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21

**Consolidated
financial statements**
Itaú Unibanco S.A.

June, 30, 2021

Itaú Unibanco S.A.

Management report

To our stockholders:

We present the Executive Board Report and the financial statements of Itaú Unibanco S.A. and its subsidiaries (ITAÚ UNIBANCO CONSOLIDATED), for the periods from 06/30/2021 and 12/31/2020 for balance sheet accounts and 01/01 to 06/30 of 2021 and of 2020 for income statement accounts which comply with the standards established by the Brazilian Corporate Law, the National Monetary Council (CMN), by the Central Bank of Brazil (BACEN) and the Superintendence of Private Insurance (SUSEP).

São Paulo, August 27, 2021.

Executive Board

Itaú Unibanco S.A.

Chief Executive Officer and Member of the Executive Committee

Milton Maluhy Filho ⁽²⁾

Officers and Members of the Executive Committee

Alexandre Grossmann Zancani
Alexsandro Broedel Lopes
André Luís Teixeira Rodrigues
André Sapoznik
Carlos Fernando Rossi Constantini
Flávio Augusto Aguiar de Souza
Leila Cristiane Barboza Braga de Melo
Matias Granata
Pedro Paulo Giubbina Lorenzini
Ricardo Ribeiro Mandacaru Guerra
Sergio Guillinet Fajerman

Officers

Adriana Maria dos Santos
Adriano Cabral Volpini
Adriano Maciel Pedroti
Adriano Tchen Cardoso Alves ⁽⁶⁾
Alessandro Anastasi
Alexandre Borin Ribeiro
Álvaro de Alvarenga Freire Pimentel
Álvaro Felipe Rizzi Rodrigues
Ana Lúcia Gomes de Sá Drumond Pardo ⁽⁷⁾
Andre Balestrin Cestare
André Henrique Caldeira Daré
André Mauricio Gerales Martins
Andrea Carpes Blanco
Atilio Luiz Magila Albiero Junior
Badi Maani Shaikhzadeh
Bruno Bianchi
Bruno Machado Ferreira
Carlos Augusto Salamonde
Carlos Eduardo de Almeida Mazzei
Carlos Eduardo Mori Peyser
Carlos Henrique Donegá Aidar
Carlos Orestes Vanzo
Carlos Rodrigo Formigari
Cintia Carbonieri Fleury de Camargo
Claudio César Sanches
Cláudio José Coutinho Arromatte
Cristiano Guimarães Duarte
Daniel Nascimento Goretti
Daniel Sposito Pastore
Danilo Aleixo Caffaro ⁽⁷⁾
Eduardo Cardoso Armonia
Eduardo Corsetti
Eduardo Esteban Mato Amarin ⁽⁷⁾
Eduardo Noqueira Domeque ⁽⁴⁾
Eduardo Queiroz Tracanella
Emerson Savi Junqueira
Eric André Altafim
Estevão Carcioffi Lanza
Fabiana Pascon Bastos ⁽⁷⁾
Fábio Napoli
Fabio Rodrigo Villa
Fabiola Bianca Gonçalves Lima Marchiori
Felipe de Souza Wey

Officers (continued)

Felipe Sampaio Nabuco
Felipe Weil Wilberg
Fernando Barçante Tostes Malta
Fernando Della Torre Chagas
Fernando Julião de Souza Amaral
Fernando Kontopp de Oliveira
Flavio Ribeiro Iglesias
Francisco Vieira Cordeiro Neto
Gabriel Guedes Pinto Teixeira
Gabriela Rodrigues Ferreira
Guilherme Luiz Bressane Gomes
Gustavo Andres
Gustavo Trovisco Lopes
João Carlos do Amaral dos Santos ⁽⁴⁾
João Filipe Fernandes da Costa Araujo
José de Castro Araújo Rudge Filho
José Geraldo Franco Ortiz Junior
José Virgilio Vita Neto
Laila Regina de Oliveira Pena de Antonio
Leandro Roberto Dominiquini
Leon Gottlieb
Lineu Carlos Ferraz de Andrade
Luís Eduardo Gross Siqueira Cunha
Luís Fernando Staub
Luiz Felipe Monteiro Arcuri Trevisan
Luiz Fernando Butori Reis Santos ⁽⁷⁾
Luiz Severiano Ribeiro
Marcelo Bellacqua Gambarini ⁽³⁾
Márcio Luís Domingues da Silva
Marcos Alexandre Pina Cavagnoli
Mário Lúcio Gurgel Pires
Mario Magalhães Carvalho Mesquita
Milena de Castilho Lefon Martins
Moisés João do Nascimento
Paula Magalhães Cardoso Neves
Pedro Barros Barreto Fernandes
Rafael Bastos Heringer ⁽⁶⁾
Renata Cristina de Oliveira
Renato Cesar Mansur
Renato da Silva Carvalho
Renato Giongo Vichi ⁽¹⁾
Renato Lulia Jacob
Ricardo Nuno Delgado Gonçalves
Rita Rodrigues Ferreira Carvalho ⁽⁵⁾
Rodnei Bernardino de Souza
Rodrigo Jorge Dantas de Oliveira
Rodrigo Rodrigues Baia
Rogerio Vasconcelos Costa
Rubens Fogli Netto
Sandra Cristina Mischiatti Lancellotti ⁽⁵⁾
Tatiana Grecco
Teresa Cristina Athayde Marcondes Fontes
Thales Ferreira Silva
Thiago Luiz Charnet Ellero
Valéria Aparecida Marretto
Wagner Bettini Sanches

1) Elected at the A/ESM of April 30, 2021, approved by BACEN at August 5, 2021.

2) Elected at the A/ESM of April 30, 2021, and member of the Executive Committee, approved by BACEN at August 5, 2021.

3) Elected at the ESM of May 31, 2021, approved by BACEN at August 06, 2021.

4) Elected at the ESM of July 05, 2021, in phase of approved by BACEN.

5) Elected at the ESM of July 26, 2021, in phase of approved by BACEN.

6) Elected at the ESM of August 16, 2021, in phase of approval by BACEN

7) Reginations recorded: (i) Officer Danilo Aleixo Caffaro, on July 19, 2021; (ii) Officer Ana Lúcia Gomes de Sá Drumond Pardo, Eduardo Esteban Mato Amarin and Fabiana Pascon Basto, on July 30, 2021; (iii) Officer Luiz Fernando Butori Reis Santos, on August 16, 2021.

Accountant

Arnaldo Alves dos Santos

CRC 1SP210058/O-3

Itaú Unibanco S.A.
Consolidated Balance Sheet
(In millions of Reais)

Assets	Note	06/30/2021	12/31/2020
Current and Non-current assets		1,719,795	1,729,203
Cash		24,820	30,713
Interbank investments	2c IV, 3	262,727	335,329
Money market		158,086	236,713
Money market and Interbank deposits – assets guaranteeing technical provisions	7d	2,472	1,074
Interbank deposits		102,169	97,542
Securities and derivative financial instruments	2c V, 2c VI	669,750	625,151
Own portfolio		247,055	247,316
Subject to repurchase commitments		96,493	49,018
Pledged in guarantee		9,585	13,144
Deposited with the Central Bank of Brazil		7,081	6,018
Securities under resale agreements with free movement		36,510	39,445
Derivative financial instruments		53,073	47,073
Assets guaranteeing technical provisions	7d	219,953	223,137
Interbank accounts		163,477	147,527
Pending settlement		65,235	57,443
Central Bank of Brazil deposits		98,217	90,055
National Housing System (SFH)		8	12
Correspondents		17	17
Interbranch accounts		262	379
Loan, lease and other credit operations	5	414,853	397,639
Operations with credit granting characteristics	2c VII	444,578	429,373
(Provision for Loan Losses)	2c VIII	(29,725)	(31,734)
Other receivables		181,530	190,340
Current tax assets		2,988	5,394
Deferred tax assets	10c I	46,537	48,964
Sundry	9a	132,005	135,982
Other assets		2,376	2,125
Assets held for sale		521	583
(Valuation allowance)		(319)	(378)
Unearned reinsurance premiums	2c XV	7	7
Prepaid expenses	2c IX	2,167	1,913
Permanent assets		23,249	32,470
Investments	2c X	9,625	19,260
Investments in associates and joint ventures		9,416	19,049
Other investments		335	336
(Allowance for losses)		(126)	(125)
Real estate	2c XI, 11	5,636	5,797
Fixed assets		4,177	4,112
Other fixed assets		13,831	13,715
(Accumulated depreciation)		(12,372)	(12,030)
Goodwill and Intangible	2c XII, 2c XIII, 12	7,988	7,413
Goodwill		517	569
Intangible assets		16,729	15,117
(Accumulated amortization)		(9,258)	(8,273)
Total assets		1,743,044	1,761,673

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

Consolidated Balance Sheet

(In millions of Reais)

Liabilities and stockholders' equity	Note	06/30/2021	12/31/2020
Current and Non-current liabilities		1,620,645	1,637,998
Deposits	2c IV, 6	711,271	719,844
Demand deposits		89,815	90,065
Savings deposits		172,223	168,241
Interbank deposits		60,650	67,068
Time deposits		388,583	394,470
Deposits received under securities repurchase agreements	2c IV, 6	260,944	282,096
Own portfolio		92,237	47,948
Third-party portfolio		112,552	161,887
Free portfolio		56,155	72,261
Funds from acceptances and issuance of securities	2c IV, 6	84,441	92,743
Real estate, mortgage, credit and similar notes		67,812	73,108
Foreign borrowing through securities		15,845	18,676
Structured operations certificates		784	959
Interbank accounts		18,559	8,786
Pending settlement		15,543	8,447
Correspondents		3,016	339
Interbranch accounts		10,284	7,630
Third-party funds in transit		10,040	7,580
Internal transfer of funds		244	50
Borrowing and onlending	2c IV, 6	56,931	57,553
Borrowing		46,432	46,181
Onlending		10,499	11,372
Derivative financial instruments	2c VI, 4e	51,291	52,572
Technical provisions for insurance, pension plan and premium bonds	2c XV, 7	221,428	223,242
Allowance for financial guarantees provided	5d	457	459
Provisions		15,713	14,790
Other liabilities		189,326	178,283
Subordinated debt	2c XVI, 2c XVIII, 10c	6,208	6,975
Sundry	10c II	2,229	2,672
Subordinated debt	6	5,934	5,536
Sundry	9b	174,955	163,100
Deferred income		519	589
Total stockholders' equity of controlling shareholders	13c	109,417	111,741
Capital		69,872	75,925
Capital reserves		720	793
Revaluation reserves		5	5
Revenue reserves		41,557	37,457
Other comprehensive income	2c V, 2c VI	(2,737)	(2,439)
Non-controlling interests	2c XIV, 13d	12,463	11,345
Total stockholders' equity		121,880	123,086
Total liabilities and stockholders' equity		1,743,044	1,761,673

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

Itaú Unibanco S.A.
Consolidated Statement of Income
(In millions of Reais, except for number of shares and earnings per share information)

	Note	01/01 to 06/30/2021	01/01 to 06/30/2020
Income related to financial operations		45,795	66,707
Loan, lease and other credit operations		28,108	31,770
Securities and derivative financial instruments		12,306	31,132
Financial income related to insurance, pension plan and premium bonds operations		3,359	436
Foreign exchange operations		956	1,969
Compulsory deposits		1,066	1,400
Expenses related to financial operations		(19,210)	(62,328)
Money market		(12,218)	(34,272)
Financial expenses on technical provisions for insurance, pension plan and premium bonds		(3,534)	(437)
Borrowing and onlending	6	(3,458)	(27,619)
Income related to financial operations before loan losses		26,585	4,379
Result of provision for loan losses		(2,744)	(9,115)
Expense for allowance for loan losses		(3,653)	(9,946)
Income related to recovery of credits written off as loss		909	831
Gross income related to financial operations		23,841	(4,736)
Other operating revenues (expenses)		(8,482)	(3,780)
Commissions and Banking Fees	9c	13,608	13,253
Result from insurance, pension plan and premium bonds operations		1,475	1,685
Personnel expenses	9d	(8,818)	(7,481)
Other administrative expenses	9e	(7,575)	(7,437)
Provision expenses	8b	(2,165)	(1,439)
Provision for lawsuits civil		(327)	(312)
Provision for labor claims		(1,799)	(1,058)
Provision for tax and social security lawsuits		(5)	(51)
Other risks		(34)	(18)
Tax expenses	10a	(2,975)	(1,229)
Equity in earnings of affiliates, joint ventures and other investments		854	253
Other operating revenues		949	590
Other operating expenses		(3,835)	(1,975)
Operating income		15,359	(8,516)
Non-operating income	17b	607	40
Income before taxes on income and profit sharing		15,966	(8,476)
Income tax and social contribution	2c XVIII, 10	(5,367)	13,112
Due on operations for the period		(3,730)	(4,494)
Related to temporary differences		(1,637)	17,606
Profit sharing – Management members - Statutory		(72)	(48)
Non-controlling interests	13d	(423)	(565)
Net income		10,104	4,023
Earnings per share - Basic and Diluted			
Common		1.51	0.68
Preferred		1.51	0.68
Weighted average number of shares outstanding - Basic and Diluted			
Common		3,390,407,265	3,027,116,390
Preferred		3,283,608,963	2,931,761,802

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

Itaú Unibanco S.A.

Consolidated Statement of Comprehensive Income

(In millions of Reais)

	Note	01/01 to 06/30/2021	01/01 to 06/30/2020
Consolidated net income		10,527	4,588
Financial assets at available for sale		(562)	(1,897)
Change in fair value		(1,545)	(2,899)
Tax effect		726	1,313
(Gains) / losses transferred to income statement		467	(566)
Tax effect		(210)	255
Hedge		924	(2,691)
Cash flow hedge	4e I	608	273
Change in fair value		1,139	528
Tax effect		(531)	(255)
Hedge of net investment in foreign operation	4e III	316	(2,964)
Change in fair value		613	(5,523)
Tax effect		(297)	2,559
Remeasurements of liabilities for post-employment benefits ⁽¹⁾		3	27
Remeasurements		4	50
Tax effect		(1)	(23)
Foreign exchange variation in foreign investments		(663)	3,198
Total other comprehensive income		(298)	(1,363)
Total comprehensive income		10,229	3,225
Comprehensive income attributable to the owners of the parent company		9,806	2,660
Comprehensive income attributable to non-controlling interests		423	565

1) Amounts that will not be subsequently reclassified to income.

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

Itaú Unibanco S.A.
Statement of Changes in Stockholders' Equity
(In thousands of Reais)

	Capital	Capital reserves	Revaluation reserves	Revenue reserves	Other comprehensive income				Retained earnings	Total stockholders' equity – owners of the parent company	Total stockholders' equity – non-controlling interests	Total
					Available for sale securities Adjustments ⁽¹⁾	Remeasurements of liabilities of post-employment benefits	Cumulative translation adjustments abroad	Gains and losses – Hedge ⁽²⁾				
Total - 01/01/2020	61,925	710	6	27,224	777	(1,342)	643	(2,502)	-	87,441	12,555	99,996
Capital increase / (decrease)	10,000	-	-	-	-	-	-	-	-	10,000	(188)	9,812
Realization of revaluation reserve	-	-	(1)	-	-	-	-	-	1	-	-	-
(Increase) / Decrease to the owners of the parent company	-	-	-	-	-	-	-	-	-	-	(188)	(188)
Other	-	-	-	(10)	-	-	-	-	-	(10)	-	(10)
Recognition of stock-based payment plans - Subsidiaries reflection	-	23	-	-	-	-	-	-	-	23	-	23
Total comprehensive income	-	-	-	-	(1,897)	27	3,198	(2,691)	4,023	2,660	565	3,225
Consolidated net income	-	-	-	-	-	-	-	-	4,023	4,023	565	4,588
Other comprehensive income	-	-	-	-	(1,897)	27	3,198	(2,691)	-	(1,363)	-	(1,363)
Appropriations:												
Legal reserve	-	-	-	201	-	-	-	-	(201)	-	-	-
Statutory reserves	-	-	-	3,603	-	-	-	-	(3,603)	-	-	-
Interest on capital	-	-	-	-	-	-	-	-	(220)	(220)	(49)	(269)
Total - 06/30/2020	71,925	733	5	31,018	(1,120)	(1,315)	3,841	(5,193)	-	99,894	12,883	112,777
Changes in the period	10,000	23	(1)	3,794	(1,897)	27	3,198	(2,691)	-	12,453	140	12,593
Total - 01/01/2021	75,925	793	5	37,457	311	(1,530)	3,415	(4,635)	-	111,741	11,345	123,086
Spin off	(6,053)	-	-	(3,446)	-	-	-	-	-	(9,499)	-	(9,499)
(Increase) / Decrease to the owners of the parent company	-	-	-	-	-	-	-	-	-	-	1,434	1,434
Recognition of stock-based payment plans - Subsidiaries reflection	-	(73)	-	-	-	-	-	-	-	(73)	-	(73)
Total comprehensive income	-	-	-	-	(562)	3	(663)	924	10,104	9,806	423	10,229
Consolidated net income	-	-	-	-	-	-	-	-	10,104	10,104	423	10,527
Other comprehensive income	-	-	-	-	(562)	3	(663)	924	-	(298)	-	(298)
Appropriations:												
Legal reserve	-	-	-	504	-	-	-	-	(504)	-	-	-
Statutory reserves	-	-	-	7,042	-	-	-	-	(7,042)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(739)	(739)
Interest on capital	-	-	-	-	-	-	-	-	(2,558)	(2,558)	-	(2,558)
Balance 06/30/2021	69,872	720	5	41,557	(251)	(1,527)	2,752	(3,711)	-	109,417	12,463	121,880
Changes in the period	(6,053)	(73)	-	4,100	(562)	3	(663)	924	-	(2,324)	1,118	(1,206)

1) Includes the share in Other Comprehensive Income of Investments in Associates and Joint Ventures related to Available for sale securities.

2) Includes Cash flow hedge and hedge of net investment in foreign operation.

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

Consolidated statement of cash flows

(In millions of Reais)

	Note	01/01 to 06/30/2021	01/01 to 06/30/2020
Adjusted net income		12,031	10,727
Net income		10,104	4,023
Adjustments to net income:		1,927	6,704
Adjustment to fair value of securities and derivative financial instruments (assets / liabilities)		(2,309)	(286)
Effects of changes in exchange rates on cash and cash equivalents		(3,858)	9,664
Allowance for loan losses	5d	3,653	9,946
Interest and foreign exchange expenses related to operations with subordinated debt		403	236
Change in technical provisions for pension plan and premium bonds		4,847	4,987
Depreciation and amortization		1,741	1,576
Expense from update / charges on the provisions for lawsuits civil, labor claims, tax and social security lawsuits and other risks	8b	410	369
Provisions for lawsuits civil, labor claims, tax and social security lawsuits and other risks	8b	2,189	1,395
Interest / income related to deposits in guarantee		(121)	(150)
Deferred taxes (excluding hedge tax effects)		1,495	(344)
Equity in earnings of affiliates, jointly controlled entities and other investments		(854)	(253)
Income from exchange income related to available-for-sale securities		(6,165)	(11,673)
Income from foreign exchange income related to held-to-maturity securities		(454)	(7,589)
Income from sale of available-for-sale securities		467	(566)
Income from sale of foreclosed assets, investments and fixed assets		(528)	(79)
Non-controlling interests	13d	423	565
Other		588	(1,094)
Change in assets and liabilities		27,661	37,643
(Increase) / decrease in assets			
Interbank investments		74,803	(103,564)
Securities and derivative financial instruments (assets / liabilities)		(5,169)	(9,832)
Compulsory deposits with the Central Bank of Brazil		(8,162)	1,507
Interbank and interbranch accounts (assets / liabilities)		4,756	17,414
Loan, lease and other credit operations		(20,904)	(51,800)
Other receivables and other assets		19,448	(23,140)
(Decrease) / increase in liabilities			
Deposits		(8,573)	200,202
Deposits received under securities repurchase agreements		(21,152)	31,852
Funds for issuance of securities		(8,302)	(14,560)
Borrowing and onlending		(622)	10,172
Technical provision for insurance, pension plan and premium bonds		(6,661)	(7,039)
Other liabilities		11,220	(10,778)
Deferred income		(70)	(48)
Payment of income tax and social contribution		(2,951)	(2,743)
Net cash provided by / (used in) operating activities		39,692	48,370
Dividends / Interest on capital received from associates and joint ventures		526	413
Funds received from sale of available-for-sale securities		10,968	5,671
Funds received from redemption of held-to-maturity securities		11,017	1,426
(Purchase) / Disposal of Assets held for sale		110	146
Disposal of Investments		531	8
Disposal of Fixed assets		127	209
Termination of Intangible asset agreements		2	404
(Purchase) of Available for sale securities		(38,113)	(20,271)
(Purchase) of Held to maturity securities		(19,247)	(101)
(Purchase) of Investments		(18)	(47)
(Purchase) of Fixed assets	11	(573)	(608)
(Purchase) of Intangible assets	12	(2,184)	(1,698)
Net cash provided by / (used in) investing activities		(36,854)	(14,448)
Subordinated debt obligations redemptions		(5)	(108)
Capital increase	13a	-	10,000
Partial spin-off		(9,499)	-
Change in non-controlling interests		1,433	(187)
Dividends and interest on capital paid to non-controlling interests		(738)	(50)
Dividends and interest on capital paid		(1,579)	(2,542)
Net cash provided by / (used in) financing activities		(10,388)	7,113
Net increase / (decrease) in cash and cash equivalents		(7,550)	41,035
Cash and cash equivalents at the beginning of the period		79,296	49,728
Effects of changes in exchange rates on cash and cash equivalents		3,858	(9,664)
Cash and cash equivalents at the end of the period	2c III	75,604	81,099
Cash		24,820	33,823
Interbank deposits		27,079	6,459
Securities purchased under agreements to resell - Collateral Held		23,705	40,817

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

Itaú Unibanco S.A.
Notes to the Consolidated Financial Statements
At 06/30/2021 and 12/31/2020 for balance sheet accounts and from 01/01 to 06/30 of 2021 and 2020 for income statement
(In millions of Reais, except information per share)

Note 1 - Operations

Itaú Unibanco S.A. (ITAÚ UNIBANCO), which is an anonymous society, together with its affiliated and subsidiaries companies, operates in Brazil and abroad in all types of banking activities, through its commercial banking; investment banking; real estate lending; loans, financing and investment; leasing and foreign exchange business. By means of its subsidiaries, it directly or indirectly carries out many other activities, with an emphasis on Insurance, Private Pension Plans, Premium Bonds, Securities Brokerage and Administration of Credit Cards, Consortia, Investment Funds and Managed Portfolios.

Note 2 - Significant accounting policies

a) Basis of preparation

The financial statements of ITAÚ UNIBANCO and its subsidiaries (ITAÚ UNIBANCO CONSOLIDATED) have been prepared in accordance with the Brazilian Corporate Law, as amended by Laws 11,638, of December 28, 2007, and 11,941, of May 27, 2009, and with instructions issued by the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), the Brazilian Securities Commission (CVM), the National Council of Private Insurance (CNSP), the Superintendence of Private Insurance (SUSEP) and the National Superintendence of Supplementary Pensions (PREVIC), which include the use of accounting estimates for setting up provisions and valuing financial assets. The information in the financial statements and accompanying notes evidence all relevant information inherent in the financial statements, and only them, which are consistent with information used by management in its administration.

With the entry into force of the BCB Resolution nº 2/2020, as from January 2021, the Balance Sheet accounts are presented in order of liquidity and enforceability.

Leases are shown at present value in the Consolidated Balance Sheet. The related income and expenses, representing the financial results of these operations, are grouped together under Loan, Lease and Other Credit Operations in the Consolidated Statement of Income. Advances on exchange contracts have been reclassified from Other Liabilities – Foreign Exchange Portfolio to Loan Operations. Foreign exchange income consists of exchange rate differences on balance sheet accounts denominated in foreign currencies.

b) Critical accounting estimates and judgments

I - Consolidation

Subsidiaries are all those in which ITAÚ UNIBANCO CONSOLIDATED's involvement exposes it or entitles it to variable returns and can affect these returns through its influence on the entity. The existence of control is assessed continuously. Subsidiaries are consolidated from the date control is established to the date on which it ceases to exist.

The consolidated financial statements are prepared using consistent accounting policies. Balances of result and balance sheet accounts and intercompany transactions between consolidated companies are eliminated.

II - Fair value of financial instruments

The fair value of financial instruments, including derivatives that are not traded in active markets, is calculated by using valuation techniques based on assumptions that consider market information and conditions. The main assumptions are: historical data, information on similar transactions and pricing techniques. For more complex or illiquid instruments, significant judgment is necessary to determine the model used with the selection of specific inputs and, in certain cases, evaluation adjustments are applied to the model amount our price quoted for financial instruments that are not actively traded.

III - Provision for loan losses

The analysis of the provision for loan losses from the operation granted by ITAÚ UNIBANCO CONSOLIDATED it is conducted based on the assessment of the default classification (Ratings AA-H), on an individual or collective basis, established in CMN Resolution No. 2,682, of December 21, 1999. Management exercises its judgment in the assessment of the adequacy of the expected loss amounts resulting from models and, according to its experience, makes adjustments that may result from certain clients' credit condition or from temporary adjustments resulting from new situations or circumstances that have not yet been reflected in modeling. In addition to the default classification the following aspects are also considered:

- 12-month horizon, using base macroeconomic scenarios, i.e., with no weighting;
- Highest risk classification according to the operation, client, default, renegotiation, among others.

The criteria for the provision for loan losses are detailed in Note 16.

IV - Goodwill impairment

The review of goodwill due to impairment reflects the Management's best estimate for future cash flows of Cash Generating Units (CGU), with the identification of the CGU and estimate of their fair value less costs to sell and/or value in use.

To determine this estimate, ITAÚ UNIBANCO CONSOLIDATED adopts the discounted cash flow methodology for a period of 5 years, macroeconomic assumptions, growth rate and discount rate.

The discount rate generally reflects financial and economic variables, such as the risk-free interest rate and a risk premium.

Cash-Generating Units or CGU groups are identified at the lowest level at which goodwill is monitored for internal management purposes.

V - Deferred income tax and social contribution

Deferred tax assets are recognized only in relation to deductible temporary differences, tax losses and social contribution loss carryforwards for offset to the extent that i) it is considered probable that ITAÚ UNIBANCO CONSOLIDATED will generate future taxable income for its use; and ii) it presents a history of taxable income or income in at least three of the last five fiscal years. The expected realization of deferred tax assets is based on the projection of future taxable profits and technical studies, as disclosed in Note 10.

VI - Contingent Assets and Liabilities, Legal Obligations and Tax and Social Security Obligations

ITAÚ UNIBANCO CONSOLIDATED periodically reviews its contingencies. These contingencies are evaluated based on Management's best estimates, taking into account the opinion of legal counsel when there is a likelihood that financial resources will be required to settle the obligations and the amounts may be reasonably estimated.

Contingencies classified as probable losses are recognized in the Consolidated Balance Sheet under Provisions.

Contingent amounts are measured using appropriate models and criteria, despite the uncertainty surrounding the ultimate timing and amounts. Provisions, contingencies and other commitments are detailed in Note 8.

VII - Technical provisions for insurance, pension plan and premium bonds

Technical provisions are liabilities arising from obligations of ITAÚ UNIBANCO CONSOLIDATED to its policyholders and participants. These obligations may be short term liabilities (property and casualty insurance) or medium and long term liabilities (life insurance and pension plans).

The determination of the actuarial liability is subject to several uncertainties inherent in the coverage of insurance and pension contracts, such as assumptions of persistence, mortality, disability, life expectancy, morbidity, expenses, frequency and severity of claims, conversion of benefits into annuities, redemptions and return on assets.

The estimates for these assumptions are based on the historical experience of ITAÚ UNIBANCO CONSOLIDATED, benchmarks and the experience of the actuary, in order to comply with best market practices and constantly review of the actuarial liability. The adjustments resulting from these continuous improvements, when necessary, are recognized in the statement of income for the corresponding period. Additional information is described in Note 7.

c) Summary of main accounting practices

I - Consolidation

The consolidated financial statements of ITAÚ UNIBANCO CONSOLIDATED relate to transactions carried out by its branches and subsidiaries in Brazil and abroad and investment funds which it controls.

In ITAÚ UNIBANCO CONSOLIDATED, goodwill recorded in subsidiaries is amortized on the basis of anticipated future profitability and appraisal reports, or upon realization of the investment, according to the rules and guidance of CMN and BACEN.

The difference in Net Income and Shareholders' Equity between ITAÚ UNIBANCO and ITAÚ UNIBANCO CONSOLIDATED (Note 13c) results substantially from the adoption of different criteria for the amortization of goodwill originating from acquisitions of investments, for recognizing transactions with minority shareholders where there is no change in control (Note 2c XIV) and for recognizing exchange differences, prior to January 1, 2017, on foreign investments and hedging these investments, which are denominated in currencies other than the functional currency of the parent company, net of the corresponding tax effects.

The effects of foreign exchange differences on foreign investments are classified under the heading Income on Securities and Derivatives Financial Instruments in the Statement of Income for subsidiaries with the same functional currency as the parent company, and in Other Comprehensive Income for subsidiaries with a different functional currency.

The consolidated financial statements cover ITAÚ UNIBANCO and its direct and indirect subsidiaries. We present below the main companies which together represent over 95% of total consolidated assets:

	Functional Currency ⁽¹⁾	Country of Incorporation	Activity	Interest % in voting capital at		Interest % in total capital at	
				06/30/2021	12/31/2020	06/30/2021	12/31/2020
In Brazil							
Banco Itaú Consignado S.A.	Real	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itauleasing S.A.	Real	Brazil	Financial institution	98.30%	98.30%	98.25%	98.25%
Cia. Itaú de Capitalização	Real	Brazil	Capitalization	62.38%	62.38%	62.38%	62.38%
Dibens Leasing S.A. - Arrendamento Mercantil	Real	Brazil	Leasing	100.00%	100.00%	100.00%	100.00%
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	Real	Brazil	Consumer Finance Credit	50.00%	50.00%	50.00%	50.00%
Hipercard Banco Múltiplo S.A.	Real	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Itauseg Seguradora S.A.	Real	Brazil	Insurance	62.38%	62.38%	62.38%	62.38%
Itaú Seguros S.A.	Real	Brazil	Insurance	62.38%	62.38%	62.38%	62.38%
Itaú Vida e Previdência S.A.	Real	Brazil	Pension Plan	62.38%	62.38%	62.38%	62.38%
Redecard Instituição de Pagamento S.A. ⁽²⁾	Real	Brazil	Acquirer	68.62%	68.62%	68.60%	68.60%
Foreign							
Banco Itaú (Suisse) S.A.	Swiss Franc	Switzerland	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaú Argentina S.A.	Argentine Peso	Argentina	Financial institution	98.98%	98.98%	99.00%	99.00%
Banco Itaú Paraguay S.A.	Guarani	Paraguay	Financial institution	99.99%	99.99%	99.99%	99.99%
Itau Bank, Ltd.	Real	Cayman Islands	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau BBA International plc	Dollar	United Kingdom	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau BBA USA Securities Inc.	Real	United States	Securities Broker	100.00%	100.00%	100.00%	100.00%

1) All overseas offices of ITAÚ UNIBANCO have the same functional currency as the parent company.

2) New company name of Redecard S.A.

II - Foreign currency translation

II.I - Functional and presentation currency

The Financial Statements of ITAÚ UNIBANCO CONSOLIDATED are presented in Brazilian Reais, its functional and presentation currency. For each subsidiary, joint venture or investment in associates, ITAÚ UNIBANCO CONSOLIDATED defines the functional currency as the currency of the primary economic environment in which the entity operates.

II.II - Foreign currency operations

Foreign currency operations are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses are recognized in the Consolidated Statement of Income, unless they are related to cash flow hedges and hedge of net investments in foreign operations, which are recognized in Stockholders' Equity.

III - Cash and cash equivalents

Defined as cash and current accounts with banks, shown in the Balance Sheet under the heading Cash, Interbank Deposits and Money Market (Collateral Held) with original maturities not exceeding 90 days.

IV - Interbank investments, Remunerated restricted Credits held at the Central Bank of Brazil (BACEN), Remunerated deposits, deposits received under securities repurchase agreements, funds from acceptances and issuance of securities, borrowing and onlending, subordinated debt and other receivables and payables

Operations with fixed interest and charges are booked at present value. Operations with floating interest and charges are booked at the adjusted principal amount. Operations subject to foreign exchange variation are booked at the corresponding amount in local currency. Liabilities are presented net of the transaction costs incurred, if significant, calculated pro rata on a daily basis.

V - Securities

Recorded at the cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet as required by BACEN Circular nº. 3,068, of November 8, 2001. Securities are classified into the following categories:

- **Trading securities** – Securities acquired to be actively and frequently traded. They are measured at fair value, with a counterparty to the results for the period;
- **Available for sale securities** – Securities that can be negotiated but are not acquired for the purposes of active and frequent trading. They are measured at fair value, with a counterparty to a specific account in stockholders' equity;
- **Held to maturity securities** – Securities, other than non-redeemable shares, which the bank has the financial capacity and intends, or is required, to hold in the portfolio to maturity. They are recorded at the cost of acquisition, or at fair value, whenever these are transferred from another category. Securities are adjusted up to maturity date, but are not measured at fair value.

Gains and losses on available for sale securities, when realized, are recognized on the trade date in the statement of income, with a counterparty to a specific account in stockholders' equity.

Decreases in the fair value of available for sale and held to maturity securities below to cost, resulting from causes not considered to be temporary, are recorded in the results as realized losses.

Fair Value

Fair value is the price that would be received from the sale of an asset that would be paid for the transfer of a liability in an ordered transaction between market players on the measurement date.

The fair value hierarchy is classified according to the relevance of the observed data in the measurement process.

In cases where market prices are not available, fair values are based on estimates using discounted cash flows or other valuation techniques. These techniques are significantly affected by the assumptions adopted, including the discount rate and estimate of future cash flows. The estimated fair value obtained through these techniques cannot be substantiated by comparison with independent markets and, in many cases, cannot be achieved on immediate settlement of the instrument.

The methods and assumptions used to estimate the fair value of Financial Assets are defined below:

Level 1: Highly-liquid securities with prices available in an active market and derivatives traded on stock exchanges.

Level 2: When pricing information is not available for a specific security, valuation is usually based on prices quoted in the market for similar instruments, pricing information obtained from pricing services, such as Bloomberg, Reuters and brokers (only when the prices represent actual transactions) or discounted cash flows, which use information for assets actively traded in an active market.

Level 3: When there is no pricing information in an active market, its uses internally developed models, from curves generated according to a proprietary model. Level 3 classification includes some Brazilian government and private securities falling due after 2025 which are not usually traded in an active market. Derivatives with fair values classified in Level 3 of the fair value hierarchy are composed of exotic options, certain swaps indexed to non-observable inputs, and swaps with other products, such as swap with options or with verification, credit derivatives and futures of certain commodities.

The departments in charge of defining and applying the pricing models are segregated from the business areas. The models are documented, submitted to validation by an independent area and approved by a specific committee.

All the above methods may result in a fair value that is not indicative of the net realizable value or future fair values. However, its believes that all the method used are appropriate and consistent with other market participants. Moreover, the adoption of different methods or assumptions to estimate fair value may result in different fair value estimates at the balance sheet date.

Sensitivity Analysis of Level 3 Operations: The fair value of financial instruments classified in Level 3 is measured through valuation techniques based on correlations and associated products traded in active markets, internal estimates and internal models.

Significant unobservable inputs used for measurement of the fair value of instruments classified in Level 3 are: interest rates, underlying asset prices and volatility. Significant variations in any of these inputs separately may give rise to substantial changes in the fair value.

VI - Derivative financial instruments

These are classified on the date of their acquisition, according to whether or not management intends to use them for hedging, according to BACEN Circular 3,082, of January 30, 2002. Transactions involving financial instruments, carried out at a customer's request, for the bank's own account, or which do not comply with the hedging criteria (mainly derivatives used to manage overall risk exposure), are stated at fair value, including realized and unrealized gains and losses, which are recorded directly in the statement of income.

Derivatives that are used for protection against risk exposure or to modify the characteristics of financial assets and liabilities, where changes in fair value are closely related to those of the items being protected at the beginning and throughout the duration of the contract, and which are considered to be effective in reducing the risk exposure in question, are classified as hedges of the following types:

- **Market Risk Hedge** – Financial assets and liabilities, as well as their related financial instruments, are booked at fair value, plus realized and unrealized gains and losses, which are recorded directly in the statement of income;
- **Cash Flow Hedge** - The effective portion of a hedge of financial assets and liabilities, and the related financial instruments, are booked at fair value plus realized and unrealized gains and losses, net of tax effects, when applicable, and recorded in a specific account in stockholders' equity. The ineffective portion is recorded directly in the statement of income;

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

VII - Loans, leases and other credit operations (operations with lending characteristics)

These transactions are recorded at present value and calculated pro rata on a daily basis in line with variations in a defined indexer and interest rate, and are adjusted up to the 60th day of arrears, according to the expectation of payment. After the 60th day, income is recognized only on actual receipt of payments. Credit card operations include receivables arising from purchases made by cardholders. Funds corresponding to these amounts to be paid to the credit card companies are shown as liabilities, under the heading Interbank Accounts – Receipts and Payments Pending Settlement.

VIII - Provision for loan losses

The balance of the provision for loan losses is recorded based on a credit risk analysis, at an amount considered sufficient to cover loan losses in accordance with the rules determined by CMN Resolution nº. 2,682 of December 21, 1999, which include the following:

- Provisions are recorded from the date on which loans are granted, based on the customer's risk rating and on a periodic quality assessment of customers and business sectors, and not only in the event of default;
- Exclusively in the case of default, losses are written off 360 days after the credits have matured, or after 540 days for operations with maturities longer than 36 months.

IX - Other assets

They are comprised of Assets Held for Sale, relating to real estate, vehicles and other assets available for sale (owned but deactivated, received as payment in kind or resulting from execution of guarantees). These assets are adjusted to fair value by setting up a provision in accordance with current regulations. This heading also covers Unearned Reinsurance Premiums (Note 2c XV) and Prepaid Expenses, corresponding to disbursements which will produce benefits in future years.

X - Investments

Include goodwill identified in the acquisition of associates and joint ventures, net of any accumulated impairment loss. They are initially recognized at acquisition cost and are subsequently accounted for under the equity method.

- Associates: are companies over which ITAÚ UNIBANCO CONSOLIDATED has significant influence, but which it does not control;
- Joint Ventures: ITAÚ UNIBANCO CONSOLIDATED has joint venture whereby the parties that have joint control of the arrangement have rights to the net assets.

XI - Fixed assets

Are booked at their acquisition cost less accumulated depreciation and adjusted for impairment, if applicable. Depreciation is calculated on the straight-line method using rates based on the estimated useful lives of these assets. Such rates and other details are presented in Note 11.

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

ITAÚ UNIBANCO CONSOLIDATED reviews its assets in order to identify indications of impairment in their recoverable amounts. The recoverable amount of an asset is defined as the higher of its fair value less the cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which

independent cash flows can be identified (cash-generating units). The assessment may be made an individual asset level when the fair value less the cost to sell can be reliably determined.

XII - Goodwill

Corresponds to the amount paid in excess in the acquisition of investments and it is amortized based on the expected future profitability or on its realization. It is semiannually submitted to the asset impairment test with the adoption of an approach that involves the identification of cash generating units (CGU) and the estimate of its fair value less the cost to sell and/or its value in use.

The breakdown of intangible assets is described in Note 12.

XIII - Intangible assets

Composed of: (i) Goodwill paid upon acquisition of a company, transferred to intangible assets due to merger of the acquired company's equity into the acquirer company; (ii) Right-of-use, as well as rights on the acquisition of payrolls and association agreements, amortized according to agreement terms or as economic benefits flow to the company; and (iii) Software, amortized over five years, and customer portfolios, amortized within ten years.

Intangible assets with definite useful lives are amortized using the straight-line method over their estimated useful lives and those with indefinite useful lives are tested on a semiannually basis to identify possible impairment losses.

XIV - Capital Transactions with Non-Controlling Stockholders

Changes in an ownership interest in a subsidiary, which do not result in a loss of control, are accounted for as capital transactions and any difference between the amount paid and the carrying amount of non-controlling stockholders is recognized directly in consolidated stockholders' equity.

XV - Insurance, pension plan and premium bonds operations

Insurance contracts establish, for one of the parties, upon payment (premium) by the other party, the obligation to pay the latter a certain amount in the event of a claim. Insurance risk is defined as a future and uncertain event, of a sudden and unforeseeable nature, independent of the insured's will, which may cause economic loss when it occurs.

Once a contract is classified as an insurance contract, it remains as such until the end of its life, even if the insurance risk is significantly reduced during the period, unless all rights and obligations are extinguished or expire.

Insurance premiums, coinsurance accepted and selling expenses are accounted for upon issue of the insurance policy or in accordance with term of the insurance, through the establishment and reversal of a provision for unearned premiums and deferred selling expenses. Interest arising from fractioning of insurance premiums is accounted for as incurred. Revenues from pension contributions, gross revenue from premium bonds certificates and the respective technical provisions are recognized upon receipt.

Private pension plans

Contracts that provide for retirement benefits after an accumulation period (known as PGBL, VGBL and FGB) provide a guarantee, at the commencement date of the contract, of the basis for calculating the retirement benefit (mortality table and minimum interest rates). The contracts specify the annuity rates and, therefore, the insurance risk is transferred to the issuer from the start. These contracts are classified as insurance contracts.

Insurance premiums

Insurance premiums are recognized upon issue of an insurance policy or over the period of the contracts in proportion to the amount of the insurance coverage.

If there is evidence of impairment losses with respect to receivables for insurance premiums, ITAÚ UNIBANCO CONSOLIDATED recognizes a provision, sufficient to cover this loss, based on a risk analysis of realization of insurance premiums receivable with installments overdue for over 60 days.

Reinsurance

In the ordinary course of business, ITAÚ UNIBANCO CONSOLIDATED reinsures a portion of the risks underwritten, particularly property and casualty risks that exceed the maximum limits of responsibility that determine to be appropriate for each segment and product (after a study which considers size, experience, special features, and the capital necessary to support these limits). These reinsurance agreements allow the recovery of a portion of losses from the reinsurer, although they do not release the insurer from the main obligation as direct insurer of the risks covered by the reinsurance.

Acquisition Costs

Acquisition costs include direct and indirect costs related to the origination of insurance. These costs are recorded directly in result as incurred, except for deferred acquisition costs (commissions paid for brokerage services, agency and prospecting efforts), which are recorded proportionally to the recognition of premium revenues, i.e. over the term corresponding to the insurance contract.

Insurance Contract Liabilities

Reserves for claims are established based on past experience, claims in process of payment, estimated amounts of claims incurred but not yet reported, and other factors relevant to the required reserve levels.

Liability Adequacy Test

ITAÚ UNIBANCO CONSOLIDATED tests liability adequacy by adopting current actuarial assumptions for future cash flows of all insurance contracts in force at the balance sheet date.

Should the analysis show insufficiency, any shortfall identified will immediately be accounted for in income for the period.

XVI - Contingent Assets and Liabilities, Legal Obligations and Tax and Social Security Obligations

These are possible rights and potential obligations arising from past events for which realization depends on uncertain future events.

Contingent assets are not recognized in the Consolidated Balance Sheet, except when Management of ITAÚ UNIBANCO CONSOLIDATED considers that realization is practically certain. In general they correspond to lawsuits with favorable sentences in final and unappealable judgments and to the withdrawal of lawsuits as a result of a settlement payment received or an agreement for set-off against an existing liability.

These contingencies are evaluated based on Management's best estimates, and are classified as:

- **Probable:** in which liabilities are recognized in the Consolidated Balance Sheet under Provisions;
- **Possible:** which are disclosed in the Consolidated Financial Statements, but no provision is recorded;
- **Remote:** which require neither a provision nor disclosure.

The amount of escrow deposits is adjusted in compliance with current legislation.

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

Legal Obligations and Tax and Social Security Obligations

Represented by amounts payable for tax liabilities, the legality or constitutionality of which are subject to judicial challenge, recognized for the full amount under discussion.

XVII - Allowance for Financial Guarantees Provided

Recognized based on the expected loss model, in an amount sufficient to cover any probable losses over the whole guarantee period.

XVIII - Income Tax and Social Contribution

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

The current component is approximately the total of taxes to be paid or recovered during the reporting period.

Deferred income tax and social contribution, represented by deferred tax assets and liabilities, is obtained based on the differences between the tax bases of assets and liabilities and the amounts reported in the financial statements at each year end.

The Income Tax and Social Contribution expense is recognized in the Consolidated Statement of Income under Income Tax and Social Contribution, except when it refers to items directly recognized in Stockholders' Equity, such as tax on marking available for sale financial assets to fair value, post-employment benefits and tax on cash flow hedges and hedge of net investment in foreign operations. Subsequently, these items are recognized in income upon realization of the gain/loss on the instruments.

Changes in tax legislation and rates are recognized in the Consolidated statement of income under Income tax and social contribution in the period in which they are enacted. Interest and fines are recognized in the consolidated statement of income under Other administrative expenses.

Tax rates, as well as their calculation bases, are detailed in Note 10.

XIX - Deferred income

This refers to: (i) interest received in advance on which there is no prospect of demand for payment and which depends only on the passage of time to be appropriated to effective income, and (ii) the negative goodwill on acquisition of investments, which has not been absorbed in the consolidation process.

XX - Post-employments benefits

Pension plans - defined benefit plans

The liability or asset, as the case may be is recognized in the consolidated balance sheet with respect to a defined benefit plan corresponds to the present value of the defined benefit obligations at the balance sheet date less the fair value of the plan assets. The defined benefit obligations are calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated amount of future cash flows of benefit payments at the rate for Brazilian treasury long term securities denominated in Reais and with maturity periods similar to the term of the pension plan liabilities.

Pension plans - defined contribution

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

Other post-employment benefit obligations

Like defined benefit pension plans, these obligations are assessed annually by independent, qualified actuaries, and the costs expected from these benefits are accrued over the period of employment. Gains and losses arising from changes in practices and variations in actuarial assumptions are recognized in stockholders' equity, in the period in which they occur.

Note 3 - Interbank investments

	Note	06/30/2021		12/31/2020	
		Up to 365 days	Over 365 days	Total	Total
Money market		157,862	224	158,086	236,713
Collateral held		30,585	224	30,809	49,715
Collateral repledge		109,585	-	109,585	160,827
Short position		17,692	-	17,692	26,171
Money market and Interbank deposits – assets guaranteeing technical provisions - SUSEP	7d	2,472	-	2,472	1,074
Interbank deposits		36,169	66,000	102,169	97,542
Total ^(1,2)		196,503	66,224	262,727	335,329
Total - 12/31/2020		270,601	64,728	335,329	

1) Includes a securities valuation allowance in the amount of R\$ (9) (R\$ (1) at 12/31/2020).

2) The fair value of the total Money market is equal to book value, of the total Interbank deposits is R\$ 102,384 (R\$ 97,740 at 12/31/2020).

Note 4 - Securities and derivative financial instruments (assets and liabilities)

a) Summary per maturity

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

	06/30/2021					12/31/2020		
	Cost	Adjustment to fair value reflected in:		Fair value	%	Up to 365 days	Over 365 days	Fair value
		Income	Stockholders' equity					
Government securities - Brazil	259,204	(471)	323	259,056	38.6%	24,860	234,196	250,529
Financial treasury bills	25,286	1	-	25,287	3.8%	3,262	22,025	28,091
National treasury bills	119,703	(787)	(87)	118,829	17.7%	21,296	97,533	96,024
National treasury notes	69,084	306	282	69,672	10.4%	301	69,371	73,848
National treasury / securitization	121	-	32	153	-	-	153	184
Brazilian external debt bonds	45,010	9	96	45,115	6.7%	1	45,114	52,382
Government securities - abroad	30,625	16	(412)	30,229	4.5%	19,039	11,190	26,571
Corporate securities	125,935	(403)	(273)	125,259	18.6%	34,335	90,924	95,158
Shares	11,227	(419)	(650)	10,158	1.5%	10,158	-	7,593
Rural product note	9,139	-	83	9,222	1.4%	3,924	5,298	5,834
Bank deposit certificates	55	-	-	55	-	31	24	211
Real estate receivables certificates	5,380	3	(27)	5,356	0.8%	260	5,096	5,347
Fund quotas	9,433	6	-	9,439	1.4%	9,439	-	4,686
Debentures	76,178	-	202	76,380	11.4%	6,065	70,315	56,898
Eurobonds and other	6,113	1	58	6,172	0.9%	925	5,247	4,724
Financial bills	1,957	-	7	1,964	0.3%	610	1,354	1,438
Promissory notes	4,908	-	27	4,935	0.7%	2,902	2,033	7,222
Other	1,545	6	27	1,578	0.2%	21	1,557	1,205
PGBL / VGBL fund quotas ⁽¹⁾	202,133	-	-	202,133	30.2%	202,133	-	205,820
Subtotal - securities	617,897	(858)	(362)	616,677	92.1%	280,367	336,310	578,078
Trading securities	361,196	(858)	-	360,338	53.9%	238,915	121,423	360,171
Available for sale securities	182,830	-	(362)	182,468	27.2%	41,193	141,275	170,526
Held to maturity securities ^(2,3)	73,871	-	-	73,871	11.0%	259	73,612	47,381
Derivative financial instruments	39,313	13,760	-	53,073	7.9%	36,824	16,249	47,073
Total securities and derivative financial instruments (assets)	657,210	12,902	(362)	669,750	100.0%	317,191	352,559	625,151
Derivative financial instruments (liabilities)	(40,437)	(10,854)	-	(51,291)	100.0%	(35,063)	(16,228)	(52,572)

1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a counterparty to liabilities in Pension Plan Technical Provisions account (Note 7c).

2) Unrecorded adjustment to fair value in the amount of R\$ 2,664 (R\$ 3,538 at 12/31/2020).

3) In order to reflect the current risk management strategy, in the period ended at 06/30/2021, ITAÚ UNIBANCO CONSOLIDATED changed the classification of Available for Sale securities, being R\$ 9,963 of Government Securities - Brazil and R\$ 7,812 of Debentures.

During the period, ITAÚ UNIBANCO CONSOLIDATED recognized impairment R\$ (233) (R\$ (220) from 01/01 to 06/30/2020) of financial assets available for sale. The income related to securities and derivative financial instruments totaled R\$ 1,200 (R\$ 410 from 01/01 to 06/30/2020).

In the period, the result of Derivative Financial Instruments as well as Adjustment to Fair Value of Securities (particularly private securities) had their amounts affected by oscillations of rates and other market variables arising from the impact of the COVID-19 pandemic on the macroeconomic scenario in the period (Note 17c).

b) Summary per level

	06/30/2021			
	Level 1	Level 2	Level 3	Fair value
Trading securities	139,499	220,531	308	360,338
Financial treasury bills	25,214	-	-	25,214
National treasury bills	81,629	-	-	81,629
National treasury notes	16,941	6,202	-	23,143
Brazilian external debt bonds	1,310	-	-	1,310
Government securities - abroad	3,900	-	-	3,900
Shares	4,828	232	-	5,060
Bank deposit certificates	-	48	-	48
Real estate receivables certificates	-	-	156	156
Fund quotas	347	211,225	-	211,572
Debentures	1,671	1,226	149	3,046
Eurobonds and other	3,659	-	3	3,662
Financial bills	-	1,240	-	1,240
Promissory notes	-	159	-	159
Other	-	199	-	199
Available for sale	93,194	85,773	3,501	182,468
Financial treasury bills	73	-	-	73
National treasury bills	20,360	-	-	20,360
National treasury notes	40,071	1,050	-	41,121
National treasury / securitization	-	-	153	153
Brazilian external debt bonds	4,045	-	-	4,045
Government securities - abroad	14,083	12,227	-	26,310
Shares	853	4,245	-	5,098
Rural product note	-	9,116	106	9,222
Bank deposit certificates	-	7	-	7
Real estate receivables certificates	-	-	1,175	1,175
Debentures	11,324	52,131	2,067	65,522
Eurobonds and other	2,374	131	-	2,505
Financial bills	-	724	-	724
Promissory notes	-	4,776	-	4,776
Other	11	1,366	-	1,377
Derivative financial instruments	(6)	1,756	32	1,782
Assets	3	52,966	104	53,073
Liabilities	(9)	(51,210)	(72)	(51,291)
Other receivables - Sundry	-	157	-	157
Other liabilities - Sundry	-	131	-	131
Grand total	232,687	308,348	3,841	544,876
Grand total at 12/31/2020	239,731	282,055	3,423	525,209
Total Trading securities	141,232	218,871	68	360,171
Total Available for sale	98,498	68,602	3,426	170,526
Total Derivative financial instruments	1	(5,429)	(71)	(5,499)
Assets	23	46,957	93	47,073
Liabilities	(22)	(52,386)	(164)	(52,572)
Other receivables - Sundry	-	6	-	6
Other liabilities - Sundry	-	5	-	5

c) Changes of Level 3

	Total gains or losses (Realized/unrealized)		Purchases	Settlements	Transfers in and/or out of Level 3	Fair value at 06/30/2021	Total gains or losses (Realized/unrealized)
	Fair value at 12/31/2020	Recognized in income					
Trading securities	68	(30)	-	346	(76)	308	4
Available for sale securities	3,426	(277)	377	384	(91)	3,501	(448)
Derivatives - Assets	93	(10)	-	198	(171)	104	57
Derivatives - Liabilities	(164)	104	-	(155)	67	(72)	(32)

d) Sensitivity analysis of Level 3 operations

Sensitivity - Level 3 Operations		06/30/2021		12/31/2020	
Market risk factor groups	Scenarios	Impact		Impact	
		Income	Stockholders' equity	Income	Stockholders' equity
Interest rate	I	0.36	1.29	0.65	1.17
	II	8.78	32.05	16.36	28.93
	III	17.27	63.56	31.82	57.44
Commodities, Index and Shares	I	-	-	-	-
	II	-	-	-	-
Nonlinear	I	20.72	-	10.85	-
	II	33.19	-	14.6	-

The following scenarios are used to measure sensitivity:

Interest rate

Based on reasonably possible changes in assumptions of 1, 25 and 50 basis points (scenarios I, II and III respectively) applied to the interest curves, both up and down, taking the largest losses resulting in each scenario.

Commodities, Index and Shares

Based on reasonably possible changes in assumptions of 5 and 10 percentage points (scenarios I and II respectively) applied to share prices, both up and down, taking the largest losses resulting in each scenario.

Nonlinear

Scenario I: Based on reasonably possible changes in assumptions of 5 percentage points on prices and 25 percentage points on the volatility level, both up and down, taking the largest losses resulting in each scenario.

Scenario II: Based on reasonably possible changes in assumptions of 10 percentage points on prices and 25 percentage points on the volatility level, both up and down, taking the largest losses resulting in each scenario.

e) Derivative financial instruments

ITAÚ UNIBANCO CONSOLIDATED trades in derivative financial instruments with various counterparties to manage its overall exposure and to assist its customers in managing their own exposure.

Futures – Interest rate and foreign currency futures contracts are commitments to buy or sell a financial instrument at a future date, at an agreed price or yield, and may be settled in cash or through delivery. The notional amount represents the face value of the underlying instrument. Commodity futures contracts or financial instruments are commitments to buy or sell commodities (mainly gold, coffee and orange juice) at a future date, at an agreed price, which are settled in cash. The notional amount represents the quantity of such commodities multiplied by the future price on the contract date. Daily cash settlements of price movements are made for all instruments.

Forwards – Interest rate forward contracts are agreements to exchange payments on a specified future date, based on the variation in market interest rates from trade date to contract settlement date. Foreign exchange forward contracts represent agreements to exchange the currency of one country for the currency of another at an agreed price, on an agreed settlement date. Financial instrument forward contracts are commitments to buy or sell a financial instrument on a future date at an agreed price and are settled in cash.

Swaps – Interest rate and foreign exchange swap contracts are commitments to settle in cash on a future date or dates the differentials between specific financial indices (either two different interest rates in a single currency or two different rates each in a different currency), as applied to a notional principal amount. Swap contracts correspond substantially to inflation rate swap contracts.

Options – Option contracts give the purchaser, for a fee, the right, but not the obligation, to buy or sell a financial instrument within a limited time, including a flow of interest, foreign currencies, commodities, or financial instruments at an agreed price that may also be settled in cash, based on the differential between specific indices.

Credit Derivatives – Credit derivatives are financial instruments with value deriving from the credit risk on debt issued by a third party (the reference entity), which permits one party (the buyer of the hedge) to transfer the risk to the counterparty (the seller of the hedge). The seller of the hedge must pay out as provided for in the contract if the reference entity undergoes a credit event, such as bankruptcy, default or debt restructuring. The seller of the hedge receives a premium for the hedge but, on the other hand, assumes the risk that the underlying instrument referenced in the contract undergoes a credit event, and the seller may have to make payment to the purchaser of the hedge for up to the notional amount of the credit derivative.

I - Cash Flow Hedge

The purpose of this hedge of ITAÚ UNIBANCO CONSOLIDATED is to hedge cash flows of interest receipt and payment (CDB / Syndicated Loans / Assets Transactions / Funding and agreements to resell) and exposures to future exchange rate (anticipated transactions and unrecognized firm commitments) related to its variable interest rate risk (CDI / LIBOR / TPM* / Selic), and foreign exchange rate risk, making the cash flow constant (fixed rate) and regardless of the variations of DI CETIP Over, LIBOR / TPM* / Selic and foreign exchange rate.

*TPM - Monetary Policy Rate.

Strategies	06/30/2021					
			Hedge Item	Hedge Instruments		
	Book value		Variation in the amounts recognized in Stockholders' Equity ⁽¹⁾	Cash flow hedge reserve	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities				
Interest rate risk						
Hedge of deposits and securities purchased under agreements to resell	-	69,169	(285)	(285)	69,812	(284)
Hedge of assets transactions	10,333	-	(52)	(52)	10,288	(52)
Hedge of asset-backed securities under repurchase agreements	34,520	-	(233)	(233)	35,516	(233)
Foreign exchange risk						
Hedge of highly probable forecast transactions	15	-	(72)	(72)	15	(72)
Total	44,868	69,169	(642)	(642)	115,631	(641)

Strategies	12/31/2020					
			Hedge Item	Hedge Instruments		
	Book value		Variation in the amounts recognized in Stockholders' Equity ⁽¹⁾	Cash flow hedge reserve	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities				
Interest rate risk						
Hedge of deposits and securities purchased under agreements to resell	-	101,929	(2,423)	(2,464)	103,417	(2,433)
Hedge of assets transactions	5,673	-	66	66	5,743	66
Hedge of asset-backed securities under repurchase agreements	29,533	-	697	697	31,417	699
Variable costs risks						
Hedge of highly probable forecast transactions	31,594	-	(3)	(3)	15,803	(3)
Foreign exchange risk						
Hedge of highly probable forecast transactions	743	-	(64)	(64)	759	(64)
Total	67,543	101,929	(1,727)	(1,768)	157,139	(1,735)

1) Recorded under heading Other comprehensive income.

06/30/2021							
Hedge Instruments	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Variation in value recognized in Stockholders' Equity ⁽²⁾	Hedge ineffectiveness recognized in income	Amount reclassified from Cash flow hedge reserve into income
		Assets	Liabilities				
Interest rate risk⁽³⁾							
Futures	115,616	96	-	(569)	(570)	1	(16)
Foreign exchange risk⁽⁴⁾							
Futures	15	-	127	(72)	(72)	-	-
Total	115,631	96	127	(641)	(642)	1	(16)
12/31/2020							
Hedge Instruments	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Variation in value recognized in Stockholders' Equity ⁽²⁾	Hedge ineffectiveness recognized in income	Amount reclassified from Cash flow hedge reserve into income
		Assets	Liabilities				
Interest rate risk⁽³⁾							
Futures	140,577	146	-	(1,668)	(1,660)	(8)	(657)
Foreign exchange risk⁽⁴⁾							
Futures	16,562	5	76	(67)	(67)	-	-
Total	157,139	151	76	(1,735)	(1,727)	(8)	(657)

1) Recorded under heading Derivative financial instruments.

2) Recorded under heading Other comprehensive income.

3) DI Futures negotiated on B3 and interest rate swap negotiated on Chicago Mercantile Exchange.

4) DDI Futures contracts and Dollar Purchase Options negotiated on B3.

The gains or losses related to the accounting hedge of cash flows that ITAÚ UNIBANCO CONSOLIDATED expect to recognize in results in the following 12 months, totaling R\$ (289) (R\$ (1,728) at 12/31/2020).

II - Market Risk Hedge

The hedging strategies against market risk of ITAÚ UNIBANCO CONSOLIDATED consist of hedge of exposure to variation in market risk, in interest receipts, which are attributable to changes in interest rates relating to recognized assets and liabilities.

Strategies	06/30/2021						
	Hedge Item				Hedge Instruments		
	Book value		Fair value		Variation in value recognized in income ⁽¹⁾	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
Hedge of loan operations	3,548	-	3,570	-	22	3,548	(23)
Hedge of funding	-	704	-	701	3	704	(2)
Hedge of available for sale securities	18,598	-	18,615	-	17	22,035	(17)
Hedge of other financial assets	5,892	-	5,965	-	73	5,880	(72)
Total	28,038	704	28,150	701	115	32,167	(114)

Strategies	12/31/2020						
	Hedge Item				Hedge Instruments		
	Book value		Fair value		Variation in value recognized in income ⁽¹⁾	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
Hedge of loan operations	4,352	-	4,401	-	49	4,352	(58)
Hedge of funding	-	564	-	568	(4)	564	5
Hedge of available for sale securities	22,729	-	23,877	-	1,148	24,976	(1,149)
Total	27,081	564	28,278	568	1,193	29,892	(1,202)

1) Recorded under heading Results from Securities and Derivative financial instruments.

In the period ended at 06/30/2021, the classification of Available for sale securities was changed to Held to maturity securities, thus partially modifying the hedged portfolio. Accordingly, there was a partial dismantling of this strategy and, since it is a market risk, the effective portion was recognized in income, and it is not reversible.

Hedge Instruments	06/30/2021				
	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Hedge ineffectiveness recognized in income
		Assets	Liabilities		
Interest rate risk					
Swap	16,386	6,179	5,952	(146)	1
Other Derivatives	10,564	-	10,564	(1)	-
Futures	5,217	-	5,250	33	-
Total ⁽²⁾	32,167	6,179	21,766	(114)	1

Hedge Instruments	12/31/2020				
	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Hedge ineffectiveness recognized in income
		Assets	Liabilities		
Interest rate risk					
Swap	7,606	2,456	-	(233)	(9)
Other Derivatives	22,286	-	21,336	(969)	-
Total	29,892	2,456	21,336	(1,202)	(9)

1) Recorded under heading Derivative financial instruments.

2) In the period, the amount of R\$ 12,459 is no longer qualified as hedge, with no effect on the result because it is a market risk hedge.

To protect against market risk variation upon receipt and payment of interest, ITAÚ UNIBANCO CONSOLIDATED uses interest rate swap contracts. Hedge items refer to prefixed assets and liabilities, fixed rate and denominated in euros and US dollars, issued by subsidiaries in London and Nassau, respectively.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income in monthly periods.

III - Hedge of net investment in foreign operations

ITAÚ UNIBANCO CONSOLIDATED's strategy for net investments in foreign operations consist of a hedge of the exposure in foreign currency arising from the functional currency of foreign operations, compared to the functional currency of the head office.

Strategies	06/30/2021					
	Hedge item			Hedge Instruments		
	Book value		Variation in value recognized in Stockholders' Equity ⁽¹⁾	Foreign currency conversion reserve	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities				
Foreign exchange risk						
Hedge of net investment in foreign operations	7,967	-	(6,206)	(6,206)	11,678	(6,288)
Total	7,967	-	(6,206)	(6,206)	11,678	(6,288)
Strategies	12/31/2020					
	Hedge item			Hedge Instruments		
	Book value		Variation in value recognized in Stockholders' Equity ⁽¹⁾	Foreign currency conversion reserve	Notional amount	Variation in the amounts used to calculate hedge ineffectiveness
	Assets	Liabilities				
Foreign exchange risk						
Hedge of net investment in foreign operations	9,699	-	(6,808)	(6,608)	27,724	(6,859)
Total	9,699	-	(6,808)	(6,608)	27,724	(6,859)

1) Recorded under heading Other comprehensive income.

06/30/2021							
Hedge Instruments	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Variation in the amount recognized in Stockholders' Equity ⁽²⁾	Hedge ineffectiveness recognized in income	Amount reclassified from foreign currency conversion reserve into income
		Assets	Liabilities				
Foreign exchange risk ⁽³⁾							
Futures	8,343	-	149	(5,144)	(5,089)	(55)	-
<i>Futures / NDF - Non Deliverable Forward</i>	1,079	-	132	203	212	(9)	-
Futures / Financial Assets	2,256	2,610	2,601	(1,347)	(1,329)	(18)	-
Total	11,678	2,610	2,882	(6,288)	(6,206)	(82)	

Hedge Instruments	12/31/2020						
	Notional amount	Book value ⁽¹⁾		Variation in the amounts used to calculate hedge ineffectiveness	Variation in the amount recognized in Stockholders' Equity ⁽²⁾	Hedge ineffectiveness recognized in income	Amount reclassified from foreign currency conversion reserve to income
		Assets	Liabilities				
Foreign exchange risk ⁽³⁾							
Futures	11,262	-	61	(3,090)	(3,073)	(17)	-
<i>Futures / NDF - Non Deliverable Forward</i>	15,196	456	-	(3,328)	(3,303)	(25)	-
Futures / Financial Assets	1,266	1,471	2,762	(441)	(432)	(9)	-
Total	27,724	1,927	2,823	(6,859)	(6,808)	(51)	

1) Recorded under heading Derivative financial instruments.

2) Recorded under heading Other comprehensive income.

3) Futures negotiated on B3 and Financial Assets or NDF contracts entered into by our subsidiaries abroad.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income upon the total or partial disposal of investments.

Note 5 - Loan, lease and other credit operations

a) Composition of the portfolio by type of operation and risk level

Risk levels	06/30/2021									12/31/2020	
	AA	A	B	C	D	E	F	G	H	Total	Total
Loan operations	259,799	77,084	25,504	23,294	7,124	3,524	9,995	4,071	6,671	417,066	402,851
Loans and discounted trade receivables	137,299	72,280	22,981	21,013	5,919	3,119	9,545	3,427	6,290	281,873	263,236
Financing	39,656	4,041	1,719	1,669	1,014	167	313	254	213	49,046	68,608
Farming and agribusiness financing	10,160	508	149	39	5	44	4	2	5	10,916	10,598
Real estate financing	72,684	255	655	573	186	194	133	388	163	75,231	60,409
Lease operations	23	11	5	4	2	-	-	-	-	45	27
Credit card operations	11	16,618	872	322	196	170	162	141	693	19,185	19,247
Advance on exchange contracts ⁽¹⁾	6,037	247	182	72	106	15	38	25	-	6,722	5,250
Other sundry receivables ⁽²⁾	109	642	52	12	1	1	569	125	49	1,560	1,998
Total operations with credit granting characteristics ⁽³⁾	265,979	94,602	26,615	23,704	7,429	3,710	10,764	4,362	7,413	444,578	429,373
Financial Guarantees Provided ⁽⁴⁾										63,968	54,516
Total with Financial Guarantees Provided	265,979	94,602	26,615	23,704	7,429	3,710	10,764	4,362	7,413	508,546	483,889
Total operations with credit granting characteristics at 12/31/2020	248,339	94,898	26,824	23,121	7,862	4,153	9,794	6,112	8,270	429,373	

1) Includes Advances on exchange contracts and income receivable from advances granted, reclassified from Liabilities - Foreign exchange portfolio / Other receivables (Note 2a).

2) Includes Securities and credits receivable, Debtors for purchase of assets and Financial Guarantees Provided paid.

3) The fair value of total Operations with credit granting characteristics, net of allowance for Financial Guarantees Provided R\$ 448,513 (R\$ 437,644 at 12/31/2020).

4) Recorded in Memorandum Accounts.

b) By maturity and risk level

	06/30/2021									12/31/2020	
	AA	A	B	C	D	E	F	G	H	Total	Total
Overdue operations ^(1,2)											
Falling due installments	-	-	1,069	1,232	1,187	906	1,375	1,309	2,640	9,718	8,753
01 to 60	-	-	72	94	100	75	100	106	270	817	865
61 to 90	-	-	53	45	48	36	48	52	150	432	355
91 to 180	-	-	89	117	128	97	142	140	338	1,051	988
181 to 365	-	-	145	200	224	166	234	252	578	1,799	1,622
Over 365 days	-	-	710	776	687	532	851	759	1,304	5,619	4,923
Overdue installments	-	-	177	317	389	383	5,289	1,072	3,010	10,637	6,394
01 to 60	-	-	177	293	140	120	673	156	343	1,902	1,591
61 to 90	-	-	-	17	214	46	4,295	390	178	5,140	790
91 to 180	-	-	-	7	35	201	257	448	649	1,597	1,590
181 to 365	-	-	-	-	-	16	64	78	1,739	1,897	2,270
Over 365 days	-	-	-	-	-	-	-	-	101	101	153
Subtotal (a)	-	-	1,246	1,549	1,576	1,289	6,664	2,381	5,650	20,355	15,147
Non-overdue operations											
Falling due installments	265,587	94,328	25,326	22,097	5,817	2,353	4,049	1,972	1,710	423,239	413,250
01 to 60	44,544	20,082	4,707	3,550	1,427	183	391	221	302	75,407	68,251
61 to 90	13,788	4,780	1,047	839	187	225	51	28	85	21,030	23,190
91 to 180	28,361	11,038	2,488	2,392	527	252	152	81	188	45,479	51,499
181 to 365	37,214	14,807	4,101	3,879	877	395	2,367	124	212	63,976	61,666
Over 365 days	141,680	43,621	12,983	11,437	2,799	1,298	1,088	1,518	923	217,347	208,644
Overdue up to 14 days	392	274	43	58	36	68	51	9	53	984	976
Subtotal (b)	265,979	94,602	25,369	22,155	5,853	2,421	4,100	1,981	1,763	424,223	414,226
Total Portfolio (a + b)	265,979	94,602	26,615	23,704	7,429	3,710	10,764	4,362	7,413	444,578	429,373
Existing allowance	(1,678)	(958)	(942)	(2,771)	(3,458)	(1,836)	(6,337)	(4,332)	(7,413)	(30,182)	(32,193)
Minimum ⁽³⁾	-	(472)	(262)	(692)	(705)	(1,106)	(5,348)	(2,986)	(7,413)	(18,984)	(20,820)
Financial Guarantees Provided ⁽⁴⁾	-	-	-	-	-	-	-	-	-	(457)	(459)
Additional ^(3,5)	(1,678)	(486)	(680)	(2,079)	(2,753)	(730)	(989)	(1,346)	-	(10,741)	(10,914)
Existing current provision										(12,768)	(12,780)
Existing noncurrent provision										(17,414)	(19,413)
Total Portfolio at 12/31/2020	248,339	94,898	26,824	23,121	7,862	4,153	9,794	6,112	8,270	429,373	
Existing allowance	(1,551)	(1,024)	(735)	(3,275)	(3,343)	(1,999)	(5,533)	(6,004)	(8,270)	(32,193)	
Minimum ⁽³⁾		(473)	(264)	(670)	(745)	(1,242)	(4,882)	(4,274)	(8,270)	(20,820)	
Financial Guarantees Provided ⁽⁴⁾										(459)	
Additional ^(3,5)	(1,551)	(551)	(471)	(2,605)	(2,598)	(757)	(651)	(1,730)		(10,914)	

1) Operations with overdue installments for more than 14 days or under control of administrators or in companies in the process of declaring bankruptcy.

2) The balance of non-accrual operations amounts to R\$ 16,309 (R\$ 11,486 at 12/31/2020).

3) The total fair value of Provision for Loan Losses is equal to book value.

4) Provision for financial guarantees provided, recorded in Other liabilities - Sundry, in the Consolidated Balance Sheet.

5) Related to expected and potential loss.

c) Financial guarantees provided by type

Type of guarantees	06/30/2021		12/31/2020	
	Portfolio	Provision	Portfolio	Provision
Endorsements or sureties pledged in legal and administrative tax proceedings	27,066	(188)	27,191	(188)
Sundry bank guarantees	19,276	(170)	18,992	(208)
Other financial guarantees provided	3,115	(48)	3,196	(50)
Tied to the distribution of marketable securities via a Public Offering	10,409	(30)	1,445	(1)
Restricted to bids, auctions, service provision or execution of works	3,021	(12)	2,630	(10)
Restricted to international trade of goods	186	(2)	312	(1)
Restricted to supply of goods	895	(7)	750	(1)
Total	63,968	(457)	54,516	(459)

d) Changes in the provision for loan losses and Provision for Financial Guarantees Provided

	06/30/2021	12/31/2020
Opening balance - 01/01	(32,193)	(26,813)
Net increase for the period	(3,653)	(16,135)
Minimum	(3,828)	(13,379)
Financial Guarantees Provided	2	241
Additional ⁽¹⁾	173	(2,997)
Write-off	5,575	11,506
Others, mainly foreign exchange	89	(751)
Closing balance ⁽²⁾	(30,182)	(32,193)
Minimum	(18,984)	(20,820)
Financial Guarantees Provided ⁽³⁾	(457)	(459)
Additional	(10,741)	(10,914)

1) At 06/30/2021 the increase in the Provision for Expected Loan Loss – Supplementary is related to the change in the macroeconomic scenario as from the second half of March 2020 and that impacted our provisioning model for expected loss (Note 17c).

2) At 06/30/2021 and 12/31/2020 there are no amounts of allowance for loan losses related to the lease portfolio.

3) Provision for financial guarantees provided, recorded in Other liabilities - Sundry, in the Consolidated Balance Sheet.

At 06/30/2021, the balance of the allowance in relation to the loan portfolio is equivalent to 6.8 % (7.5 % at 12/31/2020).

e) Renegotiation of credits

The total amount of Renegotiated Loans, of R\$ 26,472 (R\$ 26,549 at 12/31/2020), includes operations arising from non-overdue operations or operations overdue for less than 30 days, an effect of changes in the original contractual terms, in the amount of R\$ 10,138 (R\$ 10,325 at 12/31/2020).

Accordingly, Renegotiated loan operations overdue up 30 days totaled R\$ 16,334 (R\$ 16,224 at 12/31/2020), the related allowance for loan losses totaled R\$ (7,188) (R\$ (6,899) at 12/31/2020).

Note 6 - Funding, borrowing and onlending

	06/30/2021		12/31/2020	
	Up to 365 days	Over 365 days	Total	Total
Deposits ⁽²⁾	346,032	365,239	711,271	719,844
Deposits received under securities repurchase agreements ⁽²⁾	214,338	46,606	260,944	282,096
Funds from acceptances and issuance of securities ⁽²⁾	38,622	45,819	84,441	92,743
Real estate, mortgage, credit and similar notes	35,733	32,079	67,812	73,108
Non-trade related - Issued abroad	2,518	13,327	15,845	18,676
Structured Operations Certificates ⁽¹⁾	371	413	784	959
Borrowing and onlending ⁽²⁾	45,902	11,029	56,931	57,553
Borrowing	42,279	4,153	46,432	46,181
Onlending - In Brazil – official institutions	3,623	6,876	10,499	11,372
Subordinated debt ⁽²⁾	116	5,818	5,934	5,536
Total	645,010	474,511	1,119,521	1,157,772
Total - 12/31/2020	702,723	455,049	1,157,772	

1) At of 06/30/2021, the fair value of the funding from Structured Operations Certificates issued is R\$ 820 (R\$ 1,018 at 12/31/2020).

2) The total fair value of Deposits is R\$ 711,245 (R\$ 719,799 at 12/31/2020), of total Deposits received under securities repurchase agreements is equal to book value, of total Funds from acceptances and issuance of securities is R\$ 84,476 (R\$ 92,803 at 12/31/2020), of total Borrowing and onlending is R\$ 56,986 (R\$ 57,624 at 12/31/2020), of total Subordinated debt is the same book value.

Note 7 - Insurance, private pension plan and premium bonds operations

In ITAÚ UNIBANCO CONSOLIDATED, technical provisions are aimed at reducing the risks involved in insurance contracts, private pension plans and premium bonds, and are recognized according to the technical notes approved by SUSEP.

a) Insurance and private pension plan

- **Provision for unearned premiums (PPNG)** – this provision is set up on insurance premiums, to cover amounts payable for future claims and expenses. In the calculation, the term to maturity of risks assumed and issued and risks in effect but not issued (PPNG-RVNE) in the policies or endorsements of contracts in force is taken pro rata on a daily basis;
- **Provision for unsettled claims (PSL)** - this provision is to cover expected amounts for reported and unpaid claims, including administrative and judicial claims. It includes amounts related to indemnities, reserve funds and past-due income, all gross of reinsurance operations and net of coinsurance operations, when applicable. When necessary, it must cover adjustments for IBNER (claims incurred but not sufficiently reported) for the total of claims reported but not yet paid, a total which may change during the process up to final settlement;
- **Provision for claims incurred and not reported (IBNR)** - this provision is recognized for the coverage of expected amounts for settlement of claims incurred but not reported up to the calculation base date, including administrative and judicial claims. It includes amounts related to indemnities, reserve funds and income, all gross of reinsurance operations and net of coinsurance operations;
- **Mathematical provisions for benefits to be granted (PMBAC)** - recognized for the coverage of commitments assumed to participants or policyholders, based on the provisions of the contract, while the event that gives rise to the benefit and/or indemnity has not occurred;
- **Mathematical provisions for granted benefits (PMBC)** - recognized for the coverage of commitments to pay indemnities and/or benefits to participants or insured parties, based on the provisions of the contract, after the event has occurred;
- **Provision for financial surplus (PEF)** - it is recognized to guarantee amounts intended for the distribution of financial surplus, if provided for in the contract. Corresponds to the financial income exceeding the minimum return guaranteed in the product;

- **Supplemental Coverage Reserve (PCC)** - recognized when technical reserves are found to be insufficient, as shown by the Liability Adequacy Test, as provided for in the regulations;
- **Provision for redemptions and other amounts to be regularized (PVR)** - this provision is recognized for the coverage of amounts related to redemptions to be regularized, returned premiums or funds, transfers requested but, for any reason, not yet transferred to the recipient insurance company or open private pension entity, and where premiums have been received but not quoted;
- **Provision for related expenses (PDR)** - recognized for the coverage of expected amounts related to expenses on benefits and indemnities, due to events which have occurred or will occur.

b) Premium Bonds

- **Mathematical provision for premium bonds (PMC)** - recognized until the event triggering the benefit occurs, and covers of the portion of the amounts collected for premium bonds;
- **Provision for redemption (PR)** - recognized from the date of the event triggering the redemption of the certificate and/or the event triggering the distribution of the bonus until the date of financial settlement, or the date on which the evidence of payment of the obligation is received;
- **Provision for prize draws to be held (PSR)** - recognized for each bond for which prize draws have been funded, but which, on the recognition date, had not yet been held;
- **Provision for prize draws payable (PSP)** - recognized from the date when a prize draw is held until the date of financial settlement, or the date when the evidence of payment of the obligation is received;
- **Supplementary provision for prize draws (PCS)** - recognized to supplement the provision for prize draws to be held. Used for coverage of possible shortfall on the expected amount of prize draws to be held;
- **Provision for administrative expenses (PDA)** - recognized for the coverage of the expected amounts of administrative expenses for the premium bonds plans.

c) Composition of the technical provisions

	06/30/2021	12/31/2020
Unearned premiums (PPNG)	2,481	2,301
Mathematical provision of benefits to be granted (PMBAC) and benefits granted (PMBC)	213,097	215,232
Redemptions and other unsettled amounts (PVR)	458	348
Financial surplus (PEF)	652	657
Unsettled claims (PSL)	631	568
Claims / events incurred but not reported (IBNR)	268	245
Administrative (PDA) and related expenses (PDR)	123	119
Mathematical provision for capitalization (PMC) and redemption (PR)	3,312	3,453
Prize draws payable (PSP) and to be held (PSR)	12	11
Other provisions	394	308
Total technical provisions (a)	221,428	223,242
Current	6,518	2,795
Non-current	214,910	220,447

d) Assets guaranteeing technical provisions

	06/30/2021	12/31/2020
Interbank investments – money market	2,472	1,074
Securities and derivative financial instruments	<u>219,953</u>	<u>223,138</u>
PGBL / VGBL fund quotas ⁽¹⁾	<u>202,133</u>	<u>205,821</u>
Government securities - Brazil	158,398	161,222
National treasury bills, Financial treasury bills and National treasury notes	142,156	152,910
Repurchase agreements	16,242	8,312
Corporate securities	<u>34,026</u>	<u>33,264</u>
Shares, Repurchase Agreements, Debentures, Bank Deposit Certificates and Promissory Notes	27,160	18,815
Financial treasury bills	6,711	14,346
Others	155	103
PGBL / VGBL fund quotas	6,319	9,215
Other Bonds ⁽²⁾	3,390	2,120
Other public securities and private securities	<u>17,820</u>	<u>17,317</u>
Receivables from insurance and reinsurance operations ⁽³⁾	<u>1,281</u>	<u>1,204</u>
Credit rights	1,095	1,036
Other credit	186	168
Total Guarantee Assets (b)	223,706	225,416
Total Excess Coverage (b-a)	2,278	2,174

1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a counter-entry to liability in Pension plan technical provision accounts (Note 7c).

2) Includes Derivative financial instruments, Loans for shares and Accounts receivable /payable.

3) Recorded under Other receivables and Other assets.

Note 8 - Contingent Assets and Liabilities, Legal Obligations and Tax and Social Security Obligations

In the ordinary course of its business, ITAÚ UNIBANCO CONSOLIDATED may be a party to legal proceedings to labor, civil and tax nature. The contingencies related to these lawsuits are classified as follows:

a) Contingent Assets

There are no contingent assets recorded.

b) Provisions and contingencies

The criteria to quantify of provisions and contingencies are adequate in relation to the specific characteristics of civil, labor and tax lawsuits portfolios, as well as other risks, taking into consideration the opinion of its legal advisors, the nature of the lawsuits the similarity with previous lawsuits and the prevailing previous court decisions. A provision is recognized whenever the loss is classified as probable.

Legal liabilities arise from lawsuits filed to discuss the legality and unconstitutionality of the legislation in force, being subject to an accounting provision.

I - Civil lawsuits

In general, provisions and contingencies arise from claims related to the revision of contracts and compensation for material and moral damages. The lawsuits are classified as follows:

Collective lawsuits: related to claims of a similar nature and with individual amounts that are not considered significant. Provisions are calculated on a monthly basis and the expected amount of losses is accrued according to statistical references that take into account the nature of the lawsuit and the characteristics of the court (Small Claims Court or Regular Court). Contingencies and provisions are adjusted to reflect the amounts deposited into court as guarantee for their execution when realized.

Individual lawsuits: related to claims with unusual characteristics or involving significant amounts. The probability of loss is ascertained periodically, based on the amount claimed and the special nature of each case. The amounts considered as probable losses are recorded as provisions.

ITAÚ UNIBANCO CONSOLIDATED, despite having complied with the rules in force at the time, is a defendant in lawsuits filed by individuals referring to payment of inflation adjustments to savings accounts resulting from economic plans implemented in the 1980s and the 1990s, as well as in collective lawsuits filed by: (i) consumer protection associations; and (ii) the Public Attorney's Office, on behalf of the savings accounts holders. ITAÚ UNIBANCO CONSOLIDATED recognizes provisions upon receipt of summons, and when individuals demand the enforcement of a ruling handed down by the courts, using the same criteria as for provisions for individual lawsuits.

The Federal Supreme Court (STF) has issued some decisions favorable to savings account holders, but it has not established its understanding with respect to the constitutionality of the economic plans and their applicability to savings accounts. Currently, the appeals involving these matters are suspended, by order of the STF, until it pronounces its final decision.

In December 2017, through mediation of the Federal Attorney's Office (AGU) and supervision of the BACEN, savers (represented by two civil associations, FEBRAPO and IDEC) and FEBRABAN entered into an instrument of agreement aiming at resolving lawsuits related the economic plans, and ITAÚ UNIBANCO CONSOLIDATED has already accepted its terms. Said agreement was approved on March 1, 2018, by the Plenary Session of the Federal Supreme Court (STF) and savers could adhere to its terms for a 24-month period.

Due to the end of this term, the parties signed an amendment to the instrument of agreement to extend this period in order to contemplate a higher number of holders of savings accounts and, consequently, to increase the end of lawsuits. In May, 2020 the Federal Supreme Court (STF) approved this amendment and granted a 30-month term for new adhesions, and this term may be extended for another 30 months, subject to the reporting of the number of adhesions over the first period.

II - Labor claims

Provisions and contingencies arise from lawsuits in which labor rights provided for in labor legislation specific to the related profession are discussed, such as: overtime, salary equalization, reinstatement, transfer allowance and, pension plan supplement. These lawsuits are classified as follows:

Collective lawsuits: related to claims considered similar and with individual amounts that are not considered significant. The expected amount of loss is determined and accrued on a monthly basis in accordance with a statistical model which calculates the amount of the claims, and is reassessed taking into account court rulings. Provisions and contingencies are adjusted to reflect the amounts deposited into court as security for execution.

Individual lawsuits: related to claims with unusual characteristics or involving significant amounts. These are periodically calculated based on the amounts claimed. The probability of loss is estimated in accordance with the actual and legal characteristics of each lawsuit.

III - Other Risks

These are quantified and accrued on the basis of the value of rural credit transactions with joint liability and FCVS (salary variations compensation fund) credits assigned to Banco Nacional.

Below are the changes in civil, labor and other risks provisions:

	Note	06/30/2021			12/31/2020	
		Civil	Labor	Other Risks	Total	Total
Opening balance - 01/01		3,050	7,645	1,420	12,115	12,201
(-) Provisions guaranteed by indemnity clause	2c XVI	(216)	(891)	-	(1,107)	(1,123)
Subtotal		2,834	6,754	1,420	11,008	11,078
Adjustment / Interest		93	232	-	325	638
Changes in the period reflected in results		327	1,799	34	2,160	3,222
Increase		462	1,882	34	2,378	3,620
Reversal		(135)	(83)	-	(218)	(398)
Payment		(492)	(1,095)	(2)	(1,589)	(3,930)
Subtotal		2,762	7,690	1,452	11,904	11,008
(+) Provisions guaranteed by indemnity clause	2c XVI	222	898	-	1,120	1,107
Closing balance		2,984	8,588	1,452	13,024	12,115
Current		1,103	2,821	-	3,924	4,051
Non-current		1,881	5,767	1,452	9,100	8,064
Closing balance at 12/31/2020		3,050	7,645	1,420	12,115	

In changes in Civil, Labor and Other Risks provisions, the Current balance of Escrow Deposits is R\$ 1,058 (R\$ 1,170 at 12/31/2020), and Non-current is R\$ 2,044 (R\$ 1,975 at 12/31/2020).

IV - Tax and Social Security Obligations

Tax provisions correspond to the principal amount of taxes involved in administrative or judicial tax arguments, subject to tax assessment notices, plus interest and, when applicable, fines and charges.

The table below shows the changes in the provisions:

	Note	06/30/2021		12/31/2020	
		Legal obligations 10c	Tax and Social security obligations	Total	Total
Opening balance - 01/01		2,688	2,675	5,363	6,411
(-) Provisions guaranteed by indemnity clauses	2c XVI	-	(71)	(71)	(68)
Subtotal		2,688	2,604	5,292	6,343
Adjustment / Interest		14	71	85	170
Changes in the period reflected in results		26	3	29	42
Increase		36	43	79	102
Reversal		(10)	(40)	(50)	(60)
Payment		(191)	(60)	(251)	(1,263)
Subtotal		2,537	2,618	5,155	5,292
(+) Provisions guaranteed by indemnity clauses	2c XVI	-	71	71	71
Closing balance		2,537	2,689	5,226	5,363
Current		77	28	105	50
Non-current		2,460	2,661	5,121	5,313
Closing balance at 12/31/2020		2,688	2,675	5,363	

In changes in tax provisions, the balance of Escrow Deposits is classified as Non-current in the amount of R\$ 6,538 (R\$ 6,714 at 12/31/2020).

The main discussions related to Tax and Social Security Obligations are described below:

- INSS – Non-compensatory Amounts – R\$ 1,672; the non-levy of social security contribution on amounts paid as profit sharing is defended. The balance of the deposit in guarantee is R\$ 953.

c) Contingencies not provided for in the Balance Sheet

Amounts involved in administrative and judicial arguments with the risk of loss estimated as possible are not provided for and they are basically composed of:

I - Civil and Labor Claims

In Civil Lawsuits with possible loss, total estimated risk is R\$ 4,254 (R\$ 3,987 at 12/31/2020), and in this total there are no amounts arising from interests in Joint Ventures.

For Labor Claims with possible loss, estimated risk is R\$ 369 (R\$ 350 at 12/31/2020).

II - Tax and Social Security Obligations

The tax proceedings of possible loss totaled R\$ 18,886 (R\$ 18,880 at 12/31/2020).

ITAÚ UNIBANCO CONSOLIDATED's provisions for judicial and administrative challenges are long-term, considering the time required for their questioning, and this prevents the disclosure of a deadline for their conclusion.

The legal advisors believe that ITAÚ UNIBANCO CONSOLIDATED is not a party to this or any other administrative proceedings or lawsuits that could significantly affect the results of its operations.

Note 9 - Breakdown of accounts

a) Other receivables - Sundry

	Note	06/30/2021	12/31/2020
Foreign exchange portfolio		93,781	92,414
Trading and intermediation of securities		15,926	22,311
Deposits in guarantee for contingent liabilities, provisions and legal obligations	8b	9,640	9,859
Operations without credit granting characteristics, net of provisions		3,310	3,211
Income receivable		2,755	2,717
Receivables from insurance and reinsurance operations		1,433	1,353
Sundry domestic		2,321	1,502
Net amount receivables from reimbursement of provisions		892	859
Assets of post-employment benefit plans		576	584
Other		1,371	1,172
Total		132,005	135,982
Current		114,321	109,562
Non-current		17,684	26,420

b) Other liabilities - Sundry

	06/30/2021	12/31/2020
Foreign exchange portfolio	95,179	93,053
Payment Transactions	36,274	38,388
Trading and intermediation of securities	11,636	9,790
Social and statutory	5,220	5,716
Transactions related to credit assignments	1,147	1,620
Sundry domestic	2,479	2,350
Personnel provision	2,093	1,817
Provisions for sundry payments	1,821	1,610
Creditors of funds to be released	5,883	3,934
Obligations on official agreements and rendering of payment services	1,290	1,326
Liabilities from post-employment benefit plans	1,796	1,798
Collection and payment of taxes and contributions	7,764	223
Liabilities from post-employment benefit plans	242	176
Other	2,131	1,299
Total	174,955	163,100
Current	166,558	145,292
Non-current	8,397	17,808

c) Commissions and Banking Fees

	01/01 to 06/30/2021	01/01 to 06/30/2020
Credit and debit cards	2,779	2,612
Current account services	3,619	3,828
Asset management	<u>3,643</u>	<u>3,737</u>
Funds	3,264	3,410
Consortia	379	327
Credit operations and Financial guarantees provided	<u>1,168</u>	<u>1,096</u>
Credit operations	606	457
Financial guarantees provided	562	639
Collection services	996	923
Advisory services and Brokerage	299	247
Custody services	260	233
Other	844	577
Total	13,608	13,253

d) Personnel expenses

	01/01 to 06/30/2021	01/01 to 06/30/2020
Compensation	(2,615)	(2,557)
Employees' profit sharing	(2,162)	(1,706)
Welfare benefits	(1,826)	(1,750)
Payroll charges	(1,596)	(1,500)
Dismissals	(583)	-
Share-based payment	(8)	72
Training	(28)	(40)
Total	(8,818)	(7,481)

e) Other administrative expenses

	01/01 to 06/30/2021	01/01 to 06/30/2020
Third party services, Financial system services, Security and Transportation	(2,538)	(2,486)
Data processing and telecommunications	(1,384)	(1,463)
Installations	(1,185)	(1,270)
Depreciation and amortization	(1,418)	(1,313)
Advertising, promotions and publicity	(295)	(363)
Materials	(108)	(142)
Travel expenses	(14)	(57)
Other ⁽¹⁾	(633)	(343)
Total	(7,575)	(7,437)

1) At 06/30/2020 comprises R\$ (119) related to donations for the initiative "Todos pela Saúde" (All for Health) (Note 17c).

Note 10 - Taxes

ITAÚ UNIBANCO and each one of its subsidiaries calculate separately, in each fiscal year, Income Tax and Social Contribution on Net Income.

Taxes are calculated at the rates shown below and consider, for effects of respective calculation bases, the legislation in force applicable to each charge.

Income tax	15.00%	PIS ⁽¹⁾	0.65%
Additional income tax	10.00%	COFINS ⁽¹⁾	4.00%
Social contribution on net income	20.00%	ISS up to	5.00%

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

a) Expenses for taxes and contributions

I - Breakdown of Income tax and social contribution calculation on net income

Due on operations for the period	01/01 to 06/30/2021	01/01 to 06/30/2020
Income before income tax and social contribution	15,966	(8,476)
Charges (income tax and social contribution) at the rates in effect	(7,185)	3,814
Increase / decrease in income tax and social contribution charges arising from:		
Equity income in affiliates and joint ventures	395	187
Foreign exchange variation on investments abroad	(420)	7,258
Interest on capital	1,149	76
Other nondeductible expenses net of non taxable income ⁽¹⁾	2,331	(15,829)
Income tax and social contribution expenses	(3,730)	(4,494)
Related to temporary differences		
Increase / (reversal) for the period	(1,637)	17,606
(Expenses) / Income related from deferred taxes	(1,637)	17,606
Total income tax and social contribution expenses	(5,367)	13,112

1) Includes temporary (additions) and exclusions.

b) Deferred taxes

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

	Deferred tax assets			
	12/31/2020	Realization / Reversal	Increase	06/30/2021
Reflected in income	47,507	(13,096)	11,024	45,435
Reflected in stockholders' equity	1,457	(543)	188	1,102
Total ^(1,2)	48,964	(13,639)	11,212	46,537
Social contribution for offsetting arising from Option established in article 8 of Provisional Measure n°. 2,158-35 of 08/24/2001	65	-	-	65

1) The accounting records of deferred tax assets on income tax losses and/or social contribution loss carryforwards, as well as those arising from temporary differences, are based on technical feasibility studies which consider the expected generation of future taxable income, considering the history of profitability for each subsidiary individually, and for the consolidated taken as a whole.

2) Deferred Tax Liabilities are classified in their totality as Non-Current.

II - The provision for deferred tax liabilities and its changes are represented by

	12/31/2020	Realization / Reversal	Increase	06/30/2021
Reflected in income	2,182	(666)	510	2,026
Reflected in stockholders' equity	490	(308)	21	203
Total ⁽¹⁾	2,672	(974)	531	2,229

1) Deferred Tax Assets are classified in their totality as Non-Current.

c) Current tax liabilities

	Note	06/30/2021	12/31/2020
Taxes and contributions on income payable		2,307	2,630
Other taxes and contributions payable		1,364	1,657
Legal obligations	8b IV	2,537	2,688
Total		6,208	6,975
Current		3,610	3,912
Non-current		2,598	3,063

Note 11 - Fixed assets

Fixed assets ⁽¹⁾	Annual depreciation rates	Cost	Depreciation	Impairment	06/30/2021	12/31/2020
					Residual	Residual
Real Estate		6,070	(3,251)	(110)	2,709	2,602
Land		772	-	-	772	781
Buildings and Improvements	4% to 10%	5,298	(3,251)	(110)	1,937	1,821
Other fixed assets		12,085	(9,121)	(37)	2,927	3,195
Installations and Furniture and equipment	10% to 20%	2,797	(2,011)	(10)	776	806
Data processing systems	20% to 50%	7,388	(5,983)	(27)	1,378	1,555
Other ⁽²⁾	10% to 20%	1,900	(1,127)	-	773	834
Total		18,155	(12,372)	(147)	5,636	5,797

1) The contractual commitments for purchase of the fixed assets totaled R\$ 13, achievable by 2024.

2) Other refer to negotiations of Fixed assets in progress and other Communication, Security and Transportation equipment.

Note 12 - Goodwill and Intangible assets

	Goodwill and intangible from acquisition	Intangible assets				Total
		Association for the promotion and offer of financial products and services	Software Acquired	Internally developed software	Other intangible assets ⁽¹⁾	
Annual amortization rates	Up to 20%	8%	20%	20%	10% to 20%	
Cost						
Total - 12/31/2020	1,872	457	3,724	7,651	2,530	16,234
Acquisitions	-	1	375	1,355	453	2,184
Disposals	(38)	-	(2)	(11)	(82)	(133)
Exchange variation	(12)	-	(32)	-	(11)	(55)
Other	-	(7)	(14)	1	1	(19)
Total - 06/30/2021	1,822	451	4,051	8,996	2,891	18,211
Amortization						
Total - 12/31/2020	(1,192)	(202)	(2,371)	(3,288)	(1,214)	(8,267)
Amortization expenses ⁽²⁾	(118)	(17)	(227)	(537)	(255)	(1,154)
Disposals	38	-	1	10	82	131
Exchange variation	13	-	12	-	9	34
Other	-	7	9	-	(1)	15
Total - 06/30/2021	(1,259)	(212)	(2,576)	(3,815)	(1,379)	(9,241)
Impairment						
Total - 12/31/2020	-	-	(171)	(383)	-	(554)
Increase	-	-	-	(428)	-	(428)
Total - 06/30/2021	-	-	(171)	(811)	-	(982)
Book value						
Total - 06/30/2021	563	239	1,304	4,370	1,512	7,988
Total - 12/31/2020	680	255	1,182	3,980	1,316	7,413

1) Includes of amounts paid for acquisition of rights to provide services of payment of salaries, proceeds, retirement and pension benefits and similar benefits.

2) Amortization expenses related to the rights for acquisition of payrolls and associations, in the amount of R\$ (270) (R\$ (454) from 01/01 to 12/31/2020) are disclosed in the expenses on financial operation.

Note 13 - Stockholders' equity

a) Capital

Capital is represented by 6,674,016,228 book-entry shares with no par value, of which 3,390,407,265 are common shares and 3,283,608,963 are preferred shares with no voting rights, but with tag-along rights in a public offering of shares, in an eventual transfer of control, assuring them a price equal to eighty per cent (80%) of the amount paid per voting share in the controlling block, and a dividend at least equal to that of the common shares.

At the Extraordinary Shareholders' Meeting (ESM) of May 21, 2020, an increase in the subscribed and paid up capital in the amount of R\$ 7,000 was approved. The process was approved by BACEN on May 28, 2020. Accordingly, capital was increased by 458,027,603 shares.

At the ESM of June 02, 2020, an increase in the subscribed and paid up capital in the amount of R\$ 3,000 was approved. The process was approved by BACEN on June 04, 2020. Accordingly, capital was increased by 196,297,544 shares.

At the ESM of December 11, 2020, an increase in the subscribed and paid up capital in the amount of R\$ 4,000 was approved. The process was approved by BACEN on December 30, 2020. Accordingly, capital was increased by 246,205,015 shares.

At the ESM of December 31, 2020, approved by BACEN on July 23, 2021, was resolved the partial spin-off of the capital to Itaú Unibanco S.A. in the amount R\$ 6,053 (Note 17b).

b) Dividends and Interest on Capital

Shareholders are entitled to a minimum mandatory dividend in each fiscal year, corresponding to 25% of adjusted net income, as set forth in the Bylaws.

Stockholders' yields

	01/01 to 06/30/2021			01/01 to 06/30/2020		
	Gross value per share (R\$)	WHT (With holding tax)	Net	Gross value per share (R\$)	WHT (With holding tax)	Net
Paid	1,858	(279)	1,579	2,990	(449)	2,541
Interest on capital	768	(115)	653	-	-	-
Interest on capital (provisioned in previous period)	1,090	(164)	926	2,990	(449)	2,541
Accrued / (Reversal)	1,790	(269)	1,521	220	(33)	187
Interest on capital	1,790	(269)	1,521	220	(33)	187

c) Reconciliation of net income and stockholders' equity (Note 2cI)

	Note	Net income		Stockholders' equity	
		01/01 to 06/30/2021	01/01 to 06/30/2020	06/30/2021	12/31/2020
ITAÚ UNIBANCO		10,079	2,599	109,431	111,849
Amortization of goodwill	2c I	11	2	(113)	(121)
Hedge of net investments in foreign operations		(74)	1,421	90	1
Unrealized income and other ⁽¹⁾		3	1	15	12
Adjustment of financial instruments		85	-	(6)	-
ITAÚ UNIBANCO CONSOLIDATED		10,104	4,023	109,417	111,741

1) Capital gains from subsidiaries.

d) Non-controlling interests

	Stockholders' equity		Income	
	06/30/2021	12/31/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Banco Itauleasing S.A.	223	219	(3)	(2)
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	682	576	(105)	(66)
Itaúseg Participações S.A.	3,887	4,102	(110)	(340)
Itaú Corretora de Seguros S.A.	279	811	(87)	(93)
Redecard Instituição de Pagamento S.A.	7,183	5,285	(67)	(27)
Other	209	352	(51)	(37)
Total	12,463	11,345	(423)	(565)

Note 14 - Related parties

a) Transactions with related parties

Transactions between related parties are carried out for amounts, terms and average rates in accordance with normal market practices during the period, and under reciprocal conditions. The main related parties are:

- Parent companies - direct and indirect shareholders: Itaú Unibanco Holding S.A., its respective agency in Cayman and Itaúsa S.A.;

- Associates – non-controlled companies by the ITAÚ UNIBANCO CONSOLIDATED;
- Investment funds - funds unconsolidated by the ITAÚ UNIBANCO CONSOLIDATED ;
- Other - the direct and indirect equity interests of Itaúsa S.A.; supplementary closed private pension entities that manage retirement plans sponsored by Itaú Unibanco Holding S.A., created exclusively for its employees; and Foundations and Institutes maintained through donations by Itaú Unibanco Holding S.A., and by the income from their assets so that they achieve their objectives, in addition to maintaining the operational and administrative structure.

	Annual rate	Assets / (Liabilities)		Revenues / (Expenses)	
		06/30/2021	12/31/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Interbank Investments		65,083	79,780	842	1,035
Associates	1.2% / 100% SELIC / 100% to 102% DI	65,083	79,780	842	1,035
Securities and derivative financial instruments (assets and liabilities)		1,197	2,194	(835)	64
Parent companies	2.9% to 6.5% / CDI + 2% to 2.4%	(455)	816	(898)	-
Associates		189	84	21	54
Investment funds		364	344	19	10
Other	CDI + 1.7% to 2.95%	1,099	950	23	-
Loan operations		625	727	35	69
Associates		-	11	21	26
Other	2.5% to 6% / CDI + 1.3% to 1.5% / 100% CDI	625	716	14	43
Foreign exchange portfolio (assets and liabilities)		-	-	-	(8)
Associates		-	-	-	(8)
Trading and intermediation of securities (assets and liabilities)		347	95	-	-
Associates		347	95	-	-
Interbank accounts (assets and liabilities)		11,190	13,669	-	-
Associates		11,190	13,669	-	-
Deposits		(58,644)	(64,634)	(1,574)	(1,621)
Parent companies	1.57% to 6.6%	(57,509)	(63,521)	(1,554)	(1,592)
Associates	100% SELIC	(1,135)	(1,113)	(20)	(29)
Deposits received under securities repurchase agreements		(14,095)	(6,481)	(179)	(224)
Parent companies	4.15%	(1,716)	(2,729)	(24)	(94)
Associates	100% SELIC / 100% CDI	(11,277)	(2,514)	(134)	(102)
Investment funds		(1,075)	(1,058)	(19)	(20)
Other	100% SELIC / 82% to 101% CDI	(27)	(160)	(2)	(8)
Amounts receivable (payable) / Commissions and banking fees, Administrative expenses and/or Other operational		(27)	153	162	139
Parent companies		(67)	(39)	-	(1)
Associates		41	72	137	107
Other		(1)	120	25	33
Rent		-	-	(25)	(28)
Associates		-	-	(9)	(11)
Other		-	-	(16)	(17)
Sponsorship		9	12	(5)	(6)
Other		9	12	(5)	(6)
Donation		-	-	(440)	(72)
Other		-	-	(440)	(72)

Note 15 - Information on foreign subsidiaries

ITAÚ UNIBANCO CONSOLIDATED has subsidiaries abroad, subdivided into:

- Foreign branches: Itaú Unibanco S.A. Grand Cayman Branch, Miami Branch and Nassau Branch; only at 06/30/2020: New York Branch and Tokyo Branch;
- Cayman consolidated: Itau Bank Ltd., ITB Holding Ltd., Itaú Bank & Trust Cayman Ltd., Uni-Investments Inter. Corp.;
- Other foreign companies: basically compose of subsidiaries Banco Itaú Argentina S.A., Albarus S.A. and Banco Itaú Paraguay S.A.

Further information on results of foreign units are available in Management's Discussion and Analysis Report.

	Net income	
	01/01 to 06/30/2021	01/01 to 06/30/2020
Foreign branches	2,459	1,025
Cayman consolidated	147	254
Other foreign companies	695	342
Foreign consolidated	3,333	1,541

Note 16 - Risk, Capital Management and Fixed Assets Limits

a) Corporate Governance

ITAÚ UNIBANCO HOLDING CONSOLIDATED invests in robust risk management processes and capital management that are the basis for its strategic decisions to ensure business sustainability and maximize shareholder value creation.

These processes are aligned with the guidelines of the Board of Directors and Executive which, through collegiate bodies, define the global objectives expressed as targets and limits for the business units that manage risk. Control and capital management units, in turn, support ITAÚ UNIBANCO HOLDING CONSOLIDATED's management by monitoring and analyzing risk and capital.

The Board of Directors is the main body responsible for establishing guidelines, policies and approval levels for risk and capital management. The Risk and Capital Management Committee (CGRC), in turn, is responsible for supporting the Board of Directors in managing capital and risk. At the executive level, collegiate bodies, presided over by the Chief Executive Officer (CEO) of ITAÚ UNIBANCO HOLDING CONSOLIDATED, are responsible for capital and risk management, and their decisions are monitored by the CGRC.

Additionally, ITAÚ UNIBANCO HOLDING CONSOLIDATED has collegiate bodies with capital and risk management responsibilities delegated to them, under the responsibility of CRO (Chief Risk Officer). To support this structure, the Risk Area has departments to ensure, on an independent and centralized basis, that the institution's risks and capital are managed in compliance with defined policies and procedures.

b) Risk Management

Risk Appetite

The risk appetite of ITAÚ UNIBANCO HOLDING CONSOLIDATED is based on the Board of Director's statement:

"We are a universal bank, operating mainly in Latin America. Supported by our risk culture, we insist on with strict ethical standards and regulatory compliance, seeking high and increasing returns, with low volatility, through lasting relationships with our customers, accurate risk pricing, widespread funding and proper use of capital."

Based on this statement, five dimensions have been defined (Capitalization, Liquidity, Composition of Earnings, Operating Risk and Reputation). Each dimension consists of a set of metrics associated with the main risks involved, combining supplementary measurement methods, to give a comprehensive vision of our exposure.

The Board of Directors is responsible for approving guidelines and limits for risk appetite, with the support of CGRC and the CRO (Chief Risk Officer).

The limits for risk appetite are monitored regularly and reported to risk committees and to the Board of Directors, which will oversee the preventive measures to be taken to ensure that exposure is aligned with the strategies of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

Foremost among BACEN's requirements for proper risk and capital management are the Risk Appetite Statement (RAS) and the implementation of a continuous, integrated risk management structure, the stress test program, the establishment of a Risk Committee, and the nomination at BACEN of a Chief Risk Officer (CRO), with roles and responsibilities assigned, and requirements for independence.

Risk appetite, risk management and guidelines for employees of ITAÚ UNIBANCO HOLDING CONSOLIDATED for routine decision-making purposes are based on:

- **Sustainability and customer satisfaction:** ITAÚ UNIBANCO HOLDING CONSOLIDATED's vision is to be the leading bank in sustainable performance and customer satisfaction and, accordingly, we are committed to creating shared value for staff, customers, stockholders and society, ensuring the continuity of the business. ITAÚ UNIBANCO HOLDING CONSOLIDATED is committed to doing business that is good both for the customer and the institution itself;
- **Risk Culture:** ITAÚ UNIBANCO HOLDING CONSOLIDATED's risk culture goes beyond policies, procedures or processes, reinforcing the individual and collective responsibility of all employees so that they will do the right thing at the right time and in the proper manner, respecting the ethical way of doing business;
- **Risk pricing:** ITAÚ UNIBANCO HOLDING CONSOLIDATED's acts and assumes risks in business which it knows and understands, avoiding those with which it is unfamiliar or that do not offer a competitive edge, and carefully assessing the risk-return ratios;
- **Diversification:** ITAÚ UNIBANCO HOLDING CONSOLIDATED has little appetite for volatility in earnings, and it therefore operates with a diverse base of customers, products and business, seeking to diversify risks and giving priority to lower risk business;
- **Operational excellence:** It is the wish of ITAÚ UNIBANCO HOLDING CONSOLIDATED to be an agile bank, with a robust and stable infrastructure enabling us to offer top quality services;
- **Ethics and respect for regulation:** for ITAÚ UNIBANCO HOLDING CONSOLIDATED, ethics is non-negotiable, and it therefore promotes an institutional environment of integrity, encouraging staff to cultivate ethics in relationships and business and to respect the rules, thus caring for the institution's reputation.

ITAÚ UNIBANCO HOLDING CONSOLIDATED has various ways of disseminating risk culture, based on four principles: conscious risk-taking, discussion of the risks the institution faces, the corresponding action taken, and the responsibility of everyone for managing risk.

These principles serve as a basis for ITAÚ UNIBANCO HOLDING CONSOLIDATED's guidelines, helping employees to conscientiously understand, identify, measure, manage and mitigate risks.

I - Credit risk

The possibility of losses arising from failure by a borrower, issuer or counterparty to meet their financial obligations, the impairment of a loan due to downgrading of the risk rating of the borrower, the issuer or the counterparty, a decrease in earnings or remuneration, advantages conceded on renegotiation or the costs of recovery.

There is a credit risk control and management structure, centralized and independent from the business units, that provides for operating limits and risk mitigation mechanisms, and also establishes processes and tools to measure, monitor and control the credit risk inherent in all products, portfolio concentrations and impacts of potential changes in the economic environment.

The credit policy of ITAÚ UNIBANCO HOLDING CONSOLIDATED is based on internal criteria such as: classification of customers, portfolio performance and changes, default levels, rate of return and economic capital allocated, and external factors such as interest rates, market default indicators, inflation, changes in consumption, and so on.

In compliance with CMN Resolution 4,557, of February 23, 2017, the document "Public Access Report – Credit Risk", which includes the guidelines established by our credit risk control policy, can be viewed at www.itaubr.com.br/investor-relations, in the section Itaú Unibanco, under Corporate Governance, Rules and Policies, Reports.

II - Market risk

The possibility of incurring financial losses from changes in the market value of positions held by a financial institution, including the risks of transactions subject to fluctuations in currency rates, interest rates, share prices, price indexes and commodity prices, as set forth by CMN. Price Indexes are also treated as a risk factor group.

Market risk is controlled by an area independent from the business areas, which is responsible for the daily activities of (i) risk measurement and assessment, (ii) monitoring of stress scenarios, limits and alerts, (iii) application, analysis and testing of stress scenarios, (iv) risk reporting to those responsible within the business areas, in compliance with the governance of ITAÚ UNIBANCO HOLDING CONSOLIDATED, (v) monitoring of actions required to adjust positions and risk levels to make them realistic, and (vi) providing support for the safe launch of new financial products.

The market risk structure categorizes transactions as part of either the banking portfolio or the trading portfolio, in accordance with general criteria established by CMN Resolution 4,557, of February 23, 2017, and BACEN Circular 3,354, of June 27, 2007. The trading portfolio consists of all transactions involving financial instruments and commodities, including derivatives, which are held for trading. The banking portfolio is basically characterized by transactions for the banking business, and transactions related to the management of the balance sheet of the institution, where there is no intention of sale and time horizons are medium and long term.

Market risk management is based on the following metrics:

- Value at risk (VaR): a statistical measure that estimates the expected maximum potential economic loss under normal market conditions, considering a certain time horizon and confidence level;
- Losses in stress scenarios (Stress Test): simulation technique to assess the behavior of assets, liabilities and derivatives of a portfolio when several risk factors are taken to extreme market situations (based on prospective and historical scenarios);
- Stop loss: metrics used to revise positions, should losses accumulated in a fixed period reach a certain level;
- Concentration: cumulative exposure of a certain financial instrument or risk factor, calculated at fair value (MtM – Marked to Market); and
- Stressed VaR: statistical metric derived from the VaR calculation, with the purpose is of simulating higher risk in the trading portfolio, taking returns that can be seen in past scenarios of extreme volatility.

Management of interest rate risk in the Banking Book (IRRBB) is based on the following metrics:

- Δ EVE (Delta Economic Value of Equity): difference between the present value of the sum of repricing flows of instruments subject to IRRBB in a base scenario and the present value of the sum of repricing flows of these instruments in a scenario of shock in interest rates;
- Δ NI (Delta Net Interest Income): difference between the result of financial intermediation of instruments subject to IRRBB in a base scenario and the result of financial intermediation of these instruments in a scenario of shock in interest rates.

In addition, sensitivity and loss control measures are also analyzed. They include:

- Mismatching analysis (GAPS): accumulated exposure by risk factor of cash flows expressed at fair value, allocated at the maturity dates;
- Sensitivity (DV01- Delta Variation): impact on the fair value of cash flows when a 1 basis point change is applied to current interest rates or on the index rates; and
- Sensitivity to Sundry Risk Factors (Greeks): partial derivatives of an option portfolio in relation to the prices of underlying assets, implied volatilities, interest rates and time.

In order to operate within the defined limits, ITAÚ UNIBANCO HOLDING CONSOLIDATED hedges transactions with customers and proprietary positions, including its foreign investments. Derivatives are commonly used for these hedging activities, which can be either accounting or economic hedges, both governed by the institutional policies of ITAÚ UNIBANCO HOLDING CONSOLIDATED Note 4 – Securities and derivative financial instruments (assets and liabilities).

The structure of limits and alerts obeys the Board of Directors' guidelines, and it is reviewed and approved on an annual basis. This structure has specific limits aimed at improving the process of monitoring and understanding risk, and at avoiding concentration. These limits are quantified by assessing the forecast balance sheet results, the size of stockholders' equity, market liquidity, complexity and volatility, and ITAÚ UNIBANCO HOLDING CONSOLIDATED's appetite for risk.

The consumption of market risk limits is monitored and disclosed daily through exposure and sensitivity maps. The market risk area analyzes and controls the adherence of these exposures to limits and alerts and reports them timely to the Treasury desks and other structures foreseen in the governance.

ITAÚ UNIBANCO HOLDING CONSOLIDATED uses proprietary systems to measure the consolidated market risk. The processing of these systems occurs in a high-availability access-controlled environment, which has data storage and recovery processes and an infrastructure that ensures business continuity in contingency (disaster recovery) situations.

At 06/30/2021, ITAÚ UNIBANCO HOLDING CONSOLIDATED presented a Total VaR of R\$ 479, an increase in relation to prior year (R\$ 223 at 12/31/2020), due to higher exposure in interest rates.

The document "Public Access Report – Market Risk", which includes our internal policy guidelines for market risk control, is not an integral part of the financial statements, but can be viewed at www.itaú.com.br/investor-relations, in the section Itaú Unibanco, Corporate Governance, Rules and Policies, Reports.

III - Liquidity risk

The possibility that the institution may be unable to efficiently meet its expected and unexpected obligations, both current and future, including those arising from guarantees issued, without affecting its daily operations and without incurring significant losses.

Liquidity risk is controlled by an area independent from the business area and responsible for establishing the reserve composition, estimating the cash flow and exposure to liquidity risk in different time horizons, and for monitoring the minimum limits to absorb losses in stress scenarios for each country where ITAÚ UNIBANCO HOLDING CONSOLIDATED operates. All activities are subject to verification by independent validation, internal control and audit areas.

The document Public Access Report - Liquidity Risk, which includes our internal policy guidelines for liquidity risk control, is not an integral part of the financial statements, but can be viewed on the website www.itaubr.com.br/investor-relations, in the section Itaú Unibanco, Corporate Governance, Rules and Policies, Reports.

IV - Operating risk

The possibility of losses from failures, defects or shortcomings in internal processes, people or systems, or from external events impacting the realization of strategic, tactical or operational objectives. It includes the legal risk of inadequacies or defects in agreements signed by the institution, as well as sanctions for failing to comply with legal provisions and compensation to third parties for losses arising from the institution's activities.

The managers of executive areas use corporate methods developed and supplied by the internal controls, compliance and operating risk area.

As part of governance of the risk management process, consolidated reports on risk monitoring, controls, action plans and operating losses are periodically presented to the business areas' executives.

In line with the principles of CMN Resolution 4,557, of February, 23, 2017, the document entitled "Public Access Report – Integrated Operational Risk Management and Internal Controls", a summarized version of the institutional operating risk management policy, may be viewed on the website www.itaubr.com.br/investor-relations, in the section Itaú Unibanco, Corporate Governance, Rules and Policies, Reports.

V - Insurance, private pension and premium bonds risks

The main risks related to Insurance, Private Pension and Premium Bonds portfolios are described below and defined in their respective chapters.

- Underwriting risk: possibility of losses arising from insurance, pension plan and premium bonds operations contrary to the institution's expectations of ITAÚ UNIBANCO HOLDING CONSOLIDATED, directly or indirectly associated with technical and actuarial bases adopted to calculate premiums, contributions and provisions;

- Credit risk;
- Market risk;
- Liquidity risk;
- Operating risk.

These risks are managed independently, according to their special characteristics.

VI - Social and Environmental Risk

ITAÚ UNIBANCO HOLDING CONSOLIDATED understands the Social and Environmental risk as the possibility of losses incurred due to social and/or environmental events related to the activities developed by the institution, pursuant to CMN Resolution 4,327/14. The Policy on Sustainability and Social and Environmental Responsibility (PRSA) establishes the guidelines, strategies and underlying principles for social and environmental management, based on institutional issues and addressing, through specific procedures, the most significant risks for the Institution's operation.

Actions to mitigate the Social and Environmental Risk are taken based on the mapping of processes, risks and controls, monitoring of new standards related to the theme and record of occurrence in internal systems. In addition to the identification, the phases of prioritization, response to risk, monitoring and reporting of assessed risks supplement the management of this risk at ITAÚ UNIBANCO HOLDING CONSOLIDATED.

The management of social and environmental risk adopts the strategy of three defense lines: the first defense line (business areas) manages the risk in its daily activities, following the PRSA guidelines, specific processes, with the support of specialized assessment from dedicated technical teams located in Corporate Compliance, Credit Risk and Modeling, and Institutional Legal teams, that act on an integrated way in the management of all dimensions of the Social and Environmental Risk related to the conglomerate's activities. As an example of the specific guidelines to manage this risk, business units count on the governance for approval of new products and services, which contemplates, in its assessments, the Social and Environmental Risk, ensuring the compliance with this requirement in new products approved by the Institution, as well as specific social and environmental procedures for the Institution's operation (stockholder's equity, branch infrastructure and technology), supplies, credit, investments and key controls. The second line of defense, in turn, is represented by the Credit Risk and Modeling, by Internal Controls, as well as Compliance, through the Corporate Social and Environmental Risk management, which supports and ensures the governance of the first line's activities. The third line of defense composed of the Internal Audit, acts on an independent manner, mapping and assessing risk management, controls and governance.

Governance also counts on the Social and Environmental Risk Committee, whose main responsibility is to assess and deliberate about institutional and strategic matters, as well as to resolve on products, operations, and services, among others involving the Social and Environmental Risk, including Climate Risk.

Further details on environmental and social risk, which is not an integral part of the financial statements, can be viewed at www.itaubr.com.br/investor-relations, section Results and Reports / Pillar 3 and Global Systemically Important Banks / Risk and Capital Management - Pillar 3.

c) Capital management governance

Basel and fixed asset ratios

We present below the main indicators of ITAÚ UNIBANCO HOLDING (ITAÚ UNIBANCO's controlling company), obtained from the non-consolidated financial statements (the initial basis for determining the Prudential Consolidated amounts), according to the present regulation, as it follows:

	Prudential Consolidated	
	06/30/2021	12/31/2020
Referential Equity	156,561	151,244
Basel ratio	14.9%	14.5%
Tier I ratio	13.5%	13.2%
Common Equity Tier I ratio	11.9%	11.5%
Fixed assets ratio	18.0%	24.0%
Surplus Capital in Relation to Fixed Assets	50,177	39,274

Note 17 - Supplementary information

a) Recovery do Brasil Consultoria S.A.

On May 26, 2020, ITAÚ UNIBANCO HOLDING, through its subsidiary ITAÚ UNIBANCO, acquired from International Finance Corporation an additional interest of 4% for the amount of R\$ 20.7, then holding 100% of capital of Recovery do Brasil Consultoria S.A.

The effective acquisition and financial settlement occurred on May 28, 2020.

b) Corporate reorganization

On January 31, 2021, there was a partial spin-off of ITAÚ UNIBANCO, with transfer and merger of the portion spin-off by ITAÚ UNIBANCO HOLDING, composed of 226,523,404 shares issued by XP Inc. and evaluated at R\$ 9,499.

c) “Coronavirus” COVID-19 relief efforts

ITAÚ UNIBANCO CONSOLIDATED monitors the economic effects of this COVID-19 pandemic, which may adversely affect its Profit or Loss. At the beginning of the COVID-19 outbreak, the Institutional Crisis Management Committee was set up, by the leading institution Itaú Unibanco Holding S.A., established an intensified agenda to manage the crisis, which is responsible for the monitoring the pandemic and its impacts on its operations, in addition to the government actions to mitigate the effects of this pandemic.

ITAÚ UNIBANCO CONSOLIDATED identified the following impacts on its results, as well as effects on estimates and critical judgments for the preparation of the Financial Statements:

(a) increase in 2020 in loan and financing operations, especially for micro, small and medium-sized companies. Through timely monitoring of credit standards and behavior of clients, ITAÚ UNIBANCO CONSOLIDATED maintained the regularity of its operations, despite the adverse conditions, and helped clients in the sustainable search for their financial rebalancing;

(b) increase in applications of renegotiation and extension of terms for loan operations as the economic situation changed;

(c) the allowance for loan losses was affected due to the level of risk and default, due to the changes in the financial perspectives of clients and the visible deterioration of macroeconomic variables;

(d) temporary impacts in the pricing of its financial instruments arising from oscillations in rates and high volatility in the market prices in the beginning of the pandemic, in the first quarter of 2020, influencing the measurement of items stated at fair value in their different levels;

(e) during 2020, the instability in the variable income market was noted causing a migration to fixed income instruments with liquidity. This movement resulted in the increase in the Bank Deposit Certificates portfolio; however, over 2021, a small drop was noted as the portfolio gets back to normal; and

(f) impacts in the recognition of deferred income tax and social contribution in 2020 due to the greater volume of deductible temporary differences recorded for the period. The pandemic reduced the projections of taxable income, however, it was not responsible for the generation of tax loss and social contribution loss carryforwards in ITAÚ UNIBANCO CONSOLIDATED.

d) Regulatory non-recurring result

Presentation of regulatory non-recurring result of ITAÚ UNIBANCO CONSOLIDATED, net of tax effects, in accordance with the criteria established by BCB Resolution No. 2/2020:

	01/01 to 06/30/2021	01/01 to 06/30/2020
Regulatory non-recurring results	261	279
Mark to market of collateralized securities	-	(38)
Reclassification - Investment IRB	-	379
Provision for restructuring	(746)	-
Revaluation of deferred tax assets (increase in social contribution)	954	-
Donation to "Todos pela Saúde" ("All for Health")	-	(44)
Other	53	(18)

e) Subsequent Event

Bidding for payroll management in Minas Gerais

On July 16, 2021, ITAÚ UNIBANCO CONSOLIDATED won the bidding conducted by the Government of the State of Minas Gerais for the provision of payment services to state civil servants and suppliers of state legal entities, for 5 years, totaling the monthly amount of approximately R\$ 4.8 billion.

The operation involves 618 thousand civil servants in the state of Minas Gerais, with a payroll loan balance of R\$ 7.7 billion, and 6.3 thousand suppliers that are legal entities in the State.

The proposal sets forth the payment of R\$ 2.4 billion for the Payroll management, which will be registered as intangible assets and the recognition in income will be deferred.

Itaú Unibanco S.A. and subsidiaries

***Financial statements at
June 30, 2021
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report on the consolidated financial statements

To the Management and Stockholders
Itaú Unibanco S.A.

Opinion

We have audited the accompanying consolidated financial statements of Itaú Unibanco S.A. (the "Bank") and subsidiaries, which comprise the consolidated balance sheet as at June 30, 2021, the consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the six-month period then ended and notes to the financial statements, including a summary of the main accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Itaú Unibanco S.A. and subsidiaries as at June 30, 2021, and the consolidated financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Bank and its subsidiaries in accordance with the ethical requirements established in the Accountant's Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements of Itaú Unibanco S.A. and subsidiaries in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by BACEN, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance in the Bank are responsible for overseeing the financial reporting process for the preparation of the consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, August 27, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Emerson Laerte da Silva
Contador CRC 1SP171089/O-3