

# ITAÚ UNIBANCO HOLDING S.A.

CNPJ. 60.872.504/0001-23

Companhia Aberta

NIRE 35300010230

## Material Fact

In compliance with Article 157, paragraph 4, of the Brazilian Corporate Law (Law No. 6,404/76) and Instruction No. 358/02 of the Brazilian Securities Commission (CVM), Itaú Unibanco Holding S.A. (“Itaú Unibanco” or “Company”) informs its shareholders and the market in general that, as of the second quarter of 2017, the line “Discounts Granted” is disclosed as a component of “Cost of Credit”, composed of the Result from Loan Losses, Impairment and Discounts Granted in our managerial statements. Accordingly, we submit the projections for 2017 considering the reclassification effects of Discounts Granted, from Financial Margin with Clients to the Cost of Credit line in 2017 and the reclassified historical series (Income Statement as attached).

Consolidated <sup>1</sup>		
Forecast 2017	Reclassification	Forecast 2017
Total Credit Portfolio <sup>2</sup> From 0.0% to 4.0%		Total Credit Portfolio <sup>2</sup> From 0.0% to 4.0%
Financial Margin with Clients (ex-Impairment) From -4.0% to -0.5%	+ R\$1.0 bn	Financial Margin with Clients <sup>3</sup> (Ex-Impairment and Discounts Granted) From -4.2% to -0.8%
Result from Loan Losses and Impairment <sup>3</sup> Between R\$14.5 bn and R\$17.0 bn	- R\$1.0 bn	Cost of Credit <sup>6</sup> Between R\$15.5 bn and R\$18.0 bn
Commissions and Fees and Result from Insurance Operations <sup>4</sup> From 0.5% to 4.5%		Commissions and Fees and Result from Insurance Operations <sup>4</sup> From 0.5% to 4.5%
Non-Interest Expenses From 1.5% to 4.5%		Non-Interest Expenses From 1.5% to 4.5%
Brazil <sup>1,7</sup>		
Forecast 2017	Reclassification	Forecast 2017
Total Credit Portfolio <sup>2</sup> From -2.0% to 2.0%		Total Credit Portfolio <sup>2</sup> From -2.0% to 2.0%
Financial Margin with Clients (ex-Impairment) From -5.0% to -1.5%	+ R\$1.0 bn	Financial Margin with Clients <sup>3</sup> (Ex-Impairment and Discounts Granted) From -5.2% to -1.8%
Result from Loan Losses and Impairment <sup>3</sup> Between R\$12.5 bn and R\$15.0 bn	- R\$1.0 bn	Cost of Credit <sup>6</sup> Between R\$13.5 bn and R\$16.0 bn
Commissions and Fees and Result from Insurance Operations <sup>4</sup> From 0.0% to 4.0%		Commissions and Fees and Result from Insurance Operations <sup>4</sup> From 0.0% to 4.0%
Non-Interest Expenses From 3.0% to 6.0%		Non-Interest Expenses From 3.0% to 6.0%

1) Considers USD-BRL rate at R\$ 3.50 in Dec-17;

2) Includes endorsements, sureties and private securities;

3) Provision for Loan Losses Net of Recovery of Loans Written Off as Losses and Impairment;

4) Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Expenses for Claims (-) Insurance, Pension Plan and Premium Bonds Selling Expenses;

5) Financial Margin with Clients evolution also considers the Discounts Granted reclassification in 2016;

6) Includes Result from Loan Losses, Impairment and Discounts Granted;

7) Includes units abroad ex-Latin America.

The Company also informs that currently expects that the financial margin with the market will be between R\$5.5 billion and R\$6.5 billion and the effective Income Tax and Social Contribution will be between 30% and 32% in 2017. It is noteworthy mentioning that the Company currently considers, for management purpose, a cost of capital from 14.0% to 15.0% p.y..

São Paulo (SP), July 31, 2017.

*MARCELO KOPEL*  
*Investor Relations Officer*

## Attachment

### Managerial Income Statement - Consolidated

In R\$ millions	2016	2015	change	
<b>Managerial Financial Margin</b>	<b>72,121</b>	<b>71,442</b>	<b>679</b>	<b>0.9%</b>
Financial Margin with Clients	65,122	64,465	657	1.0%
Financial Margin with the Market	6,999	6,977	22	0.3%
<b>Cost of Credit</b>	<b>(25,480)</b>	<b>(19,804)</b>	<b>(5,676)</b>	<b>28.7%</b>
Provision for Loan Losses	(26,152)	(23,844)	(2,308)	9.7%
Impairment	(1,882)	(85)	(1,797)	-
Discounts Granted	(1,211)	(746)	(465)	62.2%
Recovery of Loans Written Off as Losses	3,765	4,871	(1,106)	-22.7%
<b>Net Result from Financial Operations</b>	<b>46,640</b>	<b>51,637</b>	<b>(4,997)</b>	<b>-9.7%</b>
<b>Other Operating Income/(Expenses)</b>	<b>(15,876)</b>	<b>(15,007)</b>	<b>(868)</b>	<b>5.8%</b>
Commissions and Fees	30,952	29,278	1,674	5.7%
Result from Insurance, Pension Plan and Premium Bonds Operations	6,263	6,196	66	1.1%
Non-interest Expenses	(46,625)	(44,426)	(2,199)	4.9%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(6,466)	(6,056)	(410)	6.8%
<b>Income before Tax and Minority Interests</b>	<b>30,765</b>	<b>36,630</b>	<b>(5,865)</b>	<b>-16.0%</b>
<b>Income Tax and Social Contribution</b>	<b>(8,540)</b>	<b>(11,287)</b>	<b>2,748</b>	<b>-24.3%</b>
<b>Minority Interests in Subsidiaries</b>	<b>(75)</b>	<b>(1,527)</b>	<b>1,451</b>	<b>-95.1%</b>
<b>Recurring Net Income</b>	<b>22,150</b>	<b>23,816</b>	<b>(1,666)</b>	<b>-7.0%</b>