



ITR – Financial Information

Quarter ended September 30, 2011

3Q11

BANCO INDUSVAL S.A.

Publicly held Company with Authorized Capital

C.N.P.J.1 n^o 61.024.352/0001-71

NIRE² 353.000.242-90

The Consolidated Financial Statements are on page 67 of this report under the item Other Information Considered Relevant by the Company due to changes in the CVM - EmpresasNet system - in line with the convergence to International Accounting standards - IFRS, however not applicable yet to Brazilian financial institutions on the quarterly statements pending regulatory resolutions from the Central Bank of Brazil (BACEN).

¹ N.T. CNPJ/MF = Corporate Taxpayer Registry at the Ministry of Finance

² N.T. NIRE = Corporate Registry Identification Number

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Composition of Capital Stock

Common Shares (Units)	Current Quarter 09/30/2011
Of Paid-in Capital	
Common Shares	36.945.649
Preferred Shares	26.160.044
Total	63.105.693
Shares in Treasury	
Common Shares	0
Preferred Shares	746.853
Total	746.853

Information / Interest on own capital

Event	Approval	Pay-out	Beginning of Payment	Type of Share	Class of Share	Amount of Paid per Share (Reals / Share)
Board of Directors	9/19/2011	Interest on own capital	09/30/2011	Common Shares		0,12508
Board of Directors	9/19/2011	Interest on own capital	09/30/2011	Preferred Shares	Preferred Class A	0,12508

Individual FS / Balance Sheet Assets

(in thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2011	Prior Year 12/31/2010
1	Total assets	4.440.785	3.270.686
1.01	Current assets	3.679.290	2.657.329
1.01.01	Cash	66.954	7.081
1.01.02	Short-term Interbank Investments	340.520	44.648
1.01.02.01	Open market investments	266.739	22.507
1.01.02.02	Interbank deposits	73.781	22.141
1.01.03	Marketable securities	1.717.941	1.245.171
1.01.03.01	Own portfolio	534.119	586.517
1.01.03.02	Subject to repurchase agreements	982.243	540.385
1.01.03.03	Subject to guarantees	173.060	82.816
1.01.03.05	Derivatives	28.519	35.453
1.01.04	Interbank accounts	3.233	1.553
1.01.04.01	Unsettled payments and receipts	2.038	0
1.01.04.02	Restricted deposits - BACEN	1.195	1.553
1.01.06	Loan operations	963.659	920.861
1.01.06.01	Private sector	988.958	933.827
1.01.06.02	Public sector	0	9.137
1.01.06.03	Allowance for loan losses	-25.299	-22.103
1.01.08	Other receivables	538.981	395.427
1.01.08.01	Foreign exchange portfolio	469.671	325.586
1.01.08.03	Negotiation and intermediation of securities	8.827	70.520
1.01.08.04	Sundry	68.568	4.770
1.01.08.05	Allowance for loan losses	-8.085	-5.449
1.01.09	Other assets	48.002	42.588
1.01.09.01	Non-operating assets	50.436	43.538
1.01.09.02	Provision for loss	-2.931	-1.915
1.01.09.03	Prepaid expenses	497	965
1.02	Long-term receivables	674.913	589.998
1.02.02	Marketable securities	16.256	6.120
1.02.02.03	Derivatives	16.256	6.120
1.02.03	Interbank accounts	6.597	7.352
1.02.03.01	Operating agreements	6.597	7.352
1.02.05	Loan operations	530.205	503.536
1.02.05.01	Private sector	666.201	595.564
1.02.05.03	Allowance for loan losses	-135.996	-92.028
1.02.07	Other receivables	120.753	72.458
1.02.07.02	Sundry	120.877	72.502
1.02.07.03	Allowance for loan losses	-124	-44
1.02.08	Other assets	1.102	532
1.02.08.01	Prepaid expenses	1.102	532
1.03	Permanent assets	86.582	23.359
1.03.01	Investments	65.919	12.919
1.03.01.02	Investments in subsidiaries	64.233	11.233
1.03.01.02.01	Local	64.233	11.233
1.03.01.04	Other investments	1.842	1.686
1.03.01.05	Provision for loss	-156	0
1.03.02	Property and equipment in use	8.218	10.440
1.03.02.01	Properties in use	1.210	2.192
1.03.02.02	Other fixed assets in use	11.569	11.636
1.03.02.03	Revaluation of properties in use	2.634	3.538
1.03.02.04	Accumulated depreciation	-7.195	-6.926
1.03.04	Intangible	12.445	0
1.03.04.01	Other intangible assets	13.100	0
1.03.04.02	Accumulated amortization	-655	0

Individual FS / Balance Sheet Liabilities and Equity

(in thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2011	Prior Year 12/31/2010
2	Total liabilities	4.440.785	3.270.686
2.01	Current liabilities	2.811.960	2.069.174
2.01.01	Deposits	715.386	823.675
2.01.01.01	Demand	65.335	47.798
2.01.01.02	Interbank	77.680	108.688
2.01.01.03	Time	572.371	667.133
2.01.01.04	Other	0	56
2.01.02	Funds raised in the open market	1.203.985	538.580
2.01.02.01	Own portfolio	977.514	538.580
2.01.02.03	Unrestricted portfolio	226.471	0
2.01.03	Funds from acceptance and issuance of securities	163.187	74.648
2.01.03.01	LCA and LF	163.187	74.648
2.01.04	Interbank accounts	1.040	0
2.01.04.01	Unsettled receipts and payments	1.040	0
2.01.05	Interdepartmental accounts	2.331	5.898
2.01.05.01	Third-party funds in transit	2.331	5.898
2.01.06	Borrowings	445.332	324.800
2.01.06.01	Foreign borrowings	445.332	324.800
2.01.07	Local onlendings	62.708	43.297
2.01.07.01	BNDES	30.144	18.087
2.01.07.02	FINAME	32.564	25.210
2.01.09	Other liabilities	217.991	258.276
2.01.09.01	Derivatives	30.878	34.184
2.01.09.02	Collection and payment of taxes and similar	613	571
2.01.09.03	Foreign exchange portfolio	68.657	22.002
2.01.09.04	Social and statutory payables	1.815	3.630
2.01.09.05	Tax and social security contributions	7.823	4.283
2.01.09.06	Negotiation and intermediation of securities	99.612	187.288
2.01.09.07	Sundry	8.593	6.318
2.02	Long-term liabilities	1.050.864	774.625
2.02.01	Deposits	860.463	675.015
2.02.01.01	Interbank	4.299	11.088
2.02.01.02	Time	856.164	663.927
2.02.03	Funds from acceptance and issuance of securities	7.619	7.345
2.02.03.01	LCA e LF	7.619	7.345
2.02.06	Borrowings	45.900	549
2.02.06.01	Foreign borrowings	45.900	549
2.02.07	Local onlendings	132.088	84.354
2.02.07.01	BNDES	53.484	28.154
2.02.07.02	FINAME	64.506	39.856
2.02.07.03	Other	14.098	16.344
2.02.09	Other liabilities	4.794	7.362
2.02.09.02	Tax and social security contributions	3.613	5.462
2.02.09.03	Other	1.181	1.900
2.03	Deferred income	460	462
2.05	Equity	577.501	426.425
2.05.01	Paid-up capital	572.396	370.983
2.05.01.01	Paid-up capital	572.396	370.983
2.05.02	Capital reserve	4.285	2.212
2.05.03	Revaluation reserve	1.401	1.928
2.05.03.01	Own assets	1.401	1.928
2.05.04	Revenue reserve	49.854	49.855
2.05.04.01	Legal	11.853	11.853
2.05.04.02	Statutory	38.001	38.002
2.05.05	Carrying value adjustments	8.445	1.447
2.05.05.01	Adjustment of securities	8.445	1.447
2.05.06	Retained earnings(accumulated deficit)	-58.880	0

Individual FS / Statement of Income

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for prior	Accumulated for last	Accumulated for last
		07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011	period 07/01/2010 to 09/30/2010	period 01/01/2010 to 09/30/2010
3.01	Income from financial intermediation	211.161	453.584	111.763	336.345
3.01.01	Loan operations	76.379	202.769	71.994	198.777
3.01.02	Marketable securities	94.609	198.449	44.639	87.266
3.01.03	Derivatives	-29.044	-32.161	-11.423	-2.648
3.01.04	Foreign exchange	69.217	84.527	6.553	52.950
3.02	Expenses for financial intermediation	-181.765	-452.259	-74.810	-231.444
3.02.01	Funds obtained in the market	-88.334	-245.632	-55.320	-140.238
3.02.02	Loans, assignments and onlendings	-79.652	-89.670	-8.107	-55.709
3.02.04	Provision for loan losses	-13.779	-116.957	-11.383	-35.497
3.03	Gross profit from financial intermediation	29.396	1.325	36.953	104.901
3.04	Other operating income and expenses	-24.892	-78.153	-24.416	-69.388
3.04.01	Income from services rendered	1.523	4.567	1.430	3.878
3.04.02	Personnel expenses	-15.963	-46.475	-13.227	-38.269
3.04.03	Other administrative expenses	-8.771	-28.153	-8.200	-23.509
3.04.04	Taxes	-2.954	-8.847	-5.072	-10.396
3.04.05	Other operating income	1.652	3.274	703	2.126
3.04.06	Other operating expenses	-581	-2.141	-104	-3.173
3.04.07	Equity in the results of investees	202	-378	54	-45
3.05	Operating profit (loss)	4.504	-76.828	12.537	35.513
3.06	Non-operating results	1.430	-367	-9	-839
3.06.01	Income	1.430	0	0	0
3.06.02	Expenses	0	-367	-9	-839
3.07	Result before taxes/profit sharing	5.934	-77.195	12.528	34.674
3.08	Provision for income tax and social contribution	-2.565	-2.470	304	457
3.08.01	Income tax	-1.603	-1.544	190	286
3.08.02	Social contribution	-962	-926	114	171
3.09	Deferred income tax	5.644	42.410	-2.710	-5.054
3.10	Profit sharing/statutory contributions	-1.669	-4.812	-2.614	-6.961
3.10.01	Participações	-1.669	-4.812	-2.614	-6.961
3.10.01.01	Profit sharing	-1.669	-4.812	-1.714	-4.961
3.10.01.02	Employees	0	0	-900	-2.000
3.13	Profit/loss for the period	7.344	-42.067	7.508	23.116
3.99	Profit per share - (R\$ / Share)	0	-1	0	1

Individual FS / Statement of Cash Flows – Indirect Method

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for last
		year 01/01/2011 to 09/30/2011	year 01/01/2010 to 09/30/2010
6.01	Net cash - operating activities	23.926	-49.247
6.01.01	Cash from operations	76.229	65.204
6.01.01.01	Net income (loss)	-42.067	23.116
6.01.01.02	Allowance for loan losses	116.957	35.497
6.01.01.03	Provision for loss on non-operating assets (BNDU)	1.016	910
6.01.01.04	Provision for contingencies	872	3.258
6.01.01.05	Depreciation and amortization	2.873	1.262
6.01.01.06	Equity in the results of investees	378	45
6.01.01.07	Result on sale of tangible assets	-653	314
6.01.01.09	Adjustment for accrual - stock options	2.073	1.220
6.01.01.10	Mark-to-market adjustment – securities and derivatives	-5.220	-418
6.01.02	Changes in assets and liabilities	-52.303	-114.451
6.01.02.01	Short-term interbank investments	-220.466	240.056
6.01.02.02	Securities and derivatives	-478.025	-678.909
6.01.02.03	Loan operations	-177.717	-110.078
6.01.02.04	Other receivables, other assets (exc.BNDU)	-200.659	-62.771
6.01.02.05	Interbank and interdepartmental accounts	-3.451	-4.566
6.01.02.06	Deposits	77.160	136.621
6.01.02.07	Purchase and sale commitments	665.405	373.195
6.01.02.08	LCA and LF	88.813	59.068
6.01.02.09	Borrowings	233.030	-88.537
6.01.02.10	Other liabilities	-36.391	21.035
6.01.02.11	Deferred income	-2	435
6.02	Net cash - Investing activities	-72.719	13.003
6.02.01	Disposal of tangible assets	16.644	18.678
6.02.02	Acquisition of tangible assets	-21.960	-5.675
6.02.04	Acquisition of investment	-56.413	0
6.02.06	Acquisition of intangible assets	-13.100	0
6.02.07	Dividend receipt	2.110	0
6.03	Net cash - Financing activities	184.072	-26.848
6.03.01	Capital increase	201.413	0
6.03.02	Acquisition of treasury shares	-1	-7.983
6.03.03	Interest on own capital	-17.340	-18.865
6.05	Increase(decrease) in cash and cash equivalents	135.279	-63.092
6.05.01	Opening balance of cash and cash equivalents	38.899	88.186
6.05.02	Closing balance of cash and cash equivalents	174.178	25.094

Individual FS /Statement of Changes in Equity - 01/01/20011 to 09/30/2011

(In thousands of reais)

Account Code	Account Description	Capital	Capital reserves	Revaluation reserves	Revenue reserves	Retained earnings/ Accumulated deficit	Carrying value adjustments	Total equity
5.01	Opening balance	370.983	2.212	1.928	49.855	0	1.447	426.425
5.03	Adjusted balance	370.983	2.212	1.928	49.855	0	1.447	426.425
5.04	Profit/loss for the period	0	0	0	0	-42.067	0	-42.067
5.05	Appropriations	0	0	0	0	-17.340	0	-17.340
5.05.02	Interest on own capital	0	0	0	0	-17.340	0	-17.340
5.06	Realization of revenue reserves	0	0	-527	0	527	0	0
5.07	Carrying value adjustments	0	0	0	0	0	6.998	6.998
5.07.01	Adjustment of securities	0	0	0	0	0	6.998	6.998
5.08	Increase/decrease in capital	201.413	0	0	0	0	0	201.413
5.10	Treasury shares	0	0	0	-1	0	0	-1
5.12	Other	0	2.073	0	0	0	0	2.073
5.13	Closing balance	572.396	4.285	1.401	49.854	-58.880	8.445	577.501

Individual FS /Statement of Changes in Equity - 01/01/20010 to 09/30/2010

(In thousands of reais)

Account Code	Account Description	Capital	Capital reserves	Revaluation reserves	Revenue reserves	Retained earnings/ Accumulated deficit	Carrying value adjustments	Total equity
5.01	Opening balance	370.983	779	1.995	58.837	0	100	432.694
5.03	Adjusted balance	370.983	779	1.995	58.837	0	100	432.694
5.04	Profit/loss for the period	0	0	0	0	23.116	0	23.116
5.05	Appropriations	0	0	0	4.301	-23.166	0	-18.865
5.05.02	Interest on own capital	0	0	0	0	-18.865	0	-18.865
5.05.03	Other	0	0	0	4.301	-4.301	0	0
5.06	Realization of revenue reserves	0	0	-50	0	50	0	0
5.07	Carrying value adjustments	0	0	0	0	0	2.221	2.221
5.07.01	Adjustment of securities	0	0	0	0	0	2.221	2.221
5.10	Treasury shares	0	0	0	-7.877	0	0	-7.877
5.12	Other	0	1.114	0	0	0	0	1.114
5.13	Closing balance	370.983	1.893	1.945	55.261	0	2.321	432.403

Individual FS / Statement of Value Added

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for last
		year 01/01/2011 to 09/30/2011	year 01/01/2010 to 09/30/2010
7.01	Income	344.156	306.113
7.01.01	Financial intermediation	453.584	336.345
7.01.02	Services rendered	4.567	3.878
7.01.03	Provision for/Reversal of loan losses	-116.957	-35.497
7.01.04	Other	2.962	1.387
7.02	Expenses for financial intermediation	-335.302	-195.947
7.03	Goods and services acquired from third-parties	-25.782	-24.435
7.03.01	Materials, electricity and other	-12.433	-10.366
7.03.02	Third-party services	-12.162	-10.928
7.03.04	Other	-1.187	-3.141
7.04	Gross value added	-16.928	85.731
7.05	Amounts withheld	-2.873	-1.256
7.05.01	Depreciation, amortization and depletion	-2.873	-1.256
7.06	Net value added produced	-19.801	84.475
7.07	Value added transferred from others	-375	-44
7.07.01	Equity in the results of investees	-378	-45
7.07.02	Other	3	1
7.08	Total value added pending distribution	-20.176	84.431
7.09	Distribution of value added	-20.176	84.431
7.09.01	Personnel	44.757	39.394
7.09.01.01	Direct remuneration	34.335	30.916
7.09.01.02	Benefits	7.940	6.565
7.09.01.03	Employee Severance Indemnity Fund (FGTS)	2.482	1.913
7.09.02	Taxes, charges and contributions	-24.532	20.863
7.09.02.01	Federal	-25.009	20.119
7.09.02.02	State	6	280
7.09.02.03	Municipal	471	464
7.09.03	Remuneration of third-party capital	1.666	1.058
7.09.03.01	Rents	1.666	1.058
7.09.04	Remuneration of own capital	-42.067	23.116
7.09.04.01	Interest on own capital	17.340	18.865
7.09.04.03	Retained earnings/Loss for the period	-59.407	4.251

Message from the Management

When we ended the third quarter of 2011, we also completed six months since the announcement of the new alliances and the capital increase of BI&P – Banco Indusval & Partners - a period when we laid the foundation for another major transformation of the bank in its 44-year history.

We would like to mention that we are very satisfied with our current state of affairs, as build a solid foundation to retake our historical growth and profitability levels. With the new Vision announced, the new leadership in place, the Strategic Plans of each area as well as the Goals and our Values defined – the machine began to run and already, in this third quarter, we started observing the gains in growth and profitability which we are disclosing in this report:

- Thanks to the incessant efforts of every bank employee, we grew our portfolio by 6.6% (29% annualized growth) with assets of better quality and profitability, despite the quitting of higher risk loans.
- We developed and launched 15 new financial products, increasing the quality of services provided to our clients.
- We reached out to and closed deals with large corporations, repositioning the bank in markets with better risk conditions, maintaining margins, thanks to lower provision requirements and the capacity to sell a broader range of services to the new client base.
- Our treasury is active in all markets – domestic and international – enabling us to adequately price financial products for our clients.
- Our domestic funding costs are lower than in the beginning of the year, with expansion to new investors, despite the impact of the international crisis on our markets.
- We are one of the few mid-sized banks with more than 70 foreign banks in our international creditor portfolio.
- In October, we inaugurated our new offices in the Faria Lima region in São Paulo. This is a milestone in our transformation process and is aimed at bringing us even closer to our clients and market partners.
- As a result, our clients and the market already see us as a new force in the financial markets, which enables us to attract excellent clients and professionals.

Despite quitting loans considered high risk, we grew our expanded credit portfolio, which includes guarantees, sureties, letters of credit issued by the Bank, agricultural bonds (CPR) and promissory notes in the third quarter of 2011, to R\$2.25 billion. Loans to Corporate clients increased from 16% of the credit portfolio in 2Q11 to 21% in the third quarter, driven by the consolidation of our "Corporate" team, currently made up of 18 highly qualified superintendents and managers (4 in March/11), as well as the repositioning of our "Middle Market" teams, with the substitution of 27 professionals (40% of the team) in the commercial area with better qualified and trained professionals to offer multiple products. Therefore, the number of professionals in the "Middle Market" team was maintained.

Operations overdue more than 60 days, mainly pertaining to previous years, were down to R\$131.8 million and are covered by allowances for loan losses in the amount of R\$169.5 million, signifying a coverage ratio of 129%.

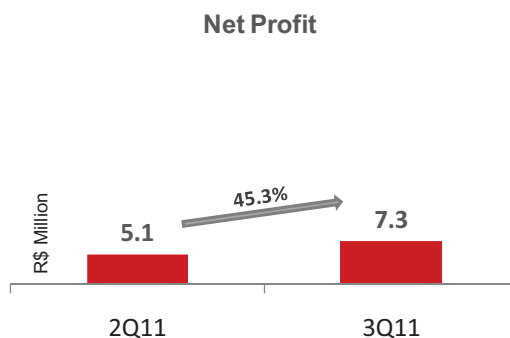
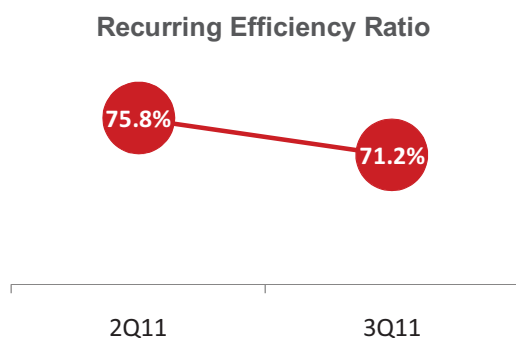
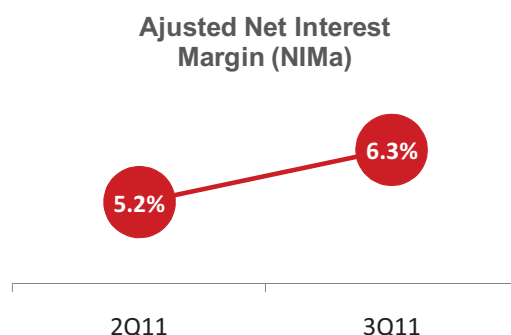
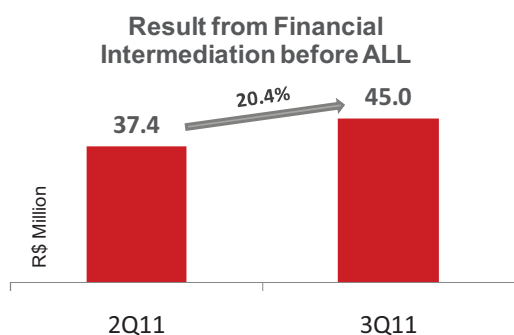
Funding volume increased 8.6% in the quarter to reach R\$2.4 billion in September, accompanied by a slight improvement in costs despite the worsening economic scenario, thanks to the adjustment to the funding mix and the expansion of investor base, with the focus on lower cost options such as LCAs and CDBs in place of DPGEs, to give an example. This increase accompanies the growth of the credit portfolio, thereby ensuring that liquidity is compatible with the current macroeconomic scenario, with free cash of R\$914.1 million. This way, we can use the leverage cushion provided by

our 21% Capital Adequacy ratio to offer new, better quality loans without the pressure for immediate funding.

We must point out the management's constant concern with the bank's cost structure: Though new employees were hired and operations were restructured, net operating expenses remain at previous quarters' levels, thanks to the growth in income from services rendered and other operating revenues, especially from Serglobal Cereais. The combination of balanced net operating expenses and an improved result from financial intermediation led to a slight efficiency gain.

Despite these achievements, we are in the beginning of a transformation process that still has a long way to go to reach the targets established by the current management team. The effect of the portfolio growth in the quarter will be evident in the coming quarters, both in terms of interest income and lower allowance for loan losses requirements resulting from better quality assets. The new structured finance operations and the expansion of our service portfolio, with the resulting generation of fees, have not yet significantly affected our revenue as their maturation period is longer. Our new commercial managers are only beginning to develop a new client base until they attain the desired level of efficiency in terms of revenue and number of active clients.

Thus, we will continue working at an accelerated pace to improve our efficiency, our margins and profitability which we deem are still far below our potential. We pursue EXCELLENCE and INNOVATION across all areas in a continuous process of improvement. **Our medium- and long-term objective is to transform BI&P into an industry benchmark in terms of sustainable growth and profitability, with clear competitive advantages and franchises in our target markets.**



Operating Performance

Profitability

Financial Intermediation	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10	9M11	9M10	9M11/9M10
Financial Intermediation Revenues	212.6	126.5	68.1%	112.3	89.3%	455.8	338.3	34.8%
Loan Operations	76.4	62.1	23.0%	72.0	6.1%	202.8	198.8	2.0%
Loans & Discounts Receivables	66.1	57.5	15.1%	63.1	4.8%	183.9	175.0	5.1%
Financing	8.9	3.4	164.6%	7.9	13.3%	15.9	18.7	-15.2%
Other	1.3	1.2	8.4%	1.1	27.8%	3.0	5.0	-40.1%
Securities	95.8	64.6	48.3%	45.1	112.4%	200.5	88.7	126.1%
Derivative Financial Instruments	(28.8)	(7.8)	268.5%	(11.3)	154.6%	(31.9)	(2.1)	1415.0%
FX Operations Result	69.2	7.6	804.9%	6.6	956.3%	84.5	53.0	59.6%
Financial Intermediation Expenses	181.4	90.7	100.1%	74.7	142.8%	451.5	231.2	95.3%
Money Market Funding	88.0	85.0	3.5%	55.2	59.3%	244.9	140.0	75.0%
Time Deposits	51.1	51.5	-0.8%	37.9	34.9%	148.9	101.6	46.7%
Repurchase Transactions	34.4	30.4	13.2%	15.8	117.3%	87.1	34.7	150.8%
Interbank Deposits	2.5	3.1	-20.5%	1.5	61.4%	8.9	3.7	140.6%
Loans, Assign. & Onlending	79.7	4.2	n.m.	8.1	n.m.	89.7	55.7	61.0%
Foreign Borrowings	76.9	2.2	n.m.	1.6	n.m.	82.7	44.7	85.1%
Dom. Borrowings+Onlending	2.8	2.0	38.8%	6.5	-57.5%	7.0	11.1	-36.7%
Allowance for Loan Losses	13.8	1.5	801.2%	11.4	21.0%	117.0	35.5	229.5%
Financial Intermediation Result	31.3	35.9	12.8%	37.6	-17.0%	4.3	107.1	-96.0%

Result from Financial Intermediation, detailed in notes 15.a and 15.b to the quarterly financial statements, totaled R\$45.0 million before expenses with allowance for loan losses, up 20% on R\$37.4 million in 2Q11. This result already reflects the initial effects of our new business strategy. After absorbing expenses with the allowance for loan losses in the amount of R\$13.8 million, our income in the quarter was R\$31.3 million.

Financial intermediation revenue and expenses in the quarter reflected the significant variations in the exchange rate and the interest curve. The Brazilian real fell 18.78% against the U.S. dollar in 3Q11, increasing revenue and expenses booked in Real, relating to assets and liabilities in foreign currency. Though the basic interest rate began the quarter at 12.25% and ended at 12.00%, the market's reaction to signals from the Brazilian Central Bank and the decision of the Monetary Policy Committee (COPOM) at its meeting of August 31, 2011 to cut the interest rate by an additional 0.5 p.p. led the interest curve for one year to fall from 12.65% at the end of June to 10.38% by the end of September. Apart from the effects on revenues from Securities, Foreign Exchange Operations and Expenses with Foreign Borrowings, these variations were offset by the results of derivative financial instruments.

The result of derivative financial instruments includes income from swaps, forwards and futures operations and options used to hedge exchange and interest rate exposure on foreign loans not related to the Trade Finance portfolio; hedges of coffee prices derived from CPR operations and indexers of government bonds held in the securities portfolio; and income from the treasury's directional portfolio.

Thus, the result of derivative financial instruments includes the offset of the increase in Securities revenue, especially with expenses with DI futures and coffee hedge operations; the offset of the increase in expenses with foreign borrowings (non-trade) with revenues from foreign exchange hedges; and results from the treasury's directional portfolio.

The Bank's treasury has taken up positions with a conservative maximum exposure limit (VaR) of 0.7% of adjusted Reference Equity and employs the strategies in the stock market, interest rates and currencies. In the quarter, the directional portfolio produced a positive result, with a VaR of

0.2% on September 30, 2011, due to the successful strategy for currency and interest, offsetting expenses with the stock market strategy.

In the nine-month period ended September 30, 2011, the result of financial intermediation, before expenses with the allowance for loan losses amounting to R\$117.0 million, came to R\$121.3 million. Year-to-date expenses with allowance for loan losses mainly resulted from the early provisioning in the first half of the year, which totaled R\$103 million expenses in that period. Thus, as of September, income from financial intermediation after expenses with the allowance for loan losses stood at R\$4.3 million.

Net Interest Margin

Net Interest Margin	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10	9M11	9M10	9M11/9M10
A. Result from Financial Int. before ALL	45.0	37.4	20.4%	49.0	-8.1%	121.3	142.6	-15.0%
B. Average Interest bearing Assets	3,971.7	4,084.3	-2.8%	2,966.4	33.9%	3,879.7	2,813.6	37.9%
Adjustment for non-remunerated average assets ¹	(1,058.9)	(1,161.4)	-8.8%	(580.8)	82.3%	(1,044.7)	(518.4)	101.5%
B.a Adj. Average Interest bearing Assets	2,912.8	2,923.0	-0.3%	2,385.6	22.1%	2,835.0	2,295.2	23.5%
Net Interest Margin (NIM) (A/B)	4.6%	3.7%	0.9 p.p.	6.8%	-2.2 p.p.	4.2%	10.4%	-6.2 p.p.
Adj.Net Interest Margin (NIMa) (Aa/Ba)	6.3%	5.2%	1.1 p.p.	8.5%	-2.1 p.p.	5.7%	8.4%	-2.7 p.p.

¹ Repos with equivalent volumes, tenors and rates both in assets and liabilities

Adjusted net interest margin (NIMa) was up 1.1 p.p., a sign that the strategy implemented in the previous quarter has begun to produce positive effects on income from financial intermediation despite the maintenance of a conservative liquidity policy and a delinquency level that should be reduced even further in the coming quarters.

Efficiency Ratio

Efficiency Ratio	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10	9M11	9M10	9M11/9M10
Personnel Expenses	17.8	15.7	12.9%	14.0	26.6%	47.4	40.8	16.3%
Contributions and Profit-sharing	1.7	1.0	67.0%	2.6	-34.5%	4.9	7.0	-30.3%
Administrative Expenses	12.7	11.7	8.8%	9.9	28.6%	35.2	27.7	27.0%
Taxes	3.6	2.9	24.4%	5.3	-31.5%	10.1	11.1	-8.7%
Other Operating Expenses	4.1	1.9	120.3%	0.1	3890.3%	6.9	3.2	114.9%
A1- Recurring Operating Exp.	39.9	33.2	20.2%	31.9	25.0%	104.5	89.8	16.4%
Personnel Expenses ¹	-	0.7	n.m.	-	n.m.	2.9	-	n.m.
Administrative Expenses ²	-	0.5	n.m.	-	n.m.	1.0	0.4	136.5%
A2- Non-Recurring Op. Expenses	-	1.2	n.m.	-	n.m.	3.9	0.4	820.4%
A- Total Operating Expenses	39.9	34.4	16.0%	31.9	25.0%	108.4	90.2	20.2%
Gross Income Fin. Interm. (w/o ALL)	45.0	37.4	20.4%	49.0	-8.1%	121.3	142.6	-15.0%
Income from Services Rendered	5.5	4.1	32.9%	3.2	68.8%	13.0	8.7	49.6%
Income from Banking Tariffs	0.2	0.2	-17.9%	0.3	-27.6%	0.7	0.7	-6.0%
Other Operating Income	5.4	2.1	162.4%	0.7	657.6%	8.3	2.2	282.9%
B- Total Operating Income	56.1	43.8	28.0%	53.2	5.3%	143.2	154.2	-7.1%
Recurring Efficiency Ratio (A1/B)	71.2%	75.8%	-4.6 p.p.	60.0%	11.2 p.p.	73.0%	58.2%	14.7 p.p.
Efficiency Ratio (A/B)	71.2%	78.5%	-7.4 p.p.	60.0%	11.2 p.p.	75.7%	58.5%	17.2 p.p.

¹ layoff and hiring expenses and one-off events

² strategic consultancy, law and auditing firms

In spite of the new employee hiring and the operational restructuring, net operating expenses remained stable in comparison with previous quarters, due to: (i) the increase in revenue from services rendered, especially from stock broking operations; and (ii) other operating revenue, led by the sale of agricultural products by Serglobal Cereais. The balanced net operating expenses,

combined with improved income from intermediation, led to a 7.4 p.p. gain in the efficiency ratio (4.6% when adjusted for non-recurring events). Furthermore, the process of developing a new business structure envisages a gradual improvement in the efficiency ratio till it returns to levels that are compatible with our business.

Net Profit

The Net Profit of R\$7.3 million in the quarter was the result of improved efficiency, non-operating income from the sale of properties and idle assets, net of taxes of R\$0.9 million; and movements in deferred fiscal assets basically derived from temporary additions to provisions already constituted.

BI&P's operations in the first nine months of the year resulted in a net loss of R\$42.1 million, largely offsetting the expenses with the allowance for loan losses in the amount of R\$116.9 million in the period.

Credit Portfolio

Expanded Credit Portfolio

The Expanded Credit Portfolio totaled R\$2.25 billion on September 30, 2011, up 6.6% on the previous quarter and 27% over September 2010. This portfolio, in addition to loan operations in Brazilian Real and Trade Finance operations, includes: (i) guarantees, sureties and letters of credit issued by the Bank; (ii) agricultural bonds generated from the absorption of Serglobal Cereais' operations; and (iii) promissory notes issued by clients, a product implemented in 3Q11.

Credit Portfolio by Product	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10
Loan Operations	1,717.3	1,622.9	5.8%	1,401.4	22.5%
Loans & Discounted Receivables	1,399.1	1,326.2	5.5%	1,227.6	14.0%
Receivables acquired from customers	58.7	84.1	-30.2%	-	n.m.
BNDES/ Finame	181.4	142.9	27.0%	91.1	99.1%
Direct Consumer Credit – used vehicles	2.5	3.6	-30.5%	7.8	-67.7%
Financing in Foreign Currency	71.8	53.8	33.3%	42.1	70.6%
Other Financing	0.4	7.3	-94.5%	17.3	-97.7%
Credit Assignment with Co-obligation	3.4	4.9	-31.4%	15.5	-78.2%
Advances on Foreign Exchange Contracts	361.4	371.5	-2.7%	297.7	21.4%
Other Loans	16.4	8.8	85.6%	8.2	99.7%
CREDIT PORTFOLIO	2,095.0	2,003.2	4.6%	1,707.3	22.7%
Guarantees Issued (L/Gs and L/Cs)	102.8	68.5	50.1%	61.8	66.5%
Credit Operations booked under Securities	50.3	37.0	36.2%	-	n.m.
Promissory Notes	10.0	-	n.m.	-	n.m.
Agricultural Securities (CPRs)	40.3	37.0	9.1%	-	n.m.
EXPANDED CREDIT PORTFOLIO	2,248.2	2,108.7	6.6%	1,769.1	27.1%

Though agricultural bonds (CPR) and promissory notes (NP) issued by clients represent credit exposure, they are classified under Marketable Securities in the balance sheet in accordance with Brazilian Central Bank regulations on account of their negotiability.

Guarantees issued - sureties, guarantees and import letters of credit - totaled R\$102.8 million, representing 4.5% of the expanded portfolio, while agricultural bonds and promissory notes recorded "for sale" under Marketable Securities responded for 2.2% of the portfolio.

Loan operations record for 76% of the expanded portfolio, of which loan and bill discounting operations accounted for 62%. This group also includes BNDES/FINAME onlending, up 27% and 99%, respectively, in the quarter and in 12 months; acquisition of client receivables, now reported

separately from loans and discount of receivables; foreign currency financing destined solely for import finance; the remaining balance of the direct consumer credit – used vehicles (CDC) portfolio and the portion of CDC vehicle operations assigned to other financial institutions with credit risk coverage (co-obligation) from the Bank.

Advances on foreign exchange contracts for export finance are another important financing product, accounting for 16% of the expanded credit portfolio.

Credit Portfolio

The “classic” credit portfolio, which excludes off-balance sheet items and loans classified as “for sale” Marketable Securities, stood at R\$2.1 million, up 4.6% in the quarter. Of this total, 79% of the operations were in Brazilian Real. The remaining 21% were foreign currency operations, related to trade finance (import financing, classified as financing in foreign currency under Loan Operations and export financing classified as Advances on Foreign Exchange Contracts).

Credit Portfolio by Currency	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10
Local Currency - Real	1,661.9	1,577.9	5.3%	1,367.5	21.5%
Foreign Currency	433.1	425.4	1.8%	339.8	27.5%
TOTAL	2,095.0	2,003.2	4.6%	1,707.3	22.7%

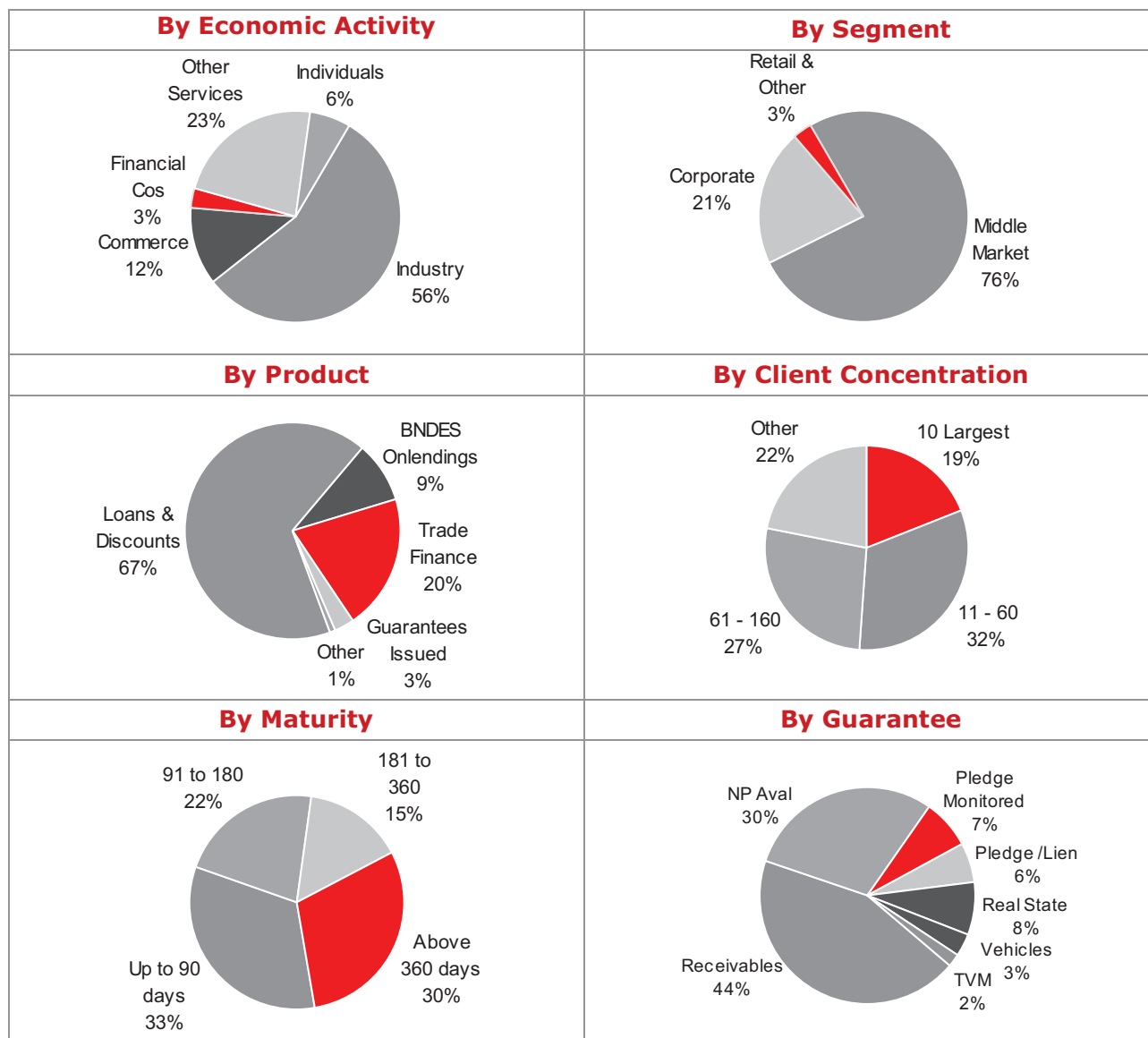
The Trade Finance portfolio (ACC/ACE/FINIMP/PPE) totaled US\$255.7 million (US\$272.6 million including import letters of credit), for a slight decrease of 3% in the quarter, while growing 39% over September 2010. Though our financing lines with correspondent banks remained stable, external lines saw a significant increase in costs and decline in liquidity due to the worsening crisis in the Eurozone.

As shown below, the middle market segment (annual revenue of between R\$40 million and R\$400 million) represented 76% of the credit portfolio, remaining stable in comparison with June 2011. The Corporate segment (companies with annual revenue of over R\$400 million) increased its share to 21% in the quarter from 16% in the previous quarter (up 35%), evidencing the alignment of the Bank's strategy.

Credit Portfolio By Client Segment	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10
Middle Market	1,592.8	1,604.4	-0.7%	1,524.2	4.5%
Local Currency - Real	1,317.2	1,278.4	3.0%	1,240.8	6.2%
Loans & Discounted Receivables	1,161.5	1,144.0	1.5%	1,150.6	1.0%
Receivables acquired from customers	8.5	-	n.m.	-	n.m.
Financing	0.4	0.5	-12.2%	1.4	-70.6%
BNDES / FINAME	146.8	134.0	9.5%	88.9	65.2%
Foreign Currency	275.7	326.0	-15.4%	283.4	-2.7%
Corporate	436.2	322.2	35.4%	110.0	n.m.
Local Currency - Real	278.7	222.9	25.0%	53.6	n.m.
Loans & Discounted Receivables	193.8	129.9	49.2%	51.4	n.m.
Receivables acquired from customers	50.3	84.1	-40.2%	-	n.m.
BNDES / FINAME	34.6	8.9	290.6%	2.2	n.m.
Foreign Currency	157.5	99.4	58.5%	56.4	n.m.
Other	66.0	76.6	-13.8%	73.1	-9.7%
Consumer Credit – used vehicles	5.9	8.5	-31.0%	18.9	-68.9%
Acquired Loans & Financing	43.7	59.2	-26.2%	46.0	-4.8%
Non-Operating Asset Sales Financing	16.4	8.8	85.6%	8.2	99.7%
CREDIT PORTFOLIO	2,095.0	2,003.2	4.6%	1,707.3	22.7%

Credit Portfolio Breakdown

This credit portfolio breakdown **does not include guarantees and letters of credit issued and credit granted accounted as Securities classified "for negotiation"** that are being considered in the Expanded Credit portfolio, it comprises only the disbursed loans in Real and the Trade Finance deals that totaled R\$2.1 billion, as of September 30, 2011



Industry	%
Agribusiness	17.8%
Food & Beverage	15.8%
Construction	14.3%
Automotive	5.0%
Financial Institutions	4.9%
Transportation & Logistics	3.9%
Textile, Apparel and Leather	3.7%
Chemical & Pharmaceutical	3.5%
Power Generation & Distribution	3.3%
Education	3.2%
Oil and Biofuel	2.9%
Metal Industry	2.8%
Pulp & Paper	2.6%
Financial Services	2.0%
Individual	1.9%
Advertising and Publishing	1.8%
Retail & Wholesale	1.5%
Other Industries (*)	9.3%
TOTAL	100.0%

(*) Other Industries: Individual participation of less than 1.5%

Quality of Credit Portfolio

Loan Portfolio Quality													
Rating		AA	A	B	C	D	E	F	G	H	Comp.	TOTAL	Prov / Cred %
Required Provision %		0%	0.5%	1%	3%	10%	30%	50%	70%	100%			
110%	O/S Loans	72.8	692.2	622.0	434.2	78.3	74.7	20.2	7.5	93.0	-	2,095.0	8.1%
	Allowance for Loan Losses	0.0	3.5	6.2	13.0	7.8	22.4	10.1	5.2	93.0	8.2	169.5	
110%	O/S Loans	84.1	630.5	564.5	442.3	78.3	87.7	23.6	4.5	87.8	-	2,003.2	9.8%
	Allowance for Loan Losses	0.0	3.2	5.6	13.3	7.8	26.3	11.8	3.2	87.8	37.7	196.6	
100%	O/S Loans	0.0	584.9	460.6	408.5	116.3	75.9	20.1	5.0	36.0	-	1,707.3	6.6%
	Allowance for Loan Losses	0.0	2.9	4.6	12.3	11.6	22.8	10.0	3.5	36.0	8.5	112.2	

87% of all operations in the credit portfolio on September 30, 2011 were classified between AA and C. Operations classified between D and H totaled R\$273.7 million, equivalent to 13% of the portfolio, and include loans renegotiated with clients in the amount of R\$248.1 million and which were classified between D and H even when not overdue. This is the case of R\$141.9 million, or 52% of operations classified between D and H, which are not overdue. The remaining 48%, shown below, is made up of delinquent operations.

Default by segment	3Q11	2Q11	> 60 days				> 90 days			
			3Q11		2Q11		3Q11		2Q11	
			NPL	%T	NPL	%T	NPL	%T	NPL	%T
	Credit Portfolio									
<i>Middle Market</i>	1,592.8	1,604.4	130.0	8.2%	134.1	8.4%	83.5	5.2%	123.7	7.7%
Large Companies	436.2	322.2	-	-	-	-	-	-	-	-
Other	66.0	76.6	1.8	2.8%	2.9	3.7%	1.5	2.3%	2.5	3.2%
TOTAL	2,095.0	2,003.2	131.9	6.3%	137.0	6.8%	85.0	4.1%	126.2	6.3%
Allowance Loan Losses (ALL)	169.5	196.6								
ALL / NPL		-		128.6%		143.5%		199.32%		155.8%
ALL/ Loan Portfolio		8.1%	9.8%	-	-	-	-	-	-	-

The above table shows that the delinquency rate for loans overdue more than 60 days decreased 0.5 p.p. from June to reach 6.3%, especially influenced by operations carried out in previous years with middle market clients. The most significant decrease was registered in loans overdue more than 90 days, which declined from 6.3% to 4.1%, or 2.2 p.p. in the quarter.

The allowance for loan losses, amounting to R\$169.5 million, provides coverage to 8.1% of the credit portfolio, 129% of the loans overdue more than 60 days and nearly twice the volume of loans overdue more than 90 days.

Funding

Funding grew 8.6% to reach R\$2.4 billion at the end of September. Despite the deteriorating economic scenario, our funding costs have not suffered any adverse impacts, thanks both to the change in the funding mix in favor of products with lower funding costs for the Bank and the lower pressure for funding on account of the liquidity maintained over recent quarters. Moreover, the volume of BNDES onlending increased 26.5% in the quarter.

The increase in foreign loan balances is related to the foreign exchange variations, given that important foreign currency obligations are bundled with the Trade Finance portfolio and are derived from lines obtained from correspondent banks. These lines still remain, but the funds made available by these banks have now become costlier due to the deterioration of the Eurozone crisis.

Funding in Brazilian Real accounted for 80% of total funding, while Deposits in Real corresponded to 72%, as follows:

Total Funding	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10
Total Deposits	1,734.3	1,661.2	4.4%	1,471.2	17.9%
Time Deposits	689.2	665.4	3.6%	753.1	-8.5%
Insured Time Deposits (DPGE)*	739.0	717.1	3.1%	543.1	36.1%
Agribusiness & Bank Notes	170.8	136.6	25.0%	69.6	145.3%
Interbank Deposits	75.6	77.6	-2.5%	67.7	11.6%
Demand Deposits and Other	59.7	64.5	-7.5%	37.7	58.4%
Domestic Onlending	194.8	154.0	26.5%	108.0	80.4%
Foreign Borrowings	491.2	414.4	18.5%	323.5	51.9%
Trade Finance	426.2	357.4	19.3%	286.0	49.0%
Other Foreign Borrowings	65.0	57.0	14.0%	37.5	73.4%
TOTAL	2,420.4	2,229.6	8.6%	1,902.7	27.2%

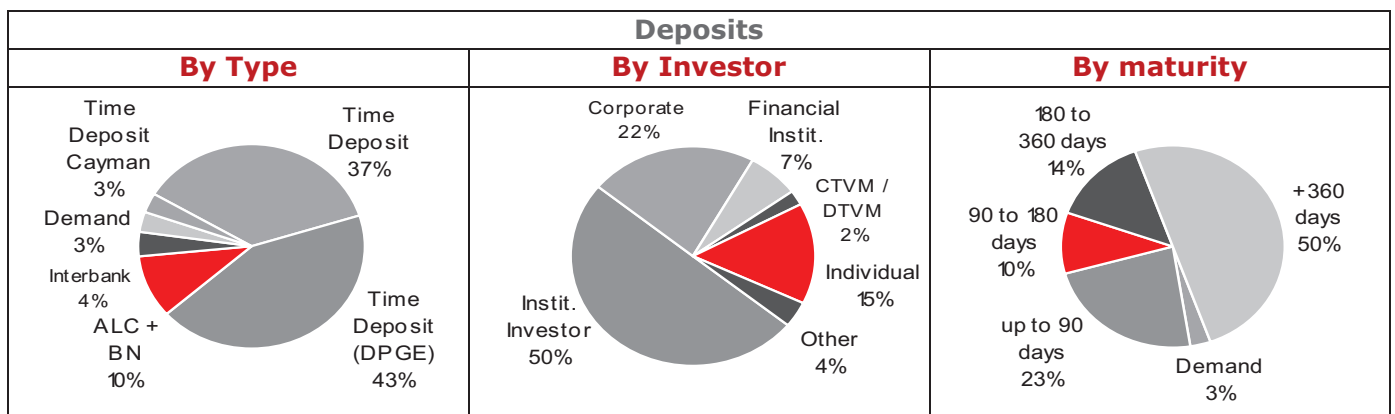
It is worth pointing out the growth in funding through LCAs, thanks to the generation of agricultural bonds in Serglobal's operations, which serve as collateral for such funding, helped reducing total funding costs.

The average term of deposits stood at 847 days from issuance, with a slight decrease in the term to maturity (-50 days) in comparison with June:

Type of Deposit	Avg term from issuance	Avg term to Maturity ¹
Time Deposits	605	350
Interbank	280	141
Time Deposits Special Guarantee (DPGE)	1,273	805
Agribusiness & Bank Notes	149	84
Portfolio of Deposits ²	847	520

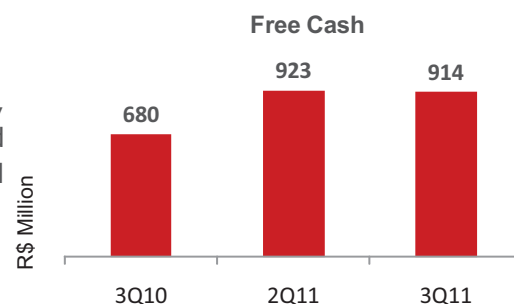
¹ from September 30, 2011

² volume weighted average



Liquidity

On September 30, 2011, cash totaled R\$2,118.1 million and, excluding money market funding (R\$1,204 million), resulted in free cash of R\$914.1 million, equivalent to 53% of total deposits.



Capital Adequacy

The Basel Accord requires banks to maintain a minimum percentage of the capital weighted by the risk in their operations. In this context, the Central Bank of Brazil has stipulated that banks operating in the country should maintain a minimum percentage of 11%, calculated according to the Basel II Accord regulations, which provides greater security to Brazil's financial system against oscillations in economic conditions.

The rules for capital adequacy being discussed under the auspices of the Basel III Accord could increase the minimum percentage to 13%, including the conservation capital buffer and anti-cyclical capital.

The following table shows Banco Indusval S.A.'s position in relation to the Central Bank's minimum capital requirements:

Basel Index	3Q11	2Q11	3Q11/2Q11	3Q10	3Q11/3Q10
Total Capital	577.5	566.5	1.9%	432.4	33.6%
<i>Tier I</i>	567.7	566.4	0.2%	428.1	32.6%
<i>Tier II</i>	9.8	0.2	n.m.	4.3	130.8%
<i>Deductions</i>	(2.4)	-	n.m.	-	n.m.
Required Capital	299.2	288.0	3.9%	238.6	25.4%
<i>Credit Risk allocation</i>	269.5	261.6	3.0%	219.2	22.9%
<i>Market Risk Allocation</i>	20.4	11.3	81.0%	3.5	490.3%
<i>Operating Risk Allocation</i>	9.3	15.2	-38.8%	15.9	-41.8%
Excess over Required Capital	275.9	278.5	-0.9%	193.8	42.4%
Basel Index	21.1%	21.6%	-0.5 p.p.	19.9%	1.2 p.p.

Risk Ratings

Agency	Classification	Observation	Last Report	Financial Data
Standard & Poors	B+/Positive/B brBBB+/Positive/brA-3	Global Scale Local Scale - Brazil	Dec. 28, 2010	Sept. 30, 2010
Moody's	Financial Strength: D- Stable Ba3/Stable/Not Prime A2.br/Stable/BR-2	Global Scale Local Scale - Brazil	Nov. 25, 2010	Sept. 30, 2010
FitchRatings	BBB/Stable/F3	Local Scale - Brazil	Aug. 3, 2011	March 31, 2011
RiskBank	10,06 Ranking: 58	Riskbank Index Low Risk Short Term	Sep. 15, 2011	June 06, 2011

(A free translation of the original in Portuguese)

**Banco Indusval S.A. (Indusval & Partners)
and Banco Indusval S.A. and Subsidiaries
(Indusval & Partners Consolidated)**

**Notes to the Quarterly Information
at September 30, 2011
In thousands of reais**

1 Operations

Banco Indusval S.A. and its subsidiaries operate mainly with commercial and foreign exchange portfolios and other transactions related to securities brokerage.

2 Financial Statement Presentation

(a) Basis of presentation

The quarterly information of Banco Indusval S.A. (Banco Indusval & Partners) and the consolidated quarterly information of Banco Indusval S.A. and its subsidiaries (Banco Indusval & Partners Consolidated) were prepared in accordance with Brazilian Corporation Law, as well as the regulations of the Brazilian Central Bank (BACEN) and the Brazilian Securities Commission (CVM).

The individual and consolidated quarterly information of Banco Indusval S.A. and subsidiaries was approved by the Board of Directors on November 6, 2011.

In preparing the financial statements, estimates and assumptions were used to determine the amounts of certain assets, liabilities, revenues and expenses, in accordance with accounting practices effective in Brazil. These estimates and assumptions were considered in the measurement of provisions for losses on loans and for contingencies, in the determination of the market value of financial instruments and in the selection of the economic useful lives of certain assets. Actual results may differ from the estimates and assumptions adopted.

Law 11638 was enacted on December 28, 2007 for the purpose of adjusting Brazilian corporate legislation to facilitate the process of convergence of the accounting practices adopted in Brazil with those issued by the International Accounting Standards Board (IASB).

As part of the process of convergence with international accounting standards, certain rules and interpretations were issued by the Brazilian Accounting Pronouncements Committee (CPC), which will be applicable to financial institutions only after approval by the National Monetary Council (CMN) of the BACEN. The accounting standards which have already been approved by the BACEN include the following:

- Resolution 3566/08 – Impairment of Assets;
- Resolution 3604/08 – Statement of Cash Flows;
- Resolution 3750/09 – Related-Party Disclosures;
- Resolution 3823/09 – Provisions, Contingent Liabilities and Contingent Assets;
- Resolution 3973/11 – Subsequent Events (partial);
- Resolution 3989/11 – Share-Based Payment;
- Resolution 4007/11 – Accounting Policies, Changes in Accounting Estimates and

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Correction of Errors.

At present, it is not practicable to estimate when the CMN will approve the other CPC accounting standards or whether their application to the parent company's financial statements will be retrospective or effective for future periods.

(b) Consolidated financial information

The consolidated financial information comprises the financial statements of Banco Indusval S.A., its branch abroad and the other subsidiaries: Indusval S.A. Corretora de Títulos e Valores Mobiliários (Indusval & Partners Corretora) and BIM Promotora de Vendas Ltda. And Serglobal Comércio Cereais Ltda.

The Institution's investments in the subsidiaries, as well as the assets and liabilities, income and expenses and the unrealized results of intercompany transactions, were eliminated upon consolidation.

The Cayman Branch was authorized to operate by the BACEN on March 5, 2008, and at September 30, 2011, its total assets amounted to R\$ 168,245, equity was R\$ 39,021 and net income was R\$ 192 for the quarter of 2011,

3 Summary of Significant Accounting Practices

(a) Determination of the results of operations

Income and expenses are recorded on the accrual basis of accounting.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash in local and foreign currency, investments in the open market (except for financed positions) and investments in interbank deposits (except for rural Interbank Deposit Certificates (CDI)), with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value. These are used by the Institution to manage its short-term commitments.

(c) Short-term interbank investments

Short-term interbank investments are recorded at cost plus related earnings up to the balance sheet date, less a provision for losses, where applicable.

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(d) Marketable securities and derivative financial instruments

Marketable securities are classified and valued as follows:

- Trading securities - securities acquired to be traded on a frequent and active basis, adjusted to market value against results for the period.
- Securities available for sale - securities which are neither trading securities nor securities held to maturity, adjusted to market value against a specific equity account, net of tax effects.
- Securities held to maturity - securities which management acquires with the intention and financial ability to hold up to maturity, recorded at acquisition cost plus related earnings as a contra-entry to results for the period.

Derivative financial instruments are classified at the inception of the transaction, considering management's intention to use them as hedge instruments or not. The derivative financial instruments used for protection against risk exposure or for modifying the characteristics of financial assets and liabilities, and which are: (i) highly correlated, as regards the changes in their market value in relation to the market value of the item being protected, at both the inception and over the contract duration; and (ii) considered effective in mitigating the risk associated with the exposure in question, are classified as hedges according to their nature:

- Fair value hedge - the financial assets and liabilities subject to hedge and their respective derivative financial instruments are recorded at market value, with the corresponding valuations or devaluations recognized in results for the period.
- Cash flow hedge - the financial assets and liabilities subject to hedge and their respective derivative financial instruments are recorded at market value, with the corresponding valuations or devaluations, net of tax effects, recognized in a specific equity account called "Carrying value adjustment - marketable securities and derivatives". The non-effective hedge portion is recognized directly in results for the period.

Derivative financial instruments which do not meet the hedging criteria established by the BACEN, particularly derivatives used to manage overall risk exposure, are recorded at market value, and valuations or devaluations are recognized directly in results for the period.

(e) Loan operations

The loans, in their various modes, are recorded at present value, including income accrued up to the balance sheet date, when at floating interest rates, and net of unearned income, calculated based on the terms of the transactions, when at fixed interest rates.

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The restatement of overdue loans is recorded as income from loans up to the 60th day, and as unearned income as from the 61st day.

Loans in arrears classified as level "H" are held in this classification for six months, after which they are written off against the existing allowance and controlled, for up to five years, in memorandum accounts and no longer presented in the balance sheet.

Renegotiated loans are held at the same level at which they were previously classified. Renegotiations of loans that had already been written off against the allowance and which were recorded in memorandum accounts, are classified as level "H", and any gains on renegotiation are only recognized when actually received.

The allowance for loan losses is calculated based on management's analysis of the loans in order to determine the amount necessary case by case and takes into consideration the economic environment, past experience and the specific and overall portfolio risks, as well as the rules established by the BACEN Resolution 2682, of December 21, 1999 and in accordance with the provisions of BACEN Circular 2974, of March 24, 2000, The customer risk ratings are established based on a credit score model, with no possibility that the credit committee can interfere to improve the rating assigned.

The positive or negative results of loan assignments are appropriated as an increase in income on loan operations or as a reversal thereof, in compliance with the provisions of BACEN Circular 3213, of December 10, 2003.

In accordance with BACEN Resolution 3533, of January 31, 2008, the information on each of the categories used to classify financial asset sales must be disclosed in the notes to the financial statements (Note 6(j)). These categories include the following:

- Transactions with substantial transfer of risks and rewards.
- Transactions without neither substantial transfer nor retention of risks and rewards
- Transactions with substantial retention of risks and rewards.
- Transactions without neither substantial transfer nor retention of risks and rewards, and for which control was retained.

(f) Prepaid expenses

Include the investment of resources, the benefits of which will occur in future periods.

(g) Investments

The investments in subsidiaries are evaluated based on the equity method of accounting. The

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other investments are stated at cost.

The goodwill on acquisition of subsidiaries and affiliates was determined by the difference between the amount paid and the carrying amount on that date and is being amortized over 10 years.

(h) Property and equipment

Property and equipment are stated at cost plus price-level restatements up to December 31, 1995 plus revaluation of properties for own use (Note 13(c)). Depreciation is computed on the straight-line method at the annual rates of 4% for buildings, 20% for vehicles and data processing systems and 10% for other items. The fixed assets are tested for impairment at least annually or when there is objective evidence of loss (Note 3(n)).

Intangible assets are recorded at cost and are amortized over 10 years. When there is objective evidence of loss impairment test is performed (Note 3(n)).

(i) Interbank and time deposits, funds obtained in the open market and from financial and agribusiness letters of credit

These deposits and the funds obtained in the open market and from agribusiness and financial letters of credit are stated at their corresponding contractual amounts plus accrued charges, in proportion to the time elapsed from the day on which they were contracted.

(j) Borrowings and onlendings

Borrowings and onlendings are stated at present value, including the charges incurred up to the balance sheet date, and restated at the rates in effect on the reporting dates.

(k) Share loan contract liabilities

Share loan contract liabilities, recorded under "Other liabilities - negotiation and intermediation of securities", in current liabilities, are stated at their contractual amounts, which are adjusted monthly according to the market value of the shares and by the respective adjustments of the related derivatives (hedges).

(l) Income tax and social contribution (asset and liability)

Deferred income tax and social contribution, calculated on temporary differences, are recorded in the "Other receivables – sundry" account. Deferred tax assets on temporary additions are realized upon the use and/or reversal of the corresponding provisions on which they were recorded.

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The provision for income tax (IRPJ) was calculated at the rate of 15% of taxable income, plus a 10% surcharge. The provision for social contribution was calculated at the rate of 15%.

In accordance with Law 11941/09, the changes in the criteria used to recognize revenue, costs and expenses for the year, as introduced by Law 11638/07 and by Articles 36 and 37 of the former, may be ignored for purposes of calculating the taxable income if companies elect to use the Transitional Tax System (RTT). In this case, for tax purposes, the accounting methods and criteria in force at December 31, 2007 shall be followed. For accounting purposes, the tax effects of adopting Law 11638/07 are recorded in the corresponding deferred tax assets and liabilities.

(m) Contingent assets and liabilities and legal obligations - taxes and social security contributions

These are measured, recognized and disclosed in accordance with the criteria established by CVM Deliberation 594/09 and ratified by BACEN Resolution 3823.

(i) Contingent assets and liabilities

These comprise potential rights and obligations arising from past events, the occurrence of which depends on future events.

- Contingent assets are not recorded except when there is evidence which assures a high degree of confidence that they will be realized, normally through a final and unappealable court decision, and the confirmation of recoverability through receipt or offset against another liability.
- Contingent liabilities arise mainly from civil, labor, and tax lawsuits, which are inherent to the normal course of business, filed at the judicial and administrative levels by third parties, former employees and public bodies, as well as from other risks. The evaluation of these contingencies is carried out by legal advisors on a basis which is consistent with adopted conservative practices and considers the probability that financial resources will be required to settle the obligations and that their amounts can be reliably estimated. Contingencies are classified as probable, for which provisions are recorded; possible, which are disclosed but for which no provisions are recorded; and remote, which require neither provisions nor disclosure. The contingency amounts are measured using models and criteria which permit adequate estimates, despite the inherent uncertainty regarding terms and amounts.

(ii) Legal obligations - tax and social security

These are tax liabilities, the legality or constitutionality of which is being contested in court, and which are recorded at the full amount in dispute.

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(n) Impairment of non-financial assets

The amounts of non-financial assets, except other assets and deferred tax assets, are tested, at least annually, to determine whether there is any impairment loss, which is recognized in results for the period if the carrying amount of the asset or its cash generating unit exceeds its recoverable amount.

4 Cash and cash equivalents and Short-term Interbank Investments

(a) Cash and cash equivalents

The balances of cash and cash equivalents as presented in the Statement of Cash Flows are comprised as follows:

	<u>Indusval & Partners</u>		<u>Indusval & Partners Consolidated</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Cash	66,954	7,081	66,958	7,081
Short-term interbank investments (cash equivalents)	<u>107,224</u>	<u>31,818</u>	<u>107,224</u>	<u>31,818</u>
Cash and cash equivalents	<u>174,178</u>	<u>38,899</u>	<u>174,182</u>	<u>38,899</u>

(b) Short-term Interbank Investments

	<u>Indusval & Partners e Consolidated</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Open market investments	<u>266,739</u>	<u>22,507</u>
Own portfolio position	<u>45,523</u>	<u>22,507</u>
Financial Treasury Bills (LFT)		1,502
National Treasury Bills (LTN)	44	15,005
Federal Treasury Notes (NTN)	45,479	6,000
Third-party portfolio position	<u>221,216</u>	
LTN	58,174	
NTN	163,042	
Interbank deposits	<u>73,781</u>	<u>22,141</u>

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	Indusval & Partners e Consolidated	
	September 30, 2011	December 31, 2010
Interbank	73,687	21,901
Unrelated CDI	61,607	9,071
Rural CDI	12,080	12,830
Foreign currency investments	94	240
	<u>340,520</u>	<u>44,648</u>

5 Marketable Securities and Derivative Financial Instruments

(a) Valuation, classification and risk management

The valuations of the positions of fixed income securities and derivative financial instruments are obtained from the markets with greatest liquidity or, in their absence, from related markets, including through interpolation and extrapolation of the terms. The portfolio of share loan contracts (Note 3(k)) is almost entirely sold in the spot market, with simultaneous purchase of call options and sale of put options, resulting in a funding transaction at fixed rates, the results of which are recognized over the term of the transaction.

The risk management structure, as well as the methodology adopted for calculating capital, are available for consultation on the Institution's website at the following address:
<http://www.indusval.com.br/port/institucional/indusval/gestao.asp>

b) Marketable securities

(i) Indusval & Partners

	September 30, 2011			December 31, 2010	
	Cost	Market/ book value	Maturity (days)	Mark-to- market adjustment	Market/ book value
Trading securities					
Financial Treasury Bills (LFT)	7,990	7,990	Up to 360		53,574
Financial Treasury Bills (LFT)	29,720	29,719	More than 360	(1)	306,021
National Treasury Bills (LTN)	886,016	890,893	Up to 360	4,877	929
National Treasury Bills (LTN)	92,321	93,447	More than 360	1,126	133,509
Federal Treasury Notes (NTN)	369,844	368,266	More than 360	(1,578)	583,273
Agricultural Product Bonds	38,338	38,395	Up to 360	57	

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			September 30, 2011	December 31, 2010	
	Cost	Market/ book value	Maturity (days)	Mark-to- market adjustment	Market/ book value
Agricultural Product Bonds	1,839	1,841	More than 360	2	
Variable income securities	76,568	76,583	Undetermined maturity	15	130,284
Investment fund quotas	126	126	Undetermined maturity		2,128
Promissory note	10,000	10,000	Up to 360		
Securities available for sale					
Federal Treasury Notes (NTN)	172,283	172,162	More than 360	(121)	
	<u>1,685,045</u>	<u>1,689,422</u>		<u>4,377</u>	<u>1,209,718</u>

(ii) Indusval & Partners Consolidated

			September 30, 2011	December 31, 2010	
	Cost	Market/ book value	Maturity (days)	Mark-to- market adjustment	Market/ book value
Trading securities					
Financial Treasury Bills (LFT)	26,640	26,643	Up to 360	3	53,574
Financial Treasury Bills (LFT)	32,140	32,139	More than 360	(1)	315,951
National Treasury Bills (LTN)	886,016	890,893	Up to 360	4,877	929
National Treasury Bills (LTN)	92,321	93,447	More than 360	1,126	133,509
Federal Treasury Notes (NTN)	369,844	368,266	More than 360	(1,578)	583,273
Agricultural Product Bonds	38,459	38,489	Up to 360	30	
Agricultural Product Bonds	1,839	1,841	More than 360	2	
Variable income securities	76,575	76,589	Undetermined maturity	14	130,284
Investment fund quotas	126	126	Undetermined maturity		2,128
Promissory note	10,000	10,000	Up to 360		
Securities held to maturity					
Agricultural Debt Securities (TDA)	10	10	Up to 360		5
Agricultural Debt Securities (TDA)	51	51	More than 360		31
Securities available for sale					
Federal Treasury Notes (NTN)	172,283	172,162	More than 360	(121)	
	<u>1,706,304</u>	<u>1,710,656</u>		<u>4,352</u>	<u>1,219,684</u>

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(c) Derivative financial instruments and hedge accounting

Banco Indusval uses derivative financial instruments, according to its risk management policy, with the objective of hedging risks and mitigating exposure mainly resulting from the fluctuation of interest and foreign exchange rates. The derivative instruments used are designed to meet its needs for managing its overall exposure and to meet its customers' needs for hedging their exposure. The treasury adopts an essentially passive attitude and generally does not enter into speculative transactions.

The derivatives include interest rate swaps, currency swaps, cash flow swaps, futures, forwards and options.

Derivative financial instruments are presented in the consolidated balance sheet at market value, usually based on price quotations or market price quotations for assets or liabilities with similar characteristics. When these are not available, the market values are based on pricing models, discounted cash flow and market operators' quotations.

The contracts of traded derivatives are registered at the São Paulo Stock, Commodities and Futures Exchange (BM&FBOVESPA) or at the Central System for Custody and Financial Settlement of Securities (CETIP). The transaction amounts are determined based on available information disclosed by BM&FBOVESPA or by external providers (brokerage firms, banks and others).

The Risk Management Area is responsible for the pricing of all derivative financial instruments, using both the mark-to-market (MtM) parameters and the original (curve value) parameters. The market parameters are updated daily in the process of pricing the instruments to market value, including the forward structures of interest rates for all the Brazilian indices. The mark-to-market models determine the values of the derivative instruments based on the current market conditions for all the indices, as well as for the sovereign debt securities and Eurobonds of Brazilian companies, and the duration (average term) of the portfolio and of the groups of analysis.

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(i) Position

	September 30, 2011		
	Indusval & Partners Consolidated		
	Long position	Short position	Maturity (days)
Swap			
Currencies	7,758	11,818	Up to 360
Currencies	(56)		More than 360
Índices	811		Up to 360
Índices	15,696		More than 360
Forward market			
Shares	14,949	13,996	Up to 360
Currencies	1,229	1,193	Up to 360
Currencies	616		More than 360
Futures market			
Interest rate		884,810	Up to 360
Interest rate	17,671	412,764	More than 360
Currencies	39,384	39,182	Up to 360
Currencies		12,619	More than 360
Financial assets and commodities		3,381	Up to 360
Financial assets and commodities		269	More than 360
Option Market			
Shares	3,292	3,391	Up to 360
Currencies	480	480	Up to 360

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	December 31, 2010		
	Indusval & Partners Consolidated		
	Long position	Short position	Maturity (days)
Swap			
Currencies	3,694	2,744	Up to 360
Índices	6,120		More than 360
Forward market			
Shares	28,281	27,907	Up to 360
Currencies		53	Up to 360
Futures market			
Interest rate	40,476		Up to 360
Interest rate	30,077	635,652	More than 360
Currencies	3,783	78,435	Up to 360
Option Market			
Shares	3,292	3,391	Up to 360
Currencies	186	89	Up to 360

(ii) Position of contracts

	September 30, 2011			
	Indusval & Partners Consolidated			
	Assets	Liabilities	Amount of contracts recorded	Results
Swap	24,209	11,818	422,882	(5,331)
DI x US\$		8,759	56,356	
US\$ x DI fixed	3,114		33,080	
DI fixed x US\$		3,059	33,086	
Cash flow swaps (*) (**)	21,095		300,360	
Forward	16,794	15,189	29,902	1,612
Shares	14,949	13,996	15,067	
Currencies	1,845	1,193	14,835	
Futures			1,397,461	(24,613)
Interest rate			1,315,245	
Currencies			78,566	
Financial assets and commodities			3,650	
Options	3,772	3,871	96,275	(455)
Shares	3,292	3,391	72,875	
Índices			15,600	
Currencies	480	480	7,800	
	<u>44,775</u>	<u>30,878</u>	<u>1,946,520</u>	<u>(28,787)</u>

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(*) US\$ (+) LIBOR x DI
(**) IPCA (IGPM) x DI

	December 31, 2010			
	Indusval & Partners Consolidated			
	Assets	Liabilities	Amount of contracts recorded	Results
Swap	9,814	2,744	253,625	791
DI x US\$	3,694		52,886	
US\$ x DI		2,744	26,339	
Cash flow swaps (*)	6,120		174,400	
Forward	28,281	27,960	31,056	3,399
Shares	28,281	27,907	28,489	
Currencies		53	2,567	
Futuros			788,423	9,114
CDI			706,205	
Currencies			77,841	
Mini-US\$			4,377	
Options	3,478	3,480	4,376,020	(337)
Shares	3,292	3,391	74,250	
Índices	186	89	4,301,770	
	<u>41,573</u>	<u>34,184</u>	<u>5,449,124</u>	<u>12,967</u>

(*) IPCA (IGPM) x DI

(iii) Guarantees

	September 30, 2011		
	Indusval & Partners		
	Clearing of derivatives	Clearing of shares	Total
Marketable securities	74,811	97,671	172,482
Sureties	1,000	6,500	7,500
	<u>75,811</u>	<u>104,171</u>	<u>179,982</u>

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	December 31, 2010		
	Indusval & Partners		
	Clearing of derivatives	Clearing of shares	Total
Marketable securities	46,611	32,778	79,389
Sureties	<u>3,000</u>	<u>11,500</u>	<u>14,500</u>
	<u>49,611</u>	<u>44,278</u>	<u>93,889</u>

(iv) Cash flow hedge accounting

The loans and funds obtained by the Institution are exposed to market risk including changes in market indices of products, fixed interest rates, foreign currency coupons, long-term interest rate (TJLP), reference rate (TR), share prices, commodity price indices and foreign exchange rates.

The treasury department, with its conservative profile, is responsible for hedging all flows originated by the area responsible for granting credit and obtaining funds using derivative financial instruments, such as swaps and options, contracted as from the time these transactions are effective.

Banco Indusval carries out cash flow hedging of CDBs and DPGEs indexed to the IPCA and IGPM indexes using swaps as the hedge instruments. The relationship between the hedge instrument and the underlying object, as well as the risk management and policies and objectives, were documented at the inception of the transaction. The initial and prospective effectiveness tests were also documented, and it was confirmed that the designated derivatives would be highly effective for offsetting the variation in the cash flows of the funds obtained and the time deposits indexed to IPCA and IGPM.

During the quarter ended September 30, 2011, an amount of R\$ 10,293 (3Q10 – R\$ 3,265) was recorded in equity, resulting from the marking to market of hedge instruments (swaps) in cash flow hedge accounting transactions, the adjustments of which at September 30, 2011, were R\$ 21,095 (asset).

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(v) Sensitivity analysis

Factors	Risk	Probable position	Deterioration of 25%	Deterioration of 50%
Trading portfolio				
Fixed rate	Fixed interest rates in reais	(460)	(2,465)	(4,816)
Exchange coupon	Foreign currency coupon rates	(171)	(3,060)	(6,395)
Foreign currency	Exchange variation	2,245	(10,863)	(21,383)
Price indices	Price index coupon rates	(260)	(6,335)	(12,360)
TR and TJLP	TR and TJLP coupon rates		(8)	(15)
Variable income	Share prices	(1,434)	(3,719)	(7,442)
Trading and banking portfolio				
Fixed rate	Fixed interest rates in reais	(785)	(10,199)	(19,524)
Exchange coupon	Foreign currency coupon rates	3,443	(6,598)	(13,196)
Foreign currency	Exchange variation	(2,822)	(13,192)	(26,022)
Price indices	Price index coupon rates	4,215	(850)	(1,700)
TR and TJLP	TR and TJLP coupon rates	(8)	(181)	(345)
Variable income	Share prices	(1,434)	(3,719)	(7,442)

In compliance with the classification criteria of the transactions addressed in BACEN Resolution 3464/07 and Circular 3354 and in the Basel II Accord, the financial instruments of Banco Indusval & Partners are segregated between the Trading Portfolio (for trade) and the Banking Portfolio (structural).

The sensitivity analysis considered the risk factor stress scenarios in all of the Institution's transactions. High stress scenarios were considered for fixed, exchange coupon, price index, TJLP, TR and variable income rate risk factors, while low stress scenarios were considered for the exchange rate risk factor. These differences are necessary for recording the scenarios which represent an effective loss from stress for the Institution. The high stress reference curve scenarios are generally used when the Bank has a net debt exposure in a particular risk factor. On the other hand, the low risk reference curve scenarios are used when there is a net credit exposure in each risk factor considered for the analysis. We stress that the variations in the scenarios are based on the expectation of an immediate settlement of all of the Institution's assets and liabilities, and may not necessarily represent a loss or gain since it is a hypothetical situation.

Scenario I considers the variations expected by the Bank in relation to the market reference curves used for marking these products to market. Senior management attributes to Scenario I the variations expected for each risk factor, either above or below the reference factors. Scenarios II and III are defined in accordance with CVM Instruction 475, which establishes that the high risk scenarios should consider variations of +25% and +50% and the low risk scenarios variations of -25% and -50%. As a result, scenarios II are defined by the variation of

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+/- 25% in relation to the market value of the products comprising each risk factor and scenarios III by the variation of +/- 50% in relation to the market value of the products of each risk factor.

**6 Loan Operations - Indusval & Partners and
Indusval & Partners Consolidated**

**(a) Analysis of the loan portfolio by type of
operation and allowance for loan losses**

	September 30, 2011									
	Levels									
Transactions	AA	A	B	C	D	E	F	G	H	Total
Loans and discounted bills	6,161	562,578	306,714	270,420	62,285	73,771	20,128	7,236	89,798	1,399,091
Foreign currency financing		15,539	30,003	24,167	562				1,518	71,789
BNDÉS/FINAME		46,828	83,517	48,569	1,027	761			657	181,359
Consumer lending (CDC) - Vehicles		754	150	216	201	103	83	164	846	2,517
Other financing			278	125						403
Total loan operations	6,161	625,699	420,662	343,497	64,075	74,635	20,211	7,400	92,819	1,655,159
Advances on foreign exchange contracts	7,948	48,837	199,814	90,614	14,142					361,355
Other receivables – sundry (Note 8)	58,736									58,736
Other financing		15,085	1,320							16,405
Total credit	72,845	689,621	621,796	434,111	78,217	74,635	20,211	7,400	92,819	2,091,655
Assignments with co-obligation		2,575	229	132	96	35	30	60	217	3,374
Loans										
CDC - Vehicles		2,575	229	132	96	35	30	60	217	3,374
Total credit including assignments with co-obligation	72,845	692,196	622,025	434,243	78,313	74,670	20,241	7,460	93,036	2,095,029
Guarantees provided (Note 19 (a))		53,427	37,789	11,633						102,849
Total portfolio	72,845	745,623	659,814	445,876	78,313	74,670	20,241	7,460	93,036	2,197,878
Allowance for loan losses		3,448	6,218	13,023	7,822	22,390	10,105	5,180	92,819	161,005
Provision for credits assigned with co-obligation		13	2	4	10	10	15	42	217	313
Provision required		3,461	6,220	13,027	7,832	22,400	10,120	5,222	93,036	161,318
Additional provision										8,186
Total provision		3,461	6,220	13,027	7,832	22,400	10,120	5,222	93,036	169,504

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	December 31, 2010									
										Levels
Transactions	AA	A	B	C	D	E	F	G	H	Total
Loans and discounted bills	47,803	483,849	264,431	324,255	83,153	61,840	37,517	18,649	32,042	1,353,539
Foreign currency financing		7,208	25,881	18,852						51,941
BNDES/FINAME		26,502	48,266	34,186		3,284		387		112,625
Consumer lending (CDC) - Vehicles		1,398	596	514	362	218	224	290	2,623	6,225
Other financing		12,859		533	806					14,198
Total loan operations	<u>47,803</u>	<u>531,816</u>	<u>339,174</u>	<u>378,340</u>	<u>84,321</u>	<u>65,342</u>	<u>37,741</u>	<u>19,326</u>	<u>34,665</u>	<u>1,538,528</u>
Advances on foreign exchange contracts		117,509	137,228	38,199	23,301					316,237
Other receivables – sundry (Note 8)		8,300	1,486							9,786
Total credit	<u>47,803</u>	<u>657,625</u>	<u>477,888</u>	<u>416,539</u>	<u>107,622</u>	<u>65,342</u>	<u>37,741</u>	<u>19,326</u>	<u>34,665</u>	<u>1,864,551</u>
Assignments with co-obligation		6,781	2,814	598	238	153	101	849	837	12,371
Loans		252	2,369	132				637		3,390
CDC - Vehicles		6,529	445	466	238	153	101	212	837	8,981
Total credit including assignments with co-obligation	<u>47,803</u>	<u>664,406</u>	<u>480,702</u>	<u>417,137</u>	<u>107,860</u>	<u>65,495</u>	<u>37,842</u>	<u>20,175</u>	<u>35,502</u>	<u>1,876,922</u>
Guarantees provided (Note 19 (a))		44,523	19,739							64,262
Total portfolio	<u>47,803</u>	<u>708,929</u>	<u>500,441</u>	<u>417,137</u>	<u>107,860</u>	<u>65,495</u>	<u>37,842</u>	<u>20,175</u>	<u>35,502</u>	<u>1,941,184</u>
Allowance for loan losses		3,288	4,779	12,496	10,762	19,603	18,870	13,528	34,665	117,991
Provision for credits assigned with co-obligation		34	28	18	24	46	51	595	837	1,633
Provision required		3,322	4,807	12,514	10,786	19,649	18,921	14,123	35,502	119,624

During the quarter, the expense for the allowance for loan losses amounted to R\$ 13,779 (3Q10- R\$ 13,779).

The amount of loans written off against the allowance for loan losses was R\$ 40,853 (3Q10 – R\$ 7,025), and the amount of loans recovered was R\$ 1,291 (3Q10 – R\$ 983). At September 30, 2011, the portfolio of renegotiated loans amounted to R\$ 248,101 (December 31, 2010 - R\$ 241,354).

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(b) Analysis of loan operations by business sector

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Manufacturing	7,903	
Industry	1,168,094	1,044,225
Commerce	249,004	209,857
Financial intermediaries	72,627	61,763
Other services	476,494	423,609
Individuals (*)	<u>120,907</u>	<u>137,468</u>
	<u>2,095,029</u>	<u>1,876,922</u>

(*) Do total de pessoas físicas, R\$ 71,283 (R\$ 64,635 em December 31, 2010) referem-se a operações com características de *Middle Market* e R\$ 49,624 (R\$ 72,883 em December 31, 2010) a operações de varejo.

(c) Analysis of loan operations by index

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Fixed rate	811,444	640,044
Floating rate (Interbank Deposit Certificate (CDI))	1,164,906	1,160,577
Reference rate (TR)/Basic financial rate (TBF)	3,191	3,035
Other	<u>115,488</u>	<u>73,266</u>
	<u>2,095,029</u>	<u>1,876,922</u>

(d) Analysis of loan operations by installment maturity

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Overdue		
From 15 to 60 days	30,958	14,928
From 61 to 180 days	33,320	27,823
More than 180 days	<u>15,402</u>	<u>4,439</u>
	<u>79,680</u>	<u>47,190</u>
Maturing		
Up to 90 days	661,963	686,944
From 91 to 180 days	451,884	343,438
From 181 to 360 days	305,531	248,493
More than 360 days	<u>595,971</u>	<u>550,857</u>
	<u>2,015,349</u>	<u>1,829,732</u>
	<u>2,095,029</u>	<u>1,876,922</u>

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(e) Concentration of loans

Customers	September 30, 2011			December 31, 2010		
	Amount	%	Accumulated	Amount	%	Accumulated
10 largest customers	392,363	18.73	18.73	382,420	20.37	20.37
11th to 60th largest customers	671,689	32.06	50.79	590,790	31.48	51.85
61st to 160th largest customers	563,473	26.90	77.69	442,032	23.55	75.40
Other	<u>467,504</u>	22.31	100.00	<u>461,680</u>	24.60	100.00
	<u>2,095,029</u>			<u>1,876,922</u>		

f) Analysis of loans classified from D to H

Only a portion of the transactions rated from D to H in the following table is past due for more than 60 days and is accordingly classified as non-performing. The other transactions are performing normally but remain classified at these levels as a result of the criteria used for credit analysis.

Level	September 30, 2011					
	D	E	F	G	H	Total
Performing	48,566	71,091	9,764	2,944	9,504	141,869
Non- performing	<u>29,747</u>	<u>3,579</u>	<u>10,477</u>	<u>4,516</u>	<u>83,532</u>	<u>131,851</u>
	<u>78,313</u>	<u>74,670</u>	<u>20,241</u>	<u>7,460</u>	<u>93,036</u>	<u>273,720</u>
Level	December 31, 2010					
	D	E	F	G	H	Total
Performing	97,314	59,231	10,288	10,969	16,831	194,633
Non- performing	<u>10,546</u>	<u>6,264</u>	<u>27,554</u>	<u>9,206</u>	<u>18,671</u>	<u>72,241</u>
	<u>107,860</u>	<u>65,495</u>	<u>37,842</u>	<u>20,175</u>	<u>35,502</u>	<u>266,874</u>

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(g) Loan operations by segment

	<u>September 30, 2011</u>	<u>% Portfolio</u>	<u>December 31, 2010</u>	<u>% Portfolio</u>
<i>Middle Market</i>	<u>1,592,837</u>	<u>76.03</u>	<u>1,538,538</u>	<u>81.97</u>
In reais				
Loans and discounts	1,161,539	55.44	1,139,337	60.70
Financing	403	0.02	14,198	0.76
BNDES/FINAME	146,775	7.01	99,933	5.32
Receivables acquisition	8,459	0.40		0.00
In foreign currency				
ACC/ACE/FINIMP	275,661	13.16	285,070	15.19
<i>Corporate(*)</i>	<u>436,164</u>	<u>20.82</u>	<u>256,501</u>	<u>13.67</u>
In reais				
Loans and discounts	193,820	9.25	160,701	8.56
BNDES/FINAME	34,584	1.65	12,692	0.68
Receivables acquisition	50,277	2.40		0.00
In foreign currency				
ACC/ACE/FINIMP	157,483	7.52	83,108	4.43
<i>Other</i>	<u>66,028</u>	<u>3.15</u>	<u>81,883</u>	<u>4.36</u>
Loans and financing - acquired	43,732	2.09	56,891	3.03
CDC - Vehicles	5,891	0.28	15,206	0.81
Other receivables	<u>16,405</u>	<u>0.78</u>	<u>9,786</u>	<u>0.52</u>
	<u>2,095,029</u>		<u>1,876,922</u>	

(*) The Major Companies segment referred to by the Institution corresponds to transactions carried out with corporate customers whose annual billings are in excess of R\$ 400 million. This extension to the Institution's business platform was set up in July 2010 as a complement to its operations which have traditionally focused on middle market companies).

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(h) Loans – average balances and terms

	September 30, 2011					
	<u>Total amount</u>	<u>Number of customers</u>	<u>Number of contracts</u>	<u>Average balance per customer</u>	<u>Average balance per contract</u>	<u>Average term(*)</u>
Loans, financing and discounted bills	<u>1,355,762</u>					
Overdraft accounts	193,914	221	232	877	836	108
Loans	1,132,957	579	954	1,957	1,188	578
Discounted bills	28,891	1,385	1,583	21	18	98
BNDES/FINAME	<u>181,359</u>	104	426	1,744	426	812
ACC/ACE/FINIMP	<u>433,144</u>	107	338	4,048	1,281	196
Receivables acquisition	<u>58,736</u>	2	4	29,368	14,684	7
Other	<u>66,028</u>					
Loans and financing - acquired	43,732					
CDC - Vehicles	5,891					
Other receivables	16,405					
	<u><u>2,095,029</u></u>					

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	December 31, 2010					
	<u>Total amount</u>	<u>Number of customers</u>	<u>Number of contracts</u>	<u>Average balance per customer</u>	<u>Average balance per contract</u>	<u>Average term(*)</u>
Loans, financing and discounted bills	<u>1,314,236</u>					
Overdraft accounts	145,064	274	288	529	504	110
Loans	1,124,975	579	1,079	1,943	1,043	589
Discounted bills	44,197	1,397	1,867	32	24	95
 BNDES/FINAME	 <u>112,625</u>	 72	 228	 1,564	 494	 810
 ACC/ACE/FINIMP	 <u>368,178</u>	 123	 431	 2,993	 854	 216
 Other	 <u>81,883</u>					
Loans and financing - acquired	56,891					
CDC - Vehicles	15,206					
 Other receivables	 <u>9,786</u>					
	 <u><u>1,876,922</u></u>					

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(i) Corporate customer guarantees

September 30, 2011								
Transactions	Total transactions	Guaranteed by receivables	Monitored lien/warrants and CPRS	Other types of lien	Lien on properties	Liens on vehicles	Securities/shares/CDB	Total guarantees
Overdraft accounts	193,914	154,955	204	358	20,773	1,897	186	178,373
Loans	1,132,957	557,728	79,318	27,838	134,476	12,585	21,229	833,174
Discounted bills	28,891	28,891						28,891
BNDES/FINAME	181,359	25,295	11,116	48,361	13,115	51,697	1,673	151,257
ACC/ACE/FINIMP	433,144	46,596	54,906	27,208			24,930	153,640
Receivables acquisition	58,736	58,736						58,736
Other								
Loans and financing - acquired	43,732	43,732						43,732
CDC - Vehicles	5,891					5,891		5,891
Other	16,405			16,405				16,405
	<u>2,095,029</u>	<u>915,933</u>	<u>145,544</u>	<u>120,170</u>	<u>168,364</u>	<u>72,070</u>	<u>48,018</u>	<u>1,470,099</u>
Percentage (%)	100.00	43.72	6.95	5.74	8.04	3.44	2.29	70.17

December 31, 2010								
Transactions	Total transactions	Guaranteed by receivables	Monitored lien/warrants and CPRS	Other types of lien	Lien on properties	Liens on vehicles	Securities/shares/CDB	Total guarantees
Overdraft accounts	145,064	118,559	1,644	38	15,587	2,064	338	138,230
Loans	1,124,975	604,318	92,999	22,736	143,390	23,988	10,490	897,921
Discounted bills	44,197	44,197						44,197
BNDES/FINAME	112,625	27,191		31,667	2,978	28,518		90,354
ACC/ACE/FINIMP	368,178	74,840	49,534	20,542			41,889	186,805
Other								
Loans and financing - acquired	56,891							
CDC - Vehicles	15,206					15,206		15,206
Other receivables	9,786			9,786				9,786
	<u>1,876,922</u>	<u>869,105</u>	<u>144,177</u>	<u>84,769</u>	<u>161,955</u>	<u>69,776</u>	<u>52,717</u>	<u>1,382,499</u>
Percentage (%)	100.00	46.30	7.68	4.52	8.63	3.72	2.81	73.66

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**(j) Composition of assigned loans
by type of loan and nature of risk**

		<u>September 30, 2011</u>	
<u>Category</u>	<u>Type</u>	<u>Asset amount</u>	<u>Amount of the liability assumed</u>
Loans with substantial retention of risks and rewards	CDC - Vehicles	3,374	4,672
		<u>3,374</u>	<u>4,672</u>
		<u>December 31, 2010</u>	
<u>Category</u>	<u>Type</u>	<u>Asset amount</u>	<u>Amount of the liability assumed</u>
Loans with substantial retention of risks and rewards	Loans	3,390	3,462
	CDC - Vehicles	8,981	10,751
		<u>12,371</u>	<u>14,213</u>

There were no new assignments with co-obligation for the quarter, only the loading of loans assigned in prior years, accordingly no income was earned on these operations for the period under analysis.

7 Foreign Exchange Portfolio

	<u>Indusval & Partners e Consolidated</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Assets		
Exchange purchases pending settlement	424,754	313,537
Rights on sales of exchange	43,867	7,425
Advances in local currency	(6,282)	(1,246)
Other	7,332	5,870
	<u>469,671</u>	<u>325,586</u>
Liabilities and equity		
Exchange sales pending settlement	43,992	7,390
Liabilities for purchases of exchange	378,658	324,977
Advances on foreign exchange contracts	(354,030)	(310,372)
Other	37	7

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Indusval & Partners e Consolidated	
September 30, 2011	December 31, 2010
<u>68,657</u>	<u>22,002</u>

8 Other Receivables and Other Assets

(a) Other receivables - Sundry

	Indusval & Partners		Indusval & Partners e Consolidated	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Deferred tax assets (Note 11(b))	96,942	54,532	98,857	54,532
Debtors for purchase of assets (Note 6)	16,405	9,786	16,405	9,786
Receivables acquisition (Note 6)	58,736		58,736	
Deposits in guarantee (Note 6(a))	10,672	10,387	10,694	10,387
Taxes and contributions available for offset	1,300	1,099	1,356	1,139
Sundry debtors – local and other	<u>5,390</u>	<u>1,468</u>	<u>5,790</u>	<u>1,415</u>
	<u>189,445</u>	<u>77,272</u>	<u>191,838</u>	<u>77,259</u>
Current assets	68,568	4,770	69,083	4,756
Long-term receivables	120,877	72,502	122,755	72,503

(b) Other assets – Indusval & Partners

	September 30, 2011	December 31, 2010
Property	37,590	38,272
Vehicles	11,184	4,991
Machinery and equipment	190	275
Other	<u>10,674</u>	
Allowance for losses	<u>(2,931)</u>	<u>(1,915)</u>
	<u>56,707</u>	<u>41,623</u>
Prepaid expenses	<u>2,522</u>	<u>2,381</u>
	<u>59,229</u>	<u>44,004</u>

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9 Permanent Assets

(a) Investments in subsidiaries - Indusval & Partners

	Subsidiaries			Associated company		Total
	Indusval S.A. CTVM (1)	BIM Promotora de Vendas Ltda.	Serglobal Comércio Cereais Ltda (2)	Sertrading S.A. (3)	Brasil Agrosec Securitizedora (4)	
Capital	13,838	500	20,788	41,352	2,097	
Shares/quotas owned (units)	520	500	20,788	506,575	4,037	
Equity	21,396	86	17,605	32,611	1,913	
Net income (loss)						
Third quarter 2011	(121)	1	(68)	2,208		
Year 2010	232	39				
Holding at September 30, 2011 - %	100	100	100	17.73	23.07	
Holding at December 31, 2010 - %	51.15	100				
Equity in the results						
Third quarter 2011	(121)	1	(68)	390		202
Year 2010	119	39				158
Investment						
At September 30, 2011	23,788	86	17,605	22,241	513	64,233
At December 31, 2010	11,149	84				11,233

(1) Indusval S.A. CTVM

On June 1, 2009, Serendipity acquired 254 common shares comprising 97.69% of the voting capital and 48.85% of the total capital of Indusval Corretora, The Bank has 6 common shares and 260 preferred shares, corresponding to 2.31% of voting capital and 51.15% of the Corretora's total capital.

On June 15, 2011, Bank Indusval S.A. repurchased the shares owned by Serendipity for R\$ 13,000, and goodwill of R\$ 2,391 was recorded on the date of the acquisition.

(2) Serglobal Comércio Cereais Ltda.

In April 2011, Banco Indusval S.A. acquired all of the quotas of Serglobal Comércio Cereais Ltda., a company specialized in investments in agricultural securities with company capital

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comprising 4,788,074 quotas, for the amount of R\$ 1,900 corresponding to the company's equity on April 5, 2011, in line with its objective of competing in the Rural Product Note (CPR) market (Note 5 (b)).

During the year, Serglobal's capital was increased by an amount of R\$ 16,000, through the issue of 16,000,000 new shares, all of which were subscribed by Banco Indusval.

(3) Sertrading S.A.

In the semester ended June 30, 2011, Banco Indusval made an investment of R\$ 25 million through the subscription of common shares as a capital increase in Sertrading, one of the largest foreign trade logistics and service companies in Brazil. The company's equity on the acquisition date was R\$ 7,616 and goodwill on acquisition was determined in the amount of R\$ 17,384. Goodwill is amortized at a rate of 10% p.a., based on a technical study and recognized in the "Other operating expenses" account in income.

Sertrading's capital comprised 2,857,104 shares, of which Bank Indusval S.A. acquired 506,575. This investment represents a non-controlling interest of 17.73% in the capital of Sertrading. Banco Indusval signed a shareholders' agreement with the current stockholders of Sertrading, regulating the rights related to (i) the Institution's option to acquire the remaining capital of Sertrading with the next two years, (ii) the indication by the Institution of two members of Sertrading's Board of Directors and (iii) the power to veto specific decisions relating to certain matters such as mergers and acquisitions, significant indebtedness, among others usual in this type of investment.

The Banco Indusval also entered into an operating agreement with Sertrading, with a five-year term, through which Banco Indusval will have the right of first refusal in the acquisition of receivables of Sertrading, derived from their foreign trade operations.

The financial statements used for calculating equity in the results of investees were those prepared as at August 31, 2011.

(4) Brasil Agrosec Securitizadora

On September 5, 2011, Banco Indusval acquired an interest in Brasil Agrosec Companhia Securitizadora through the subscription of 4,307 common shares for the amount of R\$ 513. As it was a recent acquisition, the equity in the results of Brasil Agrosec was not recorded in the third quarter.

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(b) Intangible assets

(i) Goodwill on the acquisition of subsidiaries and associated companies

The Bank acquired the shares of the brokerage company in June 2011 and once again became the sole holder of this company's shares. This acquisition generated goodwill of R\$ 2,391 on the date of the acquisition, which was classified in the Investments account in the parent company's statement of income and transferred to Intangible assets on a consolidated basis. This goodwill is not amortized but is tested for impairment at least annually.

(ii) Other intangible assets

Refers to the purchase for an amount of R\$ 13,100, of the business activity in Rural Credit Notes (CPR) and the seller's commitment not to compete over a period of 10 years, which is also the period over which the amount will be amortized. For the period between the date of acquisition up to the end the first half of 2011, an amount of R\$ 328 was recorded as amortization in the income statement.

10 Deposits, Funds Obtained and Onlendings

(a) Composition of deposits, funds obtained and onlendings by maturity - Indusval & Partners Consolidated

						September 30, 2011
						Term (days)
<u>Deposits, funds obtained and onlendings</u>	<u>Undetermine d maturity</u>	<u>Up to 90</u>	<u>From 91 to 180 days</u>	<u>From 181 to 360 days</u>	<u>More than 360 days</u>	<u>Total</u>
Demand	59,691					59,691
Interbank		45,600	13,233	12,462	4,299	75,594
Time (*)		221,343	134,345	216,683	855,860	1,428,231
Total deposits	59,691	266,943	147,578	229,145	860,159	1,563,516
Agribusiness and financial letters of credit		125,268	30,322	7,597	7,619	170,806
Foreign borrowings		17,787	11,401	33,520	132,088	194,796
Local onlendings		228,801	133,337	83,194	45,900	491,232
	59,691	638,799	322,638	353,456	1,045,766	2,420,350

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	December 31, 2010					
						Term (days)
Deposits, funds obtained and onlendings	Undetermined maturity	Up to 90	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total
Demand	47,682					47,682
Interbank		29,894	65,187	10,312	11,088	116,481
Time (*)		248,088	280,407	138,638	663,853	1,330,986
	<u>471</u>					<u>471</u>
Total deposits	<u>48,153</u>	<u>277,982</u>	<u>345,594</u>	<u>148,950</u>	<u>674,941</u>	<u>1,495,620</u>
Agribusiness and financial letters		<u>37,540</u>	<u>8,204</u>	<u>28,904</u>	<u>7,345</u>	<u>81,993</u>
Foreign borrowings		<u>10,819</u>	<u>11,594</u>	<u>20,884</u>	<u>84,354</u>	<u>127,651</u>
Local onlendings		<u>138,681</u>	<u>154,282</u>	<u>31,837</u>	<u>549</u>	<u>325,349</u>
Demand	<u>48,153</u>	<u>465,022</u>	<u>519,674</u>	<u>230,575</u>	<u>767,189</u>	<u>2,030,613</u>

(*) Of total time deposits at September 30, 2011, R\$ 739,023 (December 31, 2010 - R\$ 591,037) comprises time deposits (CDB) with special guarantee (DPGE).

(b) Analysis of major customers – time deposits

Customers	September 30, 2011			December 31, 2010		
	Amount	%	% Accumulated	Amount	%	% Accumulated
10 largest customers	270,461	18.94	18.94	274,550	20.63	20.63
11th to 60th largest customers	582,168	40.75	59.69	538,301	40.44	61.07
61st to 160th largest customers	419,953	29.40	89.09	373,548	28.07	89.13
Other	<u>155,649</u>	10.91	100.00	<u>144,587</u>	10.87	100.00
	<u>1,428,231</u>			<u>1,330,98</u>		

(c) Funds raised in the open market

	Indusval & Partners e Consolidated	
	September 30, 2011	December 31, 2010
Own portfolio	<u>977,514</u>	<u>538,580</u>
Financial Treasury Bills (LFT)		234,607
National Treasury Bills (LTN)	627,515	123,900

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	Indusval & Partners e Consolidated	
	September 30, 2011	December 31, 2010
Federal Treasury Notes (NTN)	349,999	180,073
Unrestricted portfolio	226,471	
Financial Treasury Bills (LFT)	60,001	
Federal Treasury Notes (NTN)	166,470	
	<u>1,203,985</u>	<u>538,580</u>

11 Income Tax and Social Contribution – Indusval & Partners

(a) Calculation of benefit (expense)

	Quarters ended	
	September 30, 2011	December 31, 2010
Profit (loss) before income tax and social contribution and after profit sharing and contributions	<u>4,265</u>	<u>6,594</u>
Provision for income tax (IRPJ) and social contribution (CSLL) at the statutory rate (40%)	1,706	2,637
Effect of additions and deductions in the calculation of taxes		
Equity in results of investees	(81)	31
Non-deductible expenses		(71)
Interest on own capital paid	(3,120)	(2,120)
Income earned abroad	<u>(1,069)</u>	<u>1,064</u>
Income tax and social contribution benefit (expense) for the period	<u>(2,565)</u>	<u>1,541</u>
	September 30, 2011	December 31, 2010
Allowance for loan losses	11,438	(4,435)
Provision for tax risks and contingencies	(258)	(273)
Mark-to-market adjustment – securities and derivatives	(2,864)	1,856
Tax loss		(822)
Other	<u>(2,672)</u>	<u>2,133</u>

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	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Total	<u>5,644</u>	<u>(1,541)</u>

(b) Changes in deferred tax assets

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Opening balance	54,532	60,286
Additions (reductions)	42,410	(5,754)
Total deferred tax assets (Note 8)	<u>96,942</u>	<u>54,532</u>
Deferred tax liabilities (Note 12 (c))	(3,613)	(1,143)
Deferred tax assets, net of deferred tax liabilities	<u>93,329</u>	<u>53,389</u>
Percentage of equity	<u>16,16</u>	<u>12,52</u>

(c) Projected realization of deferred tax assets

	<u>Balance at September 30, 2011</u>	<u>Up to 360 days</u>	<u>From 361 to 720 days</u>	<u>From 721 to 1800 days</u>
Allowance for loan losses	71,729	62,442	3,707	5,580
Tax losses (IRPJ and CSLL)	20,051	20,051		
Adjustment to market value	2,616	2,616		
Other	2,546	796	1,750	
	<u>96,942</u>	<u>85,905</u>	<u>5,457</u>	<u>5,580</u>

(d) Estimates of realization

The Institution's management, based on a technical study which considers the continuation of the history of profitability and the generation of future tax liabilities, estimates the realization of the deferred tax assets within a maximum period of five years. The present value of the deferred tax assets, using the Long-term Interest Rate (TJLP), is R\$ 89,094.

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12 Other Liabilities

(a) Negotiation and intermediation of securities

	<u>Indusval & Partners</u>		<u>Indusval & Partners e Consolidated</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Creditors – pending settlement account	6,470	123,856	16,034	107,188
Clearing houses for the custody and settlement of securities			16,692	23,736
Creditors for share loans	92,692	63,432	92,692	63,432
Transactions with financial assets pending settlement			1,781	178
Other liabilities for negotiation and intermediation of securities	450		450	
Other			950	782
	<u>99,612</u>	<u>187,288</u>	<u>128,599</u>	<u>195,316</u>

(b) Provision for contingent assets and liabilities

In the normal course of its activities, the Institution is involved in the following contingencies:

Contingent assets

No contingent assets were recognized, and there are no significant lawsuits classified as of probable realization.

(ii) Contingent liabilities

Contingencies classified as probable are generally recorded as a provision and amount to R\$ 1,181 at September 30, 2011.

- Sundry labor claim sentences in the amount of R\$ 999
- Sundry civil suit sentences in amount of R\$ 182

Contingencies classified as possible do not need to be recorded as a provision pursuant to legislation, The Institution and its subsidiaries are parties to the following proceedings presenting risk of possible loss:

- Corporate Income Tax (IRPJ) credit compensation in the amount of R\$ 3,729, arising from overpayments resulting from the recalculation of the effects of discontinuing the

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- suit related to Law 8200;
- Services Tax (ISS) levied on income from the trading of marketable securities in the Commodities Exchange, in the amount of R\$ 3,727 (case distributed in 1988);
 - Voluntary disclosure involving interest on arrears, IRPJ, Social Contribution on Net Income (CSLL), Social Integration Program (PIS) and Social Contribution on Revenues (COFINS), in the amount of R\$ 2,874;
 - Challenging the levying of IRPJ and CSLL on the indexation, in the reserve account, of exchange membership certificates of BMF S.A. and Bovespa S.A., arising from demutualization, in the amount of R\$ 16,147 in Corretora;
 - Challenging the levying of PIS and COFINS on the sale of shares of BMFBovespa S.A., arising from the conversion of shares of CBLC, in the amount of R\$ 1,469 in Corretora

(c) Taxes and social security – legal obligations

	<u>September 30, 2011</u>		<u>December 31, 2010</u>	
	<u>Indusval & Partners</u>	<u>Consolidated</u>	<u>Indusval & Partners</u>	<u>Consolidated</u>
Taxes and contributions on profits				18
Taxes and contributions payable	3,225	3,641	4,283	4,456
Deferred taxes and contributions (Note 11(b))	3,613	3,775	1,143	1,328
Legal obligations	<u>4,598</u>	<u>4,598</u>	<u>4,319</u>	<u>4,319</u>
	<u>11,436</u>	<u>12,014</u>	<u>9,745</u>	<u>10,121</u>
Current liabilities	7,823	8,240	4,283	4,474
Long-term liabilities	3,613	3,775	5,462	5,647

Changes in legal obligations for the period may be summarized as follows:

Opening balance at December 31, 2010	4,319
Change in the period reflected in the result Increase	<u>279</u>
Closing balance at September 30, 2011	<u>4,598</u>

The balance in legal obligations comprises the following:

- ISS - Complementary Law 116/03 - R\$ 1,156: challenging the levying of this tax on the means, instruments and stages of the financial transactions carried out by the Institution;
- PIS – R\$ 1,688: declaration of the non-existence of a legal-tax relationship between the parties, regarding the application of Constitutional Amendment 1/94 and Provisional Measure 636/94 (and successive republications), allowing the Institution to pay PIS

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contributions in accordance with the provisions of Complementary Law 7/70.

- INSS – SAT/FAP – R\$ 1,754: challenging the increase in the Work Accident Insurance (SAT) rate and the accident prevention factor (FAP).

13 Equity

(a) Capital social

Fully subscribed and paid-up capital comprises 63,105,693 shares, of which 36,945,649 are common and 26,160,693 are preferred shares with no par value.

At September 30, 2011, 746,853 preferred shares (2010 – 1,094,044 shares) were held in treasury.

On March 23, 2011, approval was given by the Board of Directors for a capital increase in Banco Indusval, through the private subscription of shares, up to the limit of authorized capital, in the total amount of up to R\$ 289,215 with the possibility of partial ratification in the case of a minimum subscription of R\$ 200,999. This increase will consist of the issuance of up to 9,945,649 new common shares and up to 21,490,821 new preferred shares, identical to the current shares, at the issue price of R\$ 9.20 per share. Through the assignment of a portion of the right to first refusal of the Institution's Controlling Stockholders and their related stockholders, on March 30, 2011, the amount of R\$ 201,413 was subscribed and paid as follows: (i) Warburg Pincus, through WP X Fundo de Investimento em Participações, subscribed common and preferred shares of the Institution in the total amount of R\$ 150,000, (ii) the stockholders of Sertrading subscribed and paid up common and preferred shares of the Institution in the amount of R\$ 30,000 and (iii) the Institution's controlling shareholders subscribed and paid up common shares of the Institution in the total amount of R\$ 21,413. Subsequent to the approval of this capital increase by BACEN, the subscription receipts of the amounts paid in will be replaced by shares.

During 2011, 56 shares were repurchased for the amount of 1 (970.276 for the amount of R\$ 7.983 in 2010).

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(b) Capital reserve

In 2011, an amount of R\$ 2,073 (2010 – R\$ 1,114) was recorded as expense for benefits against the capital reserve related to the share based payments plan detailed below:

<u>Date of grant</u>	<u>Vesting period</u>	<u>Exercise term</u>	<u>Exercise price (in reais)</u>	<u>Number</u>			
				<u>Granted</u>	<u>Exercised</u>	<u>Expired</u>	<u>Not exercised</u>
July 22, 2008	Three years	Five years	10,07	161,896			161,896
February 10, 2009	Three years	Five years	5,06	229,067	25,600	10	203,457
February 22, 2010	Three years	Five years	8,56	525,585		15,263	510,322
August 6, 2010	Three years	Five years	7,72	261,960		2,524	259,436
February 9, 2011	Three years	Five years	8,01	243,241			243,241
July 1, 2011	Three years	Five years	4,60	1,167,463			1,167,463
				<u>2,589,212</u>	<u>25,600</u>	<u>17,797</u>	<u>2,545,815</u>

(c) Revaluation reserve

The Institution carried out a revaluation of properties in the first half of 2005 (properties in use), based on an appraisal report issued by qualified experts, approved by the stockholders at an Extraordinary General Meeting.

During 2011, part of the revalued properties was sold for R\$ 3,040, with a gain of R\$ 1,536.

The revaluation reserve, for own assets and those of the associated companies, is realized based on the depreciation, disposal or sale of the corresponding revalued assets, through transfers to retained earnings, net of the tax effects. The realized reserve for the year of 2011 was R\$ 527. The balance of the reserve is R\$ 1,401.

(d) Revenue reserves

The Institution's by-laws provide for the appropriation of annual net income to the following reserves: (a) reserve for equalization of dividends for the purpose of ensuring the regular payment of dividends to stockholders, and (b) the reserve for working capital reinforcement to ensure that the Institution has the financial means for its continued operation.

(e) Dividends and interest on own capital

The Institution's by-laws provide for the distribution of a minimum annual dividend of 25% of net income adjusted in accordance with Article 202 of Law 6404/76 and subsequent

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amendments.

During 2011, interest on own capital was approved and paid in the amount of R\$ 17,340, (2010 - R\$ 18,865), calculated based on the Long-term Interest Rate (TJLP), pursuant to Article 9 of Law 9249/95, and recorded for tax purposes as a financial expense. The tax benefit arising from this distribution was R\$ 6,936 (2010- R\$ 7,546).

14 Employee Benefits

(a) Personnel

September 30, 2011				
Employees	Banco Indusval & Partners	Indusval & Partners Corretora	Serglobal Comércio Cereais	Total
Operational	179	12	2	193
Support and control	174	18		192
	<u>353</u>	<u>30</u>	<u>2</u>	<u>385</u>

December 31, 2010				
Employees	Banco Indusval & Partners	Indusval & Partners Corretora	Total	
Operational	165	12	177	
Support and control	169	16	185	
	<u>334</u>	<u>28</u>	<u>362</u>	

(b) Private pension plan

Banco Indusval S.A. and its subsidiaries offer their employees a supplementary pension plan with a defined contribution, managed by a private entity. The program commenced in September 2008, and is sponsored by the Institution and its subsidiaries and employees. During the third quarter, contributions totaled R\$ 116 (3Q10 - R\$ 127) in Banco Indusval and R\$ 132 (3Q10 - R\$ 134) on a consolidated basis.

(c) Contributions and profit sharing

Since 2006, the Institution has adopted its own model for the payment of profit sharing using criteria and parameters established in accordance with the agreement approved by the Ministry of Labor. It has also established the payment of profit sharing to the directors.

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15 Analysis of the Statement of Income Accounts

(a) Income from financial intermediation

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Loan operations	76,379	76,379	71,994	71,994	202,769	202,769	198,777	198,777
Advance to depositors	57	57	73	73	215	215	94	94
Loans	63,992	63,992	60,197	60,197	178,156	178,156	167,264	167,264
Discounted bills	2,129	2,129	2,878	2,878	5,721	5,721	7,760	7,760
Financing	8,910	8,910	7,864	7,864	15,887	15,887	18,733	18,733
Recovery of receivables	1,291	1,291	982	982	2,790	2,790	4,926	4,926
Results of securities	94,609	95,827	44,639	45,106	198,449	200,463	87,266	88,653
Short-term Interbank Investments	19,820	19,820	4,767	4,767	41,722	41,722	20,799	20,799
Fixed income securities	25,821	26,248	25,864	26,075	84,861	85,992	47,495	47,291
Variable income securities	38,151	38,973	14,108	14,363	66,002	66,918	18,881	20,499
Investment funds	2	2	163	163	40	40	228	228
Mark-to-market adjustment - securities	10,813	10,782	(263)	(262)	5,822	5,789	(139)	(166)
Foreign investments	2	2			2	2	2	2
Results of derivative financial instruments	(29,044)	(28,787)	(11,423)	(11,305)	(32,161)	(31,936)	(2,648)	(2,109)
Swap	(5,382)	(5,331)	(4,138)	(4,077)	644	700	(3,127)	(2,800)
Futures	(24,819)	(24,613)	(8,249)	(8,191)	(33,487)	(33,316)	(1,933)	(1,709)
Options	(455)	(455)	175	174	(2,458)	(2,460)	106	94
Forward	1,612	1,612	789	789	3,140	3,140	2,306	2,306
Results of foreign exchange	69,217	69,217	6,553	6,553	84,527	84,527	52,950	52,950
Export	7,044	7,044	5,971	5,971	17,975	17,975	18,845	18,845
Import	295	295	403	403	1,021	1,021	885	885
Financial	13	13	(19)	(19)	(40)	(40)	(85)	(85)
Rate variations	61,475	61,475	(501)	(501)	65,168	65,168	30,416	30,416
Funds available in foreign currency	390	390	699	699	403	403	2,889	2,889
	211,161	212,636	111,763	112,348	453,584	455,823	336,345	338,271

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(b) Expenses for financial intermediation

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Funds obtained in the market	(88,334)	(87,952)	(55,320)	(55,214)	(245,632)	(244,902)	(140,238)	(139,965)
Interbank deposits	(2,591)	(2,451)	(1,623)	(1,519)	(9,215)	(8,853)	(3,973)	(3,680)
Time deposits	(46,754)	(46,494)	(37,234)	(37,232)	(139,343)	(138,957)	(100,472)	(100,467)
Purchase and sale commitments	(34,412)	(34,430)	(15,842)	(15,842)	(87,101)	(87,119)	(34,709)	(34,734)
Agribusiness letters of credit (LCA)	(4,319)	(4,319)	(621)	(621)	(9,253)	(9,253)	(1,084)	(1,084)
Financial notes	(258)	(258)			(720)	(720)		
Loans, assignments and onlendings	(79,652)	(79,652)	(8,107)	(8,107)	(89,670)	(89,670)	(55,709)	(55,709)
Share loans								
Local borrowings	(84)	(84)			(250)	(250)	(32)	(32)
Foreign borrowings	(76,884)	(76,884)	(1,590)	(1,590)	(82,673)	(82,673)	(44,658)	(44,658)
Local onlendings (PSH)	(214)	(214)	(283)	(283)	(674)	(674)	(949)	(949)
Local onlendings (BNDES)	(965)	(965)	(4,835)	(4,835)	(2,135)	(2,135)	(6,318)	(6,318)
Local onlendings (FINAME)	(1,505)	(1,505)	(1,399)	(1,399)	(3,938)	(3,938)	(3,752)	(3,752)
Allowance for loan losses	(13,779)	(13,779)	(11,383)	(11,383)	(116,957)	(116,957)	(35,497)	(35,497)
Loan operations and other receivables	(13,779)	(13,779)	(11,383)	(11,383)	(116,957)	(116,957)	(35,497)	(35,497)
	(181,765)	(181,383)	(74,810)	(74,704)	(452,259)	(451,529)	(231,444)	(231,171)

(A free translation of the original in Portuguese)

**Banco Indusval S.A. (Indusval & Partners)
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(c) Revenues from services rendered and bank charges

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Management of funds	13	152	24	119	45	366	74	357
Collection	649	649	783	783	2,017	2,017	2,020	2,020
Transfer of funds	8	8	8	8	23	23	21	21
Guarantees provided	289	289	306	306	832	832	868	868
Custody services		4		28		4	1	58
Stock exchange brokerage services		3,635		1,595		8,233		4,060
Foreign exchange brokerage services	367	724	37	397	976	1,561	177	1,329
	<u>1,326</u>	<u>5,461</u>	<u>1,158</u>	<u>3,236</u>	<u>3,893</u>	<u>13,036</u>	<u>3,161</u>	<u>8,713</u>
Bank charges	197	197	272	272	674	674	717	717
	<u>1,523</u>	<u>5,658</u>	<u>1,430</u>	<u>3,508</u>	<u>4,567</u>	<u>13,710</u>	<u>3,878</u>	<u>9,430</u>

(d) Personnel expenses

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Salaries	(7,695)	(8,416)	(6,523)	(6,809)	(23,856)	(25,521)	(18,868)	(19,971)
Fees	(1,717)	(2,147)	(1,640)	(1,842)	(5,449)	(6,277)	(4,982)	(5,460)
Benefits	(2,996)	(3,266)	(2,196)	(2,340)	(7,129)	(7,706)	(5,925)	(6,341)
Social charges	(3,148)	(3,509)	(2,723)	(2,884)	(9,381)	(10,126)	(8,142)	(8,630)
Training	(284)	(290)	(105)	(105)	(442)	(451)	(247)	(249)
Interns	(123)	(131)	(40)	(43)	(218)	(236)	(105)	(127)
	<u>(15,963)</u>	<u>(17,759)</u>	<u>(13,227)</u>	<u>(14,023)</u>	<u>(46,475)</u>	<u>(50,317)</u>	<u>(38,269)</u>	<u>(40,778)</u>

(A free translation of the original in Portuguese)

**Banco Indusval S.A. (Indusval & Partners)
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(e) Other administrative expenses

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Water, electricity and gas	(83)	(87)	(77)	(79)	(265)	(274)	(249)	(257)
Rents	(972)	(1,187)	(379)	(460)	(1,666)	(2,077)	(1,058)	(1,302)
Communications	(573)	(832)	(712)	(796)	(1,728)	(2,338)	(2,004)	(2,198)
Social responsibility	(83)	(83)	(88)	(88)	(269)	(269)	(266)	(266)
Maintenance and repair of assets	(77)	(97)	(60)	(73)	(424)	(469)	(480)	(556)
Material	(71)	(80)	(56)	(58)	(184)	(205)	(165)	(175)
Data processing	(565)	(905)	(341)	(526)	(1,638)	(2,399)	(1,019)	(1,522)
Promotions and public relations	(110)	(126)	(136)	(144)	(561)	(607)	(197)	(215)
Advertising and publicity	(95)	(97)			(95)	(101)		
Publications	(107)	(125)	(112)	(121)	(429)	(478)	(449)	(485)
Insurance	(100)	(100)	(49)	(49)	(144)	(158)	(59)	(64)
Financial system services	(800)	(1,119)	(650)	(774)	(2,338)	(2,986)	(1,891)	(2,197)
Third-party services	(2,055)	(4,574)	(2,695)	(3,702)	(8,586)	(13,440)	(7,602)	(10,410)
Surveillance and security	(23)	(24)	(109)	(112)	(59)	(61)	(147)	(151)
Specialized technical services	(832)	(888)	(1,210)	(1,260)	(3,517)	(3,725)	(3,180)	(3,287)
Transportation	(226)	(233)	(100)	(106)	(486)	(506)	(381)	(392)
Travel	(388)	(397)	(318)	(327)	(1,141)	(1,170)	(901)	(931)
Other	(1,611)	(1,727)	(1,108)	(1,186)	(4,623)	(4,952)	(3,461)	(3,733)
	<u>(8,771)</u>	<u>(12,681)</u>	<u>(8,200)</u>	<u>(9,861)</u>	<u>(28,153)</u>	<u>(36,215)</u>	<u>(23,509)</u>	<u>(28,141)</u>

(f) Tax expenses

	Quarters Ended September 30				Nine-month Periods Ended September 30			
	2011		2010		2011		2010	
	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated	Indusval & Partners	Consolidated
Service tax (ISS)	(78)	(265)	(74)	(173)	(234)	(652)	(203)	(477)
Social integration program(PIS)	(206)	(246)	(353)	(372)	(747)	(828)	(903)	(959)
Social contribution on revenues (COFINS)	(1,270)	(1,511)	(2,172)	(2,290)	(4,599)	(5,093)	(5,559)	(5,895)
Other	(1,400)	(1,619)	(2,473)	(2,482)	(3,267)	(3,544)	(3,731)	(3,754)
	<u>(2,954)</u>	<u>(3,641)</u>	<u>(5,072)</u>	<u>(5,317)</u>	<u>(8,847)</u>	<u>(10,117)</u>	<u>(10,396)</u>	<u>(11,085)</u>

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**Banco Indusval S.A. (Indusval & Partners)
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16 Operating limits – Indusval & Partners Consolidated

At September 30, 2011, the Institution's Basel ratio was 21.15% (December 31, 2010 – 17.59%), calculated based on the consolidated financial information.

	September 30, 2011	December 31, 2010
Reference equity (PR)	<u>575,110</u>	<u>426,425</u>
Tier I	<u>567,655</u>	<u>423,050</u>
Equity	577,501	426,425
Revaluation reserves	(1,401)	(1,928)
Mark-to-market adjustments	(8,445)	(1,447)
Tier II	<u>9,846</u>	<u>3,375</u>
Revaluation reserves	1,401	1,928
Mark-to-market adjustments	8,445	1,447
Required reference equity (PRE)	<u>2,391</u>	<u>266,649</u>
Credit risk		245,411
Market risk	299,181	5,289
Operational risk	<u>269,468</u>	<u>15,949</u>
	20,424	
Surplus PR	<u>9,289</u>	<u>159,776</u>
Basel ratio	21.15	17.59

17 Related Parties

(a) Subsidiaries

The transactions between the parent company and its subsidiaries were carried out at normal market rates and terms on a commutative basis, and comprise the following:

	September 30, 2011		December 31, 2010	
	Ativo (passivo)	Receitas (despesas)	Ativo (passivo)	Receitas (despesas)
Demand deposits	(5,644)		(116)	
Time deposits	(304)	(260)	(74)	(4)
Interbank deposits	(6,385)	(140)	(3,295)	(180)
Negotiation and intermediation of securities			(25,263)	(60)
Intangible	13,100			
Other	(384)			

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**Banco Indusval S.A. (Indusval & Partners)
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(b) Compensation of key management personnel

	Trimestres findos em 30 de setembro	
	2011	2010
Short-term benefits	1,611	1,750
Long-term benefits	6	25
Share-based payments	942	482
	<u>2,559</u>	<u>2,257</u>

**(c) Other transactions with related parties
- intergroup contract balance**

<u>Link with company</u>	<u>Contract objective and characteristics</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Directors	Demand and investment deposits	1,977	454
	Time deposits 14% p.a. fixed rate and 115% of CDI after grace period	32,199	27,187
	LCA: 100% to 103% of CDI at maturity	<u>12,215</u>	<u>19,047</u>
Companies linked to directors	Demand and investment deposits	69	202
	Time deposits 101% to 115% of CDI after Grace period		23,747
	Time deposits 104% to 115% of CDI after Grace period	<u>16,012</u>	
People linked to directors	Demand and investment deposits	762	648
	Time deposits 104% to 115% of CDI after Grace period		22,408
	Time deposits 105% to 115% of CDI after Grace period	27,894	
	LCA: 98% to 103% of CDI at maturity	<u>8,552</u>	<u>10,837</u>
Associated company	Time deposits: 106% of CDI after Grace period	<u>3,003</u>	
		<u>102,683</u>	<u>104,530</u>

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18 Management of Investment Funds

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Valeu FIM, Crédito Privado, Investimento no Exterior e Longo Prazo	9,517	21,161
Comercial Master FIA	5,460	7,600
Agrisus FIA Investimentos no Exterior	4,871	5,484
GSS FIM, Crédito Privado, Investimento no Exterior e Longo Prazo	5,644	4,988
Multi FI Renda Fixa Indusval Crédito Privado	4,503	3,765
Stock FIM, Credito Privado, Investimento No Exterior e Longo Prazo	<u>1,358</u>	<u> </u>
	<u>31,353</u>	<u>42,998</u>

19 Supplementary Information

(a) Guarantees and sureties

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Sureties - financial institutions	30,019	29,705
Sureties - individuals and non-financial companies	38,031	33,706
Loans for imports	<u>34,799</u>	<u>851</u>
	<u>102,849</u>	<u>64,262</u>

(b) Indusval & Partners Corretora

The subsidiary Indusval & Partners Corretora operates as an intermediary in the trading of contracts in the forward, futures and options markets totaling R\$ 10,925,123 at September 30, 2011 (December 31, 2010 - R\$ 9,002,468). It is also responsible for the custody of customers' securities totaling R\$ 718,919 at September 30, 2011 (December 31, 2010 - R\$ 1,020,985), deposited with the Brazilian Clearing and Depositary Corporation (CBLC).

(c) Free cash - Indusval & Partners Consolidated

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Cash	66,958	7,081
Short-term interbank investments	340,520	44,648
Marketable securities	1,710,656	1,219,684
Funds obtained in the open market	<u>(1,203,985)</u>	<u>(538,580)</u>
Free cash	<u>914,149</u>	<u>732,833</u>

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**Banco Indusval S.A. (Indusval & Partners)
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**(d) Financial instruments - Indusval
& Partners Consolidated**

	September 30, 2011		December 31, 2010	
	Carrying amount	Market value	Carrying amount	Market value
Assets				
Interbank deposits	73,687	73,687	21,901	21,901
Investments in foreign currency	94	94	240	240
Marketable securities	1,710,656	1,710,656	1,219,684	1,219,684
Loan operations				
Originated loans	1,612,262	1,622,765	1,433,257	1,410,838
Trade finance	433,144	463,218	368,178	367,113
Purchased credits	43,732	44,000	56,891	56,383
CDC - vehicles	2,517	3,050	6,225	7,636
Derivatives				
Fixed rate	17,671	17,671	70,553	70,553
Currencies (futures)	39,384	39,384	1,691	1,691
Swaps	24,209	24,209	9,814	9,814
Share forward	16,794	16,794	28,281	28,281
Options	3,772	3,772	3,478	3,478
Liabilities				
Interbank deposits	75,594	75,607	116,481	116,618
Time deposits	1,428,231	1,432,190	1,330,986	1,329,780
Agribusiness and financial letters of credit(LCA)	170,806	174,478	81,993	81,993
Onlendings	194,796	194,797	127,651	127,637
Foreign liabilities	491,232	501,823	325,349	326,257
Share loans	92,692	92,692	63,432	63,432
Equity securities (short sales)	5,343	5,343	73,928	73,928
Derivatives				
Fixed rate	1,297,574	1,297,574	635,652	635,652
Currencies (futures)	51,801	51,801	75,899	75,899
Financial assets and merchandise	3,650	3,650		
Swaps	11,818	11,818	2,744	2,744
Share forward	15,189	15,189	27,960	27,960
Options	3,871	3,871	3,480	3,480

The market value of the financial instruments was obtained based on the following parameters:

- Interbank deposits: calculated in accordance with the investment curve.
- Marketable securities: determined based on the prices disclosed by ANBIMA for the established date.
- Loan operations, interbank deposits, time deposits, foreign liabilities, onlendings and agribusiness and financial letters of credit: calculated based on the monthly average rate of the last month of the six-month period for each type of transaction.
- Derivatives, purchased credits and funds obtained through options: determined based on the internal pricing model, using data supplied by BM&FBovespa as parameters.

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(e) Service agreement – CVM Instruction 381

The policy of the Institution and its subsidiaries for contracting services unrelated to the external audit from the independent auditors is based on the applicable regulations and on internationally accepted principles which safeguard the independence of the auditors. These principles establish that the auditors: (i) should not audit their own work; (ii) should not perform managerial functions for their clients; and (iii) should not promote the interests of their clients.

During the semester, the independent auditors and related parties did not render services unrelated to the external audit at a level higher than 5% of the total fees related to external audit services.

(f) Insurance coverage

Banco Indusval has insurance contracts to cover risks related to property and equipment. Management considers the amount sufficient to cover potential losses.

(g) New name of the Institution

The Institution has adopted the new trade name of Banco Indusval & Partners, maintaining the same registered company name.

* * *

Consolidated FS / Balance Sheet Assets

(in thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2011	Prior Year 12/31/2010
1	Total assets	4.458.722	3.276.142
1.01	Current assets	3.732.172	2.672.676
1.01.01	Cash	66.958	7.081
1.01.02	Short-term Interbank Investments	340.520	44.648
1.01.02.01	Open market investments	266.739	22.507
1.01.02.02	Interbank deposits	73.781	22.141
1.01.03	Marketable securities	1.739.124	1.255.106
1.01.03.01	Own portfolio	534.717	586.517
1.01.03.02	Subject to repurchase agreements	982.243	540.385
1.01.03.03	Subject to guarantees	193.645	92.751
1.01.03.05	Derivatives	28.519	35.453
1.01.04	Interbank accounts	3.233	1.553
1.01.04.01	Unsettled payments and receipts	2.038	0
1.01.04.02	Restricted deposits - BACEN	1.195	1.553
1.01.06	Loan operations	963.659	920.861
1.01.06.01	Private sector	988.958	933.827
1.01.06.02	Public sector	0	9.137
1.01.06.03	Allowance for loan losses	-25.299	-22.103
1.01.08	Other receivables	560.985	400.319
1.01.08.01	Foreign exchange portfolio	469.671	325.586
1.01.08.02	Income receivable	58	85
1.01.08.03	Negotiation and intermediation of securities	30.258	75.341
1.01.08.04	Sundry	69.083	4.756
1.01.08.05	Allowance for loan losses	-8.085	-5.449
1.01.09	Other assets	57.693	43.108
1.01.09.01	Non-operating assets	50.464	43.538
1.01.09.02	Provision for loss	-2.931	-1.915
1.01.09.03	Prepaid expenses	986	1.485
1.01.09.04	Other	9.174	0
1.02	Long-term receivables	677.768	590.638
1.02.02	Marketable securities	16.307	6.151
1.02.02.01	Own portfolio	51	0
1.02.02.02	Subject to guarantees	0	31
1.02.02.03	Derivatives	16.256	6.120
1.02.03	Interbank accounts	6.597	7.352
1.02.03.01	Operating agreements	6.597	7.352
1.02.05	Loan operations	530.205	503.536
1.02.05.01	Private sector	666.201	595.564
1.02.05.03	Allowance for loan losses	-135.996	-92.028
1.02.07	Other receivables	123.123	72.703
1.02.07.01	Negotiation and intermediation of securities	492	244
1.02.07.02	Sundry	122.755	72.503
1.02.07.03	Allowance for loan losses	-124	-44
1.02.08	Other assets	1.536	896
1.02.08.01	Prepaid expenses	1.536	896
1.03	Permanent assets	48.782	12.828
1.03.01	Investments	24.440	1.686
1.03.01.02	Investments in subsidiaries	22.754	0
1.03.01.02.01	Local	22.754	0
1.03.01.04	Other investments	1.686	1.686
1.03.02	Property and equipment in use	9.506	11.142
1.03.02.01	Properties in use	1.210	2.192
1.03.02.02	Other fixed assets in use	13.331	12.515
1.03.02.03	Revaluation of properties in use	2.634	3.538
1.03.02.04	Accumulated depreciation	-7.669	-7.103
1.03.04	Intangible	14.836	0
1.03.04.01	Goodwill	2.391	0
1.03.04.02	Other intangible assets	13.100	0
1.03.04.03	Accumulated amortization	-655	0

Consolidated FS / Balance Sheet Liabilities and Equity

(in thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2011	Prior Year 12/31/2010
2	Total liabilities	4.458.722	3.276.142
2.01	Current liabilities	2.830.039	2.074.519
2.01.01	Deposits	703.357	820.679
2.01.01.01	Demand	59.691	47.682
2.01.01.02	Interbank	71.295	105.393
2.01.01.03	Time	572.371	667.133
2.01.01.04	Other	0	471
2.01.02	Funds raised in the open market	1.203.985	538.580
2.01.02.01	Own portfolio	977.514	538.580
2.01.02.02	Third-party portfolios	0	0
2.01.02.03	Unrestricted portfolio	226.471	0
2.01.03	Funds from acceptance and issuance of securities	163.187	74.648
2.01.03.01	LCA and LF	163.187	74.648
2.01.04	Interbank accounts	1.040	0
2.01.04.01	Unsettled receipts and payments	1.040	0
2.01.05	Interdepartmental accounts	2.331	5.898
2.01.05.01	Third-party funds in transit	2.331	5.898
2.01.06	Borrowings	445.332	324.800
2.01.06.01	Foreign borrowings	445.332	324.800
2.01.07	Local onlendings	62.708	43.297
2.01.07.01	BNDES	30.144	18.087
2.01.07.02	FINAME	32.564	25.210
2.01.09	Other liabilities	248.099	266.617
2.01.09.01	Derivatives	30.878	34.184
2.01.09.02	Collection and payment of taxes and similar	613	571
2.01.09.03	Foreign exchange portfolio	68.657	22.002
2.01.09.04	Social and statutory payables	1.815	3.661
2.01.09.05	Tax and social security contributions	8.240	4.474
2.01.09.06	Negotiation and intermediation of securities	128.599	195.316
2.01.09.07	Sundry	9.297	6.409
2.02	Long-term liabilities	1.050.722	774.736
2.02.01	Deposits	860.159	674.941
2.02.01.01	Interbank	4.299	11.088
2.02.01.02	Time	855.860	663.853
2.02.03	Funds from acceptance and issuance of securities	7.619	7.345
2.02.03.01	LCA e LF	7.619	7.345
2.02.06	Borrowings	45.900	549
2.02.06.01	Foreign borrowings	45.900	549
2.02.07	Local onlendings	132.088	84.354
2.02.07.01	BNDES	53.484	28.154
2.02.07.02	FINAME	64.506	39.856
2.02.07.03	Other	14.098	16.344
2.02.09	Other liabilities	4.956	7.547
2.02.09.01	Derivatives	0	0
2.02.09.02	Tax and social security contributions	3.775	5.647
2.02.09.03	Other	1.181	1.900
2.03	Deferred income	460	462
2.05	Equity	577.501	426.425
2.05.01	Paid-up capital	572.396	370.983
2.05.01.01	Paid-up capital	572.396	370.983
2.05.01.02	Capital increase	0	0
2.05.02	Capital reserve	4.285	2.212
2.05.03	Revaluation reserve	1.401	1.928
2.05.03.01	Own assets	1.401	1.928
2.05.04	Revenue reserve	49.854	49.855
2.05.04.01	Legal	11.853	11.853
2.05.04.02	Statutory	38.001	38.002
2.05.05	Carrying value adjustments	8.445	1.447
2.05.05.01	Adjustment of securities	8.445	1.447
2.05.06	Retained earnings(accumulated deficit)	-58.880	0

Consolidated FS / Statement of Income

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for prior	Accumulated for last	Accumulated for last
		07/01/2011 to 09/30/2011	year 01/01/2011 to 09/30/2011	period 07/01/2010 to 09/30/2010	period 01/01/2010 to 09/30/2010
3.01	Income from financial intermediation	212.636	455.823	112.348	338.271
3.01.01	Loan operations	76.379	202.769	71.994	198.777
3.01.02	Marketable securities	95.827	200.463	45.106	88.653
3.01.03	Derivatives	-28.787	-31.936	-11.305	-2.109
3.01.04	Foreign exchange	69.217	84.527	6.553	52.950
3.02	Expenses for financial intermediation	-181.383	-451.529	-74.704	-231.171
3.02.01	Funds obtained in the market	-87.952	-244.902	-55.214	-139.965
3.02.02	Loans, assignments and onlendings	-79.652	-89.670	-8.107	-55.709
3.02.04	Provision for loan losses	-13.779	-116.957	-11.383	-35.497
3.03	Gross profit from financial intermediation	31.253	4.294	37.644	107.100
3.04	Other operating income and expenses	-26.763	-81.288	-25.086	-71.618
3.04.01	Income from services rendered	5.658	13.710	3.508	9.430
3.04.02	Personnel expenses	-17.759	-50.317	-14.023	-40.778
3.04.03	Other administrative expenses	-12.681	-36.215	-9.861	-28.141
3.04.04	Taxes	-3.641	-10.117	-5.317	-11.085
3.04.05	Other operating income	5.379	8.252	710	2.156
3.04.06	Other operating expenses	-4.110	-6.876	-103	-3.200
3.04.07	Equity in the results of investees	391	275	0	0
3.05	Operating profit (loss)	4.490	-76.994	12.558	35.482
3.06	Non-operating results	1.430	-367	-9	-840
3.06.01	Income	1.430	0	0	0
3.06.02	Expenses	0	-367	-9	-840
3.07	Result before taxes/profit sharing	5.920	-77.361	12.549	34.642
3.08	Provision for income tax and social contribution	-2.540	-2.293	320	459
3.08.01	Income tax	-1.586	-1.433	200	287
3.08.02	Social contribution	-954	-860	120	172
3.09	Deferred income tax	5.687	42.453	-2.730	-5.001
3.10	Profit sharing/statutory contributions	-1.723	-4.866	-2.631	-6.984
3.10.01	Participações	-1.723	-4.866	-2.631	-6.984
3.10.01.01	Profit sharing	-1.697	-4.840	-1.731	-4.978
3.10.01.02	Employees	-26	-26	-900	-2.006
3.13	Profit/loss for the period	7.344	-42.067	7.508	23.116
3.99	Profit per share - (R\$ / Share)				

Consolidated FS / Statement of Cash Flows – Indirect Method

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for last
		year 01/01/2011 to 09/30/2011	year 01/01/2010 to 09/30/2010
6.01	Net cash - operating activities	-3.809	-49.052
6.01.01	Cash from operations	76.588	65.149
6.01.01.01	Net income (loss)	-42.067	23.116
6.01.01.02	Allowance for loan losses	116.957	35.497
6.01.01.03	Provision for loss on non-operating assets (BNDU)	1.016	910
6.01.01.04	Provision for contingencies	876	3.258
6.01.01.05	Depreciation and amortization	3.028	1.360
6.01.01.06	Equity in the results of investees	-275	0
6.01.01.07	Result on sale of tangible assets	-653	316
6.01.01.09	Adjustment for accrual - stock options	2.073	1.220
6.01.01.10	Mark-to-market adjustment – securities and derivatives	-4.367	-528
6.01.02	Changes in assets and liabilities	-80.397	-114.201
6.01.02.01	Short-term interbank investments	-220.466	240.056
6.01.02.02	Securities and derivatives	-489.751	-681.240
6.01.02.03	Loan operations	-177.717	-110.078
6.01.02.04	Other receivables, other assets (exc.BNDU)	-229.111	-65.404
6.01.02.05	Interbank and interdepartmental accounts	-3.451	-4.566
6.01.02.06	Deposits	67.898	138.947
6.01.02.07	Purchase and sale commitments	665.405	373.195
6.01.02.08	LCA and LF	88.813	59.068
6.01.02.09	Borrowings	233.030	-88.537
6.01.02.10	Other liabilities	-15.045	23.923
6.01.02.11	Deferred income	-2	435
6.02	Net cash - Investing activities	-44.980	12.806
6.02.01	Disposal of tangible assets	16.644	18.694
6.02.02	Acquisition of tangible assets	-22.730	-5.888
6.02.04	Acquisition of investment	-25.513	0
6.02.06	Acquisition of intangible assets	-15.491	0
6.02.07	Dividend receipt	2.110	0
6.03	Net cash - Financing activities	184.072	-26.848
6.03.01	Capital increase	201.413	0
6.03.02	Acquisition of treasury shares	-1	-7.983
6.03.03	Interest on own capital	-17.340	-18.865
6.05	Increase(decrease) in cash and cash equivalents	135.283	-63.094
6.05.01	Opening balance of cash and cash equivalents	38.899	88.188
6.05.02	Closing balance of cash and cash equivalents	174.182	25.094

Consolidated FS /Statement of Changes in Equity - 01/01/20011 to 09/30/2011
(In thousands of reais)

Account Code	Account Description	Capital	Capital reserves	Revaluation reserves	Revenue reserves	Retained earnings/ Accumulated deficit	Carrying value adjustments	Total equity
5.01	Opening balance	370.983	2.212	1.928	49.855	0	1.447	426.425
5.03	Adjusted balance	370.983	2.212	1.928	49.855	0	1.447	426.425
5.04	Profit/loss for the period	0	0	0	0	-42.067	0	-42.067
5.05	Appropriations	0	0	0	0	-17.340	0	-17.340
5.05.02	Interest on own capital	0	0	0	0	-17.340	0	-17.340
5.06	Realization of revenue reserves	0	0	-527	0	527	0	0
5.07	Carrying value adjustments	0	0	0	0	0	6.998	6.998
5.07.01	Adjustment of securities	0	0	0	0	0	6.998	6.998
5.08	Increase/decrease in capital	201.413	0	0	0	0	0	201.413
5.09	Increase/realization of capital reserves	0	0	0	0	0	0	0
5.10	Treasury shares	0	0	0	-1	0	0	-1
5.12	Other	0	2.073	0	0	0	0	2.073
5.13	Closing balance	572.396	4.285	1.401	49.854	-58.880	8.445	577.501

Consolidated FS /Statement of Changes in Equity - 01/01/20010 to 09/30/2010
(In thousands of reais)

Account Code	Account Description	Capital	Capital reserves	Revaluation reserves	Revenue reserves	Retained earnings/ Accumulated deficit	Carrying value adjustments	Total equity
5.01	Opening balance	370.983	779	1.995	58.837	0	100	432.694
5.03	Adjusted balance	370.983	779	1.995	58.837	0	100	432.694
5.04	Profit/loss for the period	0	0	0	0	23.116	0	23.116
5.05	Appropriations	0	0	0	4.301	-23.166	0	-18.865
5.05.02	Interest on own capital	0	0	0	0	-18.865	0	-18.865
5.05.03	Other	0	0	0	4.301	-4.301	0	0
5.06	Realization of revenue reserves	0	0	-50	0	50	0	0
5.07	Carrying value adjustments	0	0	0	0	0	2.221	2.221
5.07.01	Adjustment of securities	0	0	0	0	0	2.221	2.221
5.10	Treasury shares	0	0	0	-7.877	0	0	-7.877
5.12	Other	0	1.114	0	0	0	0	1.114
5.13	Closing balance	370.983	1.893	1.945	55.261	0	2.321	432.403

Consolidated FS / Statement of Value Added

(in thousands of reais)

Account Code	Account Description	Accumulated for current	Accumulated for last
		year 01/01/2011 to 09/30/2011	year 01/01/2010 to 09/30/2010
7.01	Income	360.475	313.566
7.01.01	Financial intermediation	455.823	338.271
7.01.02	Services rendered	13.710	9.430
7.01.03	Provision for/Reversal of loan losses	-116.957	-35.497
7.01.04	Other	7.899	1.362
7.02	Expenses for financial intermediation	-334.572	-195.674
7.03	Goods and services acquired from third-parties	-37.970	-28.698
7.03.01	Materials, electricity and other	-14.821	-11.682
7.03.02	Third-party services	-17.228	-13.848
7.03.04	Other	-5.921	-3.168
7.04	Gross value added	-12.067	89.194
7.05	Amounts withheld	-3.028	-1.353
7.05.01	Depreciation, amortization and depletion	-3.028	-1.353
7.06	Net value added produced	-15.095	87.841
7.07	Value added transferred from others	278	1
7.07.01	Equity in the results of investees	275	0
7.07.02	Other	3	1
7.08	Total value added pending distribution	-14.817	87.842
7.09	Distribution of value added	-14.817	87.842
7.09.01	Personnel	48.065	41.552
7.09.01.01	Direct remuneration	36.902	32.543
7.09.01.02	Benefits	8.557	6.999
7.09.01.03	Employee Severance Indemnity Fund (FGTS)	2.606	2.010
7.09.02	Taxes, charges and contributions	-22.892	21.872
7.09.02.01	Federal	-23.820	20.835
7.09.02.02	State	7	280
7.09.02.03	Municipal	921	757
7.09.03	Remuneration of third-party capital	2.077	1.302
7.09.03.01	Rents	2.077	1.302
7.09.04	Remuneration of own capital	-42.067	23.116
7.09.04.01	Interest on own capital	17.340	18.865
7.09.04.03	Retained earnings/Loss for the period	-59.407	4.251

(A free translation of the original in Portuguese)

Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Banco Indusval S.A. (Indusval & Partners)

Introduction

We have reviewed the accompanying parent company and consolidated interim financial information of Banco Indusval S.A. (Indusval & Partners) and Banco Indusval S.A. and its subsidiaries (Indusval & Partners Consolidated), included in the Quarterly Information Form – (ITR) for the quarter ended September 30, 2011, comprising the balance sheet at that date and the statements of operations for the quarter and nine-month period then ended, as well as the changes in equity and cash flows for the nine-month period then ended, including a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the interim financial information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We performed our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for the entity's 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 interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to the preparation of the Quarterly Information of institutions authorized to operate by the Brazilian Central Bank (BACEN) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Banco Indusval S.A.

Other matters

**Interim statements
of value added**

We have also reviewed the parent company and consolidated interim statements of value added for the nine-month period ended September 30, 2011, which are required to be presented in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR). These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in relation to the parent company and consolidated interim financial information taken as a whole.

São Paulo, November 7, 2011

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Sérgio Antonio Dias da Silva
Contador CRC1RJ062926/O-9 "S" SP

(Free translation of the original in English)

STATEMENT

The members of the Executive Board of Banco Indusval S.A., subscribed below, under the terms of Article 25 paragraph 1 items V and VI of CVM Instruction 480 dated December 7, 2009, STATE that:

I- To the best of my knowledge and based on the work plan presented by the independent auditors and the discussions held on the results of the auditing process, I agree to the opinion issued by PricewaterhouseCoopers Auditores Independentes, there has been no disagreement.

II- I revised the Quarterly Information of Banco Indusval S.A. for the quarter ended September 30, 2011 and based on the discussions held, I agree that the Quarterly Information adequately reflect the relevant aspects and the financial position of the Bank for the period presented.

São Paulo, November 7, 2011.

JAIR RIBEIRO DA SILVA NETO
CPF/MF 022.718-058-56

LUIZ MASAGÃO RIBEIRO
CPF/MF 525.253.688-00

CLÁUDIO ROBERTO CUSIN
CPF/MF 051.156.318-30

GILMAR MELO DE AZEVEDO
CPF/MF 201.187.246-49

KATIA APARECIDA ROCHA MORONI
CPF/MF 049.415.308-37

ELIEZER LIZARDO RIBEIRO DA SILVA
CPF/MF 054.523.998-28

JAIR DA COSTA BALMA
CPF/MF 783.929.188-00

ANDRE JACINTHO MESQUITA
CPF/MF 071.767.968-31

FRANCISCO PAULO COTE GIL
CPF/MF 364.203.608-20

GILBERTO BARSHAD FAIWICHOW
CPF/MF 014.509.978-48