to legal obligations are described as follows:

- CSLL – Isonomy – R$ 2,722,184: as the law increased the CSLL rate for financial and insurance companies to 15%, we discuss the lack of constitutional support for this measure and, due to the principle of isonomy, we defend the levy at the regular rate of 9%. The corresponding escrow deposit balance totals R$ 914,051;

- PIS and COFINS – Calculation basis – R$ 1,824,839: we defend the levy of contributions on revenue, understood as the revenue from sales of assets and services. The corresponding escrow deposit balance totals R$ 1,731,983;

- IRPJ and CSLL – Taxation of profits earned abroad – R$ 506,077: we discuss the calculation basis for levy of these taxes on profits earned abroad and the non-applicability of Regulatory Instruction SRF No. 213-02 in which it exceeds the suitability of the legal text. The corresponding escrow deposit balance totals R$ 470,368;

- PIS – Principles of anteriority over 90 days and non-retroactivity – R$ 421,752: 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$ 94,261.

Off-balance sheet contingencies - The amounts related to Tax and Social Security Lawsuits considered to be as possible loss, which total estimated risk is R$ 11,157,368, are the following:

- INSS – Non-compensatory amounts – R$ 2,615,471: we defend the non-taxation of these amounts, mainly profit sharing, stock option, transportation vouchers and sole bonus;

- IRPJ and CSLL – Interest on capital – R$ 1,140,312: we defend the deductibility of interest on capital declared to stockholders based on the Brazilian long-term interest rate (TJLP) on the stockholders' equity for the year and for prior years;

- IRPJ, CSLL, PIS and COFINS – Request for offset dismissed – R$ 1,085,258: cases in which the liquidity and the offset credit certainty are discussed;

- IRPJ and CSLL – Goodwill – Deduction – R$ 1,003,148: deductibility of goodwill on acquisition of investments with future expected profitability;

- ISS – Banking Institutions – R$ 731,245: these are banking operations, which revenue may not be interpreted as price per service rendered and/or arises from activities not listed under Supplementary Law No. 116/03 or Law No.406/68.

c) Receivables - reimbursement of contingencies

The receivables balance arising from reimbursements of contingencies totals R$ 723,526 (R$ 696,725 at 03/31/2013) (Note 13a), 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 of civil, labor and tax contingencies.

d) Assets pledged as contingencies

Assets pledged in guarantee for contingencies are related to liability contingencies and restricted or deposited as presented below:

	03/31/2014	03/31/2013
Securities (basically financial treasury bills – Note 7b)	879,826	1,293,917
Deposits in guarantee (Note 13a)	3,768,386	3,825,254

Escrow deposits are generally required to be made with the court in connection with lawsuits in Brazil and they are held by the court until a decision is made by the relevant court. In case of a decision against ITAÚ UNIBANCO HOLDING, the deposited amount is released from escrow and transferred to the counterparty in the lawsuit. In case of a decision in favor of ITAÚ UNIBANCO HOLDING, the deposited amount is released at the full amount deposited updated.

In general, provisions related to lawsuits of ITAÚ UNIBANCO HOLDING are long term, considering the time required for the termination of these lawsuits in the Brazilian judicial system, reason why estimate for specific year in which these lawsuits will be terminated have not been disclosed.

According to the opinion of its legal advisors, ITAÚ UNIBANCO HOLDING and its subsidiaries are not involved in any other administrative or judicial proceedings that may significantly impact the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized based on statistical models for claims involving small amounts and on individual evaluation by internal and external legal advisors of other cases, showed that the accrued amounts are sufficient, as provided for by CMN Resolution No. 3,823, of December 16, 2009, and BACEN Circular Letter No. 3,429, of February 11, 2010.

Note 13 - Breakdown of accounts

a) Other sundry receivables

	03/31/2014	03/31/2013
Deferred tax assets (Note 14b I)	39,451,648	35,690,496
Social contribution for offset (Note 14b I)	617,133	652,821
Taxes and contributions for offset	3,063,155	3,092,712
Escrow deposits for legal liabilities and tax and social security contingencies (Note 12b)	9,784,651	8,076,160
Escrow deposits for legal liabilities – civil and labor (Note 12b)	4,591,191	4,455,811
Escrow deposits for foreign fund raising program	627,518	814,683
Receivables from reimbursement of contingent liabilities (Note 12c)	723,526	696,725
Rights receivable from financial assets sold or transferred	3,248,613	-
Sundry domestic debtors	3,230,188	1,757,024
Sundry foreign debtors	774,308	416,611
Retirement plan assets (Note 19)	2,371,368	2,813,353
Recoverable payments	322,878	36,406
Salary advances	98,379	108,923
Amounts receivable from related companies	39,670	28,565
Operations without credit granting characteristics	368,652	150,919
Securities and credits receivable	781,226	459,172
(Allowance for loan losses)	(412,574)	(308,253)
Other	974,138	657,476
Total	**70,287,016**	**59,448,685**

In ITAÚ UNIBANCO HOLDING, Other Sundry Receivables is mainly composed of Taxes and Contributions for Offset of R$ 241,138 (R$ 192,315 at 03/31/2013) and Deferred Tax Assets of R$ 184,631 (R$ 699,465 at 03/31/2013) (Note 14b I).

b) Prepaid expenses

	03/31/2014	03/31/2013
Commissions	3,405,927	3,123,612
Related to vehicle financing	434,267	759,592
Related to insurance and pension plan	1,416,194	1,374,250
Restricted to commissions/partnership agreements	614,465	688,284
Other	941,001	301,486
Brazilian deposit guarantee fund (*)	-	105,589
Advertising	349,369	534,255
Other	599,372	433,317
Total	**4,354,668**	**4,196,773**

(*) Refers to spontaneous payment, equivalent to the prepayment of installments of the contribution to the Brazilian deposit guarantee fund (Fundo Garantidor de Crédito - FGC), according to BACEN Circular No. 3,416, of October 24, 2008.

c) Other sundry liabilities

	03/31/2014	03/31/2013
Provisions for contingent liabilities (Note 12b)	12,739,154	11,837,842
Provisions for sundry payments	2,028,487	1,948,004
Personnel provision	1,326,127	1,288,958
Sundry creditors - local	2,039,005	1,739,916
Sundry creditors - foreign	1,569,196	1,165,219
Liabilities for official agreements and rendering of payment services	402,029	356,578
Related to insurance operations	1,056,255	956,652
Liabilities for purchase of assets and rights	3,991	3,390
Creditors of funds to be released	1,523,683	1,212,382
Funds from consortia participants	32,050	86,585
Provision for Retirement Plan Benefits (Note 19)	757,189	617,172
Provision for health insurance (*)	661,448	639,450
Expenses for lease interests (Note 4i)	363,723	192,645
Liabilities from transactions related to credit assignments (Note 8f)	3,918,355	-
Other	834,803	730,304
Total	**29,255,495**	**22,775,097**

(*) 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 (Note 13i).

d) Banking service fees

	01/01 to 03/31/2014	01/01 to 03/31/2013
Asset management	915,619	833,310
Funds management fees	771,608	761,429
Consortia management fee	144,011	71,881
Current account services	190,803	177,490
Credit cards	2,131,947	1,786,116
Relationship with stores	2,108,798	1,763,312
Credit card processing	23,149	22,804
Sureties and credits granted	451,532	399,462
Loan operations	190,212	179,670
Guarantees provided	261,320	219,792
Receipt services	362,591	339,953
Collection fees	301,329	279,372
Collection services	61,262	60,581
Other	454,892	392,294
Custody services and management of portfolio	73,598	64,826
Economic and financial advisory	86,632	76,990
Foreign exchange services	31,687	23,825
Other services	262,975	226,653
Total	**4,507,384**	**3,928,625**

e) Income from bank charges

	01/01 to 03/31/2014	01/01 to 03/31/2013
Loan operations/registration	242,314	231,134
Credit cards – annual fees and other services	680,180	518,704
Deposit account	28,716	30,171
Transfer of funds	45,261	38,882
Income from securities brokerage	77,691	101,056
Service package fees and other	908,268	731,899
Total	**1,982,430**	**1,651,846**

f) Personnel expenses

	01/01 to 03/31/2014	01/01 to 03/31/2013
Compensation	(1,682,226)	(1,532,399)
Charges	(556,937)	(527,763)
Welfare benefits (Note 19)	(473,945)	(474,540)
Training	(34,606)	(38,224)
Labor claims and termination of employees (Note 12b)	(344,272)	(461,149)
Stock Option Plan	(46,489)	(47,167)
Total	**(3,138,475)**	**(3,081,242)**
Employees' profit sharing	(649,113)	(568,457)
Total including employees' profit sharing	**(3,787,588)**	**(3,649,699)**

g) Other administrative expenses

	01/01 to 03/31/2014	01/01 to 03/31/2013
Data processing and telecommunications	(915,528)	(866,633)
Depreciation and amortization	(506,982)	(442,967)
Installations	(570,819)	(538,604)
Third-party services	(891,610)	(769,358)
Financial system services	(135,506)	(112,578)
Advertising, promotions and publication	(193,291)	(200,402)
Transportation	(105,688)	(113,233)
Materials	(71,416)	(74,344)
Security	(152,781)	(130,935)
Travel expenses	(42,121)	(40,909)
Other	(140,139)	(139,525)
Total	**(3,725,881)**	**(3,429,488)**

h) Other operating revenue

	01/01 to 03/31/2014	01/01 to 03/31/2013
Reversal of operating provisions	7,599	14,771
Recovery of charges and expenses	15,029	8,463
Other	27,213	32,210
Total	**49,841**	**55,444**

i) Other operating expenses

	01/01 to 03/31/2014	01/01 to 03/31/2013
Provision for contingencies (Note 12b)	(478,053)	(415,217)
Civil lawsuits	(390,337)	(369,931)
Tax and social security contributions	(84,870)	(40,158)
Other	(2,846)	(5,128)
Selling - credit cards	(594,135)	(452,525)
Claims	(85,782)	(106,844)
Provision for health insurance (Note 13c)	(6,520)	(4,859)
Refund of interbank costs	(54,554)	(57,644)
Other	(445,340)	(217,681)
Total	**(1,664,384)**	**(1,254,770)**

Note 14 - Taxes

a) Composition of expenses for taxes and contributions

I - Statement of calculation with income tax and social contribution:

	01/01 to 03/31/2014	01/01 to 03/31/2013
Income before income tax and social contribution	**7,093,394**	**4,935,591**
Charges (income tax and social contribution) at the rates in effect (Note 4o)	(2,837,358)	(1,974,236)
Increase/decrease to income tax and social contribution charges arising from:		
Investments in affiliates and jointly controlled entities	30,981	22,720
Foreign exchange variation on investments abroad	(413,191)	(96,093)
Interest on capital	428,024	418,457
Corporate reorganizations (Note 2c)	156,963	156,963
Dividends and interest on external debt bonds	40,558	36,470
Other nondeductible expenses net of non taxable income	44,977	54,703
Total income tax and social contribution	**(2,549,046)**	**(1,381,016)**

II - Composition of tax expenses:

	01/01 to 03/31/2014	01/01 to 03/31/2013
PIS and COFINS	(1,041,995)	(882,942)
ISS	(201,697)	(181,308)
Other	(124,962)	(110,589)
Total (Note 4o)	**(1,368,654)**	**(1,174,839)**

In ITAÚ UNIBANCO HOLDING tax expenses amount to R$ 63,333 (R$ 55,214 at 03/31/2013) are mainly composed of PIS and COFINS.

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, ITAÚ UNIBANCO HOLDING carries out derivative transactions in foreign currency (hedge), as mentioned in Note 22b.

Results of these transactions are considered in the calculation base 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:

	Provisions		Deferred Tax Assets				
	03/31/2013	03/31/2014	12/31/2013	Realization / Reversal	Increase	03/31/2014	03/31/2013
Reflected in income and expense accounts			**36,141,123**	**(5,010,797)**	**4,587,752**	**35,718,078**	**31,945,611**
Related to income tax and social contribution loss carryforwards			6,122,197	(275,407)	402,072	6,248,862	4,731,954
Related to disbursed provisions			19,252,617	(1,805,719)	1,543,094	18,989,992	17,962,141
Allowance for loan losses			16,890,552	(973,931)	1,475,617	17,392,238	14,939,013
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)			511,180	(511,180)	43,161	43,161	382,138
Allowance for real estate			176,230	(2,456)	1,842	175,616	161,970
Goodwill on purchase of investments			1,568,007	(296,377)	-	1,271,630	2,349,747
Other			106,648	(21,775)	22,474	107,347	129,273
Related to non-disbursed provisions (*)	24,528,704	32,215,881	10,766,309	(2,929,671)	2,642,586	10,479,224	9,251,516
Related to the operation	19,470,289	26,998,914	8,679,522	(2,929,671)	2,642,586	8,392,437	7,228,151
Provision for contingent liabilities	9,592,012	13,628,720	3,972,793	(289,790)	1,591,924	5,274,927	3,598,673
Civil lawsuits	3,676,030	4,244,298	1,706,046	(65,507)	112,959	1,753,498	1,453,637
Labor claims	3,394,717	3,572,110	1,400,057	(112,654)	131,529	1,418,932	1,285,658
Tax and social security contributions	2,472,528	5,765,521	848,779	(111,629)	1,347,407	2,084,557	840,660
Other	48,737	46,791	17,911	-	29	17,940	18,718
Adjustments of operations carried out in futures settlement market	8,285	1,766,344	691,746	(5,528)	21	686,239	3,314
Legal obligation - tax and social security contributions	3,187,775	2,175,870	1,479,166	(1,334,431)	182,065	326,800	1,755,954
Provision related to health insurance operations	639,450	661,448	261,972	-	2,607	264,579	255,779
Other non-deductible provisions	6,042,767	8,766,532	2,273,845	(1,299,922)	865,969	1,839,892	1,614,431
Related to provisions exceeding the minimum required not disbursed – allowance for loan losses	5,058,415	5,216,967	2,086,787	-	-	2,086,787	2,023,365
Reflected in stockholders' equity accounts							
Corporate reorganizations (Note 2c)	10,689,182	8,802,858	3,152,634	(159,662)	-	2,992,972	3,634,322
Adjustment to market value of available-for-sale securities	111,368	1,851,495	866,023	(125,982)	557	740,598	44,547
Cash flow hedge and hedge of net investment in foreign operation	165,040	-	-	-	-	-	66,016
Total	**35,494,294**	**42,870,234**	**40,159,780**	**(5,296,441)**	**4,588,309**	**39,451,648**	**35,690,496**
Social contribution for offset arising from Option established in article 8 of Provisional Measure No. 2,158-35 of August 24, 2001			**647,376**	**(30,243)**	**-**	**617,133**	**652,821**

(*) From a financial point of view, rather than recording the provision of R$ 32,215,881 (R$ 24.528,704 at 03/31/2013) and deferred tax assets of R$ 10,479,224 (R$ 9,251,516 at 03/31/2013), only the net provisions of the corresponding tax effects should be considered, which would reduce the total deferred tax assets from R$ 39,451,648 (R$ 35,690,496 at 03/31/2013) to R$ 28,972,424 (R$ 26,438,980 at 03/31/2013).

At ITAÚ UNIBANCO HOLDING, the deferred tax assets totaled R$ 184,631 (R$ 699,465 at 03/31/2013) and are basically represented by tax loss of R$ 163,944 (R$ 233,683 at 03/31/2013) and legal liabilities – tax and social security of R$ 16,162 (R$ 462,061 at 03/31/2013), which expected realization is dependent upon the progress of the lawsuit.

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

	12/31/2013	Realization / Reversal	Increase	03/31/2014	03/31/2013
Reflected in income and expense accounts	**6,433,064**	**(979,180)**	**741,264**	**6,195,148**	**7,641,577**
Depreciation in excess – leasing	4,164,743	(750,930)	393,095	3,806,908	5,076,113
Restatement of escrow deposits and contingent liabilities	1,109,172	(20,991)	76,149	1,164,330	1,059,196
Provision for pension plan benefits	355,189	-	1,689	356,878	932,804
Adjustment to market value of securities and derivative financial instruments	177,532	(177,532)	206,478	206,478	159,004
Adjustments of operations carried out in future settlement market	368,519	(4,482)	-	364,037	128,976
Taxation of results abroad – capital gains	125,890	-	8,143	134,033	96,407
Other	132,019	(25,245)	55,710	162,484	189,077
Reflected in stockholders' equity accounts	**419,149**	**(4,805)**	**53,536**	**467,880**	**575,782**
Adjustment to market value of available-for-sale securities	23,861	(4,805)	-	19,056	575,150
Cash flow hedge and hedge of net investment in foreign operation	84,339	-	37,686	122,025	-
Provision for pension plan benefits (*)	310,949	-	15,850	326,799	632
Total	**6,852,213**	**(983,985)**	**794,800**	**6,663,028**	**8,217,359**

(*) Reflected in stockholders' equity, pursuant to CVM Resolution nº 695/12 (Note 19).

At ITAÚ UNIBANCO HOLDING, the provision for deferred income tax and social contribution totals R$ 3,727 (R$ 3,777 at 03/31/2013), mainly represented by restatement of escrow deposits and contingent liabilities.

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 August 24, 2001 and from the Provision for Deferred Income Tax and Social Contribution existing at March 31, 2014, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are:

	Deferred tax assets											
	Temporary differences	%	Tax loss/social contribution loss carryforwards	%	Total	%	Social contribution for offset	%	Provision for deferred income tax and social contribution	%	Net deferred taxes	%
2014	10,847,178	33%	570,637	9%	11,417,815	29%	12,029	2%	(2,088,241)	32%	9,341,603	28%
2015	6,504,862	20%	2,404,533	39%	8,909,395	23%	491,384	80%	(2,003,035)	30%	7,397,744	22%
2016	5,100,658	15%	1,990,169	32%	7,090,827	18%	113,135	18%	(1,087,005)	16%	6,116,957	18%
2017	2,422,192	7%	1,259,600	20%	3,681,792	9%	585	0%	(351,178)	5%	3,331,199	10%
2018	3,561,289	11%	12,405	0%	3,573,694	9%	-	0%	(298,913)	4%	3,274,781	10%
after 2018	4,766,607	14%	11,518	0%	4,778,125	12%	-	0%	(834,656)	13%	3,943,469	12%
Total	**33,202,786**	**100%**	**6,248,862**	**100%**	**39,451,648**	**100%**	**617,133**	**100%**	**(6,663,028)**	**100%**	**33,405,753**	**100%**
Present value (*)	**29,261,267**		**5,660,102**		**34,921,369**		**570,001**		**(5,984,879)**		**29,506,491**	

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

The projections of future taxable income include estimates related to macroeconomic variables, exchange rates, interest rates, volume of financial operations and services fees and 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- There are no unrecorded.deferred tax assets at 03/31/2014 and 03/31/2013.

c) Tax and social security contributions

	03/31/2014	03/31/2013
Taxes and contributions on income payable	2,268,449	1,378,097
Taxes and contributions payable	1,431,512	1,271,109
Provision for deferred income tax and social contribution (Note 14b II)	6,663,028	8,217,359
Legal liabilities – tax and social security (Note 12b)	6,743,833	7,333,849
Total	**17,106,822**	**18,200,414**

At ITAÚ UNIBANCO HOLDING, the balance of Tax and Social Security Contributions totals R$ 92,448 (R$ 1,190,960 at 03/31/2013) and is mainly comprised of Taxes and contributions on income payable of R$ 87,652 (Legal liabilities – tax and social security of R$ 1,117,048 at 03/31/2013).

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

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

	03/31/2014	03/31/2013
Taxes paid or provided for	5,211,765	4,097,486
Taxes withheld and collected from third parties	2,607,666	2,389,158
Total	**7,819,431**	**6,486,644**

Note 15 – Permanent Assets

a) Investment

I - Change of relevant investments - ITAÚ UNIBANCO HOLDING

Companies	Balances at 12/31/2013					Changes until 03/31/2014											Equity in earnings of subsidiaries from 01/01 to 03/31/2013
	Book value		Unrealized results	Goodwill	Balances at 12/31/2013	Amortization of goodwill	Dividends / interest on capital paid/provided for [2]	Equity in earnings of subsidiaries					Adjustments in marketable securities of subsidiaries and other	Corporate Events [3]	Balance at 03/31/2014	Balance at 03/31/2013	
	Stockholders' equity	Adjustments under investor criteria [1]						Earnings/ (loss)	Changes in exchange rates	Adjustments under investor criteria [1]	Unrealized results	Total					
Domestic	**51,982,627**	**(73,333)**	**(547,927)**	**30,622**	**51,391,989**	**(1,584)**	**(110,760)**	**2,744,304**	**-**	**35,776**	**(73,297)**	**2,706,783**	**285,717**	**(1)**	**54,272,144**	**49,654,920**	**1,821,960**
Itaú Unibanco S.A.	43,302,347	(32,439)	(546,357)	30,622	42,754,173	(1,584)	(98,290)	2,316,853	-	(1,543)	27,307	2,342,617	287,312	909,037	46,193,265	42,550,871	1,305,224
Banco Itaú BBA S.A.	5,929,991	(37,276)	-	-	5,892,715	-	-	133,991	-	37,276	(100,756)	70,511	(1,449)	(909,037)	5,052,740	5,626,285	275,824
Banco Itaucard S.A. [4]	1,614,061	(3,618)	(1,570)	-	1,608,873	-	-	309,580	-	43	152	309,775	(147)	-	1,918,501	540,225	228,801
Itaú Corretora de Valores S. A. [4]	1,084,957	-	-	-	1,084,957	-	-	(16,903)	-	-	-	(16,903)	-	-	1,068,054	890,885	11,566
Itaú-BBA Participações S.A.	51,250	-	-	-	51,250	-	(12,466)	782	-	-	-	782	-	-	39,566	46,652	545
Itau Soluções Previd, S.A	2	-	-	-	2	-	-	-	-	-	-	-	-	(1)	1	2	-
Itau Seguros S.A.	19	-	-	-	19	-	(4)	1	-	-	-	1	1	-	17	-	-
Foreign	**4,616,445**	**-**	**-**	**154,228**	**4,770,673**	**(12,851)**	**-**	**132,642**	**(226,619)**	**-**	**-**	**(93,977)**	**8,030**	**-**	**4,671,875**	**3,839,373**	**43,749**
Itaú Chile Holdings, INC.	3,647,486	-	-	135,725	3,783,211	(11,310)	-	22,489	(124,289)	-	-	(101,800)	3,121	-	3,673,222	3,195,471	21,407
Banco Itaú Uruguay S.A.	736,468	-	-	14,136	750,604	(1,178)	-	80,491	(78,013)	-	-	2,478	4,911	-	756,815	457,400	10,581
OCA S.A.	177,931	-	-	3,757	181,688	(313)	-	26,567	(18,857)	-	-	7,710	(1)	-	189,084	139,134	11,790
OCA Casa Financiera S.A.	51,296	-	-	546	51,842	(45)	-	3,083	(5,145)	-	-	(2,062)	-	-	49,735	44,249	(75)
ACO Ltda.	3,264	-	-	64	3,328	(5)	-	12	(315)	-	-	(303)	(1)	-	3,019	3,119	46
Grand total	**56,599,072**	**(73,333)**	**(547,927)**	**184,850**	**56,162,662**	**(14,435)**	**(110,760)**	**2,876,946**	**(226,619)**	**35,776**	**(73,297)**	**2,612,806**	**293,747**	**(1)**	**58,944,019**	**53,494,293**	**1,865,709**

(1) Adjustment arising from the standardization of the investee's financial statements according to the investor's accounting policies;

(2) Dividends approved and not paid are recorded as Dividends receivable.

(3) Corporate Events arising from acquisitions, spin-offs, merges, takeovers, and increases or decreases of capital.

(4) The investment and the equity in earnings reflect the different interest in preferred shares, profit sharing and dividends.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares/quotas owned by ITAÚ UNIBANCO HOLDING			Equity share in voting capital (%)	Equity share in capital (%)
				Common	Preferred	Quotas		
Domestic								
Itaú Unibanco S.A.	40,325,563	46,668,113	2,316,853	2,124,156,731	2,057,245,497	-	100.00	100.00
Banco Itaú BBA S.A.	3,574,844	5,153,497	133,992	4,474,436	4,474,436	-	99.99	99.99
Banco Itaucard S.A.	15,564,076	18,377,641	342,366	3,596,744,163	1,277,933,118	-	1.51	2.04
Itaú Corretora de Valores S. A.	1,046,841	2,283,805	(18,709)	-	811,503	-	-	1.94
Itaú-BBA Participações S.A.	35,196	39,566	782	12,953	25,906	-	100.00	100.00
Itau Soluções Previd, S.A	210,213	217,077	6,047	-	-	22	0.01	0.01
Itau Seguros S.A.	5,414,295	7,143,865	458,673	450	1	-	0.01	0.01
Foreign								
Itaú Chile Holdings, INC.	2,936,738	3,548,807	22,489	100	-	-	100.00	100.00
Banco Itaú Uruguay S.A.	448,299	743,857	80,491	4,465,133,954	-	-	100.00	100.00
OCA S.A.	15,082	185,640	26,566	1,502,176,740	-	-	100.00	100.00
OCA Casa Financiera S.A.	19,463	49,235	3,083	646	-	-	100.00	100.00
ACO Ltda.	13	2,983	12	-	-	131	99.24	99.24

II - Composition of investments

	03/31/2014	03/31/2013
Investment in affiliates and jointly controlled entities	**3,046,523**	**2,251,815**
Domestic	**2,972,189**	**2,173,441**
Porto Seguro Itaú Unibanco Participações S.A. (1)	1,613,837	1,288,390
BSF Holding S.A. (2)	882,357	831,440
Instituto de Resseguros do Brasil - IRB (1) (3)	400,981	-
Tecnologia Bancária S.A. (1)	71,354	50,811
Other	3,660	2,800
Foreign	**74,334**	**78,374**
MCC Securities Inc.	57,614	59,479
MCC Corredora de Bolsa	15,158	14,784
Other	1,562	4,111
Other investments	**532,066**	**979,376**
Investments through tax incentives	193,447	171,656
Equity securities	12,898	12,885
Shares and quotas	145,107	233,376
Instituto de Resseguros do Brasil - IRB (3)	-	227,170
Other	180,614	334,289
(Allowance for loan losses)	**(203,122)**	**(267,879)**
Total	**3,375,467**	**2,963,312**

(1) For the purpose of accounting for participation in earnings, the position at 02/28/2014 was used, as provided for in Circular Letter nº 1,963 of May 23, 1991, from BACEN;

(2) Includes goodwill in the amount of R$ 437,751 (R$ 517,022 on 03/31/2013).

(3) Investment stated under the equity method starting from the 1st quarter of 2013, considering the assessment of significant influence to the completion of the privatization process.

III - Equity in earnings of affiliates, jointly controlled entities and other investments

	01/01 to 03/31/2014	01/01 to 03/31/2013
Investment in affiliates and jointly controlled entities – domestic	78,727	61,143
Investment in affiliates and jointly controlled entities – foreign	1,490	1,663
Dividends received from other investments	10,632	9,165
Result not arising from income of controlled companies	(1,227)	(4,344)
Total	**89,622**	**67,627**

b) Fixed assets, goodwill and intangible assets

I) Fixed assets

Real estate in use [1]	Real Estate in Use [2] [3]		Other Fixed Assets [3]					Total
	Land	Buildings	Improvements	Installations	Furniture and equipment	EDP Systems [4]	Other (comunication, security and transportation)	
Annual depreciation rates		4.0%	10.0%	10.0 to 20.0%	10.0 to 20.0%	20.0 to 50.0%	10.0 to 20.0%	
Cost								
Balance at 12/31/2013	**950,237**	**2,998,866**	**1,296,763**	**1,044,157**	**1,094,491**	**6,296,058**	**724,882**	**14,405,454**
Acquisitions	-	84,069	31,128	10,102	103,069	330,692	8,364	567,424
Disposals	-	(1,830)	(49,356)	(1,088)	(5,937)	(230,530)	(1,654)	(290,395)
Exchange variation	(807)	(16,304)	(15,886)	(1,293)	(18,258)	(16,336)	(5,565)	(74,449)
Other	-	41,029	4,805	(44,399)	63	5,531	(1,338)	5,691
Balance at 03/31/2014	**949,430**	**3,105,830**	**1,267,454**	**1,007,479**	**1,173,428**	**6,385,415**	**724,689**	**14,613,725**
Depreciation								
Balance at 12/31/2013	**-**	**(1,651,588)**	**(666,584)**	**(439,613)**	**(486,763)**	**(4,230,323)**	**(410,738)**	**(7,885,609)**
Depreciation expenses	-	(18,037)	(55,868)	(19,730)	(15,970)	(279,754)	(18,274)	(407,633)
Disposals	-	6	49,302	907	3,937	222,192	426	276,770
Exchange variation	-	3,318	8,247	1,525	15,249	11,187	1,848	41,374
Other	-	3,825	(3,682)	791	(15,756)	5,725	782	(8,315)
Balance at 03/31/2014	**-**	**(1,662,476)**	**(668,585)**	**(456,120)**	**(499,303)**	**(4,270,973)**	**(425,956)**	**(7,983,413)**
Impairment								
Balance at 12/31/2013	**-**	**-**	**-**	**-**	**(8,933)**	**-**	**-**	**(8,933)**
Additions/ assumptions	-	-	-	-	-	-	-	**-**
Reversals	-	-	-	-	-	-	-	**-**
Balance at 03/31/2014	**-**	**-**	**-**	**-**	**(8,933)**	**-**	**-**	**(8,933)**
Book value								
Balance at 03/31/2014	**949,430**	**1,443,354**	**598,869**	**551,359**	**665,192**	**2,114,442**	**298,733**	**6,621,379**
Balance at 03/31/2013	**958,438**	**958,985**	**608,614**	**523,371**	**494,593**	**1,808,145**	**251,507**	**5,603,653**

(1) The contractual commitments for the purchase of the fixed assets totaled R$ 707,879, achievable by 2016.

(2) Includes amounts pledged in guarantee of voluntary deposits (Note 12d).

(3) Includes the amount of R$ 3,423 related to attached real estate; fixed assets under construction in the amount of R$ 1,158,675 consisting of R$ 885,390 in real estate in use; R$ 11,921 in improvements, and R$ 261,364 in equipment.

(4) Includes lease contracts, mainly related to data processing equipment, which are accounted for as finance leases. Pursuant to this method, assets and liabilities are accounted for in the financial statements, and assets are depreciated consistently with the depreciation criteria usually adopted for own assets. These contracts amount to R$ 333,236 at 03/31/2014.

II) Goodwill

	Amortization period	Balance at 12/31/2013	Changes				Balance at 03/31/2014	Balance at 03/31/2013
			Acquisitions	Amortization expenses	Impairment	Disposals		
Goodwill (Notes 2b and 4j)	10 years	**1,921,230**	**23,461**	**(51,456)**	**-**	**-**	**1,893,235**	**47,137**

III) Intangible assets

Intangible [1]	Rights for aquisition of payroll [2]	Other intangible assets					Total
		Association for the promotion and offer of financial products and services	Acquisition of software	Development of software	Goodwill on Acqusition (Note 4k)	Other Intangible Assets	
Annual amortization rates	20.0%	8.0%	20.0%	20.0%	20.0%	10.0 to 20.0%	
Cost							
Balance at 12/31/2013	**1,164,996**	**1,687,871**	**1,722,028**	**2,195,703**	**21,612**	**946,771**	**7,738,981**
Acquisitions	31,638	-	52,746	171,851	-	136	256,371
Disposals	(41,019)	(12,452)	(46,141)	-	-	(115)	(99,727)
Exchange variation	-	(10,478)	(35,658)	-	-	(11,573)	(57,709)
Other	-	640	2,872	-	-	(1)	3,511
Balance at 03/31/2014	**1,155,615**	**1,665,581**	**1,695,847**	**2,367,554**	**21,612**	**935,218**	**7,841,427**
Amortization							
Balance at 12/31/2013	**(535,455)**	**(256,612)**	**(775,530)**	**(46,527)**	**(10,446)**	**(343,722)**	**(1,968,292)**
Amortization expenses [3]	(57,994)	(40,420)	(75,885)	(14,164)	(1,081)	(17,594)	(207,138)
Disposals	40,988	12,452	46,141	-	-	115	99,696
Exchange variation	-	2,050	16,815	-	-	8,166	27,031
Other	-	-	(256)	-	-	1	(255)
Balance at 03/31/2014	**(552,461)**	**(282,530)**	**(788,715)**	**(60,691)**	**(11,527)**	**(353,034)**	**(2,048,958)**
Impairment [4]							
Balance at 12/31/2013	**(18,251)**	**(26,810)**	**-**	**(5,784)**	**-**	**-**	**(50,845)**
Additions/ assumptions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at 03/31/2014	**(18,251)**	**(26,810)**	**-**	**(5,784)**	**-**	**-**	**(50,845)**
Book value							
Balance at 03/31/2014	**584,903**	**1,356,241**	**907,132**	**2,301,079**	**10,085**	**582,184**	**5,741,624**
Balance at 03/31/2013	**661,542**	**1,223,088**	**822,322**	**1,704,156**	**14,407**	**338,277**	**4,763,792**

(1) The contractual commitments for purchase of the new intangible assets totaled R$ 940,180, achievable by 2016.

(2) Represents the recording of amounts paid for acquisition of rights to provide services of payment of salaries, proceeds, retirement and pension benefits and similar benefits.

(3) Amortization expenses of the rights for acquisition of payrolls and associations are disclosed in the expenses on financial operations.

(4) Pursuant to BACEN Resolution No. 3,566, of May 29, 2001 (Note 13i).

Note 16 – Stockholders' equity

a) Shares

The Extraordinary Stockholders' Meeting held on April 19, 2013 approved the increase of subscribed and paid-up capital by R$ 15,000,000, with the capitalization of the amounts recorded in Revenue Reserve – Statutory Reserve, with a 10% bonus shares. Bonus shares started being traded on May 21, 2013 and the process was approved by the Central Bank on May 6, 2013. Accordingly, capital stock was increased by 457,093,610 shares.

Capital comprises 5,028,029,710 book-entry shares with no par value, of which 2,518,215,040 are common and 2,509,814,670 are preferred shares without voting rights, but with 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. Capital stock amounts to R$ 60,000,000 (R$ 45,000,000 at 03/31/2013), of which R$ 41,256,449 (R$ 31,101,631 at 03/31/2013) refers to stockholders domiciled in the country and R$ 18,743,551 (R$ 13,898,369 at 03/31/2013) refers to stockholders domiciled abroad.

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

	Number			Amount
	Common	Preferred	Total	
Residents in Brazil at 12/31/2013	2,502,311,972	983,934,784	3,486,246,756	
Residents abroad at 12/31/2013	15,903,068	1,525,879,886	1,541,782,954	
Shares of capital stock at 12/31/2013	**2,518,215,040**	**2,509,814,670**	**5,028,029,710**	
Shares of capital stock at 03/31/2014	**2,518,215,040**	**2,509,814,670**	**5,028,029,710**	
Residents in Brazil at 03/31/2014	2,502,614,401	954,696,486	3,457,310,887	
Residents abroad at 03/31/2014	15,600,639	1,555,118,184	1,570,718,823	
Treasury shares at 12/31/2013	**2,310**	**68,867,010**	**68,869,320**	**(1,854,432)**
Exercised – granting of stock options	-	(5,537,907)	(5,537,907)	89,747
Disposals – stock option plan	-	(5,095,682)	(5,095,682)	196,588
Treasury shares at 03/31/2014 [1]	**2,310**	**58,233,421**	**58,235,731**	**(1,568,097)**
Outstanding shares at 03/31/2014	**2,518,212,730**	**2,451,581,249**	**4,969,793,979**	
Outstanding shares at 03/31/2013 [2]	**2,518,212,730**	**2,457,214,680**	**4,975,427,410**	

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

(2) For better comparability, outstanding shares for the period ending March 31, 2013 were adjusted for the bonus of May 21, 2013.

We detail below the average cost of treasury shares and their market price at March 31, 2014:

Cost / Market value	Common	Preferred
Treasury shares		
Average cost	8.77	26.93
Market value	31.93	33.90

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 annual minimum priority dividend of R$ 0.022 per share non-cumulative to be paid to preferred shares.

The calculation of the monthly advance of mandatory minimum dividend is based on the share position on the last day of the prior month, taking into consideration that the payment is made on the first business day of the subsequent month, in the amount of R$ 0.015 per share.

I - Calculation

Net income	3,357,380	
Adjustments:		
(-) Legal reserve	(167,869)	
Dividend calculation basis	3,189,511	
Mandatory dividend	797,378	
Dividend – paid/provided for	797,378	25.0%

II – Payments / provision of interest on capital and dividends

	Gross	WTS	Net
Paid / Prepaid	**148,778**	**-**	**148,778**
Dividends - 2 monthly installments of R$ 0.015 per share paid in February and March 2014	148,778	-	148,778
Declared until March 31, 2014 (recorded in other liabilities – Social and Statutory)	**749,912**	**(101,312)**	**648,600**
Dividends - 1 monthly installment of R$ 0.015 per share paid on 04/01/2014	74,500	-	74,500
Interest on capital - R$ 0.1359 per share	675,412	(101,312)	574,100
Total from 01/01 to 03/31/2014 - R$ 0.1605 net per share	**898,690**	**(101,312)**	**797,378**
Total from 01/01 to 03/31/2013 - R$ 0.1299 net per share	**655,086**	**(67,754)**	**587,332**

c) Capital and revenue reserves

	03/31/2014	03/31/2013
Capital reserves	**827,314**	**870,524**
Premium on subscription of shares	283,512	283,512
Granted options recognized – Law No. 11,638 and Share-based instruments	542,697	585,907
Reserves from tax incentives and restatement of equity securities and other	1,105	1,105
Revenue reserves	**31,629,212**	**40,091,360**
Legal	5,138,941	4,511,652
Statutory:	26,490,271	35,579,708
Dividends equalization [(1)]	8,574,464	11,961,873
Working capital increase [(2)]	7,543,379	10,183,024
Increase in capital of investees [(3)]	10,372,428	13,434,811

(1) Reserve for Dividends Equalization – its purpose is to guarantee funds for the payment of 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) Conciliation of net income and stockholders' equity (Note 2b)

	Net income		Stockholders' equity	
	01/01 to 03/31/2014	01/01 to 03/31/2013	03/31/2014	03/31/2013
ITAÚ UNIBANCO HOLDING	**3,357,380**	**2,472,977**	**89,647,487**	**85,174,424**
Amortization of goodwill	429,883	537,809	(1,664,396)	(3,703,607)
Corporate reorganizations (Note 2c)	469,594	461,653	(5,809,886)	(7,054,860)
Foreign exchange variation on investments / Net Investment Hedge in Foreign Operations (Note 4s)	162,222	-	-	-
ITAÚ UNIBANCO HOLDING CONSOLIDATED	**4,419,079**	**3,472,439**	**82,173,205**	**74,415,957**

e) Minority interest in subsidiaries

	Stockholders' equity		Net Income	
	03/31/2014	03/31/2013	01/01 to 03/31/2014	01/01 to 03/31/2013
Itau Bank, Ltd. (1)	889,561	791,718	-	-
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	378,907	315,269	(24,800)	(8,622)
Banco Itaú BMG Consignado S.A.	299,262	297,502	(3,784)	5,675
Luizacred S.A. Soc. Cred. Financiamento Investimento	247,631	180,468	(29,044)	(14,800)
IGA Participações S.A. (2)	51,515	55,948	(521)	(433)
Investimentos Bemge S.A.	21,052	19,971	(314)	(215)
Banco Investcred Unibanco S.A.	19,342	18,750	(255)	(177)
Biogeração de Energia S.A. (3)	-	9,322	-	(22)
Outras	11,882	8,080	(5,137)	(2,150)
Total	**1,919,152**	**1,697,028**	**(63,855)**	**(20,744)**

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

(2) New company name of Itaú Gestão de Ativos S.A.

(3) All shares were acquired on January 8, 2014.

f) Stock option plan

I – Purpose and guidelines of the plan

ITAÚ UNIBANCO HOLDING has a stock option plan for its executives. This program aims at involving the management members in the medium and long-term corporate development process, by granting simple stock options or partner options, personal, not pledgeable or transferable, which entitle to the subscription of one authorized capital share or, at the discretion of the management, one treasury share which has been acquired for replacement purposes.

Such options may only be granted in years in which there are sufficient profits to enable the distribution of mandatory dividends to stockholders and at a quantity that does not exceed the limit of 0.5% of the total shares held by the stockholders at the base date of the year-end balance sheet. ITAÚ UNIBANCO HOLDING's Personnel Committee is responsible for defining the total quantity, the beneficiaries, the type of option, the life of the option under each series, which may range from a minimum of 5 and a maximum of 10 years, and the vesting period for exercising the options and the period the acquired shares are unavailable due to the exercise of the options. The executive officers and Board of Directors members of ITAÚ UNIBANCO HOLDING and of its subsidiaries and employees may participate in this program, based on assessment of potential and performance.

Currently, ITAÚ UNIBANCO HOLDING settles the benefits under this PLAN only by delivering its own shares, which are held in treasury until the effective exercise of the options by the beneficiaries.

II - Characteristics of the programs

II.I – Simple options

Prior programs

Before the merger, Itaú and Unibanco each had Stock Option Plans (Prior Programs). The eligible beneficiaries of the program were granted simple options, depending upon the individual employee performance. The exercise price is calculated based on the average prices of preferred shares at the BM&FBOVESPA trading sessions over the period of at least one (1) and at the most three (3) months prior to the option issue date; alternatively, subject to the positive or negative adjustment of up to 20.0%, and restated until the last business day of the month prior to the option exercise date based either on the IGP-M or IPCA, in its absence, based on the index determined by the committee. Options are no longer granted under this model.

Post-merger program

The eligible beneficiaries of the program are granted simple options, dependent upon the individual employee performance. The exercise price is calculated based on the average prices of preferred shares at the BM&FBOVESPA in the last three months of the year prior to the granting date or, alternatively, subject to the positive or negative adjustment of up to 20.0%. The exercise price is adjusted based on the IGPM or, in its absence, based on the index determined by the committee.

The vesting period is from one (1) to seven (7) years, counted from the issue date.

The ESM of April 19, 2013 approved the conversion of the Stock Option Plan of REDE by ITAÚ UNIBANCO HOLDING, with the exchange of RDCD3 shares to ITUB4 shares with no significant financial impacts.

II.II – Partners plan

Executives selected to participate in the program may invest a percentage of their bonus to acquire shares or they have the right to receive shares ("Share-Based Instrument"). Title to the shares acquired, as well as the share-based instruments, should be held by the executives for a period of 3 to 5 years and they are subject to market fluctuation. At the time they acquire own shares and/or share-based instruments, Partner Options are granted in accordance with the classification of executives. Vesting period of Partners Options or share-based instruments is from 1 to 7 years. Share-based instruments and Partner options are converted into own shares of ITAÚ UNIBANCO HOLDING in the ratio of one preferred share for each instrument after the respective vesting period, with no payment of amounts in legal tender during the exercise.

The acquisition price of own shares and Share-Based Instruments is established every six months and it is equivalent to the average preferred share quotation at the BM&FBOVESPA trading sessions in the 30 days prior to the determination of said price.

Title to the shares received after the vesting period of the Partners Options should be held, without any liens or encumbrances, for periods from 5 to 8 years, counted from the date of acquisition of own shares.

The weighted average fair value of the Share-Based Instruments at the granting date was estimated for the shares purchased in the period ended March 31, 2014 – R$ 31.43 per share (at March 31, 2013 - R$ 34.66 per share).

The fair value of the Share-Based Instruments is the market price quoted at the granting date for preferred shares of ITAÚ UNIBANCO HOLDING less the cash price paid by the beneficiaries. Amount received for the purchase of Share-Based Instruments for the period ended March 31, 2014 - R$ 7,982 (at March 31, 2013 - R$ 15,215).

Summary of changes in the plan

	Simple options			Partner options		Total
	Quantity	Weighted average Exercise price	Weighted average Market value	Quantity	Weighted average Market value	
Opening balance at 12/31/2013	**59,378,951**	**36.13**		**16,683,473**		**76,062,424**
Options exercisable at the end of the period	29,758,904	33.46		-		29,758,904
Options outstanding not exercisable	29,620,047	39.88		16,683,473		46,303,520
Options:						
Granted [1]	-	-		6,673,692		6,673,692
Canceled/Forfeited [2]	(24,968)	38.73		(1,472)		(26,440)
Exercised	(3,094,786)	28.84	32.19	(2,443,121)	28.42	(5,537,907)
Closing balance at 03/31/2014	**56,259,197**	**37.57**		**20,912,572**		**77,171,769**
Options exercisable at the end of the period	26,939,444	34.30		8,570		26,948,014
Options outstanding not exercisable	29,319,753	40.56		20,904,003		50,223,756
Range of exercise prices						
Granting 2006-2009		28.19 - 47.67				
Granting 2010-2012		28.90 - 45.79				
Weighted average of the remaining contractual life (in years)	3.29			2.70		

(1) It refers to the conversion of the REDE Plan.
(2) Refers to non-exercise due to the beneficiary's option.

	Simple options			Partner options		Total
	Quantity	Weighted average Exercise price	Weighted average Market value	Quantity	Weighted average Market value	
Opening balance at 12/31/2012	**65,161,746**	**34.43**		**15,704,171**		**80,865,917**
Options exercisable at the end of the period	21,464,092	34.84		36,821		21,500,913
Options outstanding not exercisable	43,697,654	34.23		15,667,350		59,365,004
Options:						
Granted	-	-		5,196,045		5,196,045
Canceled/Forfeited (*)	(129,616)	35.60		(229,773)		(359,389)
Exercised	(442,156)	27.44	32.63	(360,823)	31.86	(802,979)
Closing balance at 03/31/2013	**64,589,974**	**34.92**		**20,309,620**		**84,899,594**
Options exercisable at the end of the period	21,036,209	35.39		86,236		21,122,445
Options outstanding not exercisable	43,553,765	34.70		20,223,384		63,777,149
Range of exercise prices						
Granting 2005-2009		26.65 - 44.92				
Granting 2010-2012		31.63 - 43.30				
Weighted average of the remaining contractual life (in years)	4.12			2.36		

(*) Refers to non-exercise due to the beneficiary's option.

Summary of changes in Share-Based Instruments (SBI)

	Quantity
Balance at 12/31/2013	**1,985,260**
Instruments:	
New SBI's	260,428
Converted into shares	(1,151,211)
Balance at 03/31/2014	**1,094,477**
Weighted average of the remaining contractual life (in years)	1.29

	Quantity
Balance at 12/31/2012	**3,076,764**
Instruments:	
New SBI's	485,239
Converted into shares	(995,557)
Balance at 03/31/2013	**2,566,446**
Weighted average of the remaining contractual life (in years)	1.03

III – Fair value and economic assumptions for cost recognition

ITAÚ UNIBANCO HOLDING recognizes, at the granting date, the fair value of options through the Binomial method for Simple Options and the Black & Scholes method for Partners Options. Economic assumptions used are as follows:

Exercise price: for the option exercise price, the exercise price previously agreed upon at the option issue is adopted, adjusted by the IGP-M variation;

Price of the underlying asset: the share price of ITAÚ UNIBANCO HOLDING (ITUB4) used for calculation is the closing price at BM&FBOVESPA on the calculation base date;

Expected dividends: the average annual return rate for the last three years of the dividends paid, plus interest on capital of the ITUB4 share;

Risk-free interest rate: the applied risk-free rate is the IGP-M coupon rate at the expiration date of the option plan;

Expected volatility: calculated based on the standard deviation from the history of the last 84 monthly returns of closing prices of the ITUB4 share, released by BM&FBOVESPA, adjusted by the IGP-M variation.

Granting		Vesting period until	Exercise period until	Price of underlying asset	Fair value	Expected dividends	Risk-free interest rate	Expected volatility
No.	Date							
Partners options (*)								
19th	02/27/2014	02/27/2017	-	31.43	28.43	3.35%	-	-
19th	02/27/2014	02/27/2019	-	31.43	26.60	3.35%	-	-

(*) The fair value of option is measured based on the fair value of ITAÚ UNIBANCO HOLDING share at the granting date.

IV - Accounting effects arising from options

The exercise of stock options, pursuant to the Plan's regulation, resulted in the sale of preferred shares held in treasury thus far. The accounting entries related to the plan are recorded during the vesting period, at the deferral of the fair value of options granted with effect on Income, and during the exercise of options, at the amount received from the option exercise price, reflected in Stockholders' Equity.

The effect of Income for the period from January 1 to March 31, 2014 was R$ (46,489) (R$ (47,167) from January 1 to March 31, 2013) as a contra-entry to Capital Reserve – Granted Options Recognized – Law No. 11,638 (Note 16c).

In the Stockholders' Equity, the effect was as follows:

	03/31/2014	03/31/2013
Amount received for the sale of shares – exercised options	210,765	118,985
(-) Cost of treasury shares sold	(286,335)	(137,283)
(+) Write-off of cost recognized of exercised options	94,736	27,853
Effect on sale (*)	19,166	9,555

(*) Recorded in Revenue Reserves.

Note 17 – Related parties

a) Transactions between related parties are disclosed in compliance with CVM Resolution n° 642, of October 7, 2010, and CMN Resolution n° 3,750 of June 30, 2009. These transactions 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:

- Itaú Unibanco Participações S.A. (IUPAR) and ITAÚSA, parent companies of ITAÚ UNIBANCO HOLDING;

- The non-financial subsidiaries of ITAÚSA, specially: Itautec S.A., Duratex S.A., Elekeiroz S.A. and Itaúsa Empreendimentos S.A.;

- Fundação Itaú Unibanco - Previdência Complementar, FUNBEP – Fundo de Pensão Multipatrocinado, Fundação Bemgeprev, UBB Prev - Previdência Complementar, and Fundação Banorte Manuel Baptista da Silva de Seguridade Social, closed-end supplementary pension entities that administer retirement plans sponsored by ITAÚ UNIBANCO HOLDING and/or its subsidiaries;

- Fundação Itaú Social, Instituto Itaú Cultural, 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, as described in Notes 22e and 22j; and

- Investments in Porto Seguro Itaú Unibanco Participações S.A., BSF Holding S.A. and MCC Securities Inc.

The transactions with these related parties are basically characterized by:

	ITAÚ UNIBANCO HOLDING					ITAÚ UNIBANCO HOLDING CONSOLIDATED				
		Assets / (liabilities)		Revenue / (expense)			Assets / (liabilities)		Revenue / (expense)	
	Annual rate	03/31/2014	03/31/2013	01/01 to 03/31/2014	01/01 to 03/31/2013	Annual rate	03/31/2014	03/31/2013	01/01 to 03/31/2014	01/01 to 03/31/2013
Interbank investments		**35,483,079**	**38,685,913**	**842,730**	**626,573**		**-**	**-**	**-**	**-**
Itaú Unibanco S.A.	10.65% pre fixed or 100% of Selic	28,684,060	32,474,384	730,141	528,877		-	-	-	-
Grand Cayman Branch	5.83% to 10.75% pre fixed	6,799,019	6,211,529	112,589	97,696		-	-	-	-
Securities and derivative financial instruments		**11,528,233**	**10,255,732**	**164,273**	**138,682**		**-**	**-**	**-**	**-**
Grand Cayman Branch	5.13% to 6.20% pre fixed	11,528,233	10,255,732	164,273	138,682		-	-	-	-
Deposits		**-**	**(100,103)**	**(2,274)**	**(103)**		**-**	**-**	**-**	**(7)**
Itaú Unibanco S.A.		-	(100,103)	(2,274)	(103)		-	-	-	-
Duratex S.A.		-	-	-	-		-	-	-	(4)
Elekeiroz S.A.		-	-	-	-		-	-	-	(3)
Securities sold under repurchase agreements		**-**	**-**	**-**	**-**		**(201,573)**	**(28,138)**	**(3,848)**	**(984)**
Duratex S.A.		-	-	-	-	100% of Selic	(104,359)	(19,141)	(3,061)	(703)
Elekeiroz S.A.		-	-	-	-	100% of Selic	(20,358)	-	(592)	(228)
Itautec S.A.		-	-	-	-	100% of Selic	(4,293)	(2,085)	(54)	-
Itaúsa Empreendimentos S.A.		-	-	-	-	100% of Selic	(67,577)	-	-	-
Facilita Promotora S.A.		-	-	-	-		-	(6,912)	-	(53)
Olimpia Promoção e Serviços S.A.		-	-	-	-	100% of Selic	(4,986)	-	(141)	-
Amounts receivable from (payable to) related companies / Banking service fees (expenses)		**(274)**	**(304)**	**(868)**	**(795)**		**(112,795)**	**(81,971)**	**(120)**	**10,420**
Itaú Corretora de Valores S. A.		(274)	(304)	(868)	(795)		-	-	-	-
Itaúsa Investimentos Itaú S.A.		-	-	-	-		139	108	335	247
Fundação Itaú Unibanco - Previdência Complementar		-	-	-	-		(15,271)	1,458	8,160	7,695
FUNBEP - Fundo de Pensão Multipatrocinado		-	-	-	-		237	-	1,227	1,345
Caixa de Prev.dos Func. do Banco Beg - PREBEG		-	-	-	-		-	(5,880)	-	-
Fundação BEMGEPREV		-	-	-	-		21	21	157	-
Fundação Banorte Manuel Baptista da Silva de Seguridade Social		-	-	-	-		(93,229)	(78,922)	72	-
Other		-	-	-	-		(4,692)	1,244	(10,071)	1,133
Rent revenues (expenses)		**-**	**-**	**(62)**	**(56)**		**-**	**-**	**(13,295)**	**(14,469)**
Itaúsa Investimentos Itaú S.A.		-	-	(4)	(4)		-	-	(388)	(367)
Itaú Seguros S.A.		-	-	(44)	(40)		-	-	-	-
Fundação Itaú Unibanco - Previdência Complementar		-	-	-	-		-	-	(9,523)	(11,624)
FUNBEP - Fundo de Pensão Multipatrocinado		-	-	-	-		-	-	(3,384)	(2,374)
Other		-	-	(14)	(12)		-	-	-	(104)
Donation expenses		**-**	**-**	**-**	**-**		**-**	**-**	**(21,000)**	**(25,800)**
Instituto Itaú Cultural		-	-	-	-		-	-	(21,000)	(25,000)
Associação Clube A		-	-	-	-		-	-	-	(800)
Data processing expenses		**-**	**-**	**(7)**	**(10)**		**-**	**-**	**(61,973)**	**(71,295)**
Itautec S.A.		-	-	(7)	(10)		-	-	(61,973)	(71,295)

In addition to the aforementioned operations, ITAÚ UNIBANCO HOLDING and non-consolidated related parties, as an integral part of the Agreement for apportionment of common costs of Itaú Unibanco, recorded in Other Administrative Expenses in the amount of R$ 1,943 (R$ 1,009 from 01/01 to 03/31/2013) in view of the use of the common structure.

In accordance with the rules in effect, the financial institutions cannot grant loans or advances to the following:

a) any individual or company that control the Institution or any entity under common control with the institution, or any officer, director, fiscal council member or direct relative of such individuals;

b) any entity controlled by the Institution; or

c) any entity of which the bank directly or indirectly holds at least 10.0% of capital stock.

Therefore, no loans or advances are made to any subsidiaries, executive officers, Board of Directors members or their relatives.

b) Compensation of Management Key Personnel

Resolution CMN n° 3,921, of November 25, 2010, sets forth that the management's variable compensation should be consistent with the institution's risk management policies, and at least fifty percent (50.0%) should be mandatorily paid in shares and be deferred for payment in at least three (3) years.

To comply with the Resolution on compensation, Itaú Unibanco Holding was authorized by CVM to transfer, on a private basis, shares of its own issue held in treasury to its management members and the management members of its subsidiaries.

In the period from January 1 to March 31, 2014, the accounting effect of the compensation is recorded in Compensation of Key Management Members in Compensation and Profit Sharing, in compliance with statutory limits.

The fees attributed in the period to ITAÚ UNIBANCO HOLDING management members are as follows:

	01/01 to 03/31/2014	01/01 to 03/31/2013
Compensation	**97,540**	**58,428**
Board of Directors	3,338	4,968
Management members	94,202	53,460
Profit sharing	**61,414**	**65,047**
Board of Directors	1,371	4,698
Management members	60,043	60,349
Contributions to pension plans	**1,875**	**1,229**
Board of Directors	1	1
Management members	1,874	1,228
Stock option plan – Management members	**40,547**	**44,224**
Total	**201,376**	**168,928**

Information related to the granting of the stock option plan, benefits to employees and post-employment is detailed in Notes 16f IV and 19, respectively.

Note 18 - Market value

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

The book value of each financial instrument, whether included or not in the balance sheet (comprises investments in affiliates and other investments), 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		Unrealized income (loss) [1]			
					Results		Stockholders' equity	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Interbank deposits	30,381,789	17,892,136	30,383,364	17,908,067	1,575	15,931	1,575	15,931
Securities and derivative financial instruments	266,581,909	261,203,678	267,161,049	262,350,889	(1,195,729)	2,396,422	579,140	1,147,211
Adjustment of available-for-sale securities					(1,093,359)	1,239,675	-	-
Adjustment of held-to-maturity securities					(102,370)	1,156,747	579,140	1,147,211
Loan, lease and other credit operations	383,248,971	344,159,822	384,603,868	346,026,881	1,354,897	1,867,059	1,354,897	1,867,059
Investments								
BM&FBOVESPA	14,610	20,900	123,319	213,898	108,709	192,998	108,709	192,998
Cetip S.A.	-	291	-	10,896	-	10,605	-	10,605
Porto Seguro Itaú Unibanco Participações S.A. [2]	1,613,837	1,288,390	3,130,617	2,778,729	1,516,780	1,490,339	1,516,780	1,490,339
Fundings and borrowings [3]	202,678,144	195,107,165	202,891,478	195,484,699	(213,334)	(377,534)	(213,334)	(377,534)
	-	-	-	-	-	-	-	-
Subordinated debt (Note 10f)	56,424,000	52,823,181	56,773,555	53,679,983	(349,555)	(856,802)	(349,555)	(856,802)
Treasury shares	1,568,097	1,386,217	1,974,187	1,721,053	-	-	406,090	334,836
Total unrealized					**1,223,343**	**4,739,018**	**3,404,302**	**3,824,643**

(1) This does not consider the corresponding tax effects.

(2) Parent company of Porto Seguro S.A.

(3) Funding is represented by interbank and time deposits, funds from acceptance and issuance of securities and borrowings.

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&FBOVESPA at the balance sheet date, for floating-rate securities;

- Securities and derivative financial instruments, according to the rules established by Circulars No. 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, issued by BACEN, 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 (ANBIMA). 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 maturities over 90 days, when available, were calculated based on the net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of *hedge*s as well (swap contracts);

- Investments - in companies BM&FBOVESPA, CETIP and Porto Seguro at the share value in stock exchanges.

- 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&FBOVESPA 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 market interest rates effective on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated 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 19 – Post-Employments Benefits

Pursuant to CVM Resolution No. 695, dated December 13, 2012, we present the policies adopted by ITAÚ UNIBANCO HOLDING and its subsidiaries regarding benefits to employees, as well as the accounting procedures adopted.

ITAÚ UNIBANCO HOLDING and some of its subsidiaries sponsor defined benefit and variable contribution plans, whose basic purpose is granting benefits that, in general, provide a life annuity benefit, and may be converted into survivorship annuities, according to the plan's regulation. They also sponsor defined contribution plans, the benefit of which is calculated based on the accumulated balance at the eligibility date, according to the plan's regulation, which does not require actuarial calculation, except as described in Note 19d.

Employees hired up to July 31, 2002, whom came from Itaú, and until February 27, 2009, whom came from Unibanco, are beneficiaries of the above-mentioned plans. As regards the employees hired after these dates, they have the option to voluntarily participate in a variable contribution plan (PGBL), managed by Itaú Vida e Previdência S.A..

a) Description of the Plans

Supplementary plans are managed by closed-end private pension entities with independent legal structures, as detailed below:

Entity	Benefit plan
Fundação Itaubanco - Previdência Complementar	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 Defined Contribution Plan (3) Itaubank Retirement Plan (3) Itaú Defined Benefit Plan (1) Itaú Defined Contribution Plan (2) Unibanco Pension Plan (3) Prebeg benefit plan (1)
Fundação Bemgeprev	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV) (1)
Funbep Fundo de Pensão Multipatrocinado	Funbep I Benefit Plan (1) Funbep II Benefit Plan (2)
Múltipla - Multiempresas de Previdência Complementar	REDECARD Basic Retirement Plan (1) REDECARD Supplementary Retirement Plan (2) REDECARD Supplementary Plan (3)
UBB-PREV - Previdência Complementar	UBB PREV Defined Benefit 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;

b) Governance

The closed-end private pension entities (EFPC) and benefit plans they manage are regulated in conformity with the related specific legislation. The EFPC are managed by the Executive Board, Advisory Council and Fiscal Council, with some members appointed by the sponsors and others appointed as representatives of active and other participants, pursuant to the respective Entity's bylaws. The main purpose of the EFPC is to pay benefits to eligible participants, pursuant to the Plan Regulation, maintaining the plans assets invested separately and independently from ITAÚ UNIBANCO HOLDING.

c) Defined benefit plan

I - Main assumptions used in actuarial valuation of Retirement Plans

	03/31/2014	03/31/2013
Discount rate (1)	9.72% p.a.	8.16% p.a.
Mortality table (2)	AT-2000	AT-2000
Turnover (3)	Itaú Exp. 2008/2010	Itaú Exp. 2008/2010
Future salary growth	7.12 % p.a.	7.12% p.a.
Growth of the pension fund and social security benefits	4.00 % p.a.	4.00% p.a.
Inflation	4.00 % p.a.	4.00% p.a.
Actuarial method (4)	Projected Unit Credit	Projected Unit Credit

(1) The adoption of this assumption is based on a study that adopts the methodology of updating the interest rate of long-term securities issued by Brazilian Treasury, indexed to inflation rates, and on the analysis of changes in the interest curves up to the actuarial valuation base date. The Discount Rate assumption was changed on 12/31/2013 so as to be consistent with the economic scenario at the balance sheet date, considering the volatility of the interest markets and the models adopted.

(2) 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 compared to the respective basic tables.

The life expectancy in years per the AT-2000 mortality table for participants of 55 years of age is 27 and 31 years for men and women, respectively.

(3) The turnover assumption is based on the effective experience of ITAÚ UNIBANCO HOLDING, resulting in the average of 2.4% p.a. based on the 2008/2010 experience.

(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.

Actuarial assumptions adopted are consistent with the group of participants of each benefit plan, pursuant to the studies carried out by an independent external actuarial consulting company, for biometric/demographic assumptions.

The main differences between the assumptions above and those adopted upon determination of the actuarial liability of defined benefit plans, for purposes of recording in the balance sheet of the closed-end private pension entities (EFPCs) that manage them, are the discount rate and the actuarial method. Regarding the discount rate assumption, EFPCs adopt a rate adherent to the flow of receipts/payments, in accordance with the study conducted under the coordination of the EFPC Investment Officer. Regarding the actuarial method, the aggregate method is adopted, by which the mathematical reserve is defined based on the difference between the present value of the projected benefit and the present value of future contributions, subject to the methodology defined in the respective actuarial technical note.

II- Risk Exposure

Due to its defined benefit plans, ITAÚ UNIBANCO HOLDING is exposed to a number of risks, the most significant ones are:

- Volatility of assets

The actuarial liability is calculated by adopting a discount rate defined based on the income from securities issued by the Brazilian treasury (government securities). If the actual income from plan investments is lower than expected, this may give rise to a deficit. The plans have a significant percentage of fixed-income securities pegged to the plan commitments, aiming at minimizing volatility and the short and medium-term risk.

- Changes in investment income

A decrease in income from public securities will imply a decrease in discount rate and, therefore, will increase the plan actuarial liability. The effect will be partially offset by the recognition of these securities at market value.

- Inflation risk

Most of plan benefits are pegged to the inflation rates, and a higher inflation will lead to higher obligations. The effect will also be partially offset because a significant portion of the plan assets is pegged to government securities restated by the inflation rate.

- Life expectancy

Most of the plan obligations are to provide life benefits and therefore a increase in life expectancy will result in increased plan liabilities.

III –Management of defined benefit plan assets

The general purpose of managing EFPC funds is to search for a long-term balance between assets and obligations with payment of retirement benefits, by exceeding the actuarial targets (discount rate plus benefit adjustment index, established in the plan regulations).

Regarding the assets guaranteeing the actuarial liability reserves, management should ensure the payment capacity of retirement benefits in the long-term by avoiding the risk of mismatching assets and liabilities in each pension plan.

At March 31, 2014 and 2013 the allocation of plan assets and the allocation target for 2014, by type of asset, are as follows:

Types	Fair value		% Allocation		
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	2014 Target
Fixed income securities	11,496,977	13,728,957	91.17%	90.49%	53% to 100%
Variable income securities	597,741	870,757	4.74%	5.74%	0% to 20%
Structured investments	17,004	16,463	0.14%	0.11%	0% to 10%
Foreign Investments	-	-	0.00%	0.00%	0% to 5%
Real estate	472,266	529,506	3.75%	3.49%	0% to 7%
Loans to participants	26,958	25,811	0.21%	0.17%	0% to 5%
Total	**12,610,946**	**15,171,494**	**100.00%**	**100.00%**	

The defined benefit plan assets include shares of ITAÚ UNIBANCO HOLDING, its main parent company (ITAÚSA) and of subsidiaries of the latter, with a fair value of R$ 519,045 (R$ 603,298 at 03/31/2013), and real estate rented to Group companies, with a fair value of R$ 469,501 (R$ 499,112 at 03/31/2013).

Fair value

The fair value of the plan assets is adjusted up to the report date, as follows:

Fixed-Income Securities and Structured Investments – accounted for at market value, considering the average trading price on the calculation date, net realizable value obtained upon the technical addition of pricing, considering, at least, the payment terms and maturity, credit risk and the indexing unit.

Variable income securities – accounted for at market value, being so understood the share average quotation at the last day of the month or at the closest date on the stock exchange on which the share has posted the highest liquidity rate.

Real Estate – stated at acquisition or construction cost, adjusted to market value upon reappraisals made in 2012, supported by technical appraisal reports. Depreciation is calculated under the straight line method, considering the useful life of the real estate.

Loans to participants – adjusted up to the report date, in compliance with the respective agreements.

Fund Allocation Target

The fund allocation target is based on Investment Policies that are currently revised and approved by the Advisory Council of each EFPC, considering a five-year period, which establishes guidelines for investing funds guaranteeing Actuarial Liability and for classifying securities.

IV- Net amount recognized in the balance sheet

Following is the calculation of the net amount recognized in the balance sheet, corresponding to the defined benefit plan:

	03/31/2014	03/31/2013
1 - Net assets of the plans	12,610,946	15,171,494
2 - Actuarial liabilities	(11,677,370)	(12,988,437)
3- Surplus (1-2)	**933,576**	**2,183,057**
4- Asset restriction (*)	(1,296,963)	(2,171,496)
5 - Net amount recognized in the balance sheet (3-4)	**(363,387)**	**11,561**
Amount recognized in Assets (Note 13a)	242,459	471,513
Amount recognized in Liabilities (Note 13c)	(605,846)	(459,952)

(*) Corresponds to the excess of the present value of the available economic benefit, in conformity with item 64 of CVM Resolution nº 695.

V- Change in the net amount recognized in the balance sheet:

	03/31/2014				
	Plan net assets	**Actuarial liabilities**	**Surplus**	**Asset Ceiling**	**Recognized amount**
Value at beginning of the period	**12,512,070**	**(11,576,853)**	**935,217**	**(1,292,637)**	**(357,420)**
Cost of current service	-	(17,648)	(17,648)	-	(17,648)
Net interest [(1)]	295,575	(271,615)	23,960	(30,965)	(7,005)
Benefits paid	(188,565)	188,565	-	-	-
Contributions of sponsor	16,833	-	16,833	-	16,833
Contributions of participants	3,248	-	3,248	-	3,248
Effects on asset ceiling	-	-	-	5,193	5,193
Remeasurements [(2) (3)]	(28,215)	181	(28,034)	21,446	(6,588)
Value at end of the period	**12,610,946**	**(11,677,370)**	**933,576**	**(1,296,963)**	**(363,387)**

	03/31/2013				
	Plan net assets	**Actuarial liabilities**	**Surplus**	**Asset Ceiling**	**Recognized amount**
Value at beginning of the period	**15,072,202**	**(12,905,894)**	**2,166,308**	**(2,137,207)**	**29,101**
Cost of current service	-	(24,911)	(24,911)	-	(24,911)
Net interest [(1)]	300,389	(256,051)	44,338	(43,677)	661
Benefits paid	(174,332)	174,332	-	-	-
Contributions of sponsor	6,881	-	6,881	-	6,881
Contributions of participants	2,615	-	2,615	-	2,615
Effects on asset ceiling	-	-	-	13,694	13,694
Remeasurements [(2) (3)]	(36,261)	24,087	(12,174)	(4,306)	(16,480)
Value at end of the period	**15,171,494**	**(12,988,437)**	**2,183,057**	**(2,171,496)**	**11,561**

(1) Corresponds to the amount calculated on 01/01/2014 based on the beginning amount (Net Assets, Actuarial Liabilities and Restriction of Assets), taking into account the estimated amount of payments/ receipts of benefits/ contributions, multiplied by the discount rate of 9.72% p.a..(On 01/01/2013 the rate used was 8,16% a.a.).

(2) Remeasurements recorded in net assets and asset ceiling correspond to the income earned above/below the expected return rate.

(3) The actual return on assets amounted to R$ 267,360 (R$ 264,128) at at March 31, 2013).

VI- Total amounts recognized in Income for the Period and Stockholders' Equity – Asset valuation adjustment:

	Income		**Stockholders' Equity**	
	01/01 to 03/31/2014	**01/01 to 03/31/2013**	**03/31/2014**	**31/03/2013**
At the beginning of the period	**-**	**-**	**(354,467)**	**-**
Cost of current service	(17,648)	(24,911)	-	-
Net interest	(7,005)	661	-	-
Effects on asset ceiling	-	-	5,193	13,694
Remeasurements	-	-	(3,340)	(13,865)
Total Amounts Recognized	**(24,653)**	**(24,250)**	**(352,614)**	**(171)**

During the period, contributions made totaled R$ 16,883 (R$ 6,881 from January 1 to March 31, 2013). The contribution rate increases based on the beneficiary's salary.

In 2014, the expected contribution to retirement plans sponsored by ITAÚ UNIBANCO HOLDING is R$ 56,897.

The estimate for payment of benefits for the next 10 years is as follows:

Period	**Estimated payment**
2014	762,981
2015	794,751
2016	818,334
2017	842,178
2018	866,341
2019 to 2023	4,727,227

VII- Sensitivity of defined benefit obligation

The impact, due to the change in the assumption – discount rate by 0.5%, which would be recognized in Actuarial liabilities of the plans, as well as in Stockholders' Equity – Asset valuation adjustment of the sponsor (before taxes) would amount to:

Change in Assumption	**Effect in actuarial liabilities of the plans**		**Effect which would be recognized in Stockholders'**
	Value	**Percentage of actuarial liabilities**	**Value**
- Decrease by 0.5%	671,581	5.82%	(392,083)
- Increase by 0.5%	(608,944)	5.57%	316,346

(*) Net of effects of asset ceiling

d) Defined contribution plans

The defined contribution plans have pension funds set up by the portion of sponsors' contributions not included in the participant's accounts balance and by the loss of eligibility to a plan benefit, as well as by resources from the migration from the defined benefit plans. The fund will be used for future contributions to the individual participants' accounts, according to the rules of the respective benefit plan regulation.

I - Change in the net amount recognized in the balance sheet:

	03/31/2014			03/31/2013		
	Pension Plan Fund	Asset Ceiling	Recognized Amount	Pension Plan Fund	Asset Ceiling	Recognized Amount
Amount - beginning of the period	**2,361,025**	**(274,533)**	**2,086,492**	**2,645,829**	**(317,834)**	**2,327,995**
Net interest	55,665	(6,657)	49,008	51,495	(6,467)	45,028
Contribution	(37,261)	-	(37,261)	(39,762)	-	(39,762)
Effects on asset ceiling	-	3,506	3,506	-	-	-
Remeasurements	26,571	593	27,164	8,579	-	8,579
Amount - end of the period (Note 13a)	**2,406,000**	**(277,091)**	**2,128,909**	**2,666,141**	**(324,301)**	**2,341,840**

II- Total amounts recognized in Income for the Period and Stockholders' Equity – Asset valuation adjustment:

	Income		Stockholders' Equity	
	01/01 to 03/31/2014	01/01 to 03/31/2013	03/31/2014	03/31/2013
Amount - beginning of the period	**-**	**-**	**(285,565)**	**-**
Contributions	(37,261)	(39,762)	-	-
Net interest	49,008	45,028	-	-
Remeasurements	-	-	27,164	8,579
Effects on asset ceiling	-	-	3,506	-
Total Amounts Recognized	**11,747**	**5,266**	**(254,895)**	**8,579**

In the period, contributions to the defined contribution plans, including PGBL, totaled R$ 52,227 (R$ 53,915 from January 1 to March 31, 2013), of which R$ 37,261 (R$ 39,762 from January 1 to March 31, 2013) arises from pension funds.

e) Other post-employment benefits

ITAÚ UNIBANCO HOLDING and its subsidiaries do not offer other post-employment benefits, except in those cases arising from obligations under acquisition agreements signed by ITAÚ UNIBANCO HOLDING, as well as in relation to the benefits granted due to a judicial sentence, in accordance with the terms and conditions established, in which health plans are totally or partially sponsored for specific groups of former workers and beneficiaries.

Based on the reported prepared by an independent actuary, the changes in obligations for these other projected benefits and the amounts recognized in the balance sheet, under liabilities, of ITAÚ UNIBANCO HOLDING are as follows:

I - Change in the net amount recognized in the balance sheet:

	03/31/2014	03/31/2013
At the beginning of the period	**(146,818)**	**(148,523)**
Cost of interest	(3,540)	(3,107)
Inclusion of Credicard	(3,238)	-
Benefits paid	2,253	1,238
Remeasurements	-	(6,828)
At the end of the period (Note 13c)	**(151,343)**	**(157,220)**

II- Total amounts recognized in Income for the Period and Stockholders' Equity – Asset valuation adjustment:

	Income		Stockholders' Equity	
	01/01 to 03/31/2014	01/01 to 03/31/2013	03/31/2014	03/31/2013
At the beginning of the period	-	-	6,744	-
Net interest	(3,540)	(3,107)	-	-
Inclusion of Credicard	-	-	(1,582)	-
Benefits paid	2,253	1,238	-	-
Remeasurements	-	-	-	(6,828)
Total Amounts Recognized	**(1,287)**	**(1,869)**	**5,162**	**(6,828)**

The estimate for payment of benefits for the next 10 years is as follows:

Period	Estimated payment
2014	7,427
2015	7,996
2016	8,596
2017	9,206
2018	9,820
2019 to 2023	59,045

III - Sensitivity Analyses - Cost of Healthcare

For calculation of benefits obligations projected beyond the assumptions used for the defined benefit plans (Note 19c l), the 9.72% p.a. increase in medical costs assumption is adopted.

Assumptions for rates related to medical assistance costs have a significant impact on the amounts recognized in income. A change of one percentage point in the medical assistance cost rates would have the effects as follows:

	Recognition	1% increase	1% decrease
Service cost and cost of interest	Income	1,855	(1,540)
Present value of obligation	Asset valuation adjustment	19,085	(15,844)

Note 20 – Information on foreign subsidiaries

	Foreign branches [1]		Latin America consolidated [2]		Itaú Europe consolidated [3]		Cayman consolidated [4]		Other foreign companies [5]		Foreign consolidated [6]	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Assets												
Current assets and long-term receivables												
Cash and cash equivalents	3,445,965	2,951,794	3,509,022	2,500,507	534,663	354,963	572,136	706,209	706,197	1,183,794	7,788,655	7,075,247
Interbank investments	21,370,554	8,903,151	3,044,945	2,733,319	3,728,128	2,444,944	15,267,078	7,724,290	263,472	214,006	26,837,044	11,790,299
Securities	54,111,745	54,975,384	5,548,262	4,147,825	2,402,026	2,051,080	4,817,501	5,397,770	31,524	29,298	66,225,667	65,977,332
Loan, lease and other credit operations	61,204,397	40,013,475	33,423,092	27,733,870	8,354,578	7,296,724	105,218	96,393	706	1,697	103,020,094	75,081,431
Foreign exchange portfolio	35,475,384	35,776,276	1,311,597	696,260	3,837,451	4,344,711	50,675	1,195,493	-	-	40,208,125	37,817,296
Other assets	1,991,129	2,063,805	4,429,801	3,669,109	283,109	370,037	950,683	1,233,261	3,376,392	349,806	10,982,342	7,528,504
Permanent assets												
Investments	-	14,161	57,778	5,317	7,423	5,002	144,864	55,134	487,212	441,965	65,385	80,416
Fixed and intangible assets	12,747	21,174	557,978	561,210	153,846	161,837	327	828	17,258	18,279	742,155	710,612
Total	**177,611,921**	**144,719,220**	**51,882,475**	**42,047,417**	**19,301,224**	**17,029,298**	**21,908,482**	**16,409,378**	**4,882,761**	**2,238,845**	**255,869,467**	**206,061,137**
Liabilities												
Current and long-term liabilities												
Deposits	65,283,151	34,886,829	33,291,884	27,418,983	6,902,210	6,262,871	944,448	1,275,642	2,662,286	-	93,857,763	62,209,879
Demand deposits	9,866,813	6,480,307	9,037,985	7,841,254	5,459,052	3,371,358	775,640	511,342	2,662,286	-	26,822,448	17,582,240
Savings deposits	-	-	5,322,182	3,959,215	-	-	-	-	-	-	5,322,182	3,959,215
Interbank deposits	16,339,680	10,914,950	92,027	106,611	764,566	1,391,077	168,808	764,300	-	-	5,004,096	7,212,349
Time deposits	39,076,658	17,491,572	18,839,690	15,511,903	678,592	1,500,436	-	-	-	-	56,709,037	33,456,075
Deposits received under securities repurchase agreements	13,378,351	19,186,422	444,468	492,389	-	-	2,101,451	2,918,007	9,980	-	13,115,795	19,162,049
Funds from acceptance and issuance of securities	2,186,459	6,185,064	3,358,905	2,692,285	4,778,802	3,661,630	2,220,126	2,233,981	-	-	12,532,544	14,749,883
Borrowings	27,587,858	19,938,766	2,933,142	2,632,201	624,732	368	1	9,972	-	2,473	31,145,733	22,583,779
Derivative financial instruments	2,150,528	1,697,806	923,227	245,937	572,434	474,671	644,196	514,730	-	-	3,853,809	2,549,884
Foreign exchange portfolio	35,415,570	35,788,014	1,310,953	685,853	3,835,732	4,248,110	50,871	1,219,858	-	-	40,146,145	37,746,391
Other liabilities	19,749,000	17,493,261	3,267,704	2,545,149	299,102	419,396	1,486,239	1,238,768	93,688	339,461	24,770,203	21,817,802
Deferred income	**151,567**	**77,521**	**3,061**	**1,964**	**27,435**	**15,600**	**-**	**-**	**1,352**	**1,210**	**183,416**	**96,296**
Minority interest in subsidiaries	**-**	**-**	**244**	**259**	**-**	**64**	**889,561**	**791,718**	**-**	**-**	**889,806**	**792,041**
Stockholders' equity												
Capital and reserves	11,292,886	9,264,422	6,076,988	5,190,942	2,281,906	1,834,410	13,594,530	6,205,438	2,142,695	1,899,480	34,751,936	23,923,549
Net income for the period	416,551	201,115	271,899	141,455	(21,129)	112,178	(22,941)	1,264	(27,240)	(3,779)	622,317	429,584
Total	**177,611,921**	**144,719,220**	**51,882,475**	**42,047,417**	**19,301,224**	**17,029,298**	**21,908,482**	**16,409,378**	**4,882,761**	**2,238,845**	**255,869,467**	**206,061,137**
Statement of Income												
Income from financial operations	1,229,454	759,670	1,208,421	754,062	81,397	180,841	58,949	13,152	1,151	(5,253)	2,523,278	1,641,740
Expenses of financial operations	(663,677)	(440,543)	(510,236)	(294,410)	(29,912)	(26,946)	(54,972)	8,616	(751)	(36)	(1,203,815)	(704,761)
Result of loan losses	(114,691)	(95,281)	(86,421)	(79,623)	(25,278)	796	-	-	(66)	1,128	(226,457)	(172,979)
Gross income from financial operations	**451,086**	**223,846**	**611,764**	**380,029**	**26,207**	**154,691**	**3,977**	**21,768**	**334**	**(4,161)**	**1,093,006**	**764,000**
Other operating revenues (expenses)	(34,186)	(22,731)	(258,349)	(177,823)	(40,701)	(28,544)	(26,918)	(20,504)	(24,626)	6,679	(378,929)	(252,968)
Operating income	**416,900**	**201,115**	**353,415**	**202,206**	**(14,494)**	**126,147**	**(22,941)**	**1,264**	**(24,292)**	**2,518**	**714,077**	**511,032**
Non-operating income	-	-	23,184	1,102	-	(3,532)	-	-	397	407	23,270	(2,453)
Income before taxes on income and profit sharing	**416,900**	**201,115**	**376,599**	**203,308**	**(14,494)**	**122,615**	**(22,941)**	**1,264**	**(23,895)**	**2,925**	**737,347**	**508,579**
Income tax	(349)	-	(93,794)	(53,905)	(458)	(8,737)	-	-	(3,345)	(6,704)	(97,947)	(69,347)
Statutory participation in income	-	-	(10,895)	(7,936)	(6,177)	(1,699)	-	-	-	-	(17,072)	(9,635)
Minority interest in subsidiaries	-	-	(11)	(12)	-	(1)	-	-	-	-	(11)	(13)
Net income (loss)	**416,551**	**201,115**	**271,899**	**141,455**	**(21,129)**	**112,178**	**(22,941)**	**1,264**	**(27,240)**	**(3,779)**	**622,317**	**429,584**

(1) Itaú Unibanco S.A. - Grand Cayman, New York, Tokyo and Nassau branches, ITAÚ UNIBANCO HOLDING S.A - Grand Cayman Branch.

(2) Banco Itaú Argentina S.A, Itaú Asset Management S.A.Sociedad Gerente de Fondos Comunes de Inversión, Itrust Servicios Inmobiliarios S.A.C.I, Itaú Valores S.A. (new company name of Itaú Sociedad de Bolsa S.A.), Itaú Chile Holdings Inc., BICSA Holdings LTD., Banco Itaú Chile S.A., Itaú Chile Inversiones, Servicios Y Administración S.A., Itaú BBA Corredor de Bolsa Limitada, Itaú Chile Corredora de Seguros Ltda., Itaú Chile Administradora General de Fondos S.A., Recuperadora de Créditos Ltda, Itaú Chile Compañia de Seguros de Vida S.A., ACO Ltda., Banco Itaú Uruguay S.A., OCA Casa Financiera S.A., OCA S.A., Unión Capital AFAP S.A., Banco Itau Paraguay, Tarjetas Unisoluciones S. A. de Capital Variable, Proserv - Promociones Y Servicios S.A. de C. V., MCC Asesorias Limitada (50%), MCC Securities INC. (50%), Itaú BBA SAS, MCC Corredora de Bolsa (50,0489%) and Itaú BBA Colômbia; only at 03/31/2014, Fundo ETF IPSA.

(3) IPI - Itaúsa Portugal Investimentos, SGPS Lda. (49%), Itaúsa Europa - Investimentos, SGPS, Lda., Itaú Europa, SGPS, Lda., Itaúsa Portugal - SGPS S.A.,Itau BBA International (Cayman) Ltd., Banco Itaú Europa Luxembourg S.A., Banco Itaú Europa International, Itaú Bank & Trust Bahamas Ltd., Itaú International Securities Inc., Itaú Bahamas Directors Ltd., Itaú Bahamas Nominees Ltd., Banco Itau Suisse S.A. and Itaú BBA International PLC; only at 03/31/2013, BIE Cayman Ltd.

(4) Itau Bank Ltd., ITB Holding Ltd., Jasper International Investment LLC, Itaú Bank & Trust Cayman Ltd., Uni-Investments Inter. Corp., Rosefield Finance Ltd. (50%), Itaú Cayman Directors Ltd., UBT Finance S.A. and Itaú Cayman Nominees Ltd.; only at 03/31/2014, BIE Cayman Ltd.

(5) Afinco Americas Madeira, SGPS Soc. Unipessoal Ltda, IPI - Itaúsa Portugal Investimentos, SGPS Lda. (51%), Banco Del Paraná S.A.,Topaz Holding Ltd., Itaú USA Inc., Itaú BBA USA Securities Inc., Itaú International Investment LLC, Mundostar S.A., Karen International Ltd., Nevada Woods S.A., Albarus S.A., Garnet Corporation, Itau Global Asset Management, Itaú Asia Securities Ltd., Itaú Middle East Limited, Itaú USA Asset Management Inc., Unipart B2B Investments, S.L., Itau BBA UK Securities Limited, Itaú Japan Asset Management Ltd., Itaú (Beijing) Investment Consultancy Limited, Itaú UK Asset Management Limited and Itaú Asia Limited; only at 03/31/2014, Itaú Singapore Securities Pte. Ltd.

(6) Foreign consolidated information presents balances net of consolidation eliminations.

Note 21 – Risk and capital management

Risk management is considered by ITAÚ UNIBANCO HOLDING an essential tool for optimizing the use of resources and selecting the best business opportunities, in order to maximize shareholder value.

At ITAÚ UNIBANCO HOLDING, risk and capital management is the process in which:

- The existing and potential risks in ITAÚ UNIBANCO HOLDING's operations are identified and measured;
- Norms, procedures and methodologies for risk management and control consistent with the Board of Directors' guidelines and ITAÚ UNIBANCO HOLDING's strategies are approved;
- The ITAÚ UNIBANCO HOLDING's risk portfolio is managed considering the best risk-return ratio.

The purpose of risk identification is to map the risk events of internal and external nature that may affect the strategies of support and business units and the fulfillment of their objectives, with possibility of impact on ITAÚ UNIBANCO HOLDING's income, capital, liquidity and reputation.

Risk management processes are spread throughout the whole institution, aligned with the guidelines of the Board of Directors and Executives that, through Committees of the Board of Directors and Senior Commissions, define the global objectives that are measured as goals and limits to the risk management units. Control and capital management units, in turn, support the ITAÚ UNIBANCO HOLDING's management by monitoring and analyzing risk and capital.

In compliance with CMN Resolution No. 3,988, BACEN Circular No.º 3,547 and BACEN Circular Letter No. 3,565, ITAÚ UNIBANCO HOLDING implemented its capital management structure and its Internal Capital Adequacy Assessment Process (ICAAP), having submitted its first ICAAP report to BACEN in September 2013, related to the June 2013 reporting date.

ITAÚ UNIBANCO HOLDING adopts a prospective approach to its capital management, which comprises the following phases:

- Identification and analysis of material risks to which ITAÚ UNIBANCO HOLDING is or could be exposed and assessment of capital requirements to cover material risks;
- Capital planning considering the strategic guidelines, economic environment and the guidelines of the Board of Directors;
- Stress test exercises, aimed at analyzing the impact of serious events on the capitalization level of ITAÚ UNIBANCO HOLDING;
- Maintenance of a capital contingency plan for cases in which the capital sources turn out to be unfeasible or insufficient;
- Internal capital adequacy assessment, which consists at comparing the Regulatory Capital with the required capital, according to internal evaluation, to cover any risks incurred;
- Preparation of periodic management reports on capital adequacy for top management and the Board of Directors.

ITAÚ UNIBANCO HOLDING's risk management organizational structure is compliant with the regulations in Brazil and abroad and in line with best market practices. The Market, Credit, Liquidity, Operational and Underwriting risks control is performed in a centralized way by an independent unit, aiming at assuring that ITAÚ UNIBANCO HOLDING's risks are being managed in accordance with established risk appetite policies, norms and procedures. This independent structure is also responsible for centralizing ITAÚ UNIBANCO HOLDING's capital management. The purpose of centralizing control is to provide the Executives and the Board of Directors with an overview of ITAÚ UNIBANCO HOLDING's risk exposure, as well as a prospective view on the adequacy of its capital so as to optimize and speed up corporate decision-making.

ITAÚ UNIBANCO HOLDING manages proprietary IT systems to fully meet the applicable rules on capital reserve, and also for risk measurement, in compliance with the models issued by the regulatory models in force. It also coordinates actions to check for adherence to qualitative and quantitative requirements established by the relevant authorities for compliance with the minimum mandatory capital requirement and risk monitoring.

Further information on risk management can be found on the website www.itau-unibanco.com.br/ri, under section Corporate Governance / Risk Management – Pillar 3, which is not part of the financial statements.

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I – Market risk

Market risk is the possibility of losses arising from variations in the market values of positions held by a financial institution, including transactions subject to the variations in foreign exchange and interest rates, and equities, of price indexes and commodity prices among other indexes on these risk factors.

Market risk management is the process through which the institution plans, monitors and controls the risks of variations in financial instruments market values due market changes, aimed at optimizing the risk-return ratio, by using an appropriate structure of Adequate management limits, models and tools.

ITAÚ UNIBANCO HOLDING's Market Risk Management Policy is in line with the principles of Resolution No. 3,464, issued by the National Monetary Council (CMN) (as amended), being a set of principles that drive the ITAÚ UNIBANCO HOLDING strategy towards control and management of market risk of all business units and legal entities of ITAÚ UNIBANCO HOLDING.

The document that details the guidelines set out by the corporate guidelines on market risk control, which is not part of the financial statements, can be read on the website www.itau-unibanco.com.br/ri, in the section Corporate Governance, Rules and Policies, Public Access Report – Market Risk.

Itau Unibanco's market risk management strategy is aimed at balancing corporate business goals, taking into account, among other things:

- Political, economic and market conditions;
- The market risk profile of the portfolio; and
- Expertise within the group to support operations in specific markets.

The process for managing market risk of ITAÚ UNIBANCO HOLDING occurs within the governance and hierarchy of committees and limits approved specifically for this purpose, sensitizing different levels and classes of market risk. This framework limits that covers from the monitoring of aggregate indicators of risk (portfolio level) to the monitoring of granular limits (individual desks level), assuring effectiveness and coverage of control. These limits are dimensioned considering the projected results of the balance sheet, expected performance and risk appetite of the institution, the level of equity and the profile of risk of each organization unit, which are defined in terms of risk measures used by management. Limits are monitored and controlled daily and excesses are reported and discussed in the corresponding committees. Additionally, daily risk reports used by the business and control areas, are issued the top management.

The structure of limits and alerts follows the guidelines of the Board of Directors and is designed and approved by the Superior Risk Committee (CSRisc), after discussions and deliberations by the Superior Institutional Treasury Committee (CSTI). The review of this structure of limits is performed at least annually.

The purpose of this structure is:

- Providing more assurance to all executive levels that the assumption of market risks is in line with ITAÚ UNIBANCO HOLDING and the risk-return objective;
- Promoting disciplined and educated discussion on the global risk profile and its evolution over time;
- Increasing transparency on the way the business seeks to optimize results;
- Providing early warning mechanisms in order to make the effective risk management easier, without jeopardizing the business purposes; and
- Avoiding risk concentration.

The market risk control and management process is submitted to periodic reviews aimed at keeping it aligned with the best market practices and adhering to the continuous improvement processes at ITAÚ UNIBANCO HOLDING.

The control of market risk is carried out by an area independent from the business units, and is responsible for carrying out daily measurement, assessment, analysis and report activities to the areas and relevant people, pursuant to governance established and monitoring the actions required to adjust the position and/or risk level, when necessary. For this purpose, ITAÚ UNIBANCO HOLDING relies on a structured communication and information flow, aiming at providing feedback for the follow-up of the superior committees and compliance with the regulatory bodies in Brazil and regulatory agents abroad.

ITAÚ UNIBANCO HOLDING hedges transactions with clients and proprietary positions, including its foreign investments, in order to mitigate risk arising from fluctuations in relevant market risk factors and to prevent positions from breaching relevant limits. Derivatives are commonly used for these hedging activities. When these transactions are classified as hedges for accounting purposes, specific supporting documentation is provided, including ongoing follow-up of hedge effectiveness (retrospective and prospective) and other changes in the accounting process. The accounting and managerial hedging procedures are governed by the institutional polices of ITAÚ UNIBANCO HOLDING.

Hedge accounting is treated in detail in the financial statement notes.

The market risk framework categorizes transactions as part of either the banking portfolio or the trading portfolio, in accordance with general criteria established by the Capital Accord and subsequent amendments.

The trading portfolio consists of all qualifying transactions (including derivatives) held with intent to trade or to hedge risk within this portfolio, and that have no restriction.

The banking portfolio is basically characterized by transactions from the banking business, such as funding and loans, and also includes derivatives with eligible clients and transactions related to the management of the balance sheet of the institution, including by way of derivatives. It has the no-intention of resale and medium- and long-term time horizons as general guidelines.

Market risk exposures inherent in various financial instruments, including derivatives, are composed of various risk factors. A risk factor refers to a market parameter whose variation impacts a position's valuation. The main risk factors measured by ITAÚ UNIBANCO HOLDING are as follows:

- Interest rates: the risk of losses from transactions subject to interest rates variations;
- Foreign exchange-linked: the risk of losses arising from positions in transactions which are subject to a foreign exchange-linked interest rate;
- Foreign exchange rates: the risk of losses from positions subject to foreign exchange rate variation;
- Price index-linked: the risk of losses from transactions subject to the variations in the price of index-linked interest rates;
- Variable income: risk of loss subject to variation in prices of shares and commodities;

The market risk analyses are conducted based on the following metrics:

- Value at risk (VaR): statistical measure that estimates the expected maximum potential economic loss under normal market conditions, considering a certain time horizon and confidence level;
- Losses in stress scenarios: simulation technique to assess the behavior of assets and liabilities and derivatives of a portfolio when several risk factors are taken to extreme market situations (based on prospective scenarios);
- Stop loss: metrics which purpose is to review positions, should losses accumulated in a certain period reach a certain amount;
- Concentration: cumulative exposure of a certain asset or risk factor calculated at market value ("MtM – Mark to Market");
- Stressed VaR: statistical metric arising from VaR calculation, which purpose is to capture higher risk in simulations for the current portfolio, considering returns that can be seen in historical scenarios.

In addition to the aforementioned risk measures, sensitivity and loss control measures are also analyzed. They comprise:

- Mismatching analysis (GAPS): graphic representation by risk factor of cash flows expressed at market value, allocated at the maturity dates;
- Sensitivity (DV01- Delta Variation): impact on the market value of cash flows, when submitted to an one annual basis point increase in the current interest rates or index rate;
- Sensitivity to several risk factors (Greeks): partial derivatives of an option portfolio in relation to the prices of underlying assets, implied volatilities, interest rates and time.

ITAÚ UNIBANCO HOLDING uses proprietary systems to measure the consolidated market risk. The processing of these systems principally takes place in São Paulo, in an access-controlled environment, being highly available, which has data safekeeping and recovery processes, and counts on such an infrastructure to ensure the continuity of business in contingency (disaster recovery) situations.

ITAÚ UNIBANCO HOLDING, maintaining its conservative management and portfolio diversification, continued with its policy of operating within low limits in relation to its capital during the period.

At March 31, 2014, ITAÚ UNIBANCO HOLDING recorded a Total Global VaR (Parametric) of R$ 81 million (R$ 194 million at March 31, 2013).

II – Credit risk

Credit risk is the possibility of losses arising from the breach by the borrower, issuer or counterparty of the respective agreed-upon financial obligations, the devaluation of loan agreement due to downgrading of the borrower's, the issuer's, the counterparty's risk rating, the reduction in gains or compensation, the advantages given upon posterior renegotiation and the recovery costs.

The credit risk management of ITAÚ UNIBANCO HOLDING's is the primary responsibility of all business units and aims to keep the quality of loan portfolios in levels consistent with the institution's risk appetite for each market segment in which it operates.

ITAÚ UNIBANCO HOLDING establishes its credit policy based on internal factors, such as the client rating criteria and portfolio development analysis, the registered default levels, the incurred return rates, and the allocated economic capital; and external factors, related to the economic environment in Brazil and abroad, including market share, interest rates, market default indicators, inflation, and consumption increase/decrease.

ITAÚ UNIBANCO HOLDING's centralized process for making decisions and establishing a credit policy guarantees the synchrony of credit actions.

To protect the institution against losses arising from loan operations, ITAÚ UNIBANCO HOLDING considers all aspects that determine the client's credit risk to define the provision level commensurate with the risk incurred in each operation. For each operation, the assessment and rating of the client or economic group, the operation rating, and the possible existence of past-due amounts are taken into account and the volume of the regulatory provision is determined.

ITAÚ UNIBANCO HOLDING recognizes a provision additional to that required by BACEN, aiming at ensuring a provision level compatible with the expected loss model adopted by the institution's credit risk management, based on internal models of measurement of credit risk. This allowance is usually quantified in view of the past performance of loan portfolios, based on exposure, probabilities of default and expected recovery, in case of transactions default.

In line with the principles of CMN Resolution No. 3,721 of April 30, 2009, ITAÚ UNIBANCO HOLDING has a structure for and institutional norm on credit risk management, approved by its Board of Directors, applicable to the companies and subsidiaries in Brazil and abroad.

The document that outlines the guidelines set out by this internal policy on credit risk control, which is not part of the financial statements, can be read on the web*site* www.itau-unibanco.com.br/ri, in the section Corporate Governance, Rules and Policies, Public Access Report – Credit Risk.

III – Operational risk

For ITAÚ UNIBANCO HOLDING operational risk is defined as the possibility of losses from failure of, insufficient or inadequate internal processes, people and systems, or from external events impacting the realization of strategic, tactical or operational objectives. It includes the legal risk, associated with the inadequacy or deficiency in agreements signed by the institution, as well as sanctions for failing to meet legal provisions and compensation for damages to third parties arising from activities performed by ITAÚ UNIBANCO HOLDING.

The management structure seeks to identify, evaluate, mitigate, monitor and report the operational risk for the purpose of assure the quality of the control environment compliant with the internal guidelines and regulation currently in force.

The managers of executive areas use corporate methodologies that are built and made available by the internal control, compliance and operational risk area.

Within the governance of the management process there are specific forums to address operational risk, internal control and compliance where periodically there are consolidated reports on risk monitoring, controls, action plans and operational losses are presented to the executives of the business areas.

A summarized version of such policy, which is not part of the financial statements, is available on the website www.itau-unibanco.com.br/ri in the section Corporate Governance, Rules and Policies, Public Access Report – Operational risk.

IV – Liquidity risk

Liquidity risk is defined as the institution's possibility of not be being able to efficiently meeting its expected and unexpected obligations, both current and future, including those arising from the pledged guarantees, without affecting its daily operations and without incurring significant losses.

Liquidity risk control is carried out by an area independent from the business areas, and which is responsible for defining the constitution of a reserve, proposing assumptions for behavior of cash flow, identifying, assessing, monitoring, controlling and reporting, on a daily basis, the exposure to liquidity risks in different time horizons, proposing limits for liquidity risk and monitoring the established limits consistent with the risk appetite of the institution, informing on possible noncompliance, considering the liquidity risks individually in countries where ITAÚ UNIBANCO HOLDING operates, simulating the behavior of cash flow under stress conditions, assessing and previously reporting risks inherent in new products and transactions, and reporting information required by regulatory bodies. Every activity is subject to analysis by independent areas of validation, internal controls and audit.

The measurement of liquidity risk covers all financial transactions of ITAÚ UNIBANCO HOLDING companies, as well as possible contingent or unexpected exposures, such as those arising from settlement services, pledge of endorsements and sureties and credit facilities contracted and not used.

The document that expresses the guidelines set forth by the internal policy on liquidity risk, , that is not part of the financial statements, management may be viewed on the website www.itau-unibanco.com.br/ri, in the section Corporate Governance, Rules and Policies, Public Access Report - Liquidity Risk.

V - Insurance, Pension Plan and Capitalization Risks

Products that make up the portfolios of ITAÚ UNIBANCO HOLDING's insurance companies are related to the life, large risks, extended warranty, pension plan and capitalization. Thus, the main risks these portfolios are subject to are underwriting, market, counterparty credit and longevity risk, among others.

Regarding Insurance, Pension Plan and Capitalization, ITAÚ UNIBANCO HOLDING understands that:

- Underwriting risk is the possibility of losses occurring as a result of insurance, pension plan and capitalization operations that contradict the company's expectations, directly or indirectly associated with technical and actuarial bases used to calculate premiums, contributions and provisions.
- Market risk is the possibility of losses occurring as a result of variations in market values of assets and liabilities that make up actuarial reserves.
- Counterparty credit risk is the possibility of noncompliance, by a certain counterparty, with obligations related to the settlement of operations that involve trading of financial assets or reinsurance.
- Longevity risk is the possibility that pension plans pay pensions and superannuation for periods longer than those originally expected.
- Liquidity risk in insurance operations is the possibility that the institution may not be able to honor its obligations to policyholders and beneficiaries of pension funds due to the lack of liquidity of the assets comprising the technical actuarial reserves.

The management process of insurance, pension plan and capitalization risks is based on responsibilities defined and communicated between the control and business areas, assuring independence between them.

Note 22 –Supplementary information

a) Insurance policy - ITAÚ UNIBANCO HOLDING and its subsidiaries, despite the low risk exposure due to a physical non-concentration of their assets, have the policy to guarantee their valuables and assets at amounts considered sufficient to cover possible claims.

b) Foreign currency – The balances in *Reais* linked to the foreign currencies were:

	03/31/2014	03/31/2013
Permanent foreign investments	35,374,253	24,353,133
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(56,008,139)	(42,862,603)
Net foreign exchange position	**(20,633,886)**	**(18,509,470)**

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

c) Investment funds and managed portfolios - ITAÚ UNIBANCO HOLDING, through its subsidiaries, manages the following types of funds: privatization, fixed income, shares, open portfolio shares, investment clubs, customer portfolios and group portfolios, domestic and foreign, classified in memorandum accounts, distributed as follows:

	Amount		Amount (*)		Number of funds	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Investment funds	**454,188,782**	**417,618,034**	**454,188,782**	**417,618,034**	**2,236**	**2,091**
Fixed income	416,372,237	380,111,917	416,372,237	380,111,917	1,848	1,711
Shares	37,816,545	37,506,117	37,816,545	37,506,117	388	380
Managed portfolios	**239,270,615**	**233,714,323**	**172,507,508**	**164,299,522**	**15,717**	**15,545**
Customers	238,665,557	112,183,423	82,725,041	72,823,261	15,658	15,476
Itaú Group	605,058	121,530,900	89,782,467	91,476,261	59	69
Total	**693,459,397**	**651,332,357**	**626,696,290**	**581,917,556**	**17,953**	**17,636**

(*) It refers to the distribution after elimination of double-counting of managed portfolios in investment funds.

d) Consortia funds

	03/31/2014	03/31/2013
Monthly estimate of installments receivable from participants	125,739	94,859
Group liabilities by installments	10,177,231	6,731,519
Participants – assets to be delivered	9,395,349	6,192,915
Funds available for participants	983,526	704,111
(In units)		
Number of managed groups	847	820
Number of current participants	384,493	291,347
Number of assets to be delivered to participants	220,305	162,095

e) Fundação Itaú Social - ITAÚ UNIBANCO HOLDING and its subsidiaries are the main sponsors of Fundação Itaú Social, the objectives of which are: 1) managing the "Itaú Social Program", which aims at coordinating the organization's role in projects of interest to the community by supporting or developing social, scientific and cultural projects, mainly in the elementary education and health areas; 2) supporting projects or initiatives in progress, supported or sponsored by entities qualified to work in the "Programa Itaú Social" (Itaú Social Program).

During the period from January 1 to March 31, 2014 and 2013 the consolidated companies made no donations and the Foundation's social net assets totaled R$ 2,659,819 (R$ 3,464,033 at March 31, 2013). The income arising from its investments will be used to achieve the Foundation's social purposes.

f) Instituto Itaú Cultural – IIC - ITAÚ UNIBANCO HOLDING and its subsidiaries are supporters of Instituto Itaú Cultural - IIC, an entity formed to grant incentives, promote and preserve Brazil's cultural heritage. During the period, the consolidated companies donated the amount of R$ 21,000 (R$ 25,000 from January 1 to March 31, 2013).

g) Instituto Unibanco - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Unibanco, an entity whose objective is to support projects on social assistance, particularly education, culture, promotion of integration to labor market, and environmental protection, directly and/or supplementarily, through the civil society's institutions.

h) Instituto Unibanco de Cinema - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Unibanco de Cinema, an entity whose objective is (i) the fostering of culture in general; and (ii) providing access of low-income population to cinematography, videography and similar productions, for which it shall maintain movie theaters owned or managed by itself, and theaters to screen films, videos, video-laser discs and other related activities, as well as to screen and divulge films of great importance, especially those produced in Brazil.

i) Associação Clube "A" - ITAÚ UNIBANCO HOLDING and is subsidiaries sponsor Associação Clube "A", an entity whose objective is the provision of social services for the welfare of beneficiaries, in the way and conditions established by its Internal Rules, and according to the funds available. These services may include, among others, the promotion of cultural, educational, sports, entertainment and health care activities. During the period from January 1 to March 31, 2014, the consolidated companies haven't made donations to Clube "A" in the amount of (R$ 800 from January 1 to March 31, 2013).

j) Instituto Assistencial Pedro di Perna - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Assistencial Pedro di Perna, an entity whose objective is to provide social services, stimulate sport activities, and promote recreation, aimed at the welfare of its members, in the way and conditions established by its Internal Rules, and according to the funds available.

k) Exclusions of nonrecurring effects net of tax effects – Holding and Holding Consolidated

	01/01 to 03/31/2014	01/01 to 03/31/2013
Provision for contingencies - Economic Plans	(41,320)	(39,614)
COFINS / Provision for loss carryforwards - Porto Seguro (Note 15a II)	(59,515)	-
Goodwill Credicard (Note 15b II)	(42,498)	-
Favorable decision on thesis of broadening the PIS / COFINS calculation base from IRB (Note 15a II)	33,451	-
Total	**(109,882)**	**(39,614)**

l) Agreements for offset and settlement of liabilities in the scope of the National Financial System – Offset agreements were entered into in the scope of derivative contracts, as well as agreements for offset and settlement of receivables and payables pursuant to CMN Resolution No. 3.263, of February 24, 2005, which purpose is to enable the offset of credits and debits maintained with the same counterparty, and in which the maturity dates of receivables and payables can be advanced to the date an event of default by one of the parties occurs or in case of the bankruptcy of the debtor.

m) Provisional Measure No. 627/13: on November 11, 2013, Provisional Measure No. 627/13 (MP 627/13) was published to amend the federal tax legislation on IRPJ, CSLL, PIS and COFINS. Said MP 627/13 provides for the following, among other matters:

- revocation of the Transition Tax Regime - RTT, established by Law No. 11.941, of May 27, 2009;
- taxation of legal entities domiciled in Brazil, regarding the equity increase arising from interest in income earned abroad by subsidiaries and affiliates, and income earned by individuals resident in Brazil by means of a legal entity controlled abroad.

Based on the wording in force, we estimate that said MP 627/13 does not have any significant accounting effect on the consolidated financial statements of ITAÚ UNIBANCO HOLDING.

Report on review of interim financial statements

To the Board of Directors and Stockholders
Itaú Unibanco Holding S.A.

Introduction

We have reviewed the accompanying interim financial statements of Itaú Unibanco Holding S.A. stand alone, which comprise the balance sheet as at March 31, 2014 and the related statements of income, changes in stockholders equity's and cash flows for the three-month period then ended, as well as the accompanying consolidated interim financial statements of Itaú Unibanco Holding S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at March 31, 2014 and the related consolidated statements of income and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of the stand alone and consolidated interim financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

Conclusion on the stand alone and Consolidated interim Financial Statements

Based on our review, nothing has come to our attention that causes us to believe that the stand alone and the Consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Itaú Unibanco Holding S.A. and Itaú Unibanco Holding S.A. and its subsidiaries as at March 31, 2014, and the financial performance and cash flows, for the three-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Other matters

Statement of value added

We also have reviewed the interim statements of value added of Itaú Unibanco Holding S.A. and Itaú Unibanco Holding S.A. and its subsidiaries for the three-month period ended March 31, 2014, presented as supplementary information. These statements have been submitted to the same review procedures described in the second paragraph above and, based on our review, nothing has come to our attention that causes us to believe that these statements are not prepared consistently, in all material respects, with the interim financial statements taken as a whole.

São Paulo, April 28, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti
Accountant CRC 1SP172940/O-6

ITAÚ UNIBANCO HOLDING S.A.

CNPJ. 60.872.504/0001-23 Listed Company NIRE. 35300010230

OPINION OF THE FISCAL COUNCIL

The members of the Fiscal Council of ITAÚ UNIBANCO HOLDING S.A., having examined the financial statements for the period from January to March 31, 2014, 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, April 28, 2014.

IRAN SIQUEIRA LIMA
President

ALBERTO SOZIN FURUGUEM
Member

LUIZ ALBERTO DE CASTRO FALLEIROS
Member