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Itaú Unibanco Holding S.A.

4th quarter, 2013 – Earnings Review

Conference Call

02.05.2014



Highlights

Recurring net income

**R\$ 4.7
billion**

▲ 16.4% (4Q13/3Q13)

In 2013, net income of R\$15.8 billion

Recurring ROE (p.a.)

23.9%

▲ 300 bps (4Q13/3Q13)

▲ 460 bps (4Q13/4Q12)

In 2013, ROE of 20.9%

Better Credit Quality

**3.7%
NPL 90**

▼ 20 bps (4Q13/3Q13)

▼ 110 bps (4Q13/4Q12)

NPL 15-90: 3.0% ▼ 60 bps (4Q13/4Q12)

- **Financial Margin with Clients: ▲ 4.1% (4Q13/3Q13)**

Totaled R\$12.0 billion in the quarter and R\$45.7 billion in 2013

- **Financial Margin with Market : ▲117.5% (4Q13/3Q13)**

Totaled R\$739 million in the quarter and R\$1.9 billion in 2013

- **Financial Margin of Credit, net of Loan Loss Provision Expenses: ▲10.5% (4Q13/3Q13)**

Increased for the fifth consecutive quarter and totaled R\$7.3 billion in 4Q13

- **Loan Loss Provision Expenses: ▼7.6% (4Q13/3Q13) and ▼23.3% (2013/2012)**

Totaled R\$4.2 billion in 4Q13 and R\$18.6 billion in 2013

- **Commissions and Fees: ▲8.0% (4Q13/3Q13) ▲22.1% (2013/2012), and totaled R\$6.0 billion**

- **Non-interest Expenses: ▲7.5% (4Q13/3Q13) ▲7.4% (2013/2012)**

Adjusting REDE for full consolidation (100%) in 2012: ▲5.9% (2013/2012)

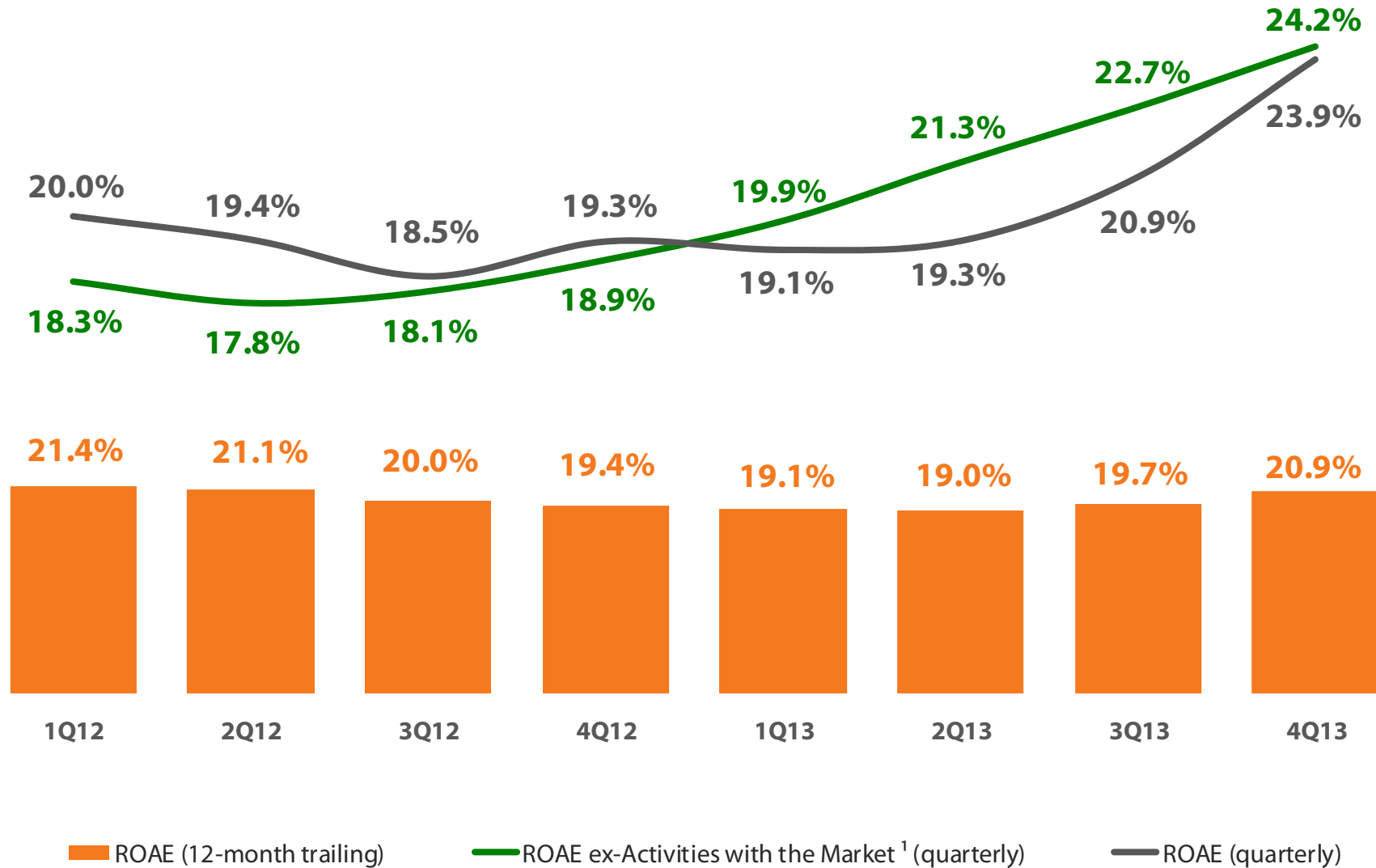
- **Improvement in the Risk-Adjusted Efficiency Ratio: ▼310 bps (4Q13/3Q13) and ▼470 bps (2013/2012)**

The lowest ratio since the Itaú and Unibanco merger

- **Loan Portfolio: ▲6.0% (4Q13/3Q13) ▲13.5% (12M)**

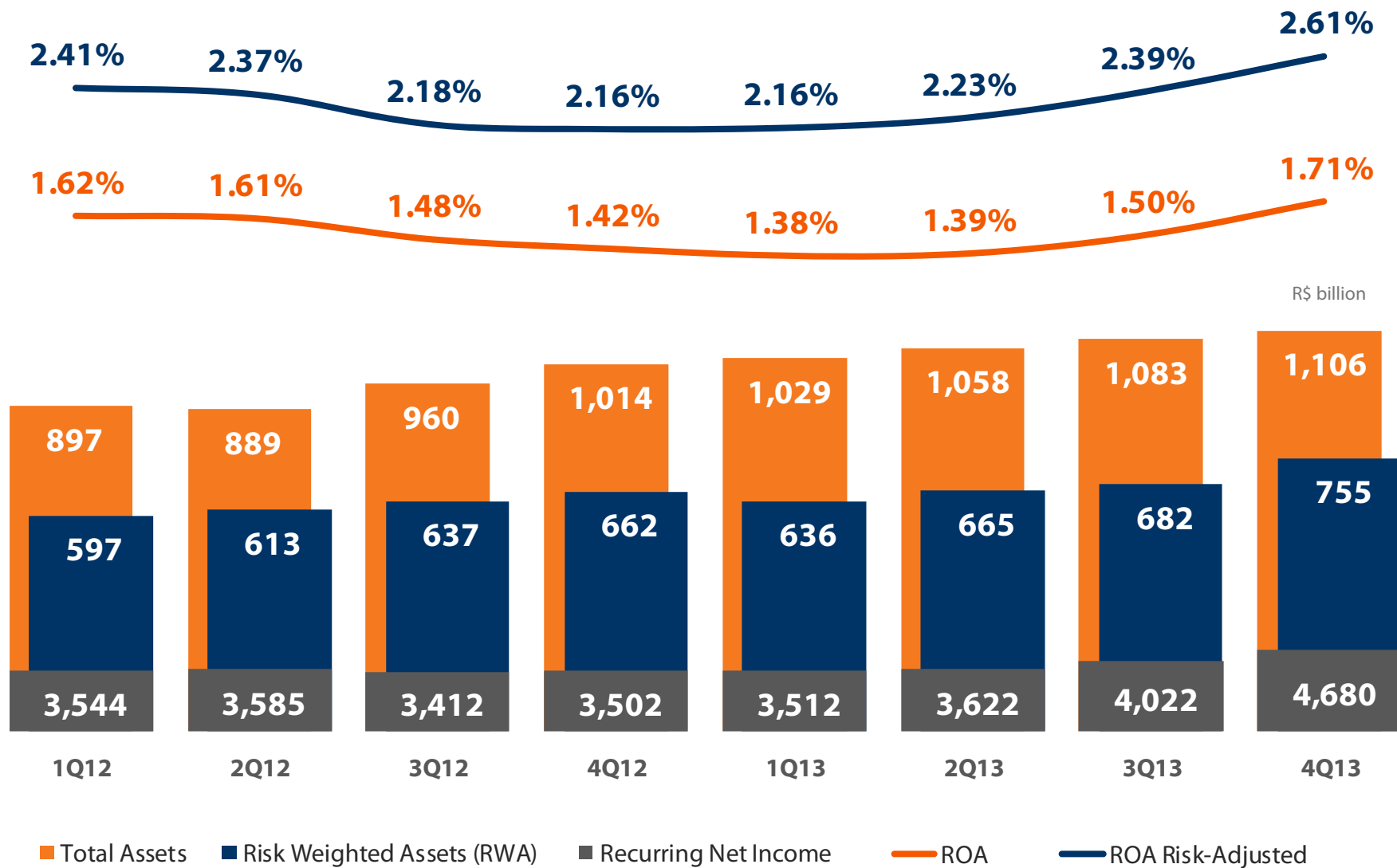
If we disregarded the vehicle portfolio (decrease of 21.3%), the increase in the total portfolio would be 18.0% in 2013

Recurring ROAE



¹ Excludes the Financial Margin with Market net of taxes and the corresponding allocated capital

Recurring ROA



	R\$ million					
			Change			Change
	4Q13	3Q13	4Q13 - 3Q13	2013	2012	2013 - 2012
Operating Revenues	20,880	19,612	6.5%	78,475	78,474	0.0%
Financial Margin with Clients	11,964	11,495	4.1%	45,694	48,347	-5.5%
Financial Margin with Market	739	340	117.5%	1,944	3,810	-49.0%
Commissions and Fees	6,036	5,591	8.0%	22,148	18,139	22.1%
Income from Insurance ¹	2,141	2,187	-2.1%	8,691	8,179	6.3%
Loan Losses and Retained Claims	(3,271)	(3,755)	-12.9%	(15,610)	(21,506)	-27.4%
Loan Loss Provision Expenses	(4,191)	(4,537)	-7.6%	(18,579)	(24,210)	-23.3%
Recovery of Credits Written Off as Losses	1,399	1,297	7.9%	5,045	4,739	6.4%
Retained Claims	(479)	(515)	-7.0%	(2,075)	(2,035)	2.0%
Other Operating Expenses	(10,748)	(9,989)	7.6%	(40,271)	(37,807)	6.5%
Non-interest Expenses	(9,358)	(8,703)	7.5%	(34,966)	(32,549)	7.4%
Tax Expenses and Other ²	(1,390)	(1,287)	8.0%	(5,304)	(5,258)	0.9%
Income before Tax and Minority Interests	6,861	5,868	16.9%	22,595	19,161	17.9%
Income Tax and Social Contribution	(2,139)	(1,796)	19.1%	(6,623)	(5,056)	31.0%
Minority Interests in Subsidiaries	(42)	(50)	-	(136)	(63)	-
Recurring Net Income	4,680	4,022	16.4%	15,836	14,043	12.8%
Non-recurring Items	(34)	(27)	-	(140)	(449)	-
Net Income	4,646	3,995	16.3%	15,696	13,594	15.5%

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

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

Non-Recurring Events



	R\$ million	
	4Q13	2013
Program for Settlement or Installment Payment of Federal Taxes - Law No. 12,865/13	508	508
IRB (Reinsurance Institute of Brazil) ¹	131	131
Porto Seguro – Effect of the favorable decision in the Federal Supreme Court on the incidence of COFINS in the company	272	272
Provision for contingencies:	(649)	(754)
Tax and Social Security Contributions	(276)	(276)
Civil Lawsuits	(330)	(330)
Economic Plans	(42)	(148)
Realization of Assets and Impairment	(239)	(239)
Other	(58)	(58)
Non Recurring Events Net of Tax Effects	(34)	(140)

¹ Change in the accounting recognition criteria for the Equity Method, because we reached a certain degree of influence on the decisions of the legal entity.

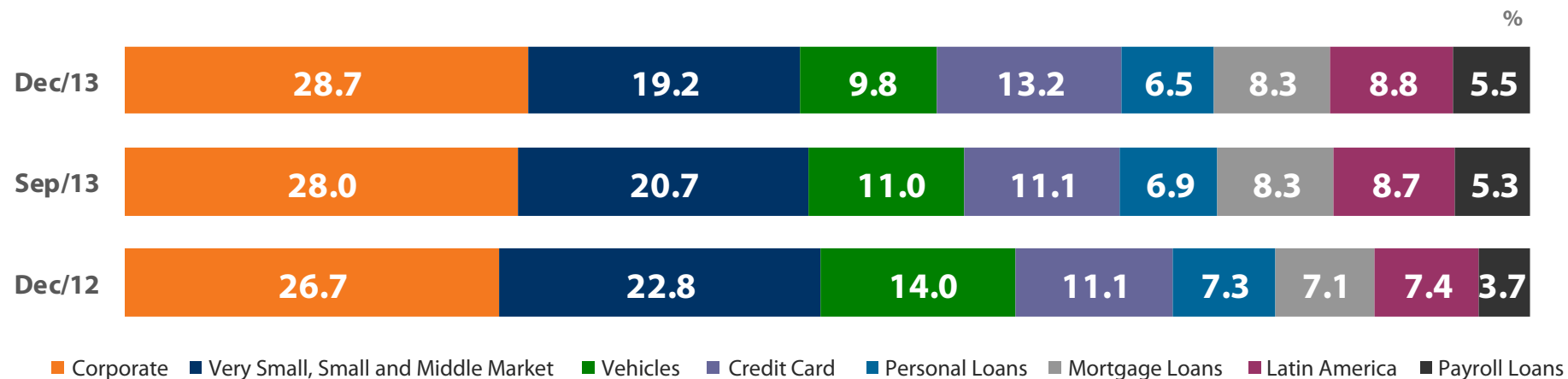
	R\$ million						
						Change	
	Dec/13	Sep/13	Dec/12	Dec/13 - Sep/13	Dec/13 - Dec/12		
Individuals	168,714	156,198	150,430	8.0%	12.2%		
Credit Card	54,234	43,078	40,614	25.9%	33.5%		
Personal Loans	27,373	27,293	26,999	0.3%	1.4%		
Payroll Loans ¹	22,578	20,579	13,551	9.7%	66.6%		
Vehicles	40,319	42,733	51,220	-5.6%	-21.3%		
Mortgage Loans	24,209	22,515	18,047	7.5%	34.1%		
Companies	275,594	264,010	246,872	4.4%	11.6%		
Corporate	190,140	178,228	157,912	6.7%	20.4%		
Very Small, Small and Middle Market	85,454	85,782	88,959	-0.4%	-3.9%		
Latin America	39,088	36,354	29,293	7.5%	33.4%		
Total with Endorsements and Sureties	483,397	456,561	426,595	5.9%	13.3%		
Corporate — Private Securities	26,482	24,455	22,652	8.3%	16.9%		
Total with Endorsements, Sureties and Private Securities ²	509,879	481,017	449,248	6.0%	13.5%	4.3%	11.7%
Total with Endorsements, Sureties and Private Securities (ex-Vehicles)	469,560	438,284	398,028	7.1%	18.0%		

¹ The payroll loans of Itaú BMG Consignado reached R\$ 7.1 billion on December 31, 2013, up 27% from last quarter.

² Disregarding the exchange rate effect, the total loan portfolio with endorsements, sureties and Private Securities would grow 5.0% compared to the previous quarter and 10.5% to December 2012.

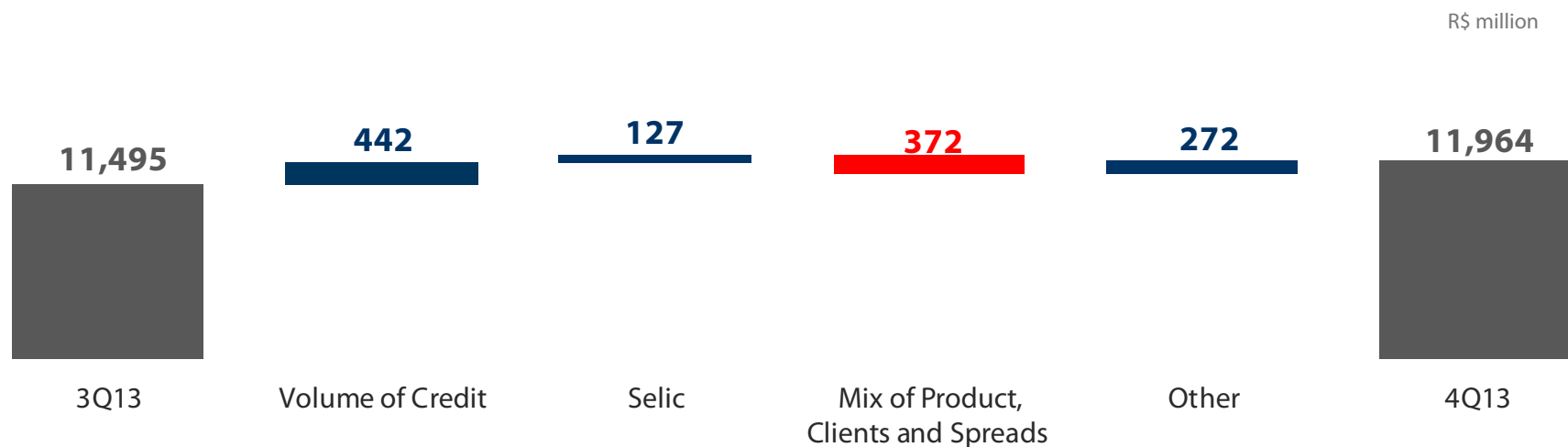
Financial Margin with Clients Breakdown

Loan Portfolio Mix Change ¹

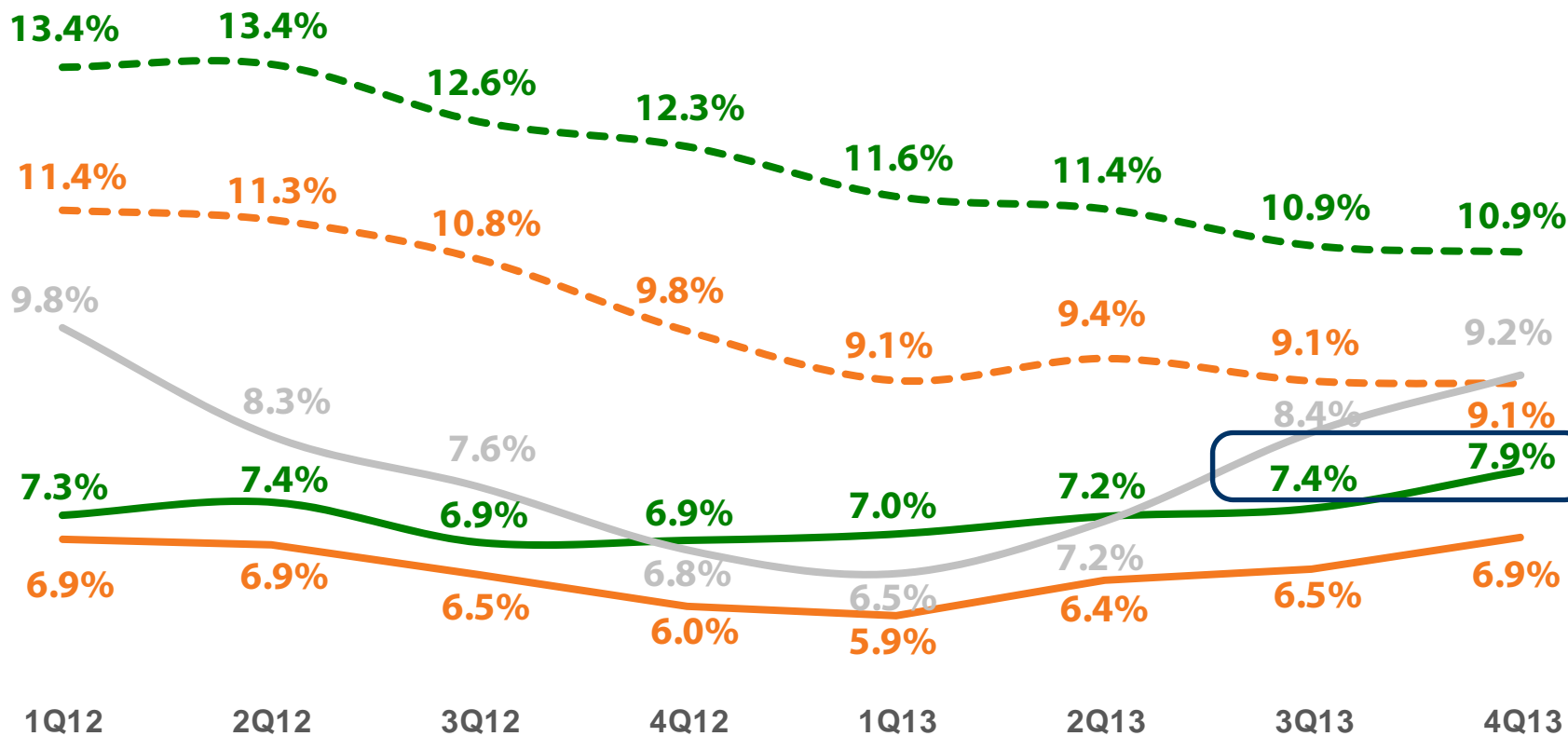


¹ Excluding endorsements and sureties

Financial Margin with Clients Breakdown (Quarter)



Net Interest Margin



--- Gross Credit Spread

— Net Credit Spread ¹

— CDI

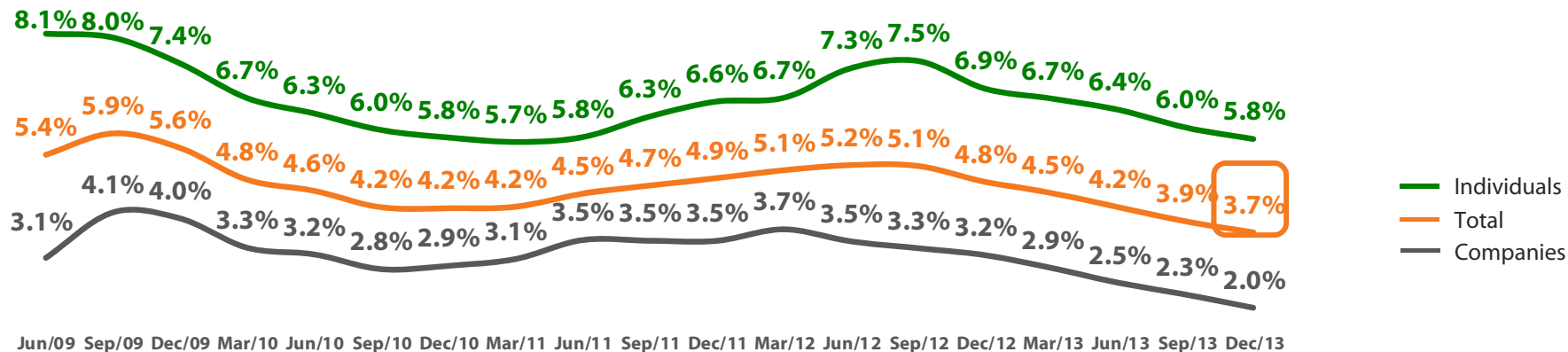
--- NIM with Clients

— Risk Adjusted NIM with Clients ¹

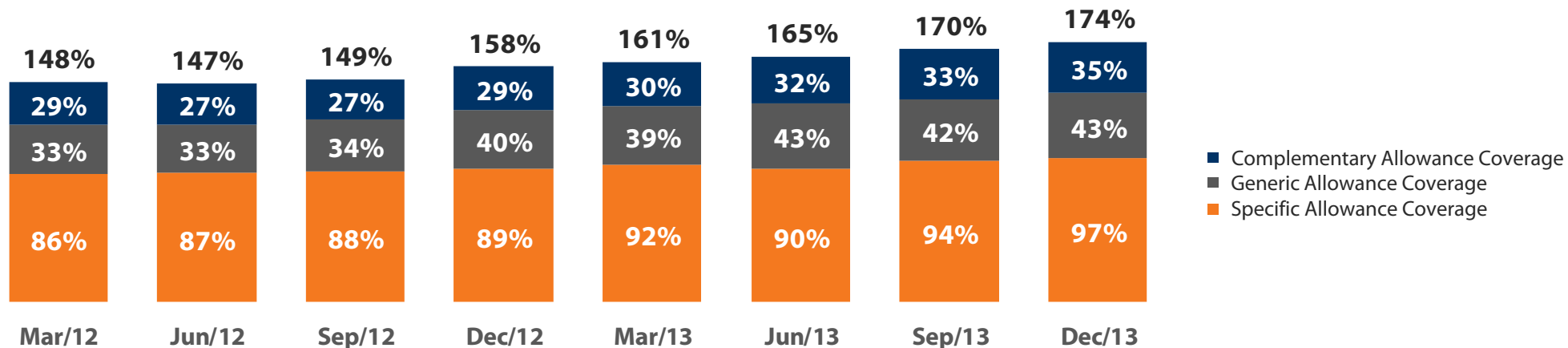
¹ After Loan Loss Provision Expenses, net of Recovery

90-day NPL Ratio

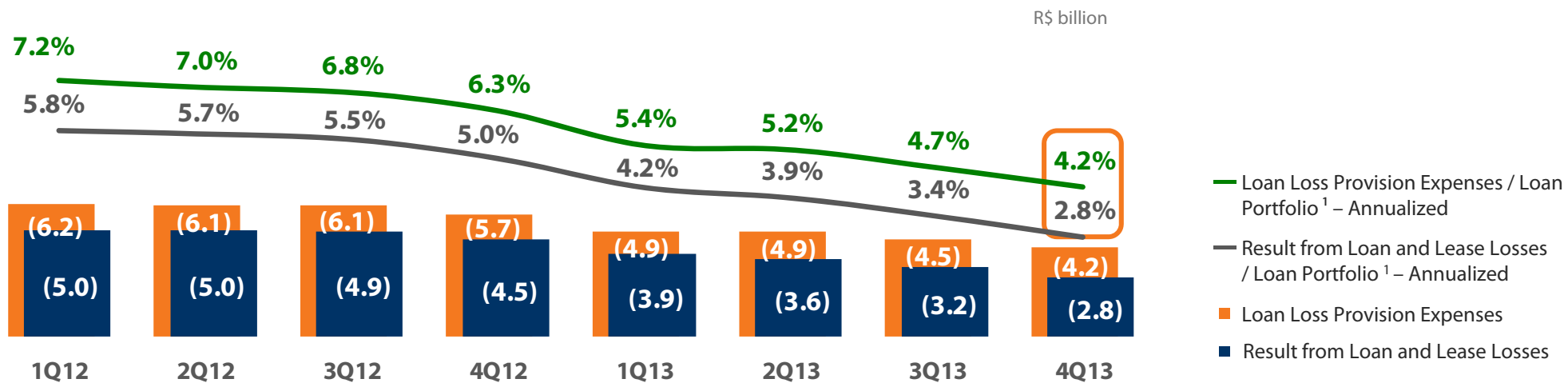
90-day NPL ratio recorded the lowest level since the Itaú and Unibanco merger. The level is 140 bps lower than the measured in Sep/12. Disregarding Credicard, the NPL 90 would be **3.6%** for the total and **5.6%** for individuals, in Dec/13.



90-day Coverage Ratio



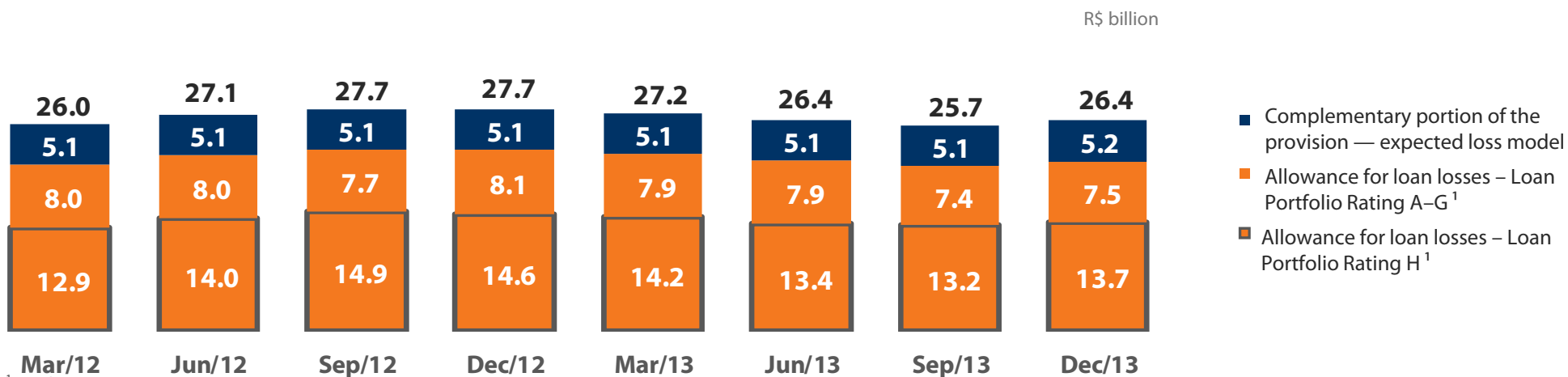
Loan Loss Provisions



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

Allowance for Loan Losses

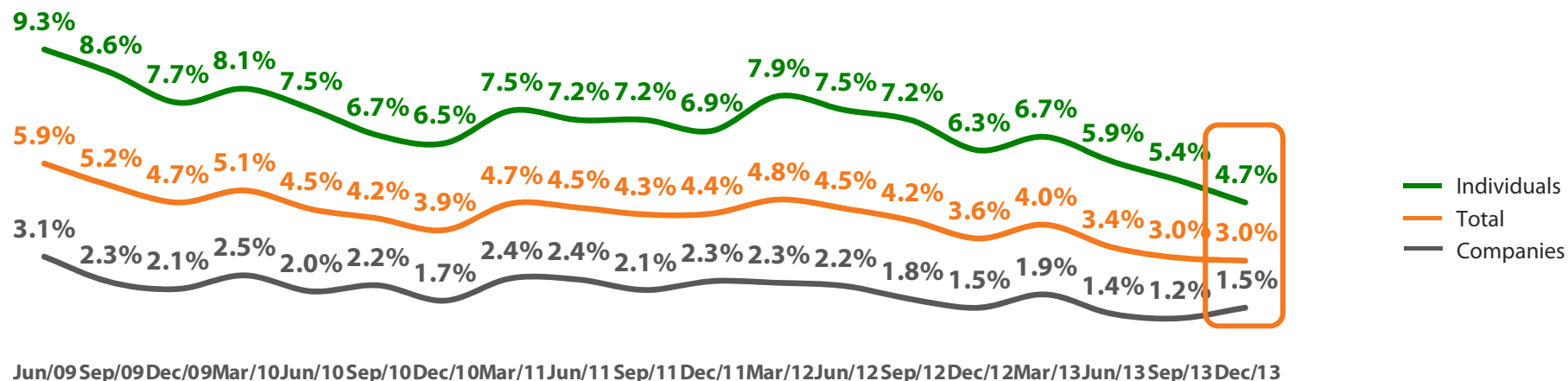
Disregarding Credicard, the balance as of Dec/13 would be **R\$ 25.1 billion**



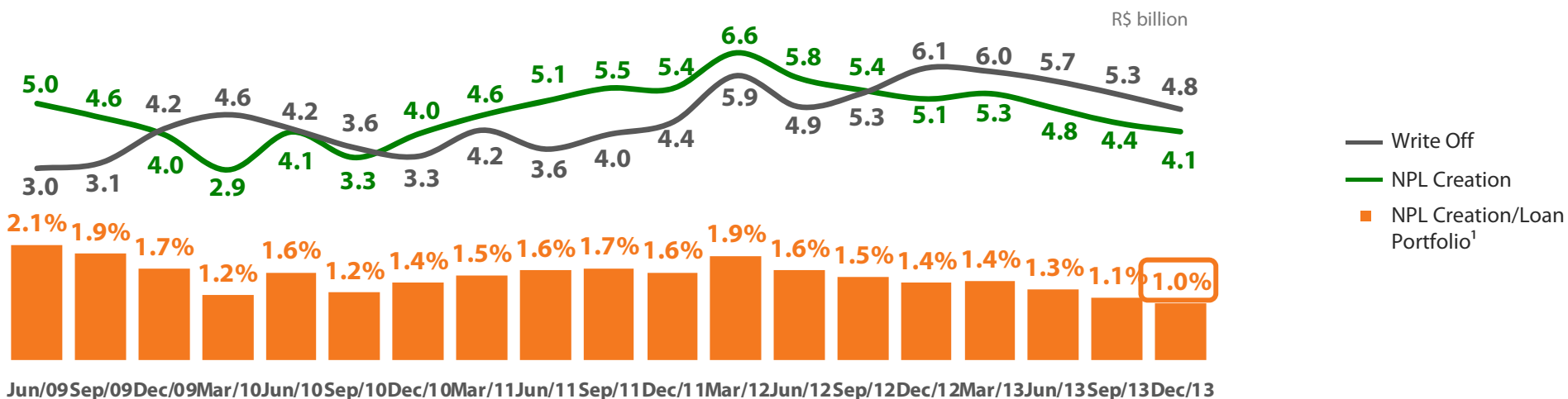
¹ Resolution 2,682/99 CMN

15 to 90-day NPL Ratio

NPL 15-90 maintained the same level as the previous quarter, the lowest since the Itaú and Unibanco merger. Credicard did not affect total index.

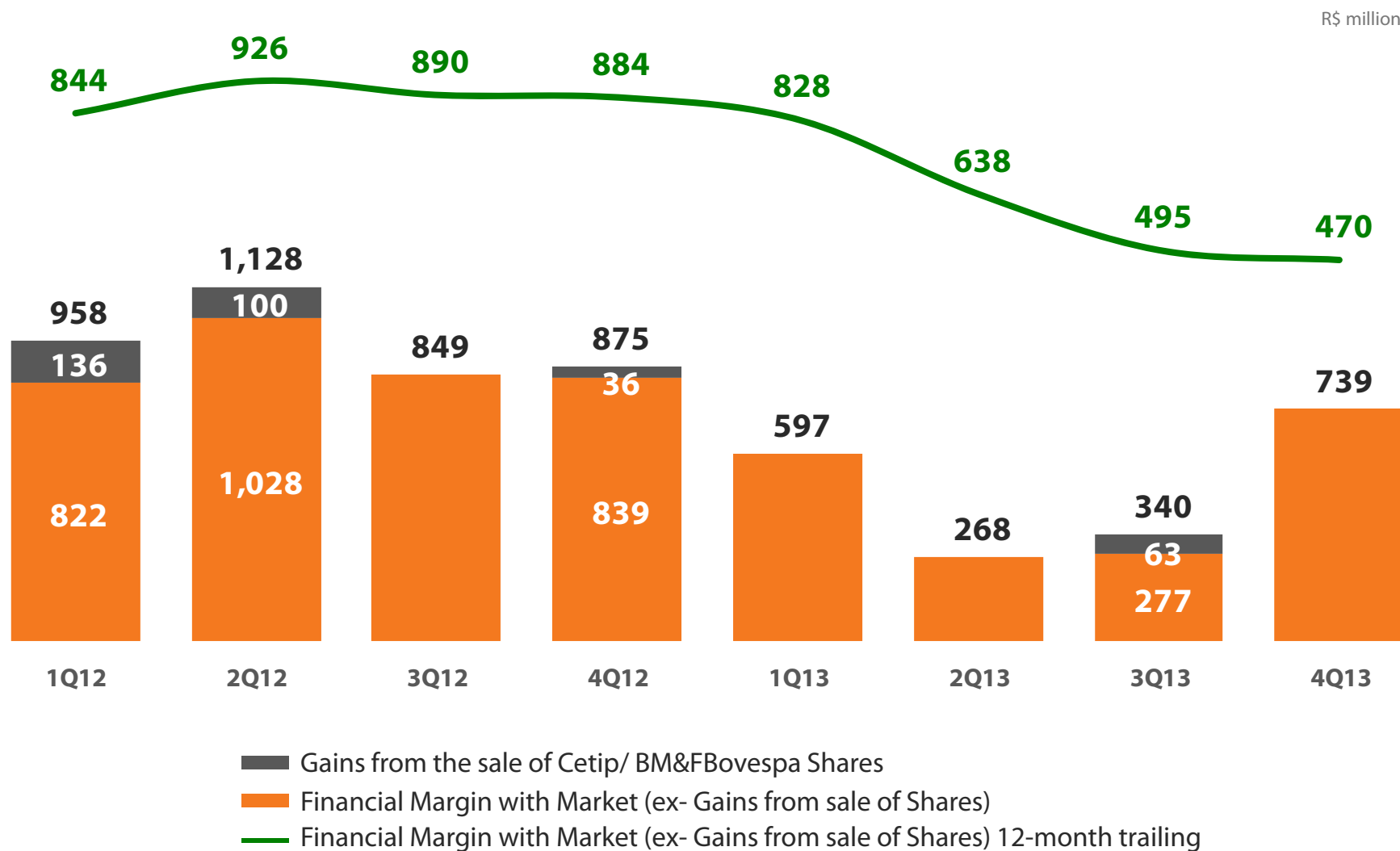


NPL Creation e Write Off



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

Financial Margin with Market



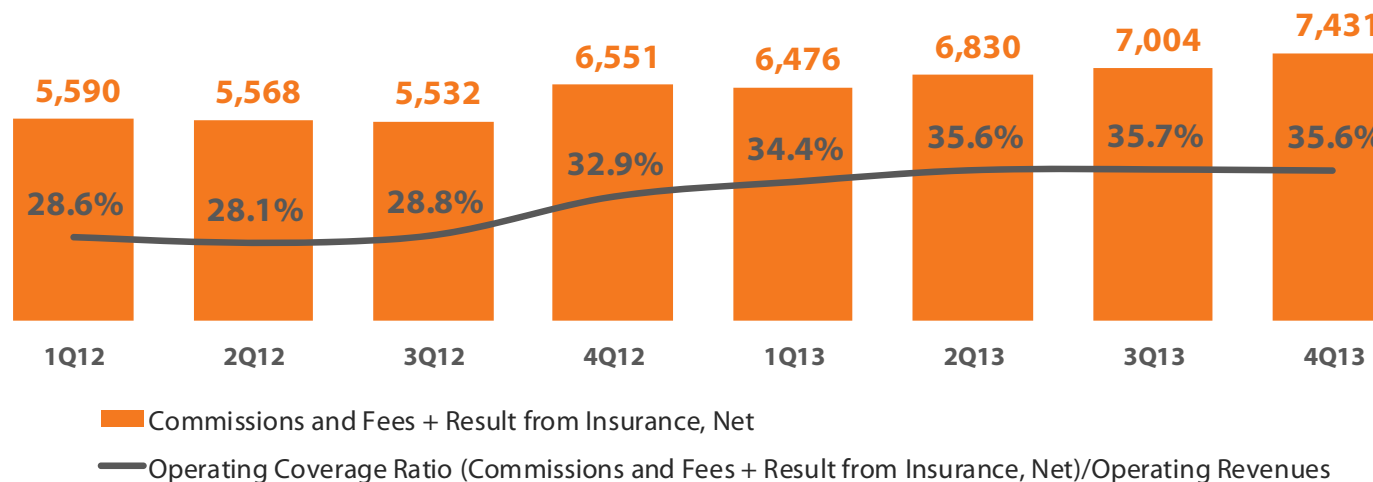
The average quarterly Financial Margin with the Market (excluding sale of shares), for the period of 1Q12 to 4Q13, is R\$677 million.

Commissions and Fees and Result from Insurance*

	Change			R\$ million		Change
	4Q13	3Q13	4Q13 - 3Q13	2013	2012	
Asset Management	659	663	-0.5%	2,474	2,135	15.9%
Current Account Services	1,120	1,040	7.7%	4,188	3,311	26.5%
Loan Operations and Guarantees Provided	822	765	7.5%	2,883	2,607	10.6%
Collection Services	369	359	2.9%	1,430	1,440	-0.7%
Credit Cards	2,440	2,281	6.9%	8,983	6,641	35.3%
Other	627	483	29.7%	2,190	2,005	9.2%
Commissions and Fees Income	6,036	5,591	8.0%	22,148	18,139	22.1%
Result from Insurance, Net ¹	1,395	1,414	-1.3%	5,594	5,103	9.6%
Total ²	7,431	7,004	6.1%	27,742	23,242	19.4%

¹ Income from insurance (-) Retained claims (-) Selling expenses with insurance.

² Disregarding the effect of the proportional consolidation of REDE's contribution were disregarded, the increase would be 13.9% in relation to the 2012



*Commissions and Fees also include Income from Banking Service Fee and Banking Charges and the Result from Insurance includes Insurance, Pension Plan and Capitalization after Retained Claims and Selling Expenses.

Banking & Insurance Operations



R\$ million

	4Q13			
	Consolidated	Banking Operations (without excess capital)	Insurance Operations ³	Excess Capital
Operating Revenues	21,703	18,380	3,110	213
Managerial Financial Margin	12,557	12,344	-	213
Commissions and Fees	6,036	6,036	-	-
Income from Insurance ¹	3,136	-	3,136	-
Other Components of Operating Revenues	(26)	-	(26)	-
Loan and Retained Claim Losses	(3,712)	(2,792)	(920)	-
Result from Loan and Lease Losses	(2,792)	(2,792)	-	-
Retained Claims	(920)	-	(920)	-
Other Operating Expenses	(11,107)	(9,940)	(1,158)	(10)
Non-interest Expenses	(9,528)	(8,907)	(620)	-
Tax Expenses and Other ²	(1,579)	(1,032)	(537)	(10)
Income before Tax and Profit Sharing	6,885	5,649	1,033	203
Income Tax and Social Contribution and Profit Sharing	(2,204)	(1,687)	(436)	(81)
Recurring Net Income	4,680	3,962	596	122
ROE	23.9%	25.0%	34.5%	6.2%
Efficiency Ratio	48.4%	51.3%	34.9%	-
Risk-Adjusted Efficiency Ratio	66.5%	67.4%	65.6%	-

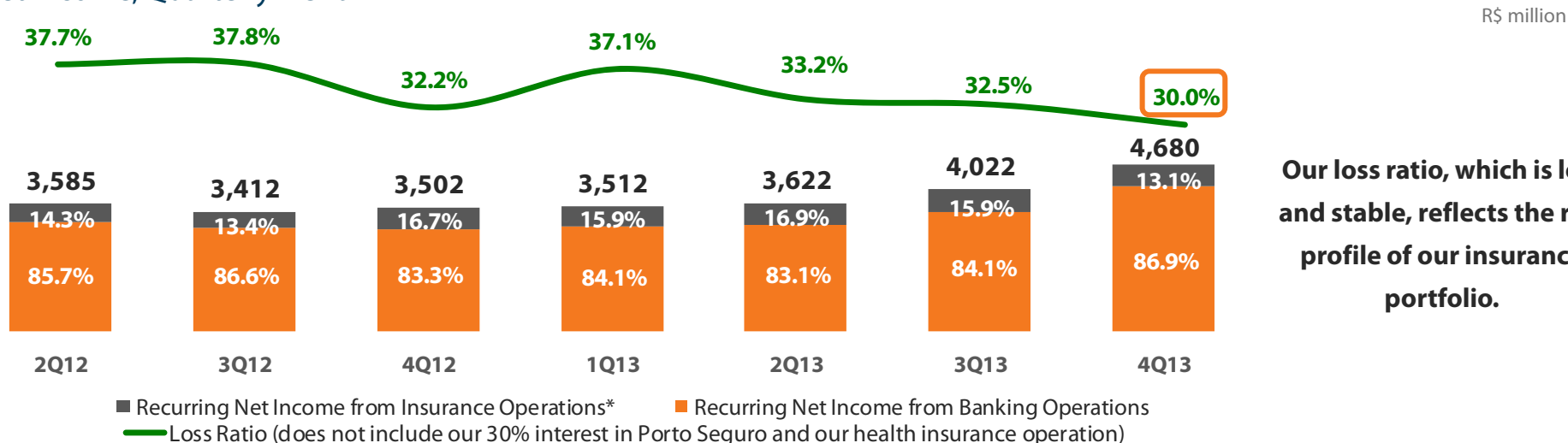
¹ Income from Insurance includes the Results from Insurance, Pension Plan and Capitalization Operations before Retained Claims and Selling Expenses.

² It includes Tax Expenses (ISS, PIS, COFINS and other) and Selling Expenses from insurance.

³ It considers the proportional result of our interest in Porto Seguro. Excluding this proportional distribution, our Insurance Risk-Adjusted Efficiency Ratio was 65.3%.

Note: The Capital of our Banking Operations comes from our Risk Weighted Assets (RWA), excluding investments from insurance companies and considering a capital ratio of 13.75% (11% Basel with a 25% safety margin). Excess capital is the difference between the consolidated capital and that from Banking and Insurance Operations.

Net Income, Quarterly Trend



Our loss ratio, which is low and stable, reflects the risk profile of our insurance portfolio.

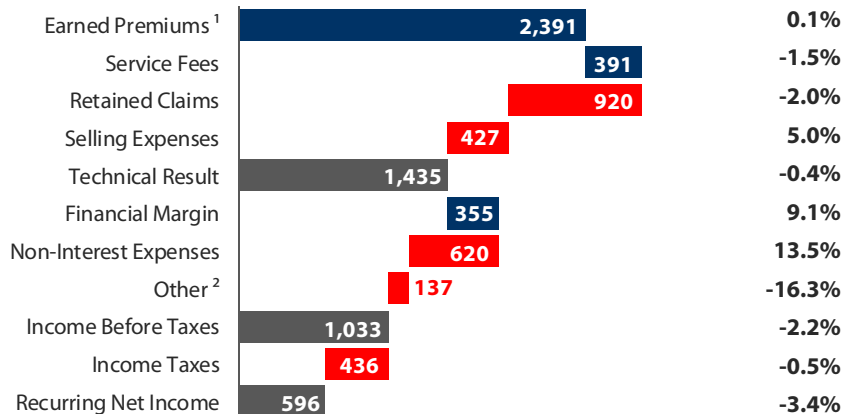
Note: The proportion between the net income of Banking and Insurance Operations does not consider the result obtained by the excess capital.

Insurance Net Income Breakdown*

4Q13 (includes our 30% interest in Porto Seguro)

R\$ million

ΔQ



¹ It includes Earned Premiums and Result of Pension Plan and Capitalization

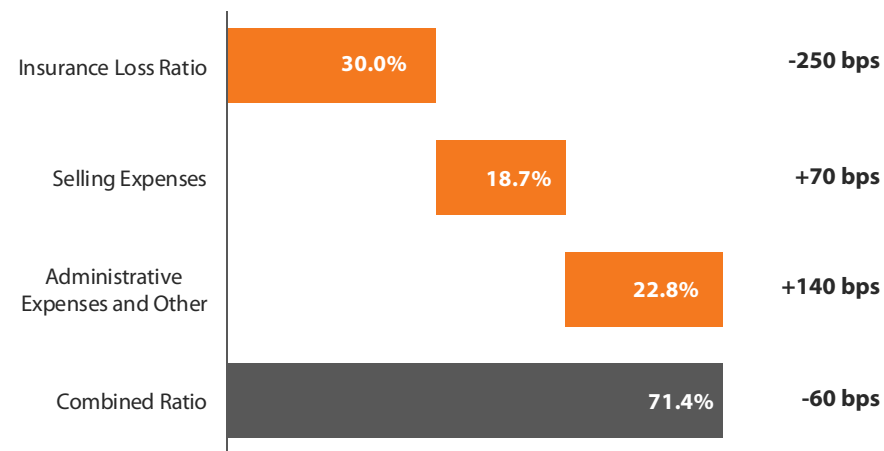
² Other: Other Operating Income/Expenses, Tax Expenses and Non-operating Income

*It considers Insurance, Pension Plan and Capitalization operations

Combined Ratio Breakdown¹

4Q13 (In proportion to earned premiums)

ΔQ



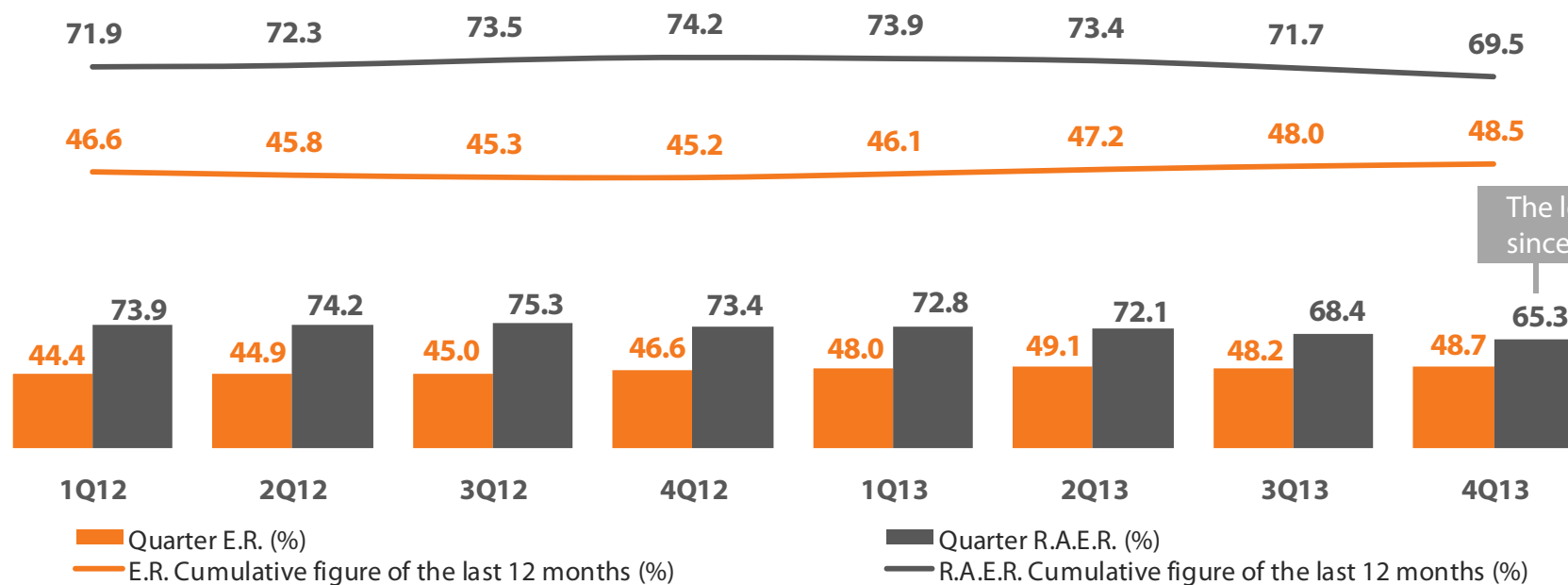
¹ It does not include our 30% interest in Porto Seguro and our health insurance operation.

Non-Interest Expenses

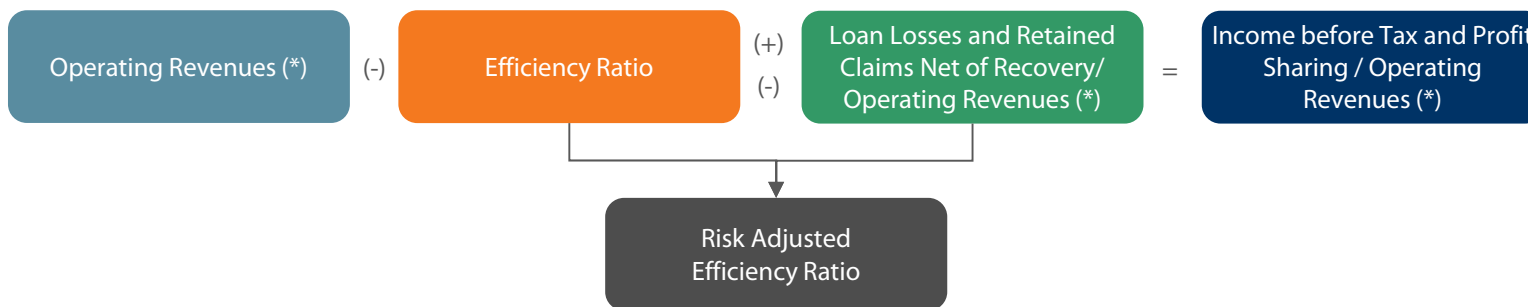
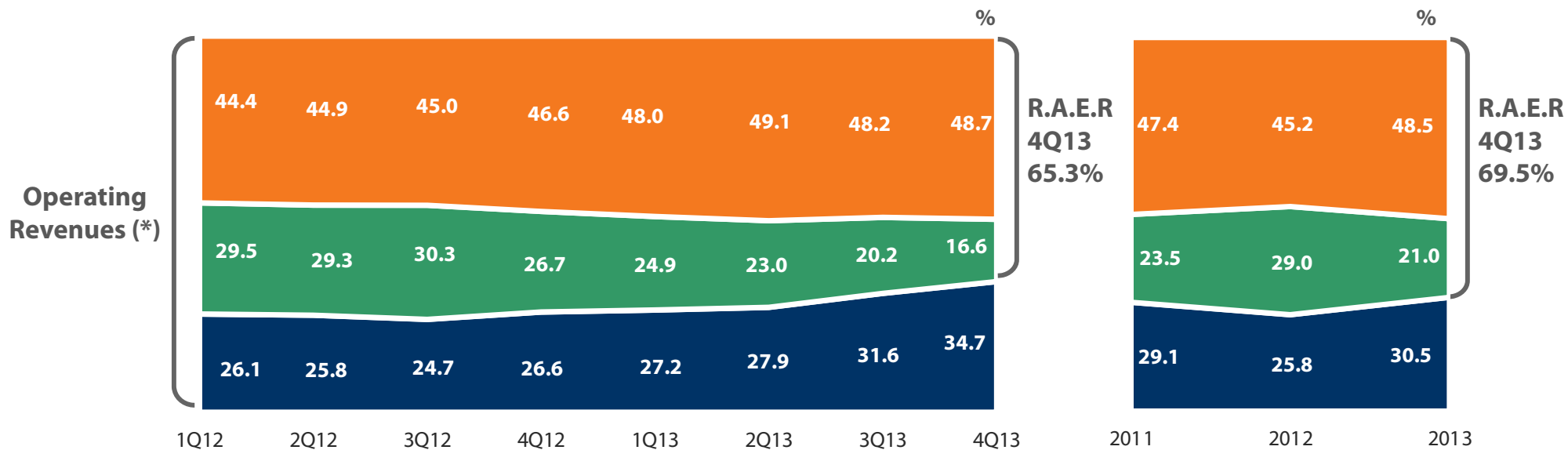
			R\$ million		Variação	
	4Q13	3Q13	4Q13 - 3Q13	2013	2012	2013 - 2012
Personnel Expenses	(4,075)	(3,914)	4.1%	(15,520)	(13,800)	12.5%
Administrative Expenses	(3,931)	(3,653)	7.6%	(14,680)	(14,150)	3.7%
Personnel Expenses and Administrative	(8,006)	(7,567)	5.8%	(30,200)	(27,950)	8.0%
Operating Expenses ¹	(1,249)	(1,030)	21.2%	(4,339)	(4,197)	3.4%
Other Tax Expenses ²	(104)	(105)	-1.6%	(427)	(402)	6.2%
Non-Interest Expenses	(9,358)	(8,703)	7.5%	(34,966)	(32,549)	7.4%
REDE Full Consolidation Adjustment	-	-	-	-	(465)	-
Total Expenses with full consolidation of REDE	(9,358)	(8,703)	7.5%	(34,966)	(33,014)	5.9%

¹ It considers expenses from provisions for contingencies, credit card selling, claims and other.

² It includes IPTU, IPVA, IOF and other. It does not include PIS, Cofins and ISS.

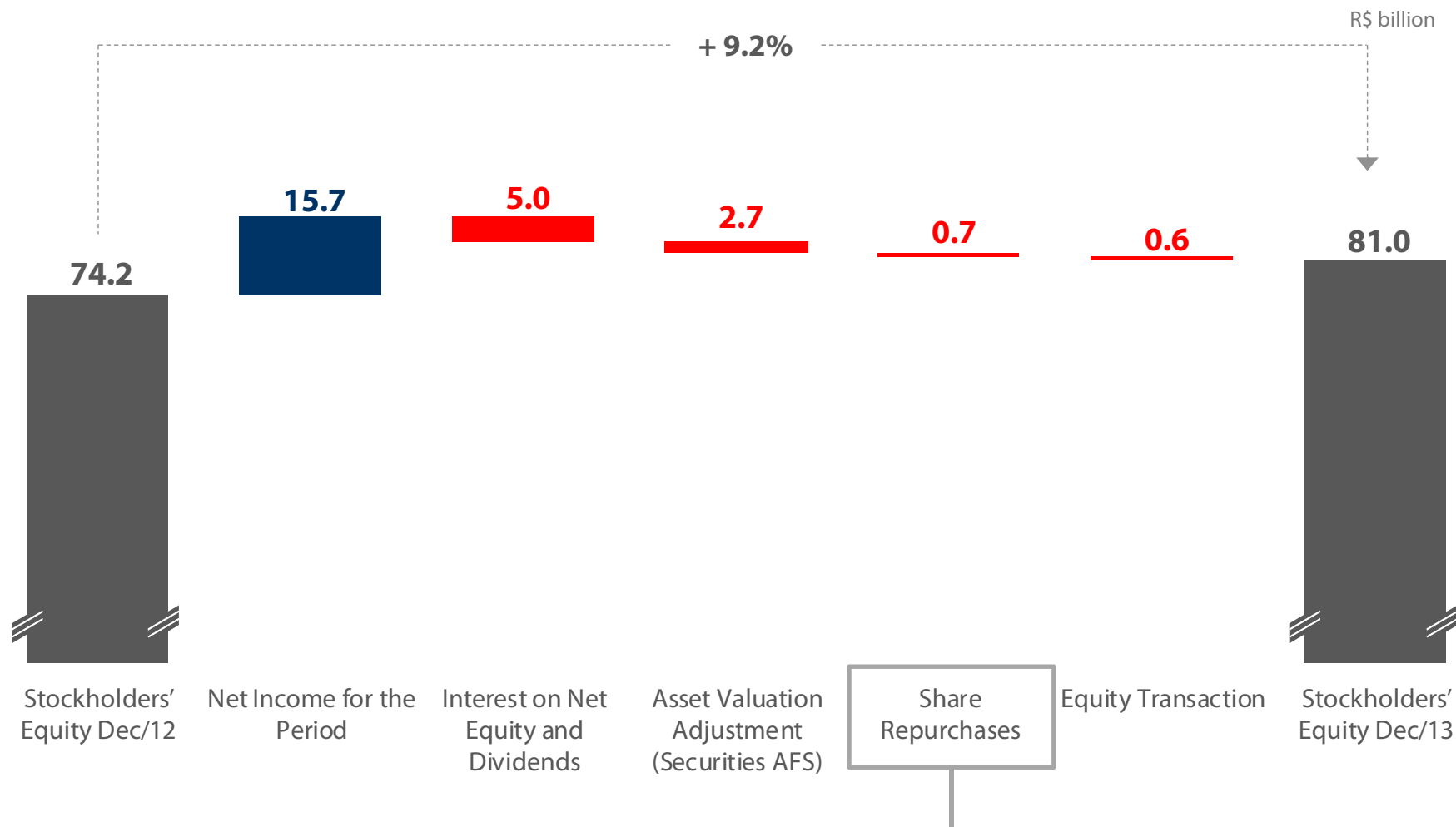


Risk Adjusted Efficiency Ratio



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

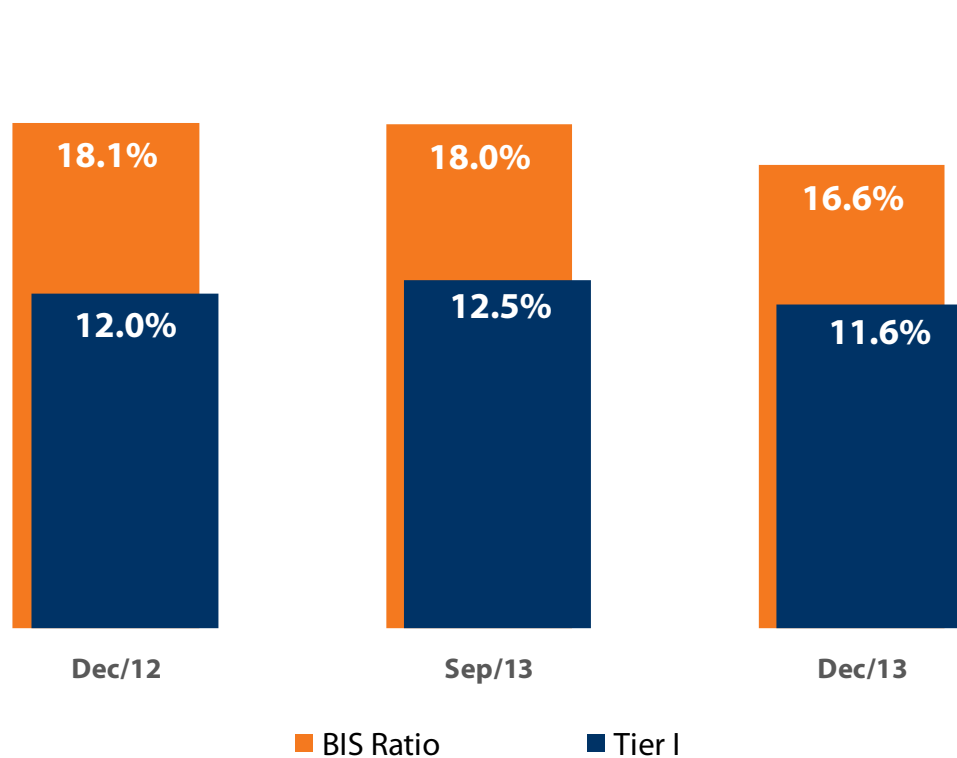
Changes in Stockholders' Equity



In 2013, we purchased 23.5 million non-voting shares at an average price of R\$28.18

Evolution of BIS Ratio and Tier I

Financial Conglomerate



Quarter Evolution

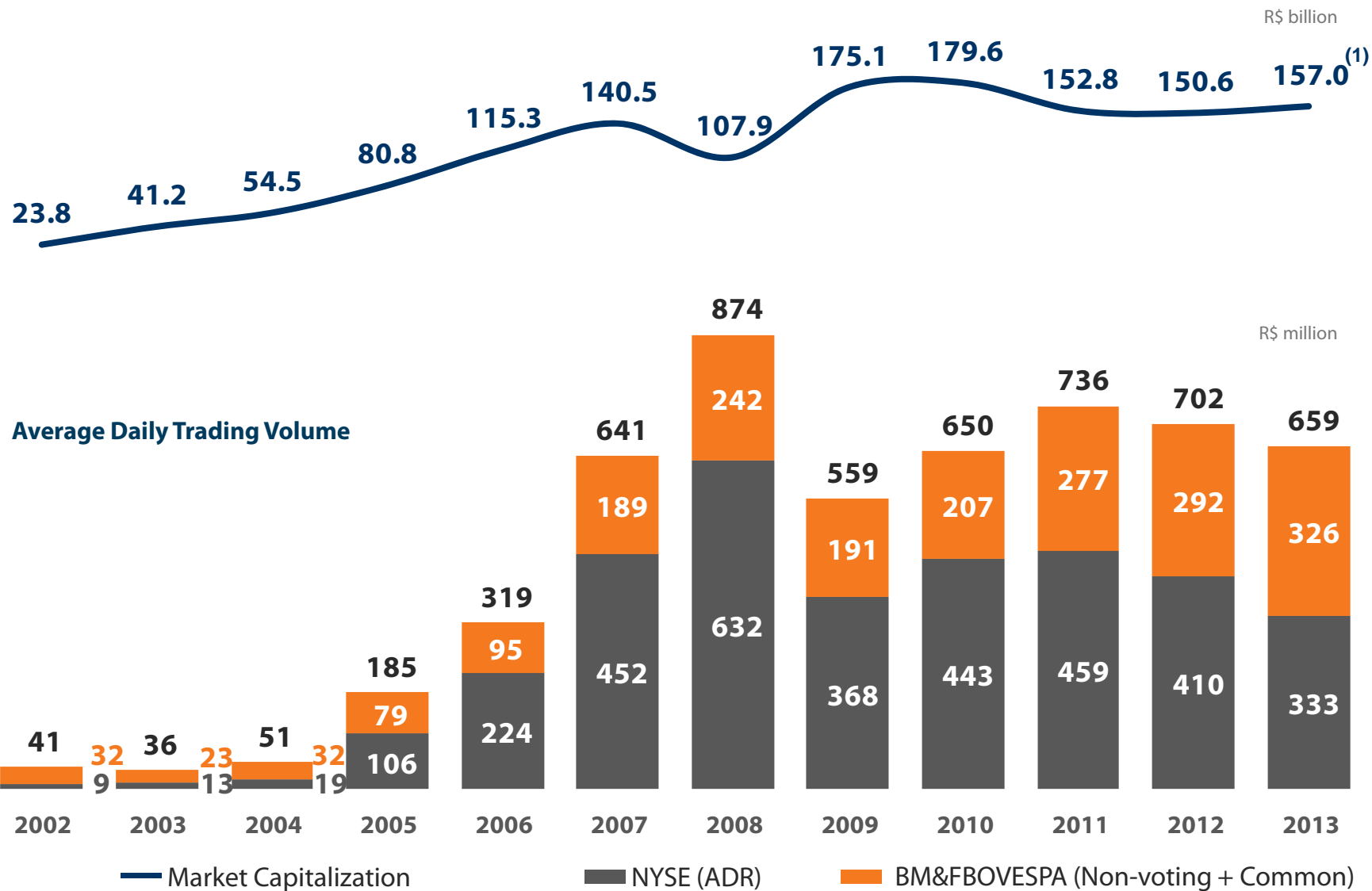
	R\$ billion		
	RE	RWA	BIS Ratio
September, 2013	122.9	681.6	18.0%
Net Income for the Period	4.2		0.6%
Asset Valuation Adjustment (available-for-sale)	(0.3)		0.0%
Interest on Net Equity and Dividends	(1.1)		-0.1%
Other Changes in Referential Equity	(0.6)		-0.1%
Risk Weighted Assets (RWA)		73.9	-1.8%
New Basel III rules (4Q13)		47.6	-1.1%
Incorporation of the Credicard loan portfolio		7.4	-0.2%
Growth of Assets / Others		18.9	-0.5%
December, 2013	125.1	755.4	16.6%

RE = Referential Equity
RWA = Risk Weighted Assets

Considering the full application of the adjustments for Basel III implementation, our estimated Core Capital ratio (Common Equity Tier I) would be 9.3%.

Note: If the remaining realization of assets and the complementary allowance for loan losses were considered, the BIS ratio of Dec/13 would have been 17.4%.

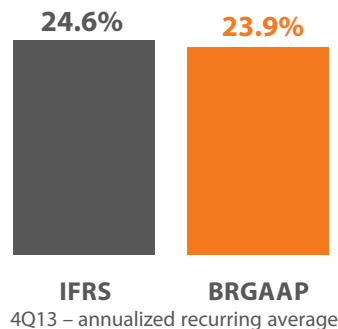
Market Capitalization and Average Daily Trading Volume



⁽¹⁾On December 31, 2013, Itaú Unibanco was the 28th largest bank in the world in terms of market capitalization (Source: Bloomberg)

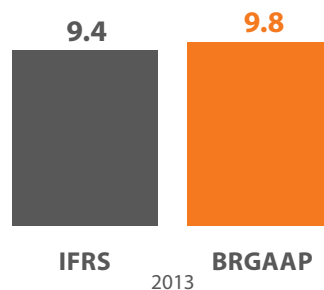
IFRS x BRGAAP – Ratios

ROE



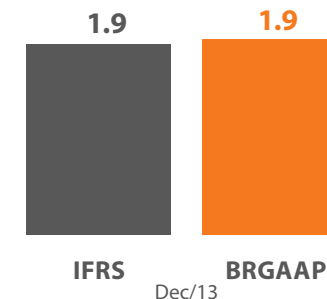
P/E

(Price/Earnings)



P/B






(Price/Book Value)



Conciliation BRGAAP x IFRS

	4Q13	3Q13	Change 4Q13 - 3Q13	2013	2012	Change 2013 - 2012
BRGAAP - Recurring Net Income	4,680	4,022	16.4%	15,836	14,043	12.8%
Allowance for Loan Losses	456	248	-	946	43	-
Recognition of deferred tax assets	-	-	-	-	(977)	-
Conversion of subsidiaries and unconsolidated companies abroad	(30)	91	-	(6)	(72)	-
Effective interest rate	19	34	-	167	228	-
Other adjustments	(181)	(81)	-	(379)	129	-
IFRS - Recurring Net Income	4,944	4,313	14.6%	16,564	13,394	23.7%
IFRS - Net Income	4,910	4,286	14.6%	16,424	12,634	30.0%
Average Stockholders' Equity	80,483	78,812	2.1%	77,736	74,710	4.1%
ROAE recurring average	24.6%	21.9%	270 bps	21.3%	17.9%	340 bps

For more details, see the Announcement to the Market of 2013, available at our website: www.itaú-unibanco.com/ir

	Outlook	Actual
Total Loan Portfolio	Growth of 8% to 11%	13.5%  11.7% (ex-Credicard)
Loan Loss Provision Expenses	Between R\$ 19 billion and R\$ 22 billion	R\$ 18.6 billion 
Commissions, Fees and Result of Insurance ¹	Growth of 15% to 18%	19.4% 
Non-Interest Expenses	Growth of 4% to 6%	7.4%  5.9% (100% REDE 2012)
Risk-Adjusted Efficiency Ratio	Improvement of 200 to 400 bps	Improvement of 470 bps 

¹ Commissions and Fees (+) Income from Insurance, Pension Plan and Capitalization Operations (-) Retained Claims (-) Selling Expenses with Insurance, Pension Plan and Capitalization.

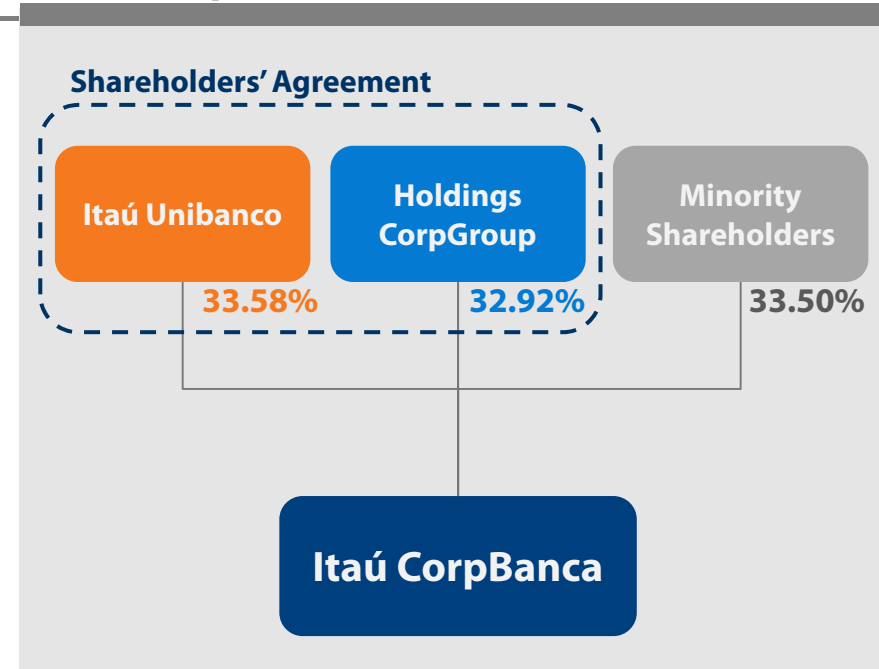
	Outlook
Total Loan Portfolio	Growth of 10.0% to 13.0%
Loan Loss Provision Expenses net of Recoveries	Between R\$ 13.0 billion and R\$ 15.0 billion
Commissions, Fees and Result of Insurance ¹	Growth of 12% to 14%
Non-Interest Expenses	Growth of 10.5% to 12.5% (between 5.5% and 7.5%, if measured ex-Credicard)
Efficiency Ratio	Improvement of 50 bps to 175 bps

¹ Commissions and Fees (+) Income from Insurance, Pension Plan and Capitalization Operations (-) Retained Claims (-) Selling Expenses with Insurance, Pension Plan and Capitalization.

The outlook does not consider the effects of the operations of CorpBanca

- **Itaú Unibanco will control the Bank**
- **Will control** Itaú Unibanco's and CorpBanca's **Colombian entities**
- Creates the **leading banking platform in the Andean Region**
- Results in a bank with **\$43.4 billions in Assets, \$33.2 billion in loans and with a significant improvement in capital ratios**, to support further growth in Latin and Central Americas
- **Creates value for shareholders** with important economies of scale
- **Will operate under the "Itaú" brand name**, one of the most valuable in Latin America¹
- Occupies the **4th place in the ranking of the largest banks in Chile**² (Banco Itaú Chile is currently in 7th position and CorpBanca in 5th) and **5th place in the Colombian ranking**

Ownership Structure



¹ According to Interbrand consultancy; ² Loans

Operations in Latin America

Itaú Unibanco

	Loans (R\$ billion)	Assets (R\$ billion)	Branches and CSBs	Employees
Chile	24.1	31.1	98	2,542
Colombia	0.1	0.5	0	45
Uruguay	4.4	9.8	26	1,180
Paraguay	4.1	7.0	31	731
Argentina	3.5	5.0	91	1,696
Mexico	0.0	0.1	1	37
Latin America	36.3	53.5	247	6,231
Itaú Unibanco Holding	412.2	1,105.7	4,991	95,696
Share in Total	8.8%	4.8%	4.9%	6.5%

Itaú Unibanco + CorpBanca (Pro-Forma²)

	Loans (R\$ billion)	Assets (R\$ billion)	Branches and CSBs	Employees
Chile	59.3	79.1	221	6,266
Colombia	23.1	32.6	172	3,631
Uruguay	4.4	9.8	26	1,180
Paraguay	4.1	7.0	31	731
Argentina	3.5	5.0	91	1,696
Mexico	0.0	0.1	1	37
Latin America	94.5	133.6	542.0	13,541
Itaú Unibanco Holding	470.5	1,185.8	5,286	103,006
Share in Total	20.1%	11.3%	10.3%	13.1%

Market Share ¹



¹ **Market Share:** Loans of private banks – Sep/13. Source: Central Banks (Brazil – BACEN; Chile – SBIF; Paraguay – BCP; Argentina – BCRA; Uruguay – BCU); ² Effect of the full consolidation of Itaú CorpBanca in Itaú Unibanco.

Note: Other information - Dec/13 | Dollar – quotation on 12/31/13, R\$ 2.343

Roberto Egydio Setubal

President & CEO



Itaú Unibanco Holding S.A.

4th quarter, 2013 – Earnings Review

Conference Call

02.05.2014

