



4th quarter 2014 – Earnings Review

Conference Call

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President and CEO



Highlights

Recurring Net Income

R\$5.7
billion

▲ 3.7% (4Q14/3Q14)

▲ 30.2% (2014/2013)

Recurring ROE (p.a.)

24.7%

— stable (4Q14/3Q14)

▲ 80 bps (4Q14/4Q13)

12-month ROE was 24.0%

Improved Credit Quality

3.1%
NPL 90

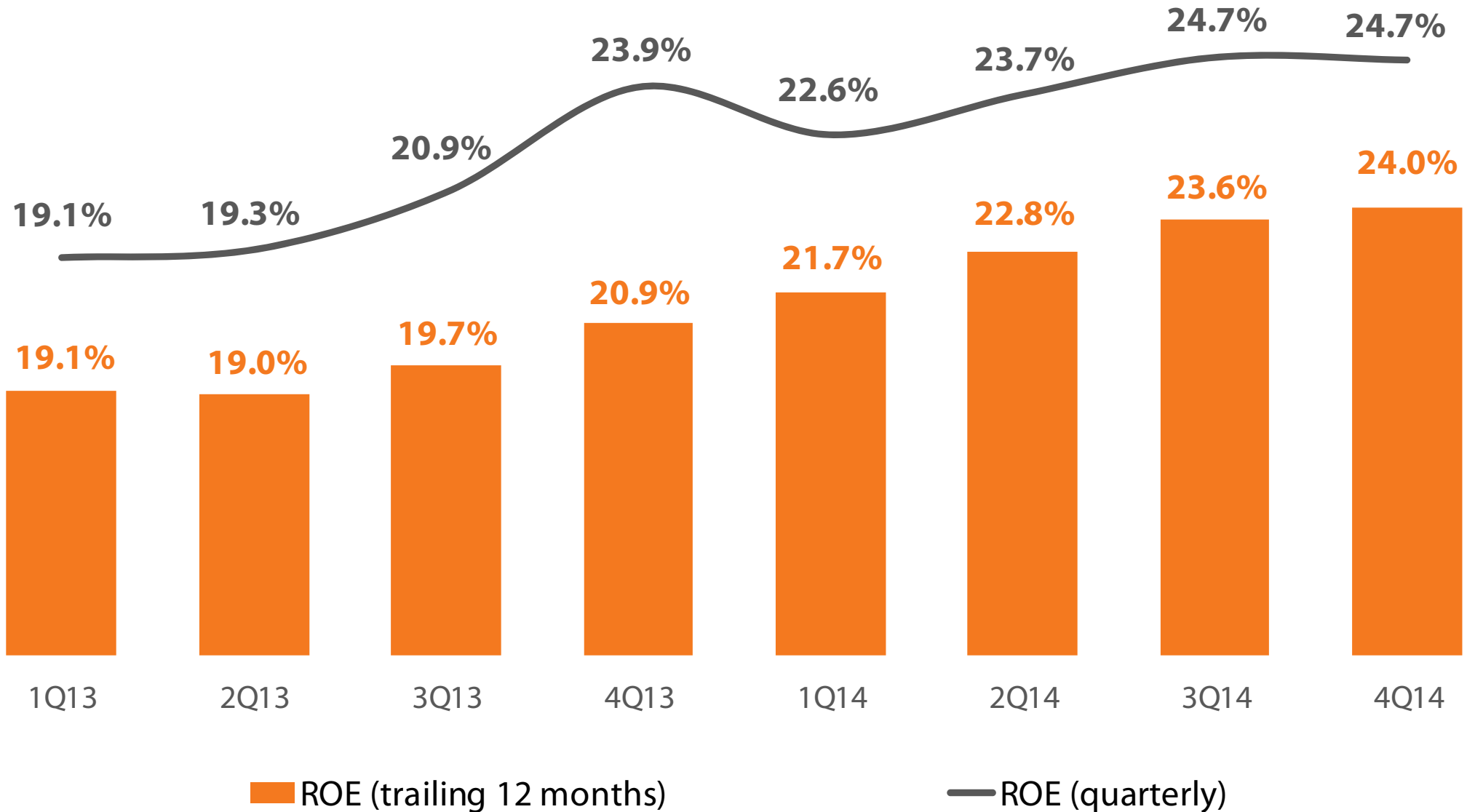
▼ 10 bps (4Q14/3Q14)

▼ 60 bps (4Q14/4Q13)

NPL 15-90: 2.5% ▼ 50 bps (4Q14/4Q13)

- **Financial Margin with Clients:** ▲ 3.0% (4Q14/3Q14) and ▲ 12.8% (2014/2013) totaled R\$13.7 billion in the quarter and R\$51.6 billion for the full year
- **Financial Margin with Market:** ▼ 5.9% (4Q14/3Q14) and ▲ 85.0% (2014/2013) totaled R\$1.0 billion in the quarter and R\$ 3.6 billion for the full year
- **Loan Loss Provision Expenses:** ▼ 2.7% (4Q14/3Q14) and ▼ 2.7% (2014/2013) reached R\$4.6 billion in the quarter and R\$18.1 billion for the full year
- **Fees and Result from Insurance:** ▲ 2.2% (4Q14/3Q14) and ▲ 13.8% (2014/2013) reached R\$8.3 billion in the quarter and R\$31.6 billion for the full year
Ex-Credicard: ▲ 10.7% (2014/2013)
- **Non-Interest Expenses:** ▲ 3.7% (4Q14/3Q14) and ▲ 10.1% (2014/2013) totaled R\$10.1 billion in the quarter and R\$38.5 billion for the full year
Ex-Credicard: ▲ 7.0% (2014/2013)
- **Efficiency Ratio:** ▲ 70 bps (4Q14/3Q14) and ▼ 190 bps (2014/2013) reached 46.2% in the quarter; Risk-Adjusted Efficiency Ratio reached 63.0%
- **Loan Portfolio:** ▲ 4.4% (4Q14/3Q14) and ▲ 8.7% (4Q14/4Q13) including private securities ▲ 4.4% (4Q14/3Q14) and ▲ 9.8% (4Q14/4Q13)

Recurring ROE



In R\$ millions

				Variation				Variation
	4Q14	3Q14	4Q13	4Q14 - 3Q14	4Q14 - 4Q13	2014	2013	2014 - 2013
Operating Revenues	23,754	23,305	20,880	1.9%	13.8%	89,840	78,475	14.5%
Financial Margin with Clients	13,687	13,287	11,964	3.0%	14.4%	51,560	45,694	12.8%
Financial Margin with Market	1,018	1,083	739	-5.9%	37.8%	3,595	1,944	85.0%
Comissions and Fees	6,825	6,558	6,036	4.1%	13.1%	25,777	22,148	16.4%
Result from Insurance ¹	2,224	2,379	2,141	-6.5%	3.9%	8,908	8,691	2.5%
Loan Losses and Retained Claims	(3,781)	(3,902)	(3,271)	-3.1%	15.6%	(15,045)	(15,610)	-3.6%
Loan Loss Provision Expenses	(4,614)	(4,741)	(4,191)	-2.7%	10.1%	(18,071)	(18,579)	-2.7%
Recovery of Credits	1,330	1,397	1,399	-4.8%	-5.0%	5,049	5,045	0.1%
Retained Claims	(497)	(559)	(479)	-11.0%	3.8%	(2,023)	(2,075)	-2.5%
Other Operating Expenses	(11,633)	(11,292)	(10,748)	3.0%	8.2%	(44,439)	(40,271)	10.4%
Non-interest Expenses	(10,113)	(9,753)	(9,358)	3.7%	8.1%	(38,483)	(34,966)	10.1%
Tax Expenses and Other ²	(1,520)	(1,538)	(1,390)	-1.2%	9.3%	(5,956)	(5,304)	12.3%
Income before Tax and Minority Interests	8,340	8,112	6,861	2.8%	21.6%	30,356	22,595	34.3%
Income Tax and Social Contribution	(2,595)	(2,571)	(2,139)	0.9%	21.3%	(9,427)	(6,623)	42.3%
Minority Interests in Subsidiaries	(85)	(84)	(42)	-	-	(311)	(136)	-
Recurring Net Income	5,660	5,457	4,680	3.7%	20.9%	20,619	15,836	30.2%
Non-recurring Events	(140)	(53)	(34)	-	-	(377)	(140)	-
Net Income	5,520	5,404	4,646	2.1%	18.8%	20,242	15,696	29.0%

¹ Income from Insurance includes the Results from Insurance, Pension Plan and Premium Bonds Operations before Retained Claims and Selling Expenses.

² Includes Tax Expenses (ISS, PIS, COFINS and other) and Selling Expenses from Insurance.

Non Recurring Events



In R\$ millions

	4Q14	3Q14	4Q13	2014	2013
Recurring Net Income	5,660	5,457	4,680	20,619	15,836
Non Recurring Events	(140)	(53)	(34)	(377)	(140)
Gain from Sale of Large Risk Insurance Operations	736	-	-	736	-
IRB	28	-	131	62	131
Complementary Allowance for Loan Losses	(668)	-	-	(668)	-
Goodwill Amortization	(54)	(38)	-	(177)	-
Provision for Contingencies	(38)	(15)	(649)	(126)	(754)
Improvement of Labor Claim Provision Model	(74)	-	-	(74)	-
Porto Seguro	-	-	272	(60)	272
Criteria Adjustment - Credicard	-	(37)	-	(37)	-
Program for Settlement or Installment Payment of Taxes	(62)	37	508	(25)	508
Realization of Assets and Impairment	(9)	-	(239)	(9)	(239)
Other	-	-	(58)	-	(58)
Net Income	5,520	5,404	4,646	20,242	15,696

Credit and Insurance & Services



In R\$ billions

	2014				2013				2014 x 2013			
	Consolidated	Credit	Insurance & Services	Excess Capital	Consolidated	Credit	Insurance & Services	Excess Capital	Consolidated	Credit	Insurance & Services	Excess Capital
Operating Revenues	89.8	48.3	40.1	1.4	78.5	43.1	34.3	1.0	14.5%	12.2%	16.6%	38.5%
Managerial Financial Margin	55.2	39.6	14.1	1.4	47.6	35.9	10.7	1.0	15.8%	10.4%	31.7%	38.5%
Comissions and fees	25.8	8.7	17.1	-	22.1	7.2	15.0	-	16.4%	21.3%	14.0%	-
Result from Insurance	8.9	-	8.9	-	8.7	-	8.7	-	2.5%	-	2.5%	-
Loan Losses and Retained Claims	(15.0)	(13.0)	(2.0)	-	(15.6)	(13.5)	(2.1)	-	-3.6%	-3.8%	-2.5%	-
Loan Loss Provision Expenses Net of Recoveries	(13.0)	(13.0)	-	-	(13.5)	(13.5)	-	-	-3.8%	-3.8%	-	-
Retained Claims Expenses	(2.0)	-	(2.0)	-	(2.1)	-	(2.1)	-	-2.5%	-	-2.5%	-
Non-interest Expenses and Other Expenses	(44.4)	(22.0)	(22.3)	(0.1)	(40.3)	(20.4)	(19.9)	(0.0)	10.4%	8.3%	12.4%	38.5%
Recurring Net Income	20.6	8.8	11.0	0.8	15.8	6.5	8.7	0.6	30.2%	35.7%	25.5%	38.5%
Regulatory Capital (*)	95.8	53.4	27.8	14.7	81.0	46.4	21.1	13.5	18.3%	15.1%	31.6%	8.5%
Recurring Return	24.0%	14.9%	44.2%	6.4%	20.9%	12.4%	49.2%	4.4%	310 bps	250 bps	(500 bps)	200 bps
Regulatory Capital BIS III Fully Loaded	95.8	57.9	31.5	6.5	81.0	55.4	32.9	(7.3)	18.3%	4.4%	-4.3%	-189.9%
Recurring Return	24.0%	14.2%	39.8%	6.4%	20.9%	11.1%	33.2%	4.4%	310 bps	310 bps	660 bps	200 bps

(*) For managerial calculation, we use a 13.75% capital ratio, which is the minimum required capital of 11% plus a 25% safety margin.

In R\$ billions

	2014	2013	2014 x 2013
Operating Revenues	48.3	43.1	12.2%
Managerial Financial Margin	39.6	35.9	10.4%
Comissions and fees	8.7	7.2	21.3%
Loan Losses Net of Recoveries	(13.0)	(13.5)	-3.8%
Non-interest Expenses and Other Expenses	(22.0)	(20.4)	8.3%
Recurring Net Income	8.8	6.5	35.7%
Regulatory Capital^(*)	53.4	46.4	15.1%
Recurring Return	14.9%	12.4%	250 bps
Regulatory Capital BIS III Fully Loaded	57.9	55.4	4.4%
Recurring Return	14.2%	11.1%	310 bps

(*) For managerial calculation, we use a 13.75% capital ratio, which is the minimum required capital of 11% plus a 25% safety margin.

In R\$ millions

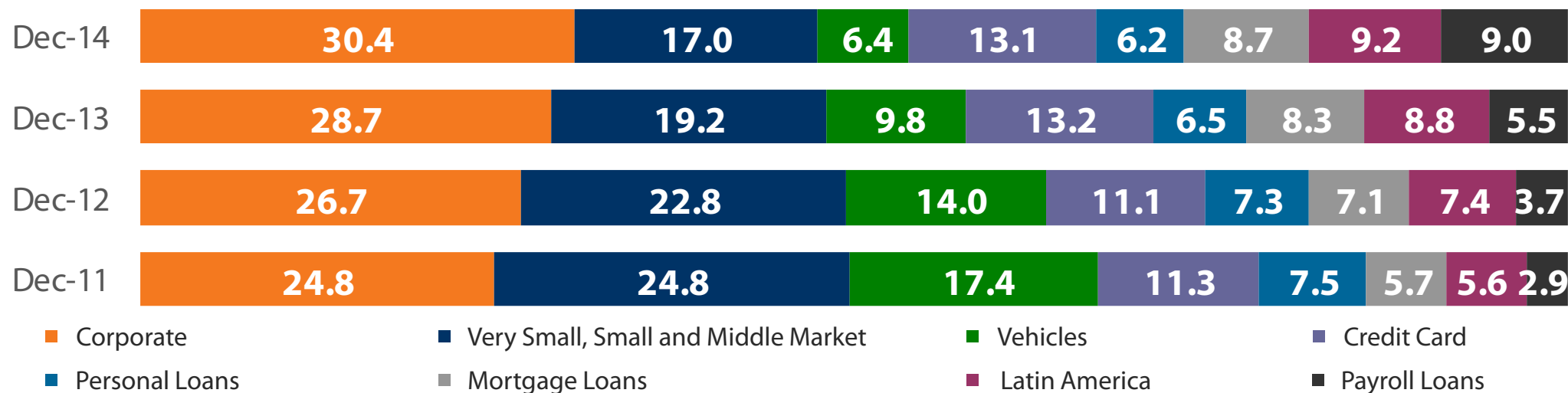
	Dec 31,14	Sep 30,14	Dec 31,13	Variation	
				Dec 31,14 - Sep 30,14	Dec 31,14 - Dec 31,13
Individuals	186,212	178,280	168,714	4.4%	10.4%
Credit Card Loans	59,321	54,265	54,234	9.3%	9.4%
Personal Loans	28,541	28,690	27,373	-0.5%	4.3%
Payroll Loans	40,525	36,436	22,578	11.2%	79.5%
Vehicle Loans	28,927	31,323	40,319	-7.6%	-28.3%
Mortgage Loans	28,898	27,566	24,209	4.8%	19.4%
Companies	295,366	285,813	275,594	3.3%	7.2%
Corporate Loans	211,241	203,042	190,140	4.0%	11.1%
Very Small, Small and Middle Market Loans	84,125	82,771	85,454	1.6%	-1.6%
Latin America	43,942	39,252	39,088	11.9%	12.4%
Total with Endorsements and Sureties	525,519	503,345	483,397	4.4%	8.7%
Corporate - Private Securities	34,175	32,942	26,482	3.7%	29.0%
Total with Endorsements, Sureties and Private Securities	559,694	536,287	509,879	4.4%	9.8%

Financial Margin with Clients Breakdown



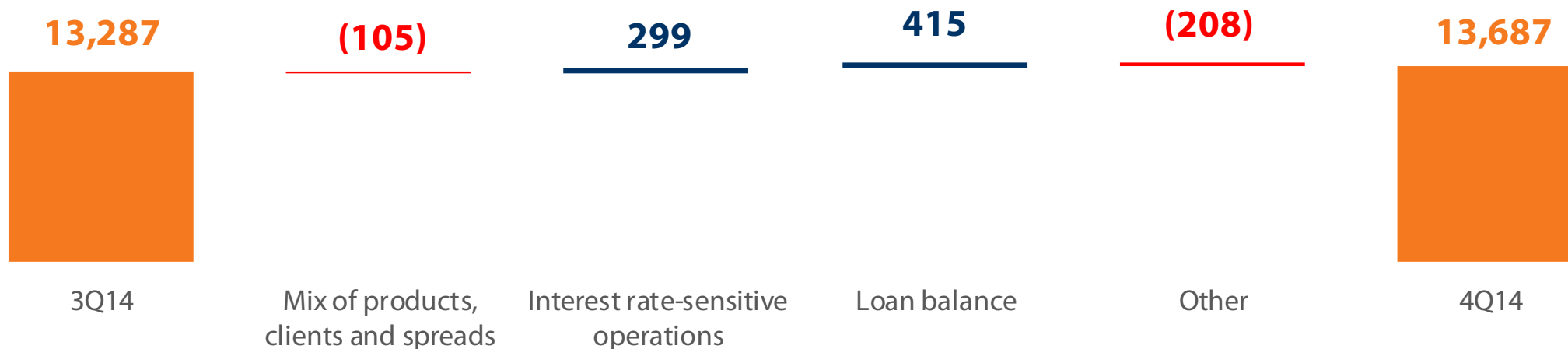
Loan Portfolio Mix Change ¹

¹ Excluding endorsements and sureties %

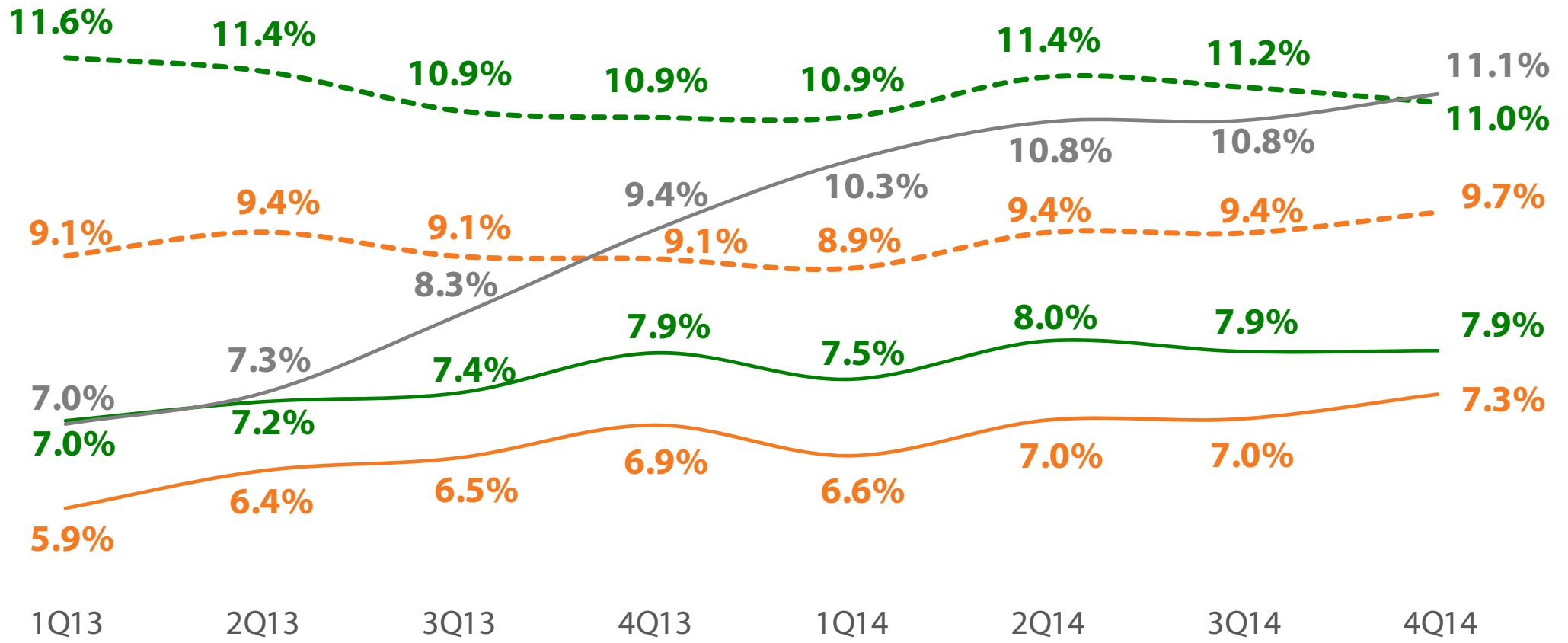


Financial Margin with Clients Breakdown (Quarter)

In R\$ millions



Net Interest Margin

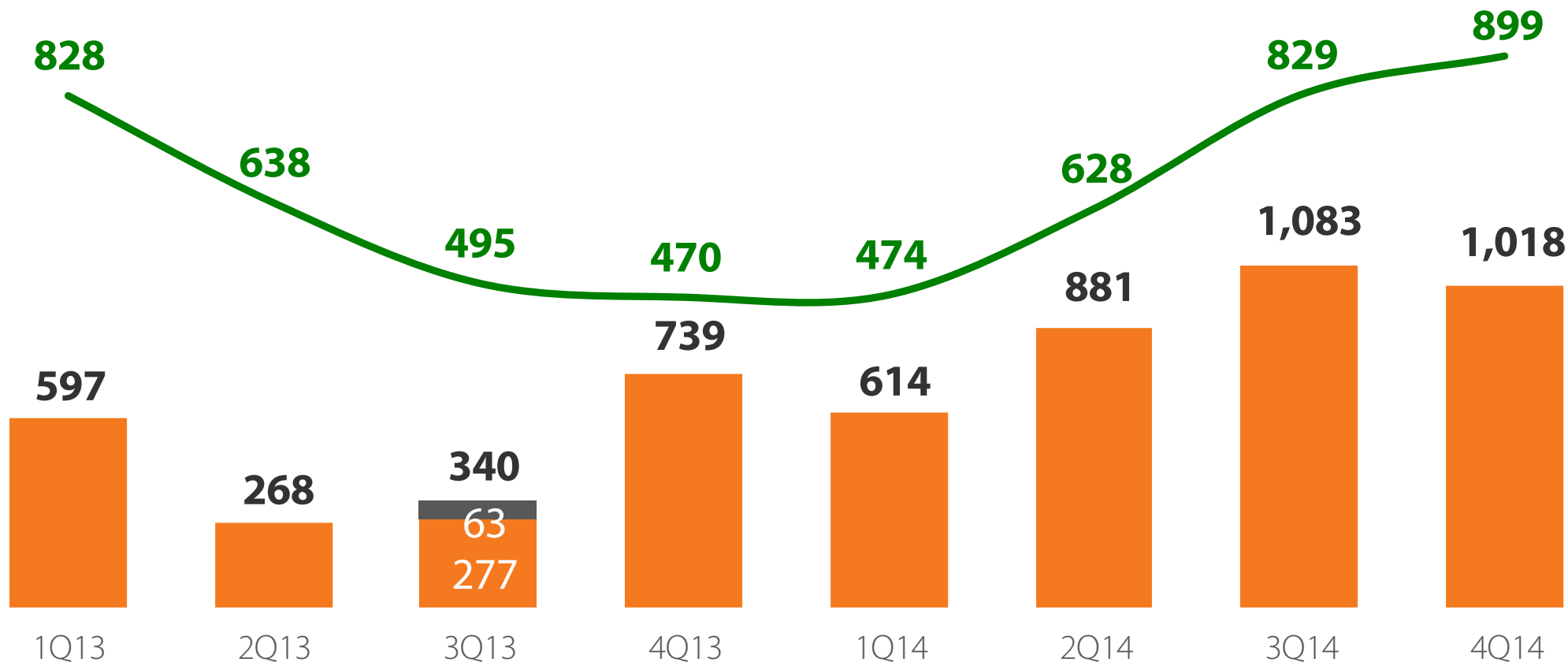


- - - Gross Credit Spread
- - - NIM with Clients
- Net Credit Spread ¹
- Risk Adjusted NIM with Clients ¹
- CDI

¹ After loan loss provision expenses, net of recoveries

Financial Margin with Market

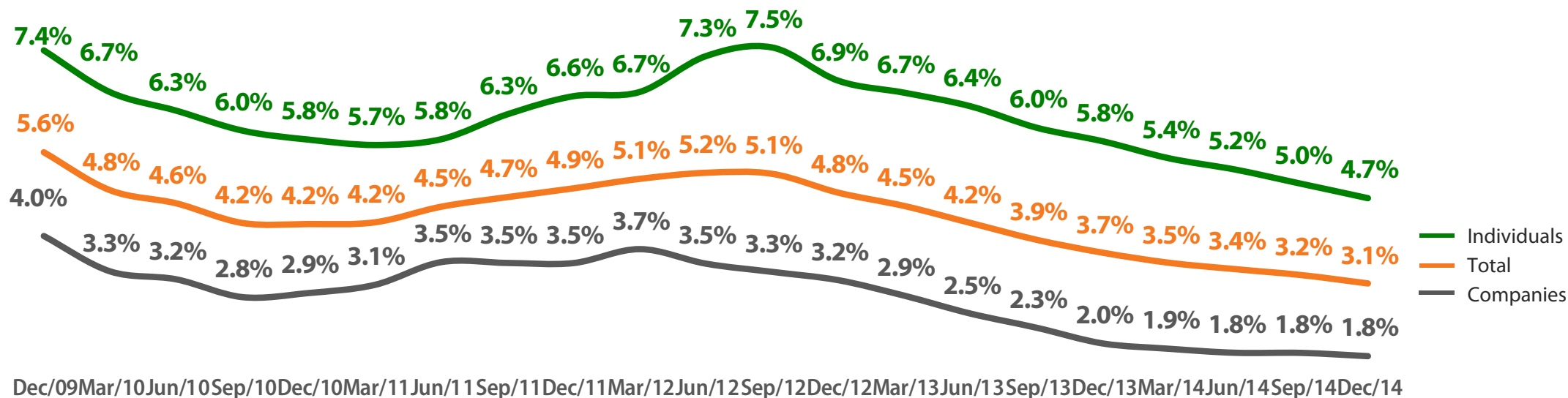
In R\$ millions



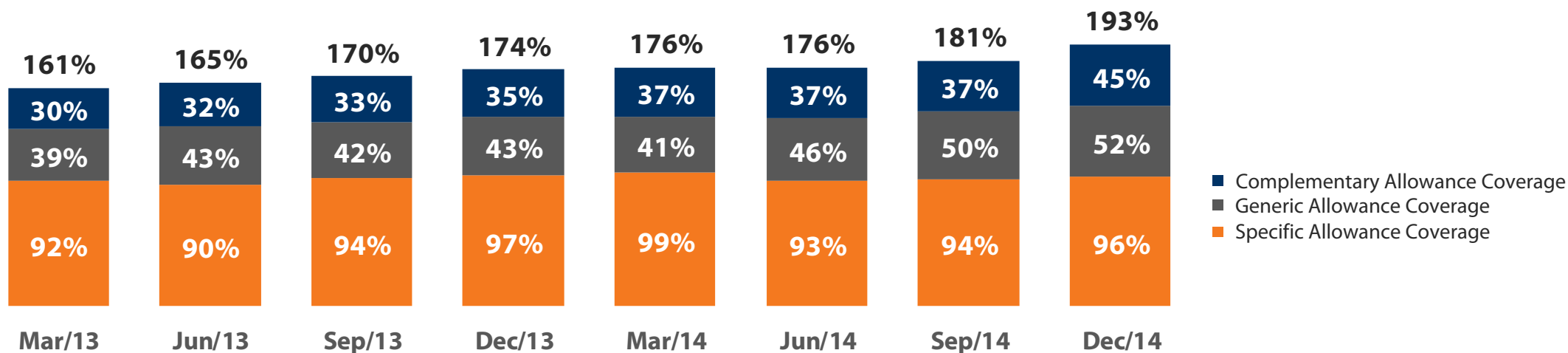
- Gains from the sale of Cetip/ BM&FBovespa Shares
- Financial Margin with Market (ex- Gains from sale of Shares)
- Trailing 12-month Financial Margin with Market (ex- Gains from sale of Shares)

The quarterly average Financial Margin with Market (ex- Gains from sale of Shares) for the past 8 quarters was R\$685 million

90-day NPL Ratio

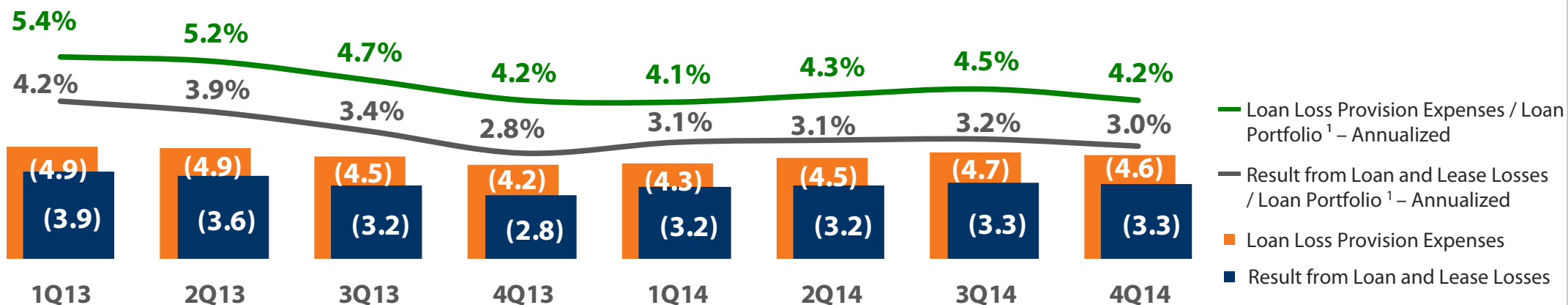


90-day Coverage Ratio



Loan Loss Provisions Expenses

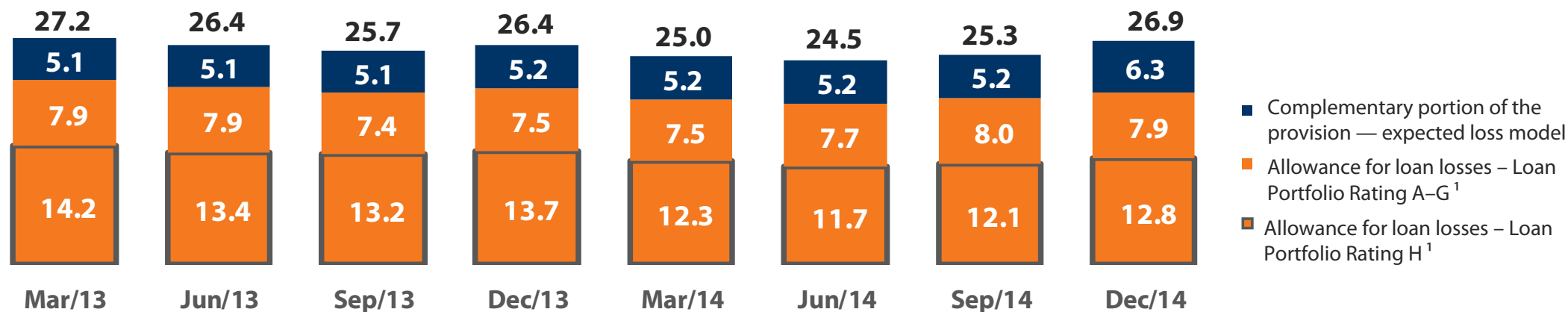
In R\$ billions



¹ Average balance of the Loan Portfolio of the two previous quarters.

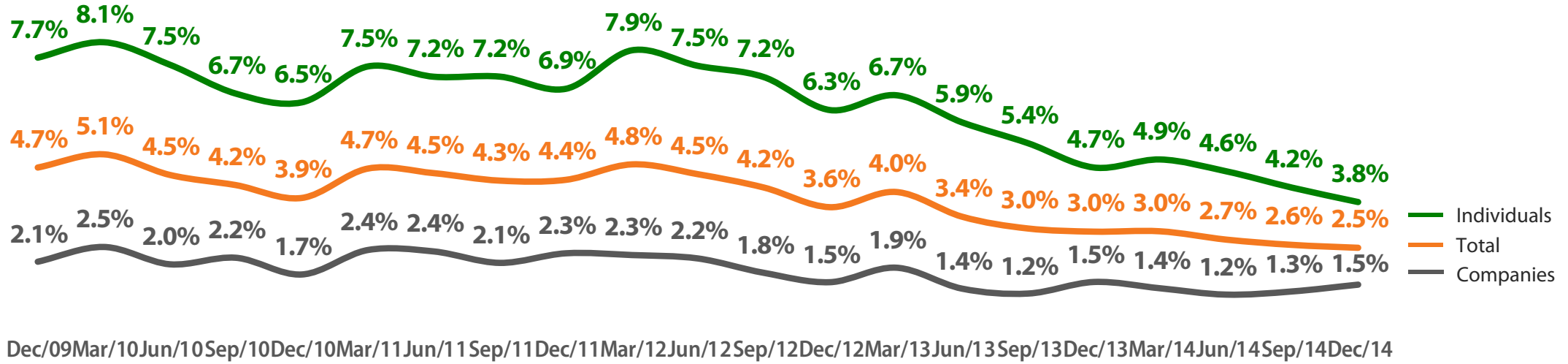
Allowance for Loan Losses

In R\$ billions

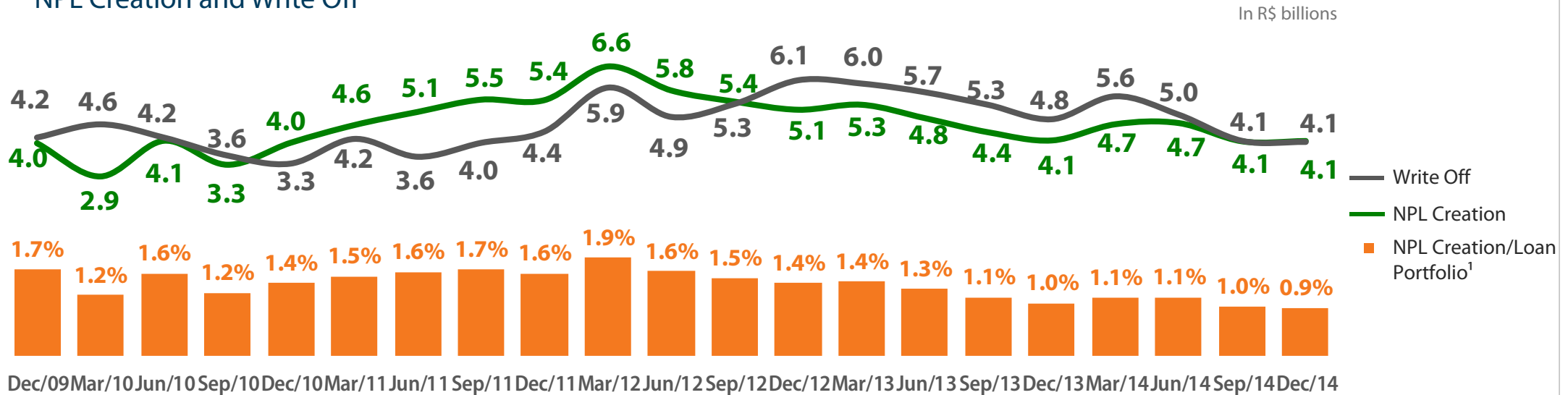


¹ Resolution 2,682/99 CMN

15 to 90-day NPL Ratio



NPL Creation and Write Off



¹ Average balance of the Loan Portfolio from the two previous quarters

In R\$ billions

	2014	2013	2014 x 2013
Operating Revenues	40.1	34.3	16.6%
Managerial Financial Margin	14.1	10.7	31.7%
Comissions and fees	17.1	15.0	14.0%
Result from Insurance	8.9	8.7	2.5%
Retained Claims Expenses	(2.0)	(2.1)	-2.5%
Non-interest Expenses and Other Expenses	(22.3)	(19.9)	12.4%
Recurring Net Income	11.0	8.7	25.5%
Regulatory Capital^(*)	27.8	21.1	31.6%
Recurring Return	44.2%	49.2%	(500 bps)
Regulatory Capital BIS III Fully Loaded	31.5	32.9	-4.3%
Recurring Return	39.8%	33.2%	660 bps

(*) For managerial calculation, we use a 13.75% capital ratio, which is the minimum required capital of 11% plus a 25% safety margin.

Insurance and Services | Result by business line



In R\$ billions

	Insurance and Services	Insurance	REDE	Cash Management ⁽¹⁾	Asset Management & Consortia	Deposits	Asset and Liability Management ⁽²⁾	Other
2014	Operating Revenues	40.1	9.9	6.2	13.3	2.7	3.0	1.6
	Managerial Financial Margin	14.1	0.5	1.2	6.1	0.1	3.0	0.0
	Comissions and fees	17.1	0.5	5.0	7.2	2.7	0.0	1.5
	Result from Insurance	8.9	8.9	-	-	-	-	0.0
	Retained Claims Expenses	(2.0)	(2.0)	-	(0.0)	(0.0)	(0.0)	0.0
	Non-interest Expenses and Other Expenses	(22.3)	(3.3)	(2.2)	(10.8)	(1.9)	(2.0)	(1.5)
	Recurring Net Income	11.0	2.9	2.7	1.5	0.5	0.6	0.9
2013	Operating Revenues	34.3	8.8	5.3	11.7	2.5	1.5	2.3
	Managerial Financial Margin	10.7	0.1	1.0	5.3	0.1	1.3	0.6
	Comissions and fees	15.0	-	4.3	6.3	2.4	0.0	1.7
	Result from Insurance	8.7	8.7	-	-	-	-	0.0
	Retained Claims Expenses	(2.1)	(2.1)	-	(0.0)	(0.0)	(0.0)	0.0
	Non-interest Expenses and Other Expenses	(19.9)	(3.0)	(2.2)	(9.8)	(1.7)	(1.6)	(1.2)
	Recurring Net Income	8.7	2.2	2.1	1.2	0.5	0.4	1.6
Annual Variation	Operating Revenues	17%	13%	16%	14%	9%	127%	-31%
	Retained Claims Expenses	-3%	-2%	-	-	-	-	-
	Non-interest Expenses and Other Expenses	12%	8%	0%	11%	9%	72%	21%
	Recurring Net Income	26%	32%	27%	27%	9%	147%	-42%

⁽¹⁾ Includes checking accounts, payment and receiving services and foreign spot transactions.

⁽²⁾ Revenues and hedges from asset liability management for interest rate and duration mismatches. Does not involve credit risk.

Commissions & Fees and Result from Insurance

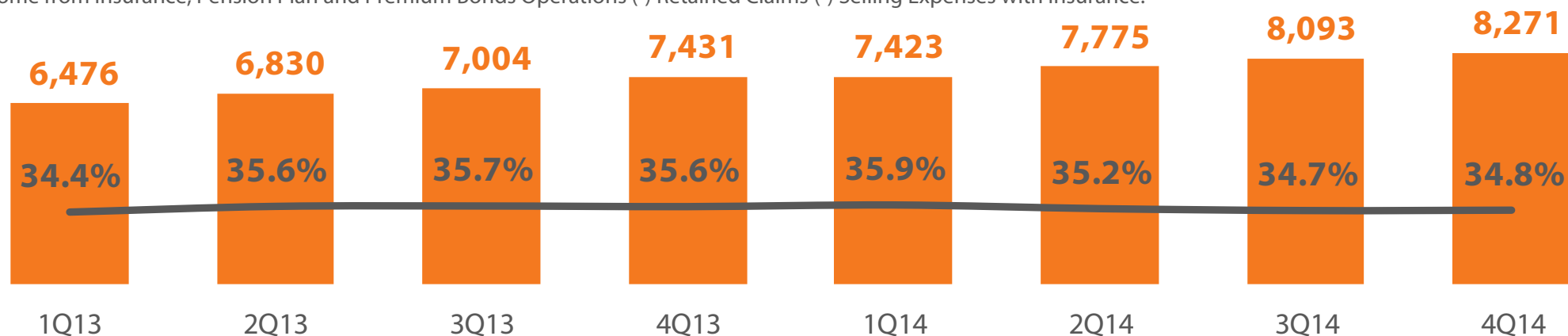


In R\$ millions

				Variation				Variation
	4Q14	3Q14	4Q13	4Q14-3Q14	4Q14-4Q13	2014	2013	2014-2013
Asset Management ¹	650	688	659	-5.5%	-1.4%	2,642	2,474	6.8%
Current Account Services	1,293	1,217	1,120	6.3%	15.5%	4,876	4,188	16.4%
Credit Operations and Guarantees Provided	799	781	822	2.3%	-2.8%	3,033	2,883	5.2%
Collection Services	368	387	369	-5.0%	-0.5%	1,528	1,430	6.8%
Credit Cards	2,996	2,767	2,440	8.3%	22.8%	11,046	8,983	23.0%
Other	719	719	627	0.1%	14.8%	2,652	2,190	21.1%
Commissions and Fees Income	6,825	6,558	6,036	4.1%	13.1%	25,777	22,148	16.4%
Net Result from Insurance ²	1,446	1,536	1,395	-5.8%	3.6%	5,785	5,594	3.4%
Total	8,271	8,093	7,431	2.2%	11.3%	31,562	27,742	13.8%
(-) Fees and Result from Insurance from Credicard	190	218	-	-12.9%	-	841	-	-
Total (ex-Credicard)	8,081	7,875	7,431	2.6%	8.7%	30,721	27,742	10.7%

¹ Includes fund management fees and consortia management fees.

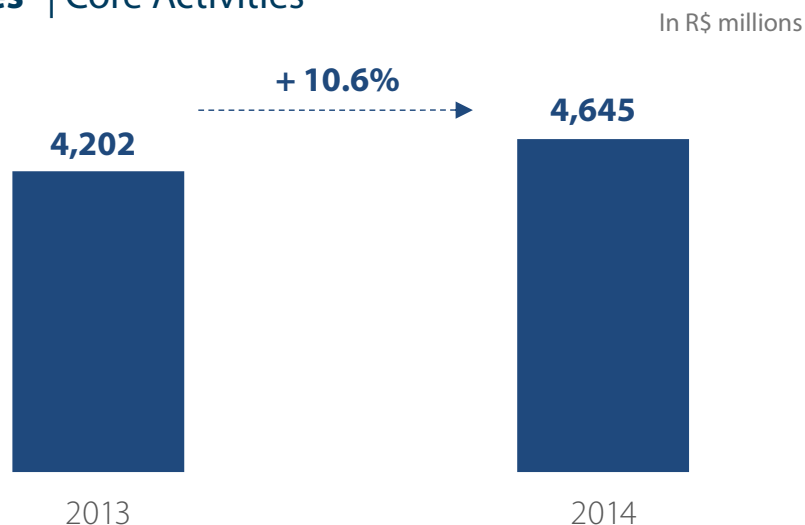
² Income from Insurance, Pension Plan and Premium Bonds Operations (-) Retained Claims (-) Selling Expenses with Insurance.



Orange bar: Commissions and Fees + Net Result from Insurance

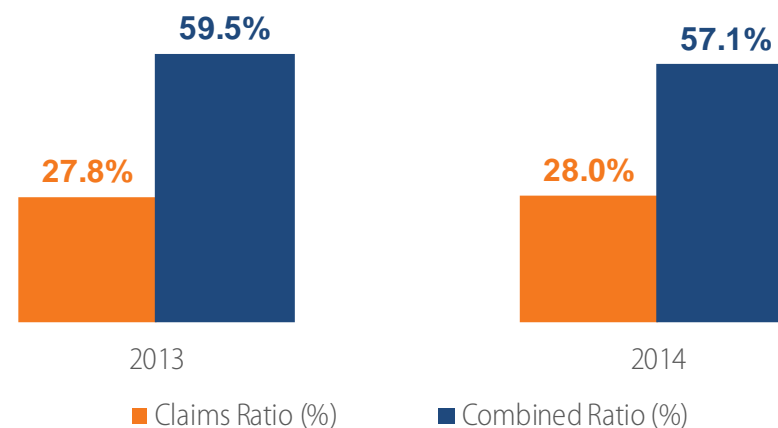
Grey line: (Commissions and Fees + Net Result from Insurance)/Operating Revenues

Revenues¹ | Core Activities

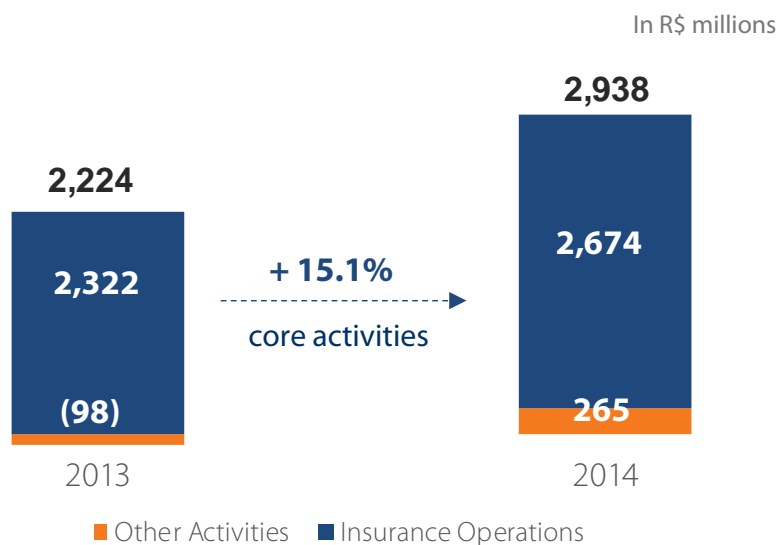


¹ Revenues: Earned Premiums, Net Revenues from Pension Plan and Premium Bonds.

Claims Ratio and Combined Ratio | Core Activities



Recurring Net Income | Core Activities and Other

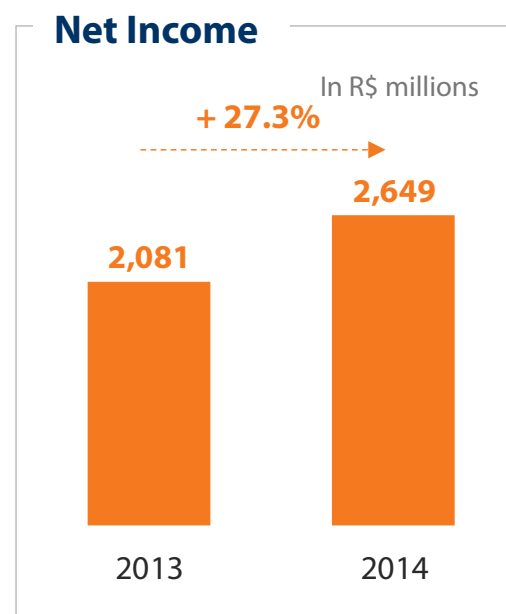
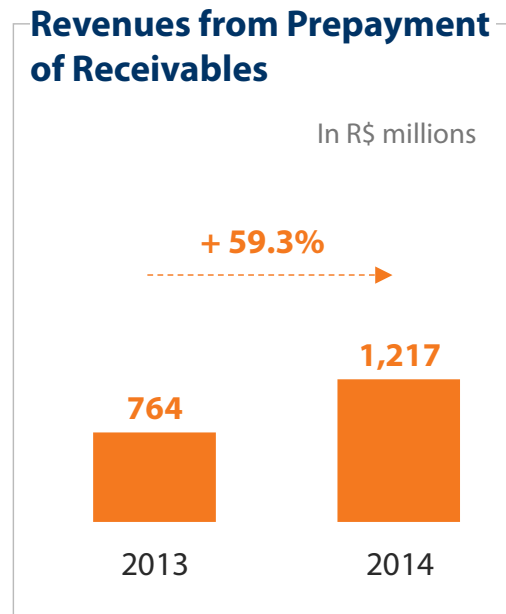
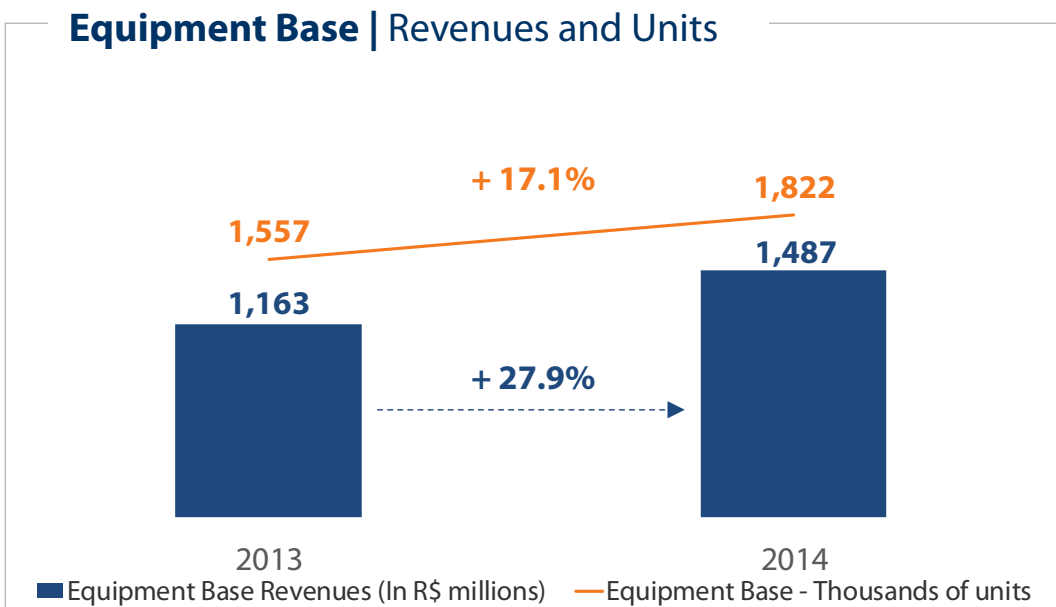
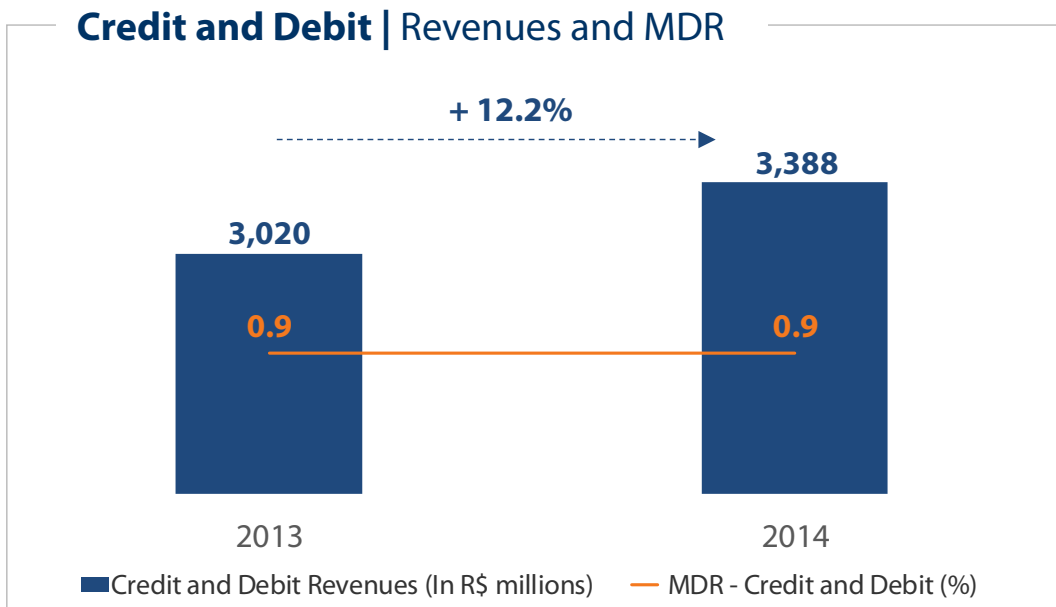
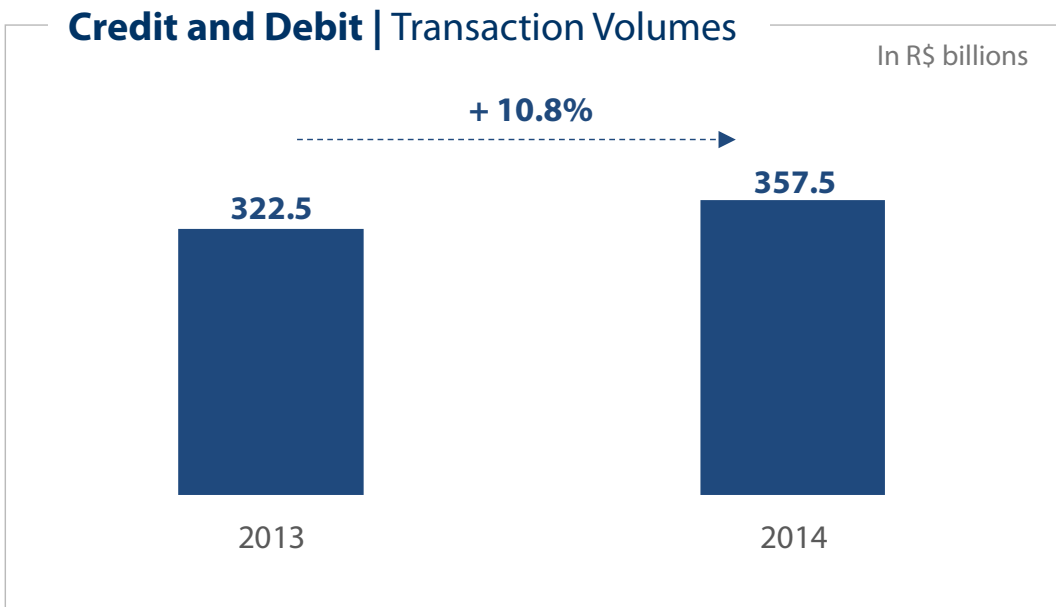


Market Share¹ | Technical Result

R\$ billion

	Market	Itaú Unibanco	Itaú Unibanco + 30% Porto Seguro
Insurance²	R\$ 18.7	11.8%	15.6%
Insurance - Core^{2,3}	R\$ 10.1	17.6%	18.3%
Pension Plan⁴	R\$ 3.8	29.3%	29.3%
Premium Bonds⁵	R\$ 1.9	26.2%	26.3%

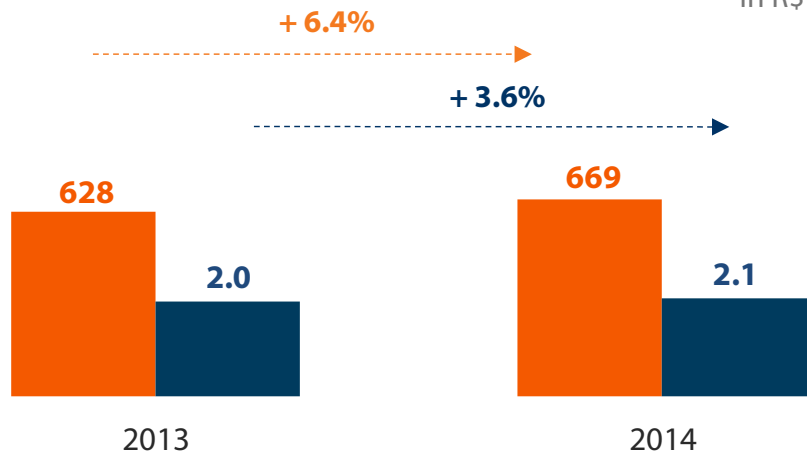
¹ Source: SUSEP (jan-nov/14); ² Earned Premiums (-) Retained Claims (-) Selling Expenses. ³ Insurance core include: Personal Insurance (except redeemable term life insurance - Dotal), Housing, Multiple Peril and Domestic Credit - Individuals. It does not include Health Care. ⁴ Pension Contribution Income (-) Recognition of Provision for Benefits to be Granted (+) Revenues from Service Fees: Itaú Unibanco information from quarterly report (-) Benefit Expenses (-) Selling Expenses (+) Reinsurance. It does not include life annuities. ⁵ Net Capitalization Revenues (-) Variation of the Provision for Redemption and of Deferred Income (+) Result from Prizes (-) Selling Expenses (+) Revenue from Redemption (+) Other Operating Revenues.



Note: Hipercard included in 1Q13, 2Q13 and 3Q13 for comparison purposes.

Asset Administration

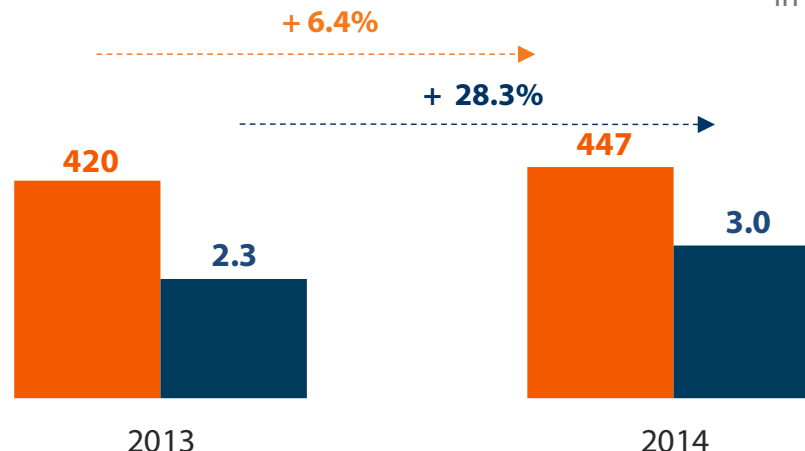
In R\$ billions



■ Assets Under Administration (Dec 31) ■ Operating Revenues

Funds from Clients

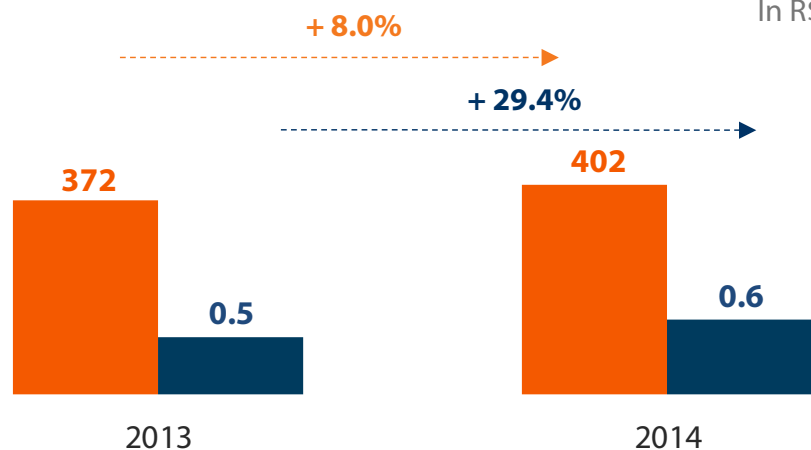
In R\$ billions



■ Funds from Account Holders and Institutional Clients (Dec 31) ■ Operating Revenues

Consortia

In R\$ billions

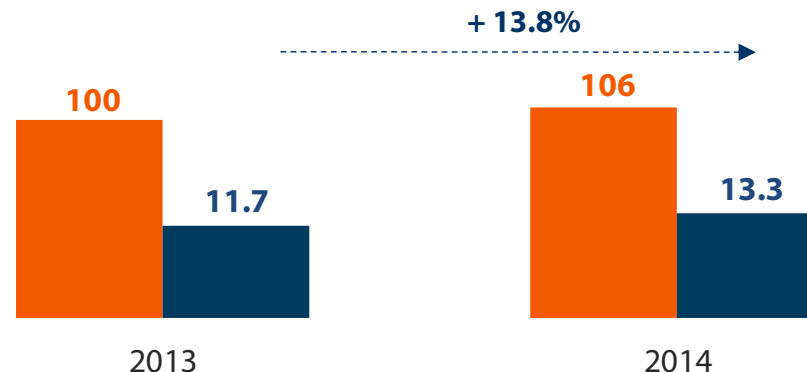


■ Active Contracts in Thousands (Dec 31) ■ Operating Revenues

Cash Management

Clients 2013 = 100

In R\$ billions



■ Clients ■ Operating Revenues

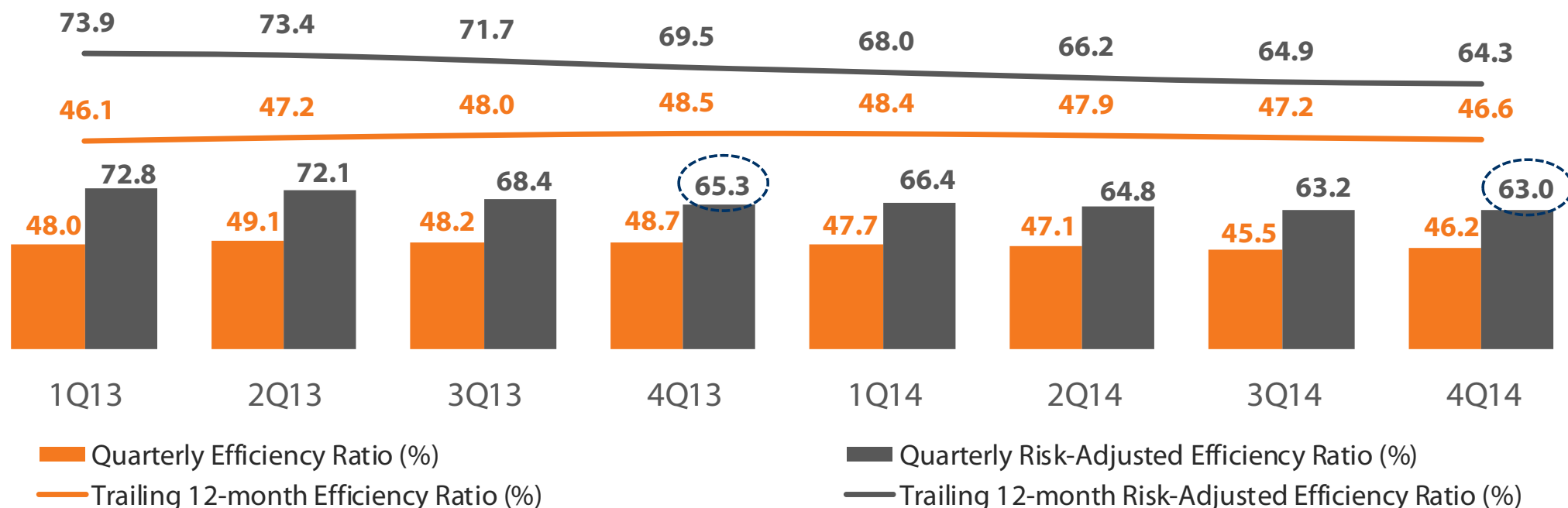
Non-Interest Expenses



In R\$ millions

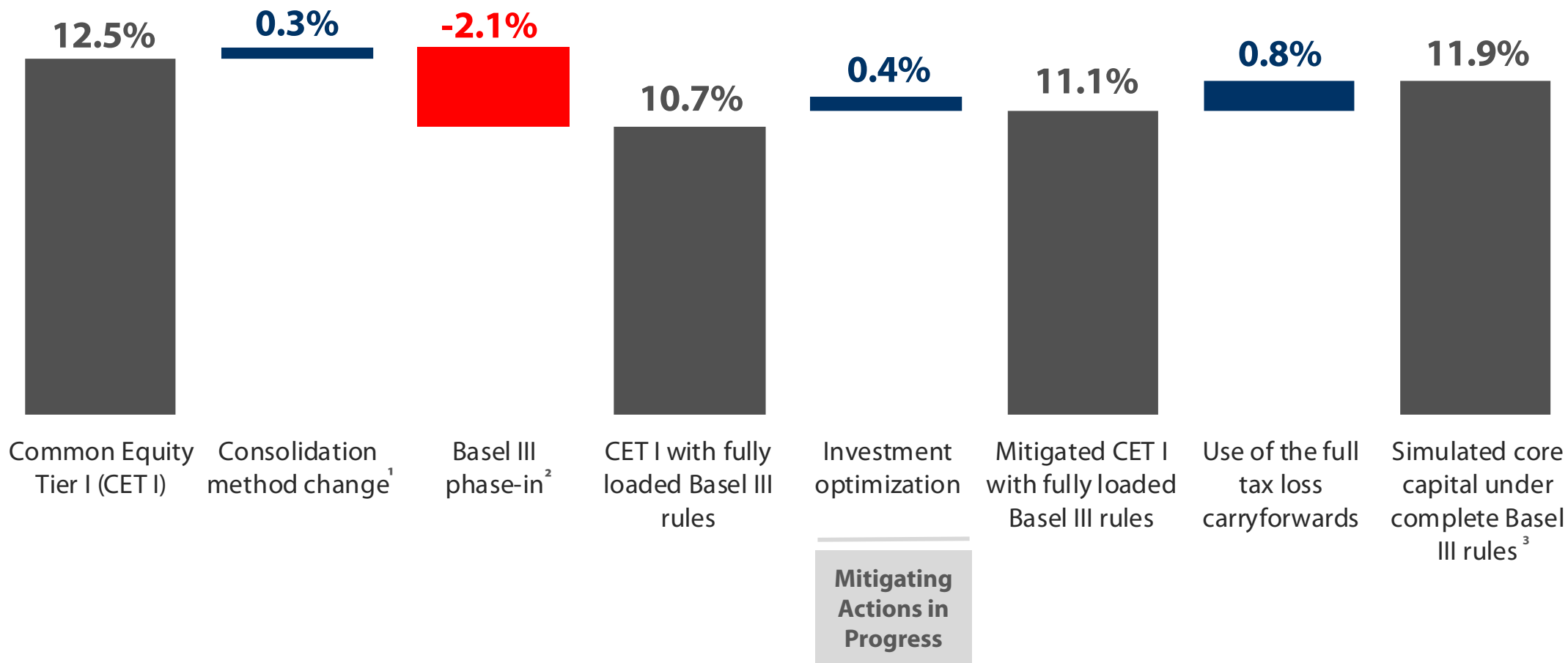
	Variation							Variation
	4Q14	3Q14	4Q13	4Q14 – 3Q14	4Q14 – 4Q13	2014	2013	2014 – 2013
Personnel Expenses	(4,426)	(4,352)	(4,075)	1.7%	8.6%	(16,885)	(15,520)	8.8%
Administrative Expenses	(4,253)	(4,127)	(3,931)	3.1%	8.2%	(16,211)	(14,680)	10.4%
Personnel and Administrative Expenses	(8,679)	(8,479)	(8,006)	2.4%	8.4%	(33,096)	(30,200)	9.6%
Operating Expenses ¹	(1,273)	(1,162)	(1,249)	9.5%	1.9%	(4,885)	(4,339)	12.6%
Other Tax Expenses ²	(162)	(112)	(104)	43.8%	55.8%	(502)	(427)	17.6%
Total	(10,113)	(9,753)	(9,358)	3.7%	8.1%	(38,483)	(34,966)	10.1%
(-) Credicard Expenses	(277)	(294)	-	-5.7%	-	(1,082)	-	-
Total (ex-Credicard)	(9,836)	(9,459)	(9,358)	4.0%	5.1%	(37,400)	(34,966)	7.0%

¹ Includes expenses from provisions for contingencies, credit card selling expenses, claims and other; ² Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS.



Estimated Core Capital Ratio (Common Equity Tier I)

Full application of Basel III rules



¹ Replacing of the Financial Conglomerate balance by the Prudential one.

² Includes deductions of Goodwill, Intangible Assets, Tax Loss Carryforwards, Deferred Tax Assets, Equity Investments in Insurance and similar companies. Also includes the increase of the multiplier of the market risk, operational risk and certain credit risk accounts. This multiplier, which is at 9.09 nowadays, will increase to 12.5 in 2019.

³ Does not include any reversal of the complementary portion of the loan loss provisions.

	2014 Outlook *	Actual
Total Loan Portfolio	Growth of 10.0% to 13.0% ¹	9.8% ex- Exchange Rate Variation 8.0%
Loan Loss Provision Expenses net of Recoveries	Between R\$ 13 billion and R\$ 15 billion	R\$ 13 billion
Service Fees and Result from Insurance ²	Growth of 12% to 14%	13.8%
Non-Interest Expenses	Growth of 10.5% to 12.5% (between 5.5% and 7.5%, if measured ex-Credicard)	10.1% ex- Credicard 7.0%
Efficiency Ratio	Improvement of 50 to 175 bps	Improvement of 190 bps

¹ As announced on October 13, 2014, the loan portfolio growth was expected to remain below the low end of the range (10%-13%), at approximately 8%;

² Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Retained Claims (-) Selling Expenses with Insurance, Pension Plan and Premium Bonds.

* the outlook does not consider the effects of the CorpBanca's transaction, which is subject to regulatory approvals.

	2015 Outlook *
Total Loan Portfolio ¹	Growth of 6.0% to 9.0%
Managerial Financial Margin ²	Growth of 10.0% to 14.0%
Loan Loss Provision Expenses net of Recoveries	Between R\$ 13 billion and R\$ 15 billion
Service Fees and Result from Insurance ³	Growth of 9.0% to 11.0%
Non-Interest Expenses	Growth of 6.5% to 8.5%

¹ Includes endorsements, sureties and private securities;

² Includes Financial Margin with Clients and Financial Margin with Market;

³ Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Retained Claims (-) Selling Expenses with Insurance, Pension Plan and Premium Bonds.

* the outlook does not consider the effects of the CorpBanca's transaction, which is subject to regulatory approvals.



4th quarter 2014 – Earnings Review

Conference Call

Roberto Egydio Setubal

President and CEO

