



Conference Call  
**2<sup>nd</sup> quarter 2019 Earnings Review**

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Executive Vice-President, CFO and CRO

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# Highlights

2<sup>nd</sup> quarter 2019

## Recurring Net Income

Consolidated  
**R\$7.0 bn**  $\uparrow$  2.3 %

2Q19 vs. 1Q19

Brazil  
**R\$6.7 bn**  $\uparrow$  2.4 %

6.4	6.5	6.5	6.9	7.0
2Q18	3Q18	4Q18	1Q19	2Q19

## Recurring ROE

Consolidated  
**23.5%**  $\downarrow$  -10 bps

2Q19 vs. 1Q19

Brazil  
**24.6%**  $\downarrow$  -20 bps

21.6	21.3	21.8	23.6	23.5
2Q18	3Q18	4Q18	1Q19	2Q19

## Credit <sup>1</sup>

Consolidated  
**R\$659.7 bn**  $\uparrow$  2.0 %

2Q19 vs. 1Q19

Brazil  
**R\$494.0 bn**  $\uparrow$  2.8 %

623.3	636.4	636.9	647.1	659.7
2Q18	3Q18	4Q18	1Q19	2Q19

## NPL 90 days

Consolidated  
**2.9%**  $\downarrow$  -10 bps

2Q19 vs. 1Q19

Brazil  
**3.5%**  $\downarrow$  -20 bps

2.8	2.9	2.9	3.0	2.9
2Q18	3Q18	4Q18	1Q19	2Q19

## Financial Margin with Clients

Consolidated  
**R\$16.9 bn**  $\uparrow$  2.8 %

2Q19 vs. 1Q19

Brazil  
**R\$15.1 bn**  $\uparrow$  3.2 %

16.0	16.2	16.2	16.4	16.9
2Q18	3Q18	4Q18	1Q19	2Q19

## Commission, Fees and Insurance Results <sup>2</sup>

Consolidated  
**R\$10.7 bn**  $\uparrow$  5.0 %

2Q19 vs. 1Q19

Brazil  
**R\$10.0 bn**  $\uparrow$  5.4 %

10.4	10.2	10.8	10.2	10.7
2Q18	3Q18	4Q18	1Q19	2Q19

## Cost of Credit

Consolidated  
**R\$4.0 bn**  $\uparrow$  6.3 %

2Q19 vs. 1Q19

Brazil  
**R\$3.6 bn**  $\uparrow$  6.5 %

3.6	3.3	3.4	3.8	4.0
2Q18	3Q18	4Q18	1Q19	2Q19

## Non-Interest Expenses

Consolidated  
**R\$12.7 bn**  $\uparrow$  4.3 %

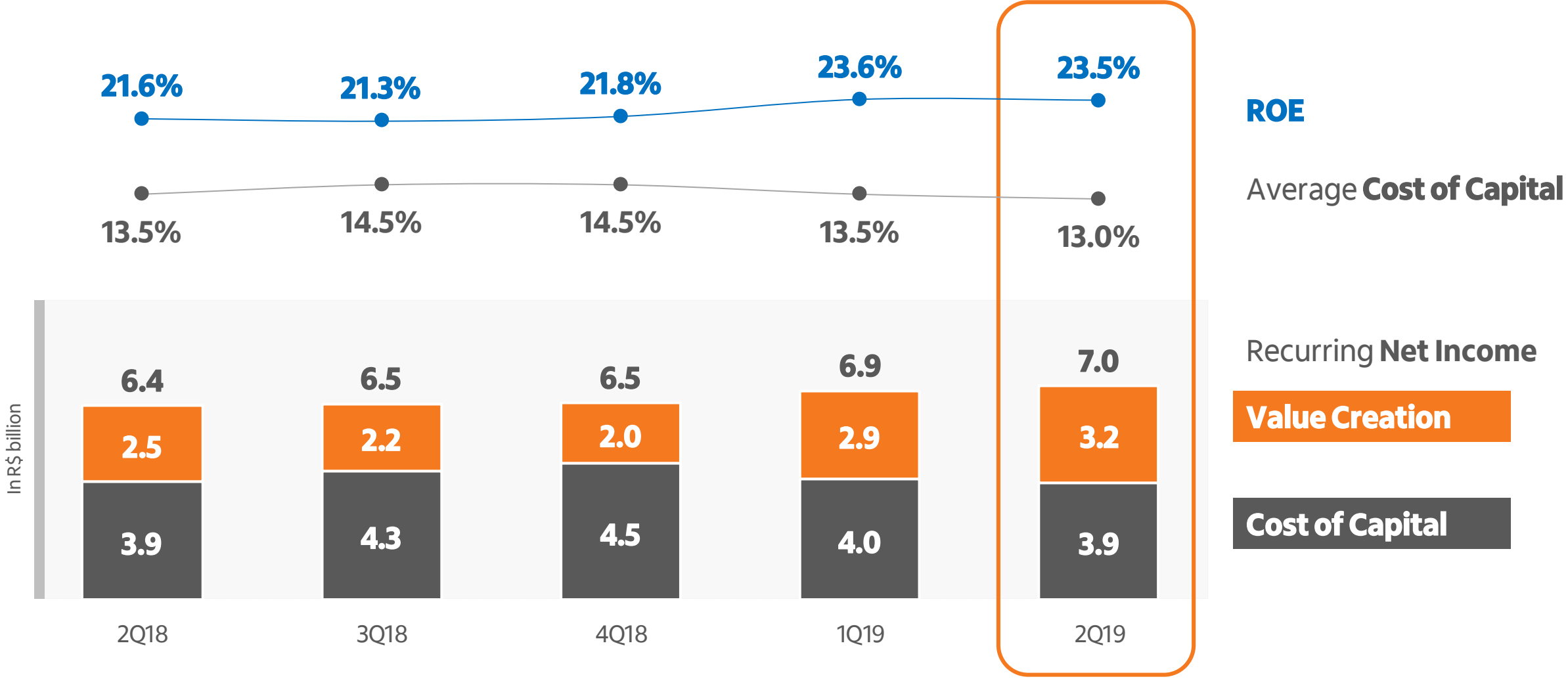
2Q19 vs. 1Q19

Brazil  
**R\$10.9 bn**  $\uparrow$  4.3 %

12.3	12.6	12.8	12.1	12.7
2Q18	3Q18	4Q18	1Q19	2Q19

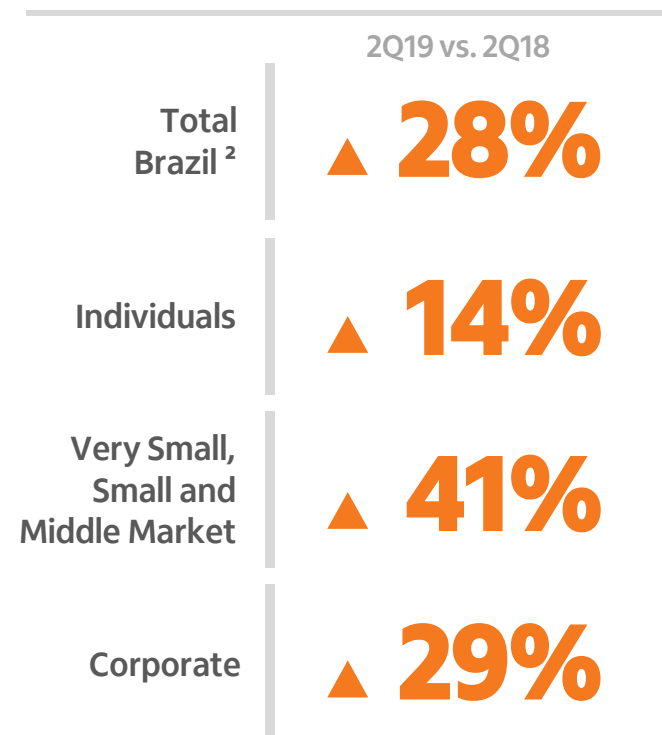
(1) Total with Financial Guarantees provided and Corporate Securities; (2) Revenues from Insurance (-) Claims Expenses (-) Insurance Selling Expenses.

# Recurring Net Income and Value Creation

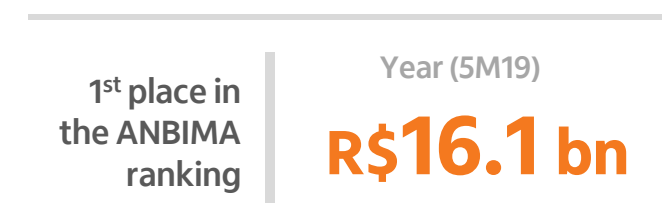


# Credit by Client profile or Product

## Credit origination<sup>1</sup>



## Private securities issuance<sup>3</sup>



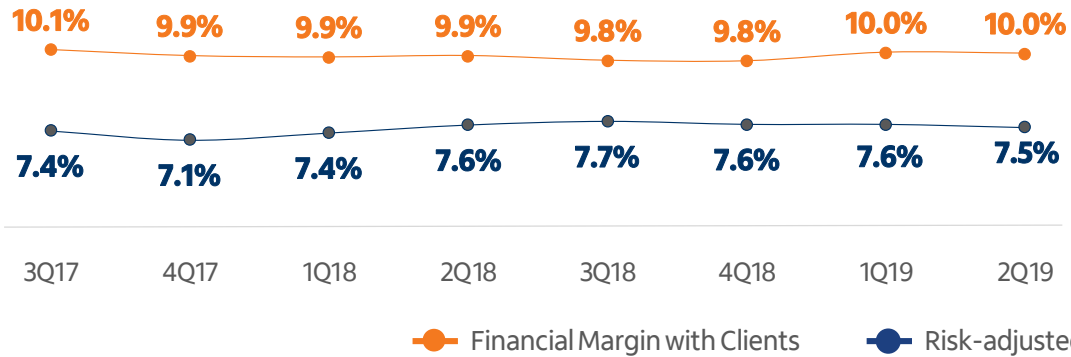
In R\$ billions, end of period	2Q19	1Q19	Δ	2Q18	Δ
<b>Individuals</b>	<b>222.3</b>	<b>215.6</b>	<b>3.1%</b>	<b>195.0</b>	<b>14.0%</b>
Credit Card Loans	79.3	76.4	3.7%	66.1	20.0%
Personal Loans	32.8	31.1	5.3%	28.3	15.6%
Payroll Loans	49.1	48.6	1.0%	45.4	8.1%
Vehicle Loans	17.2	16.6	3.9%	14.7	17.4%
Mortgage Loans	44.0	42.9	2.6%	40.5	8.6%
<b>Very Small, Small and Middle Market Loans</b>	<b>78.1</b>	<b>74.1</b>	<b>5.3%</b>	<b>65.6</b>	<b>19.0%</b>
<b>Individuals + Very Small, Small and Middle Market Loans</b>	<b>300.4</b>	<b>289.7</b>	<b>3.7%</b>	<b>260.6</b>	<b>15.3%</b>
<b>Corporate Loans</b>	<b>193.6</b>	<b>190.7</b>	<b>1.5%</b>	<b>197.1</b>	<b>-1.8%</b>
Credit Operations	151.4	152.6	-0.8%	162.5	-6.8%
Corporate Securities	42.2	38.0	10.9%	34.6	21.8%
<b>Total Brazil</b>	<b>494.0</b>	<b>480.4</b>	<b>2.8%</b>	<b>457.8</b>	<b>7.9%</b>
<b>Latin America</b>	<b>165.7</b>	<b>166.7</b>	<b>-0.6%</b>	<b>165.5</b>	<b>0.1%</b>
<b>Total with Financial Guarantees provided and Corporate Securities</b>	<b>659.7</b>	<b>647.1</b>	<b>2.0%</b>	<b>623.3</b>	<b>5.9%</b>

Note: Does not consider origination of Credit Card, Overdraft, Debt Renegotiation and other revolving credits. (1) Average origination per working day in the period, except for private securities issuance. (2) Does not include private securities issuance. (3) Source: ANBIMA (Brazilian Financial and Capital Markets Association). Considers total volume of fixed income and hybrid private securities issuance arranged by Itaú Unibanco on the local market (includes distributed volumes).

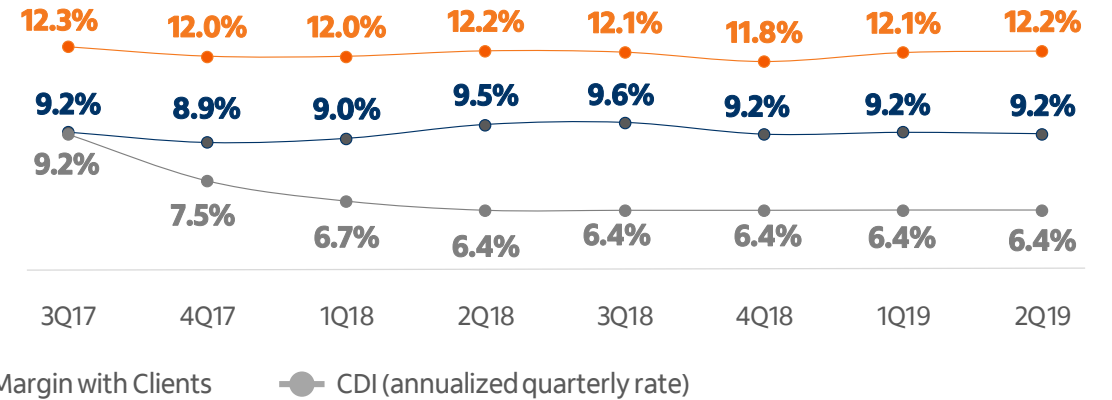
# Financial Margin with Clients

## Annualized Average Rate

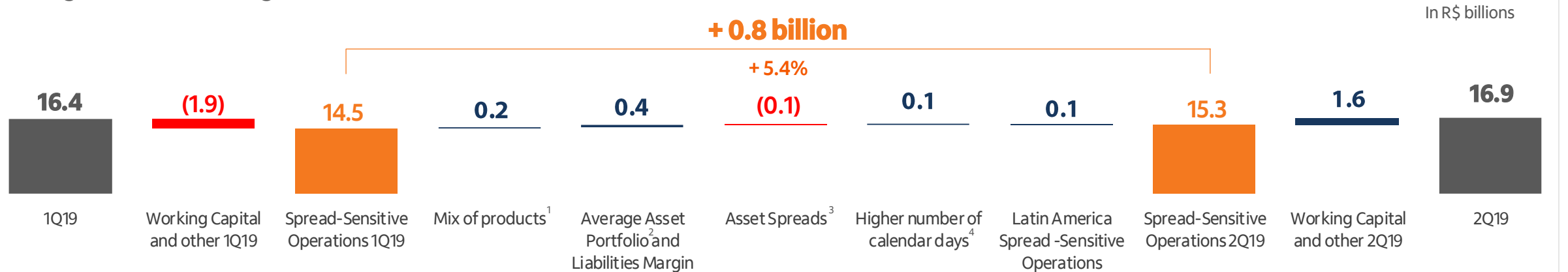
### Consolidated



### Brazil

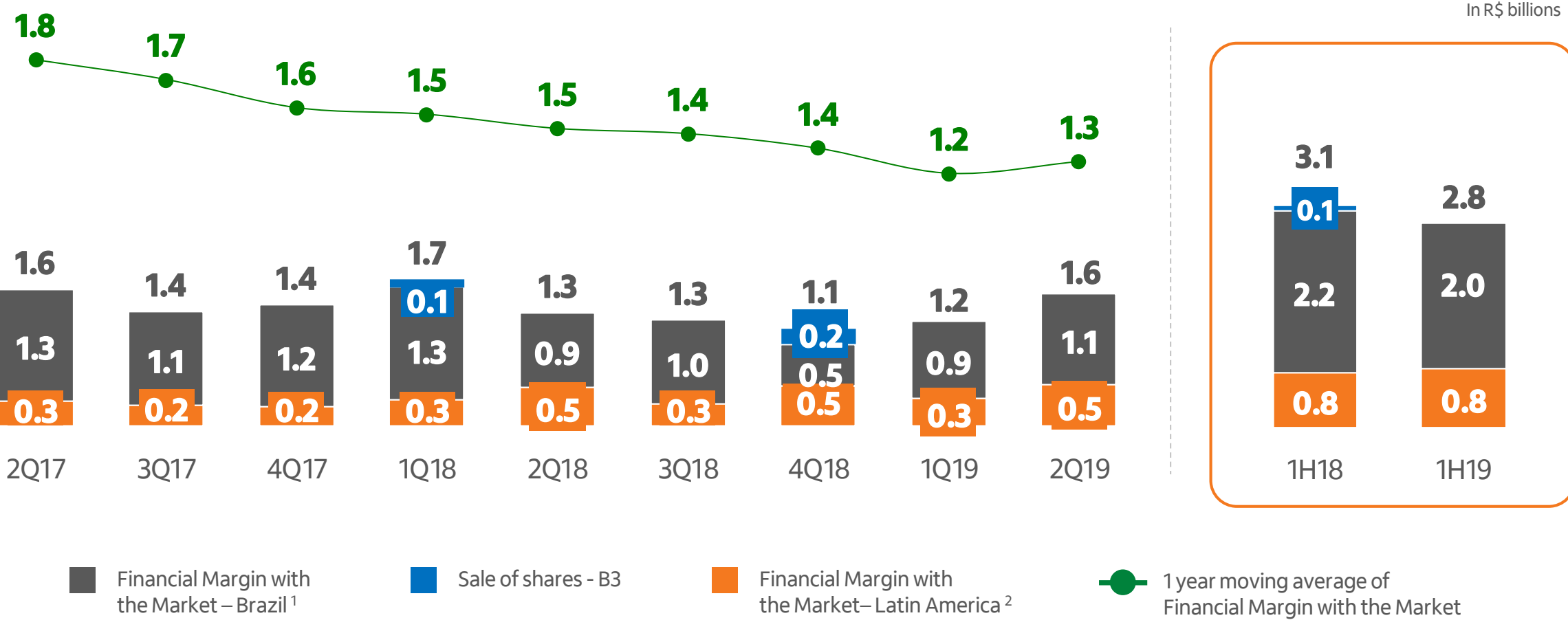


## Change in Financial Margin with Clients



(1) Change in the composition of assets with credit risk between periods in Brazil; (2) Considers credit and private securities portfolio net of overdue balance over 60 days in Brazil; (3) Spreads variation of assets with credit risk between periods in Brazil; (4) In Brazil.

# Financial Margin with the Market

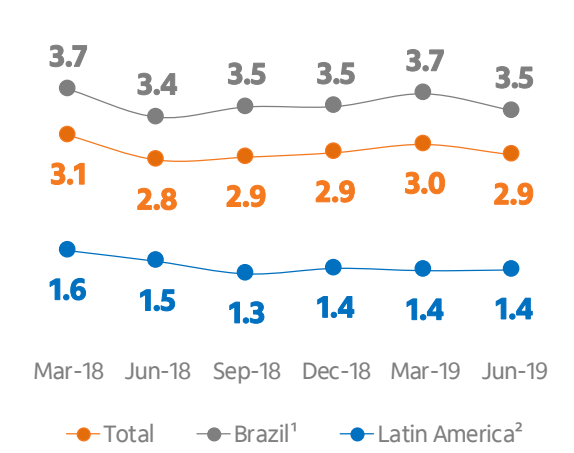


(1) Includes units abroad ex-Latin America; (2) Excludes Brazil.

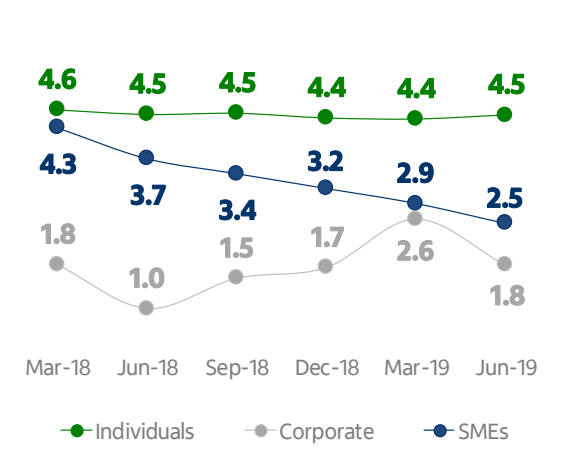
# Cost of Credit and Credit Quality

## NPL Ratio

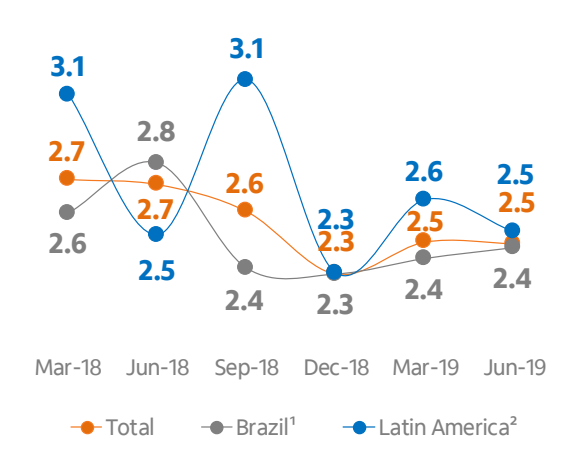
Consolidated (90 days) - %



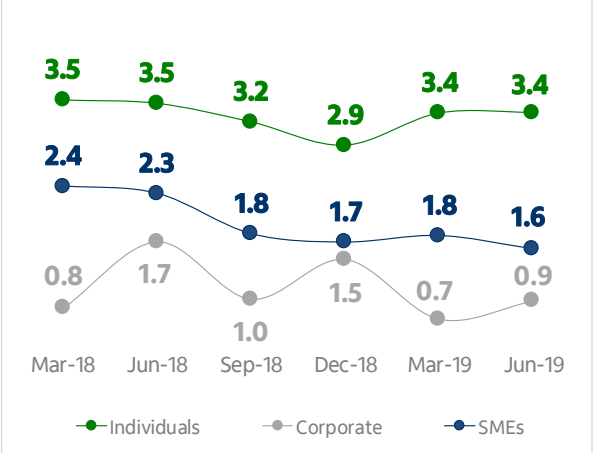
Brazil (90 days) - %



Consolidated (15-90 days) - %



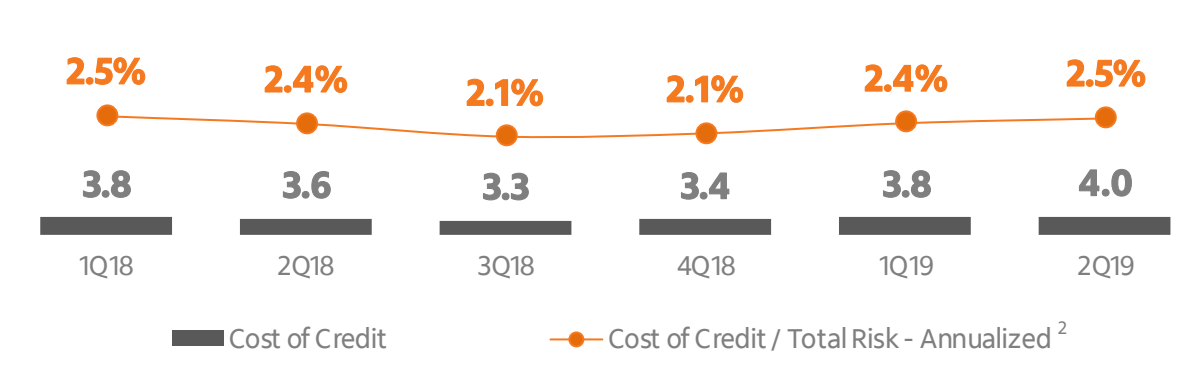
Brazil (15-90 days) - %



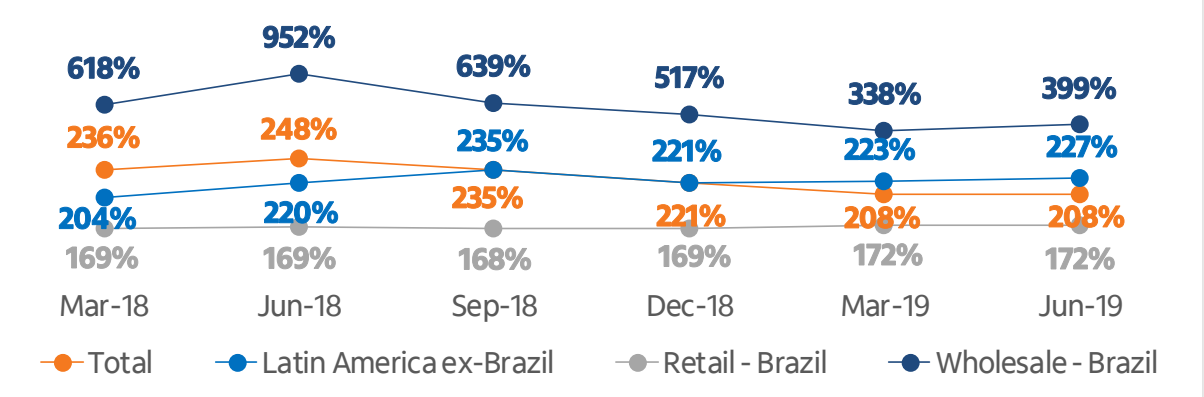
<sup>(1)</sup> Includes units abroad ex-Latin America; <sup>(2)</sup> Excludes Brazil.

## Cost of Credit <sup>1</sup>

In R\$ billions



## Coverage Ratio



(1) Provision for Loan Losses and + Recovery of Loans written-off as Losses + Impairment + Discounts Granted; (2) Average balance of the loan portfolio with financial guarantees provided and corporate securities, considering the last two quarters.

# Commissions and Fees and Result From Insurance Operations

In R\$ billions	2Q19	1Q19	Δ	2Q18	Δ	1H19	1H18	Δ
Credit and Debit Cards	3.2	3.3	-2.7%	3.2	-1.7%	6.5	6.6	-1.7%
Card Issuance	2.2	2.2	2.5%	2.0	10.2%	4.4	4.1	8.0%
Acquiring	1.0	1.1	-12.8%	1.2	-21.4%	2.1	2.5	-17.4%
Current Account Services	1.8	1.8	-1.0%	1.8	0.4%	3.7	3.6	1.0%
Asset Management <sup>1</sup>	1.3	1.1	19.1%	1.1	14.9%	2.3	2.1	10.3%
Credit Operations and Guarantees Provided	0.7	0.6	10.4%	0.6	2.0%	1.3	1.3	-2.8%
Collection Services	0.5	0.5	4.6%	0.5	1.1%	1.0	0.9	1.6%
Advisory Services and Brokerage	0.6	0.4	63.7%	0.4	46.4%	1.0	0.7	33.3%
Other	0.3	0.3	7.5%	0.3	-2.6%	0.5	0.5	-2.5%
Latin America (ex-Brazil)	0.7	0.7	0.5%	0.7	2.3%	1.5	1.4	5.6%
<b>Commissions and Fees</b>	<b>9.1</b>	<b>8.6</b>	<b>5.1%</b>	<b>8.7</b>	<b>3.9%</b>	<b>17.7</b>	<b>17.3</b>	<b>2.5%</b>
Result from Insurance Operations <sup>2</sup>	1.7	1.6	4.3%	1.6	1.8%	3.3	3.2	1.1%
<b>Total</b>	<b>10.7</b>	<b>10.2</b>	<b>5.0%</b>	<b>10.4</b>	<b>3.5%</b>	<b>21.0</b>	<b>20.5</b>	<b>2.3%</b>

(1) Includes fund management fees and consortia management fees; (2) Result from Insurance includes the Revenues from Insurance, Pension Plan and Premium Bonds Operations net of Retained Claims and Selling Expenses; (3) Figures of May 2019; (4) Does not include Latin America (ex-Brazil).

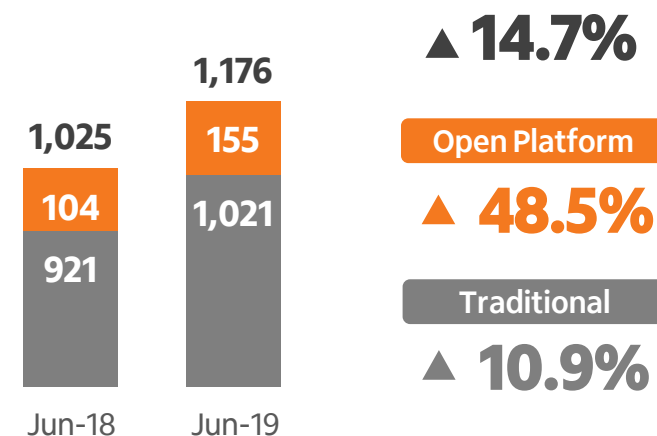
## Current Account Holders <sup>3</sup>

Annual increase in the number of Individuals account holders.

**▲ 10.1%**

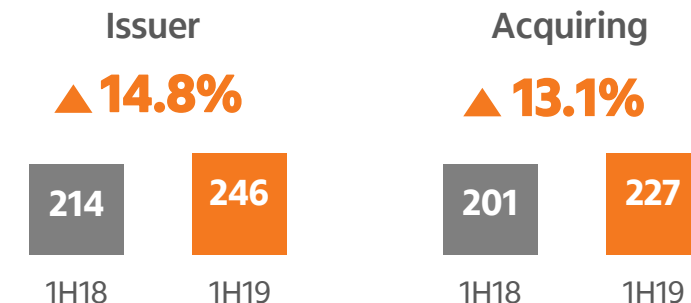
## Assets Under Administration <sup>4</sup>

In R\$ billions



## Transactions with Cards - Value

In R\$ billions





## REDE commercial initiative

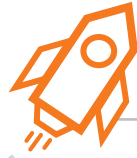


ended the prepayment rate on credit card transactions without installments

### New initiative for clients...

Using any POS machine from REDE with a bank domicile in **Itaú Unibanco**.

Annual sales up to **R\$30 million**.



### June 2019 highlights

#### NEW CLIENTS

+ **73%** compared to June 2018.

+ **112%** appointing Itaú as their bank domicile.

#### FLEX

+ **140%** increase in client usage compared to June 2018.

+ **64%** in transaction volume.

### After this initiative

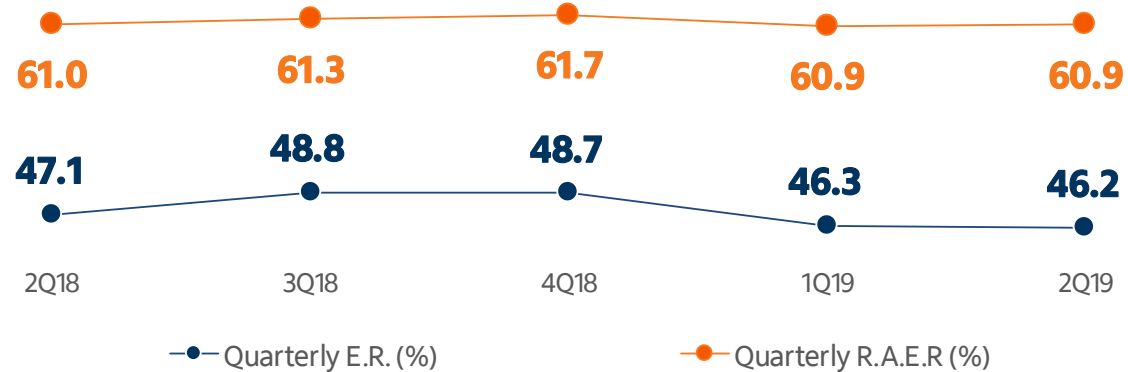
**+ 8 Points NPS in the year**

# Non-Interest Expenses

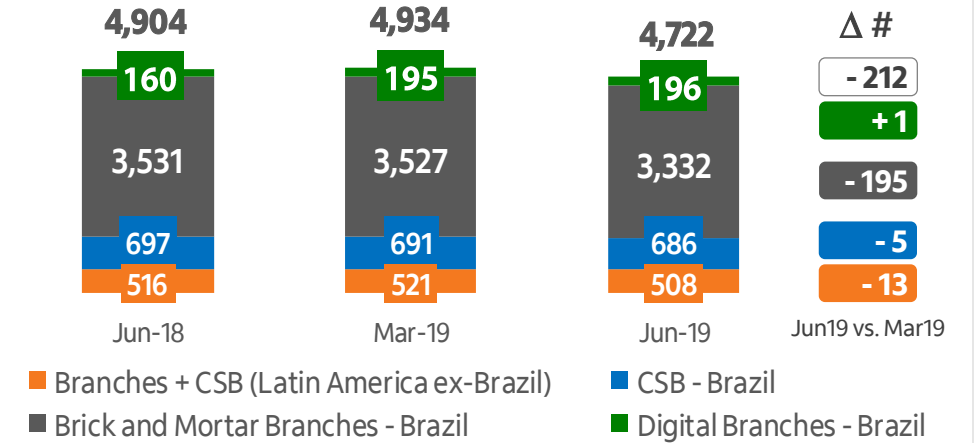
In R\$ billions	2Q19	1Q19	Δ	2Q18	Δ	1H19	1H18	Δ
Personnel Expenses	(5.5)	(5.3)	4.6%	(5.2)	6.8%	(10.8)	(10.3)	5.5%
Administrative Expenses	(4.2)	(4.1)	2.9%	(4.2)	1.9%	(8.3)	(8.0)	3.9%
Operating Expenses	(1.2)	(1.1)	9.0%	(1.2)	-4.2%	(2.3)	(2.4)	-5.7%
Other Tax Expenses <sup>1</sup>	(0.1)	(0.1)	12.5%	(0.1)	19.0%	(0.2)	(0.2)	14.2%
Latin America (ex-Brazil) <sup>2</sup>	(1.6)	(1.6)	2.9%	(1.6)	0.7%	(3.2)	(3.1)	3.6%
<b>Total</b>	<b>(12.7)</b>	<b>(12.1)</b>	<b>4.3%</b>	<b>(12.3)</b>	<b>3.3%</b>	<b>(24.8)</b>	<b>(23.9)</b>	<b>3.7%</b>

(1) Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS; (2) Does not consider overhead allocation.

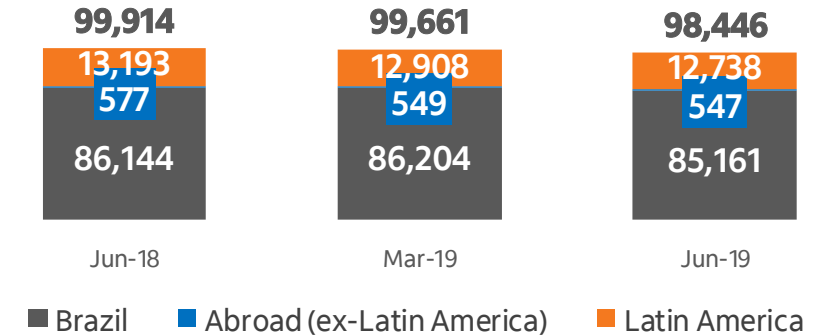
## Efficiency Ratio (%)



## # Branches and Client Service Branches



## # Employees

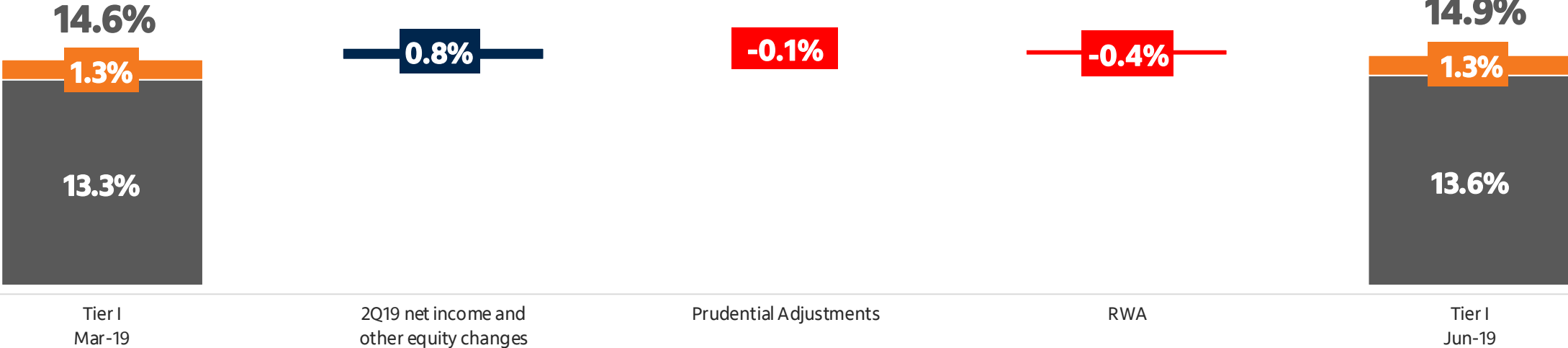


**Voluntary Severance Program:** the opportunity of a safe career transition, benefiting employees who meet some requirements.

# Capital

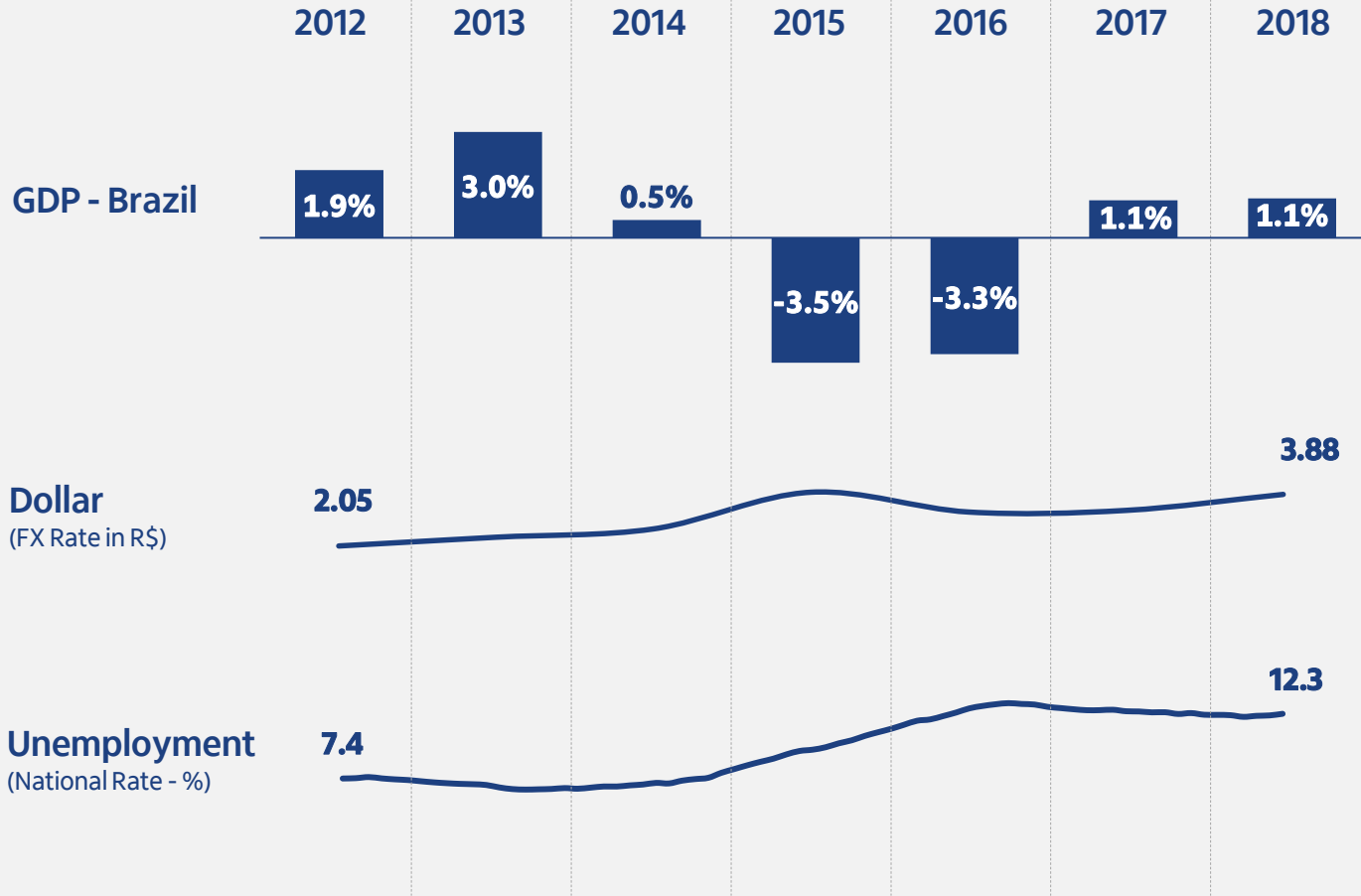
Full application of Basel III rules | June 30, 2019

Payment of R\$7.7 billion in complementary dividends on August 23<sup>rd</sup>, 2019.



Common Equity Tier I (CET I) Additional Tier I (AT1)

# Macroeconomic Outlook



## 2019 Projections

	Initial <sup>1</sup>	Current
GDP - Brazil	2.5%	0.8%
SELIC rate <sup>2</sup>	6.5%	5.0%
Inflation rate <sup>3</sup>	3.9%	3.6%
Unemployment rate <sup>2,4</sup>	11.6%	11.8%
Real / Dollar	R\$3.90	R\$3.80
Chilean Peso / Real	CLP 165	CLP 180
Colombian Peso / Real	COP 815	COP 868

(1) Itaú Unibanco forecast for 2019 on 02/04/2019; (2) End of period; (3) IPCA; (4) National unemployment rate - seasonally adjusted.

## 2019 Forecast

	Consolidated	Brazil <sup>1</sup>
Total Credit Portfolio <sup>2</sup>	8.0%   —   11.0%	8.0%   —   11.0%
Financial Margin with Clients	9.0%   —   12.0%	9.0%   —   12.0%
Financial Margin with the Market	R\$4.6 bn   —   R\$5.6 bn	R\$3.6 bn   —   R\$4.6 bn
Cost of Credit <sup>3</sup>	R\$14.5 bn   —   R\$17.5 bn	R\$12.5 bn   —   R\$15.5 bn
Commissions and Fees and Results from Insurance Operations <sup>4</sup>	2.0%   —   5.0%	2.0%   —   5.0%
Non-Interest Expenses	3.0%   —   6.0%	3.5%   —   6.5%
Effective Tax Rate	31.0%   —   33.0%	32.0%   —   34.0%

(1) Includes units abroad ex-Latin America; (2) Includes financial guarantees provided and corporate securities; (3) Composed of Result from Loan Losses, Impairment and Discounts Granted; (4) Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Expenses for Claims (-) Insurance, Pension Plan and Premium Bonds Selling Expenses.

# Appendix

# Business Model

In R\$ billions

	1H19					1H18					Δ				
	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital
Operating Revenues	57.7	30.4	0.9	25.7	0.8	55.4	28.4	0.9	25.2	1.0	2.3	2.0	(0.1)	0.5	(0.2)
Managerial Financial Margin	36.1	24.4	0.9	10.1	0.8	34.3	22.8	0.9	9.6	1.0	1.8	1.6	(0.1)	0.4	(0.2)
Commissions and Fees	17.7	6.0	0.0	11.7	-	17.3	5.6	0.0	11.7	-	0.4	0.4	(0.0)	0.0	-
Revenues from Insurance <sup>1</sup>	3.9	-	-	3.9	-	3.9	-	-	3.9	-	(0.0)	-	-	(0.0)	-
Cost of Credit	(7.8)	(7.8)	-	-	-	(7.4)	(7.4)	-	-	-	(0.5)	(0.5)	-	-	-
Retained Claims	(0.6)	-	-	(0.6)	-	(0.6)	-	-	(0.6)	-	0.0	-	-	0.0	-
Non-Interested Expenses and Other Expenses <sup>2</sup>	(28.7)	(14.2)	(0.4)	(14.1)	(0.0)	(27.7)	(13.1)	(0.6)	(13.9)	(0.1)	(1.1)	(1.1)	0.2	(0.2)	0.0
Recurring Net Income	13.9	5.8	0.3	7.2	0.6	12.8	4.5	0.3	7.1	0.9	1.1	1.3	0.0	0.1	(0.3)
Average Regulatory Capital	123.9	62.6	1.4	39.8	20.0	121.3	61.6	1.7	35.1	22.8	2.6	1.0	(0.2)	4.6	(2.8)
Value Creation	6.1	1.8	0.2	4.7	(0.6)	5.0	0.5	0.2	4.9	(0.5)	1.0	1.3	0.0	(0.2)	(0.1)
Recurring ROE	23.6%	18.5%	40.6%	36.1%	6.3%	22.0%	14.5%	34.2%	40.5%	8.0%	160 bps	400 bps	650 bps	-440 bps	-170 bps

<sup>(1)</sup> Revenues from Insurance includes the Revenues from Insurance, Pension Plan and Premium Bonds Operations before Retained Claims and Selling Expenses.

<sup>(2)</sup> Include Tax Expenses (ISS, PIS, COFINS and other), Insurance Selling Expenses and Minority Interests in Subsidiaries.

# Results

In R\$ Billions	2Q19	1Q19	Δ	2Q18	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>29.5</b>	<b>28.2</b>	<b>4.6%</b>	<b>28.0</b>	<b>5.3%</b>	<b>57.7</b>	<b>55.4</b>	<b>4.1%</b>
Managerial Financial Margin	18.5	17.7	4.4%	17.3	6.7%	36.1	34.3	5.3%
Financial Margin with Clients	16.9	16.4	2.8%	16.0	5.8%	33.3	31.2	6.7%
Financial Margin with the Market	1.6	1.2	26.4%	1.3	17.2%	2.8	3.1	-8.6%
Commissions and Fees	9.1	8.6	5.1%	8.7	3.9%	17.7	17.3	2.5%
Revenues from Insurance <sup>1</sup>	2.0	1.9	3.1%	2.0	-1.1%	3.9	3.9	-0.1%
<b>Cost of Credit</b>	<b>(4.0)</b>	<b>(3.8)</b>	<b>6.3%</b>	<b>(3.6)</b>	<b>12.3%</b>	<b>(7.8)</b>	<b>(7.4)</b>	<b>6.2%</b>
Provision for Loan Losses	(4.4)	(4.2)	4.8%	(4.3)	3.2%	(8.6)	(8.4)	2.8%
Impairment	(0.0)	(0.0)	43.4%	(0.0)	3266.7%	(0.1)	(0.2)	-61.6%
Discounts Granted	(0.4)	(0.3)	26.5%	(0.3)	42.7%	(0.7)	(0.6)	25.2%
Recovery of Loans Written Off as Losses	0.8	0.7	7.4%	0.9	-15.9%	1.5	1.7	-11.8%
<b>Retained Claims</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>-0.7%</b>	<b>(0.3)</b>	<b>-11.3%</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>-2.9%</b>
<b>Other Operating Expenses</b>	<b>(14.4)</b>	<b>(13.8)</b>	<b>4.3%</b>	<b>(13.9)</b>	<b>3.6%</b>	<b>(28.3)</b>	<b>(27.3)</b>	<b>3.5%</b>
Non-Interest Expenses	(12.7)	(12.1)	4.3%	(12.3)	3.3%	(24.8)	(23.9)	3.7%
Tax Expenses and Other <sup>2</sup>	(1.8)	(1.7)	4.2%	(1.7)	5.4%	(3.5)	(3.4)	2.3%
<b>Income before Tax and Minority Interests</b>	<b>10.7</b>	<b>10.3</b>	<b>4.4%</b>	<b>10.2</b>	<b>5.6%</b>	<b>21.0</b>	<b>20.1</b>	<b>4.2%</b>
<b>Income Tax and Social Contribution</b>	<b>(3.4)</b>	<b>(3.2)</b>	<b>6.9%</b>	<b>(3.5)</b>	<b>-2.5%</b>	<b>(6.6)</b>	<b>(7.0)</b>	<b>-5.2%</b>
<b>Minority Interests in Subsidiaries</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>39.6%</b>	<b>(0.3)</b>	<b>1.3%</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>28.7%</b>
<b>Recurring Net Income</b>	<b>7.0</b>	<b>6.9</b>	<b>2.3%</b>	<b>6.4</b>	<b>10.2%</b>	<b>13.9</b>	<b>12.8</b>	<b>8.7%</b>

<sup>(1)</sup> Revenues from Insurance includes the Revenues from Insurance, Pension Plan and Premium Bonds Operations before Retained Claims and Selling Expenses.

<sup>(2)</sup> Include Tax Expenses (ISS, PIS, COFINS and other) and Insurance Selling Expenses.



# Payout Practice

In order to **manage capital efficiently**, aiming at creating value to our shareholders, we announced through a Material Fact disclosed on September 26, 2017, that we intend to:

**Maintain the practice of paying dividends and interest on own capital at 35% of net income**

(however we excluded the maximum limit previously determined at 45%).

**Set forth, through the Board of Directors, the total amount to be distributed each year** considering:

our capitalization level, the minimum Tier 1 Capital of 13.5% (this ratio must be composed of at least 12% of Core Capital), the profitability in the year, expectations of capital use and changes in tax legislation.

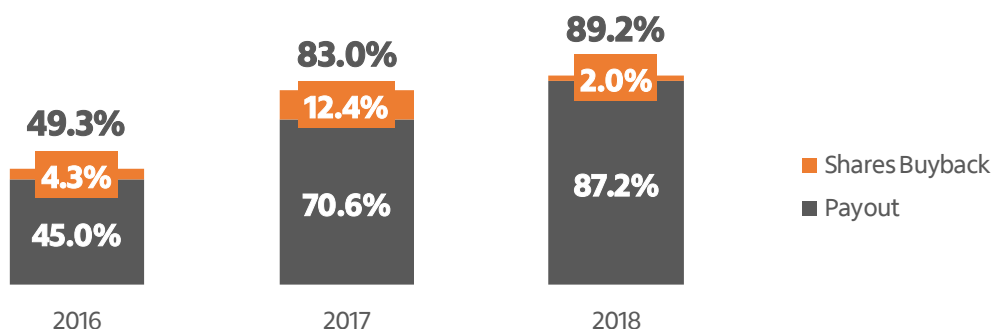
## Total Payout simulation

to keep Tier I Capital at 13.5% under different return and growth scenarios, assuming no acquisitions or change in capital requirements

		ROE				
		15.00%	17.50%	20.00%	22.50%	25.00%
RWA Growth	5.00%	65 – 70%	70 – 75%	75 – 80%	80 – 85%	85 – 90%
	10.00%	40 – 45%	45 – 50%	50 – 55%	55 – 60%	60 – 65%
	15.00%	35%	35%	35 – 40%	40 – 45%	45 – 50%

The percentage to be distributed may change every year based on the company's profitability and capital demands, always considering the minimum set forth in the Bylaws.

## Payout and Shares Buyback

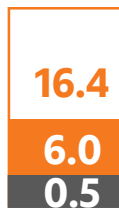


## Dividend Yield <sup>1</sup>

**7.5%**  
in 2018

**22.9**

Dividends and IOC <sup>2</sup>  
In R\$ billions



Reserved in Equity

Paid and provisioned

Shares Buyback

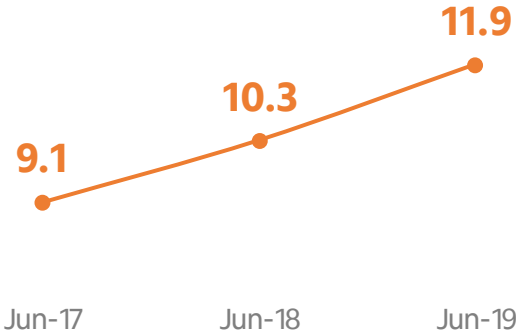
2018

(1) Considers the payout of 89.2% and the average daily closing price in 2018; (2) Dividends and IOC net of taxes.

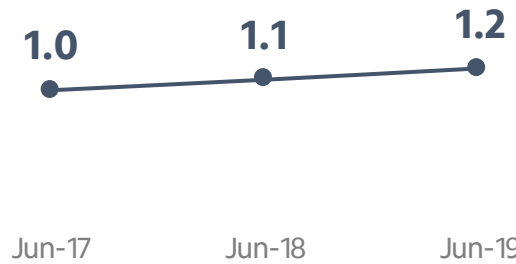
# Digital Transformation

## Use of Digital Channels <sup>1</sup>

### Individuals (in millions)



### Companies (in millions)

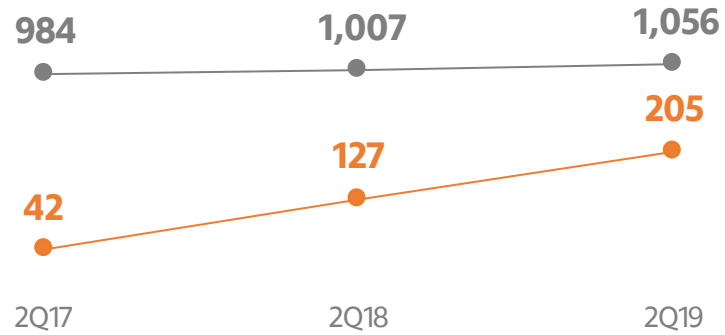


## % of transactions through digital channels

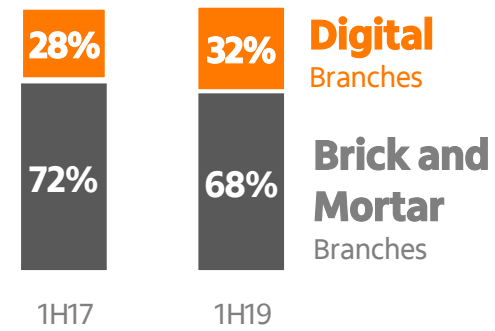
	1H17	1H19
Credit	17%	20%
Investments	37%	46%
Payments	66%	81%

Note: Share of digital channels in the volume (R\$) of transactions in the Retail Bank segment

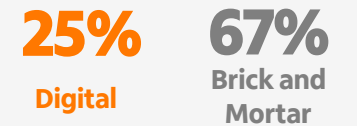
## New Individuals accounts (in thousands)



## % digital operations on the Retail Operating Revenues



### Efficiency Ratio of branches in 1H19



(1) Internet, mobile and SMS on Retail Bank.



Conference Call  
**2<sup>nd</sup> quarter 2019 Earnings Review**

**Candido Botelho Bracher**

President and CEO

**Milton Maluhy Filho**

Executive Vice-President, CFO and CRO

**Alexsandro Broedel**

Executive Finance Director and Head of Investor Relations

