



Conference Call 2nd quarter 2018 - Earnings Review

Candido Botelho Bracher

President and CEO

Caio Ibrahim David

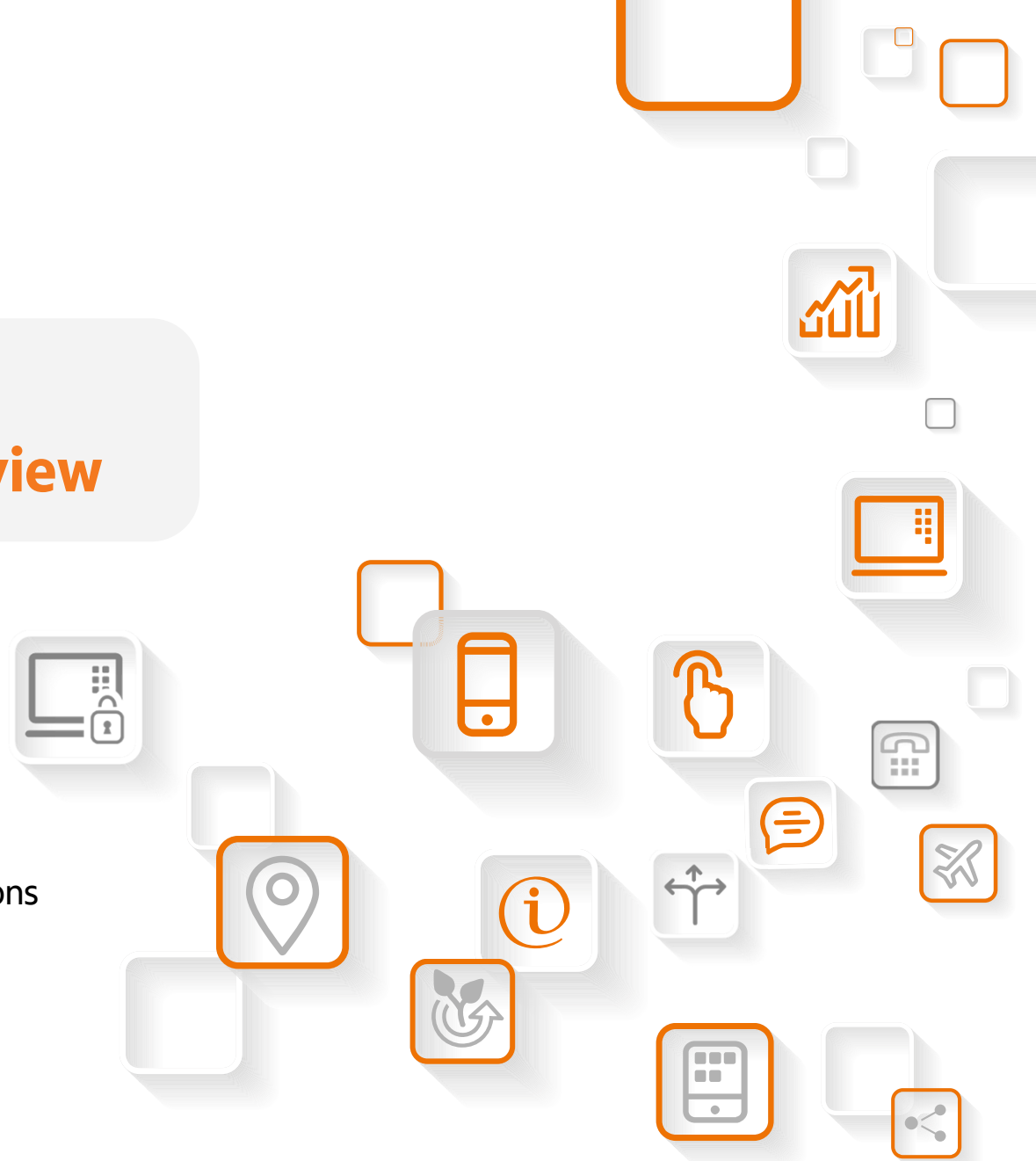
Executive Vice-President, CFO and CRO

Alexsandro Broedel

Executive Finance Director and Head of Investor Relations

Marcos Magalhães

Merchant Acquirer Executive Director



As from the first quarter of 2018, we have started to present Citibank's retail operations in Brazil line by line in our managerial income statement.

As from the second quarter of 2016, Itaú CorpBanca, the company resulting from the merger between Banco Itaú Chile and CorpBanca, has been consolidated in our financial statements, as we are the controlling stockholder of the new bank.

In order to allow comparison with previous periods, historical pro forma data of the combined results of Itaú Unibanco and CorpBanca for the periods before the second quarter of 2016 are presented in this conference call presentation.

Performance Indicators

Net Income

R\$6.4 billion ▼ - 0.6% (2Q18/1Q18)

R\$12.8 billion ▲ + 3.7% (1H18/1H17)

ROE (p.a.)

21.6 % ▼ - 60 bps (2Q18/1Q18)

22.0 % ▲ + 20 bps (1H18/1H17)

Capital Ratios – BIS III ¹

Tier I Capital

14.2% ▼ - 30 bps (Jun-18 / Mar-18)

▲ + 70 bps (Jun-18 / Jun-17)

Common Equity Tier I (CET I)

13.2% ▼ - 40 bps (Jun-18 / Mar-18)

▼ - 30 bps (Jun-18 / Jun-17)

Credit Quality

NPL90

2.8 % ▼ - 30 bps (Jun-18 / Mar-18)

▼ - 40 bps (Jun-18 / Jun-17)

Coverage Ratio

248 % ▲ + 1,200 bps (Jun-18 / Mar-18)

▲ + 500 bps (Jun-18 / Jun-17)

In R\$ millions, except when indicated	2Q18	▲ 1Q18	1H18	▲ 1H17
Financial Margin with Clients	15,953	692	31,214	(95)
Financial Margin with the Market	1,342	(396)	3,080	(411)
Commissions and Fees and Result from Insurance Operations ²	10,371	241	20,501	1,562
Cost of Credit	(3,601)	187	(7,388)	2,367
Non-Interest Expenses	(12,261)	(585)	(23,938)	(1,386)
Income before Tax And Minority Interests	10,151	174	20,127	1,905
Effective Tax Rate	34.4%	- 30 bps	34.6%	+ 350 bps
Recurring Net Income	6,382	(38)	12,801	457
Credit Portfolio ³	623,256	+3.7%	623,256	+6.1%

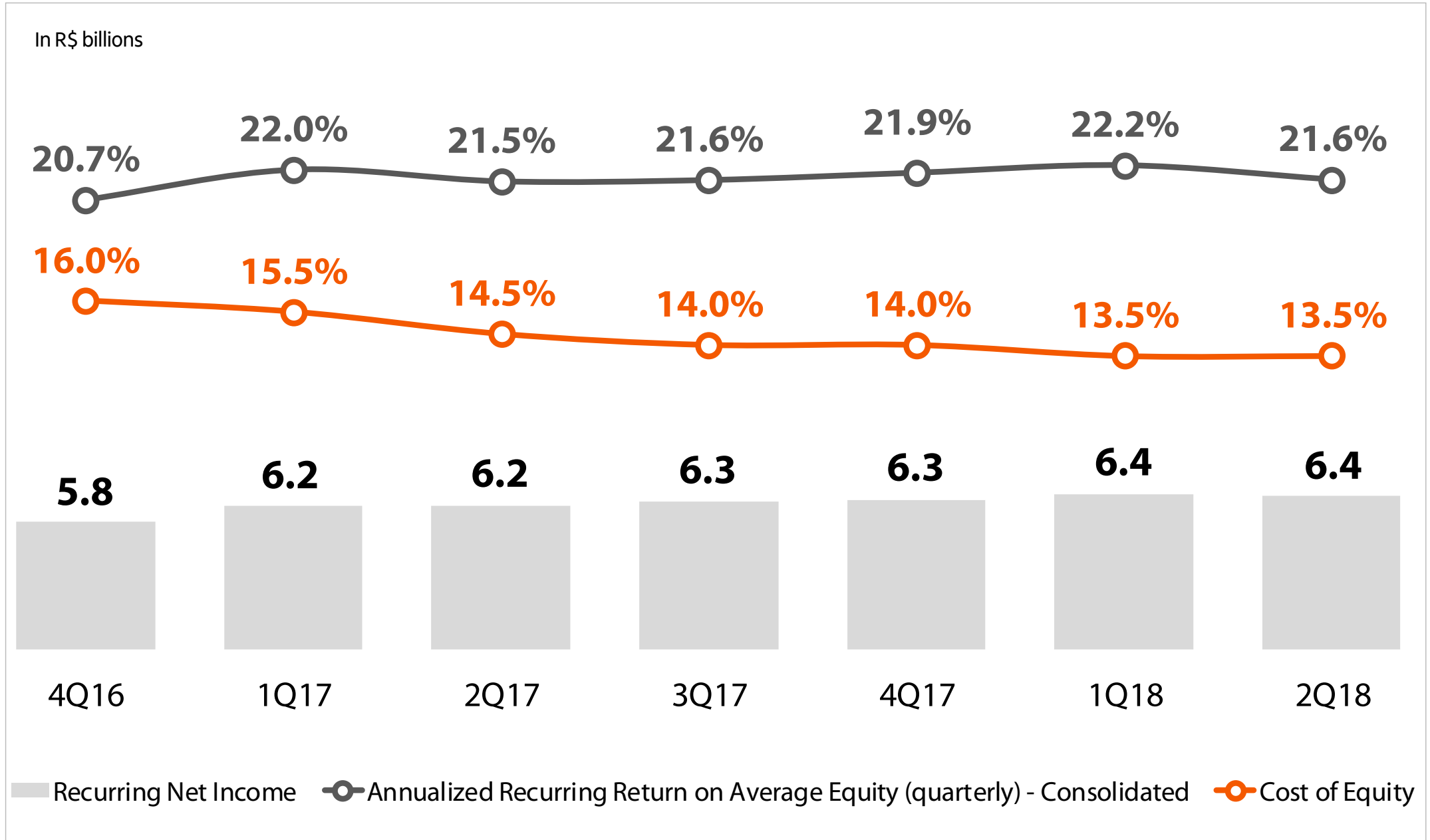
¹ Fully loaded Basel III rules; ² Result from Insurance (-) Retained Claims (-) Insurance Selling Expenses; ³ Includes financial guarantees provided and corporate securities.

In R\$ billions	2Q18	1Q18	Δ	1H18	1H17	Δ
Operating Revenues	28.0	27.4	2.2%	55.4	54.5	1.8%
Managerial Financial Margin	17.3	17.0	1.7%	34.3	34.8	-1.5%
Financial Margin with Clients	16.0	15.3	4.5%	31.2	31.3	-0.3%
Financial Margin with the Market	1.3	1.7	-22.8%	3.1	3.5	-11.8%
Commissions and Fees	8.7	8.5	2.3%	17.3	15.9	8.6%
Result from Insurance ¹	2.0	1.9	5.3%	3.9	3.8	2.8%
Cost of Credit	(3.6)	(3.8)	-4.9%	(7.4)	(9.8)	-24.3%
Provision for Loan Losses	(4.3)	(4.1)	3.9%	(8.4)	(10.3)	-18.9%
<i>Impairment</i>	(0.0)	(0.2)	-99.3%	(0.2)	(0.5)	-65.7%
Discounts Granted	(0.3)	(0.3)	-3.9%	(0.6)	(0.5)	1.8%
Recovery of Loans Written Off as Losses	0.9	0.8	18.9%	1.7	1.7	3.4%
Retained Claims	(0.3)	(0.3)	19.9%	(0.6)	(0.6)	5.7%
Other Operating Expenses	(13.9)	(13.4)	4.1%	(27.3)	(25.9)	5.4%
Non-interest Expenses	(12.3)	(11.7)	5.0%	(23.9)	(22.6)	6.1%
Tax Expenses and Other ²	(1.7)	(1.7)	-1.9%	(3.4)	(3.4)	0.5%
Income before Tax and Minority Interests	10.2	10.0	1.7%	20.1	18.2	10.5%
Income Tax and Social Contribution	(3.5)	(3.5)	1.0%	(7.0)	(5.7)	22.9%
Minority Interests in Subsidiaries	(0.3)	(0.1)	184.9%	(0.4)	(0.2)	68.7%
Recurring Net Income	6.4	6.4	-0.6%	12.8	12.3	3.7%

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

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

Recurring Net Income and ROE



In R\$ billions

	1H18					1H17					Δ				
	Consolidated	Credit	Trading	Insurance and Services	Excess Capital	Consolidated	Credit	Trading	Insurance and Services	Excess Capital	Consolidated	Credit	Trading	Insurance and Services	Excess Capital
Operating Revenues	55.4	28.4	0.9	25.2	1.0	54.5	28.3	1.0	23.7	1.4	1.0	0.1	(0.1)	1.4	(0.4)
Managerial Financial Margin	34.3	22.8	0.9	9.6	1.0	34.8	23.3	1.0	9.1	1.4	(0.5)	(0.5)	(0.1)	0.6	(0.4)
Commissions and Fees	17.3	5.6	0.0	11.7	-	15.9	5.0	0.0	10.9	-	1.4	0.6	(0.0)	0.8	-
Result from Insurance ¹	3.9	-	-	3.9	-	3.8	-	-	3.8	-	0.1	-	-	0.1	-
Cost of Credit	(7.4)	(7.4)	-	-	-	(9.8)	(9.8)	-	-	-	2.4	2.4	-	-	-
Retained Claims	(0.6)	-	-	(0.6)	-	(0.6)	-	-	(0.6)	-	(0.0)	-	-	(0.0)	-
Non-interest Expenses and Other Expenses²	(27.7)	(13.1)	(0.6)	(13.9)	(0.1)	(26.1)	(12.5)	(0.2)	(13.4)	(0.1)	(1.6)	(0.7)	(0.3)	(0.6)	0.0
Recurring Net Income	12.8	4.5	0.3	7.1	0.9	12.3	4.2	0.5	6.5	1.2	0.5	0.3	(0.2)	0.6	(0.3)
Average Regulatory Capital	121.3	61.6	1.7	35.1	22.8	116.3	57.5	2.6	29.7	26.5	4.9	4.1	(0.9)	5.5	(3.8)
Value Creation	5.0	0.5	0.2	4.9	(0.5)	4.1	0.0	0.3	4.5	(0.7)	0.9	0.5	(0.2)	0.4	0.2
Recurring ROE	22.0%	14.5%	34.2%	40.5%	8.0%	21.8%	14.5%	31.5%	44.7%	8.9%	20 bps	0 bps	270 bps	-410 bps	-90 bps

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

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

In R\$ billions, end of period	2Q18	1Q18	Δ	2Q17	Δ
Individuals	195.0	191.4	1.9%	179.4	8.7%
Credit Card Loans	66.1	65.0	1.7%	56.4	17.2%
Personal Loans	28.3	27.4	3.5%	25.9	9.6%
Payroll Loans	45.4	44.7	1.6%	44.8	1.4%
Vehicle Loans	14.7	14.3	2.4%	14.1	3.9%
Mortgage Loans	40.5	40.0	1.3%	38.3	5.9%
Companies	228.1	225.0	1.4%	235.2	-3.0%
Corporate Loans	162.5	162.0	0.3%	175.4	-7.4%
Very Small, Small and Middle Market Loans	65.6	63.0	4.1%	59.8	9.8%
Latin America	165.5	150.0	10.3%	137.7	20.1%
Total with Financial Guarantees Provided	588.6	566.4	3.9%	552.3	6.6%
Corporate Securities	34.6	34.7	-0.2%	35.0	-1.0%
Total with Financial Guarantees Provided and Corporate Securities	623.3	601.1	3.7%	587.3	6.1%
Total with Financial Guarantees Provided and Corporate Securities (ex-foreign exchange rate variation)	623.3	621.0	0.4%	618.0	0.9%

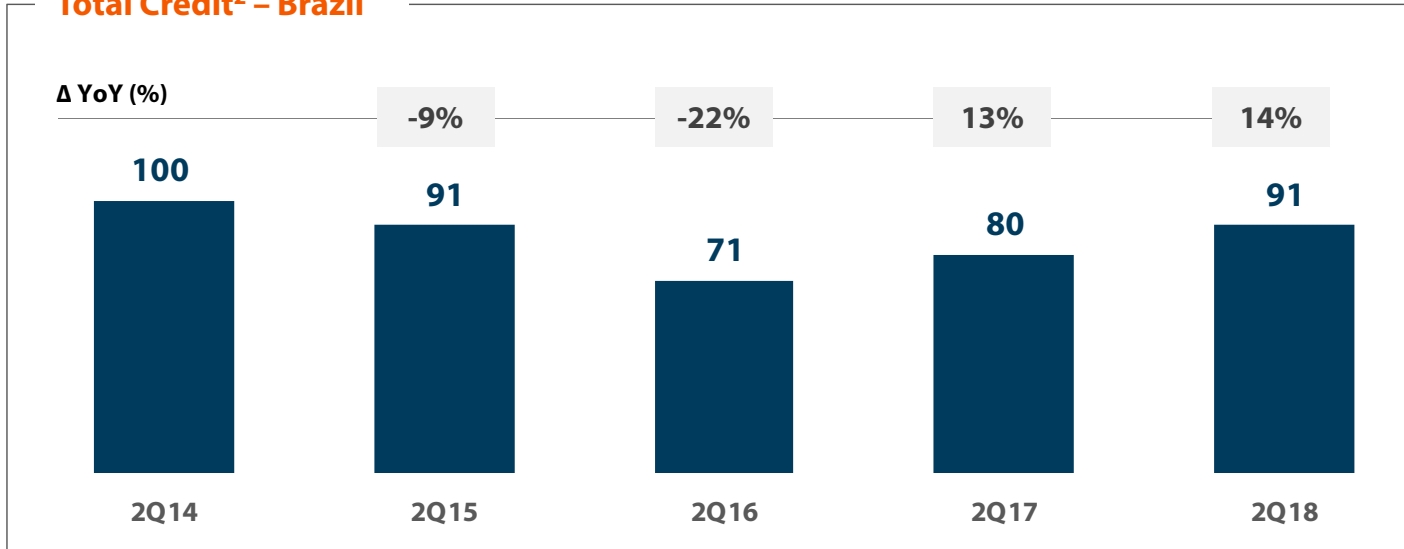
Note: Excluding the effect of foreign exchange variation, the Corporate Loans portfolio would have decreased 3.1% in the quarter and 10.5% in the 12-month period and the Latin America portfolio would have increased 2.0% in the quarter and 3.1% in the 12-month period.

Credit¹ Origination and Private Securities Issuance | Brazil

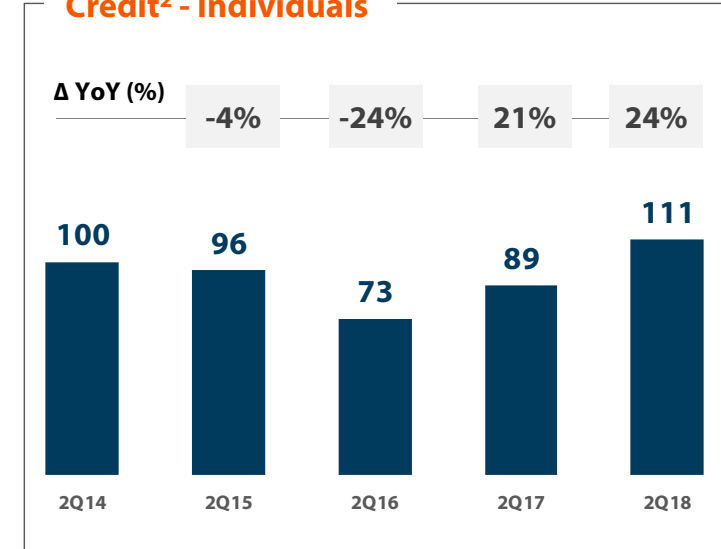


Base 100 = 2Q14

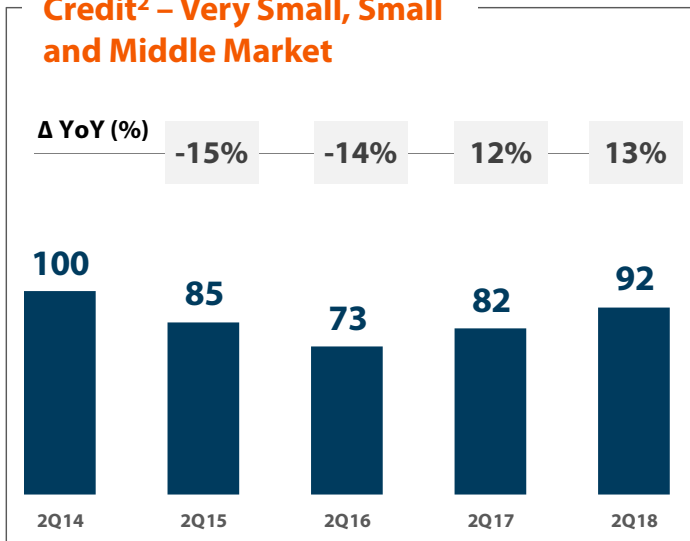
Total Credit² – Brazil



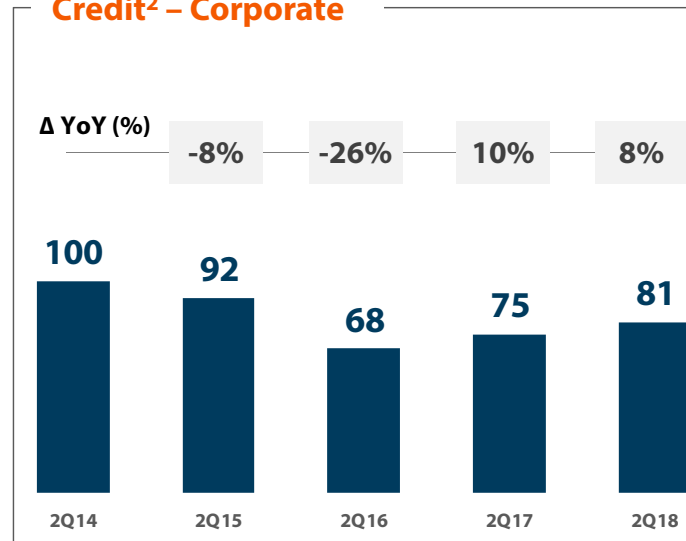
Credit² - Individuals



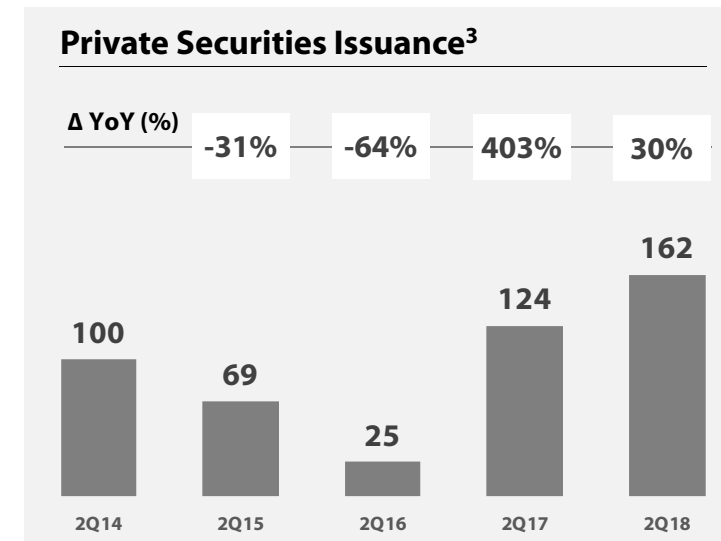
Credit² – Very Small, Small and Middle Market



Credit² – Corporate



Private Securities Issuance³

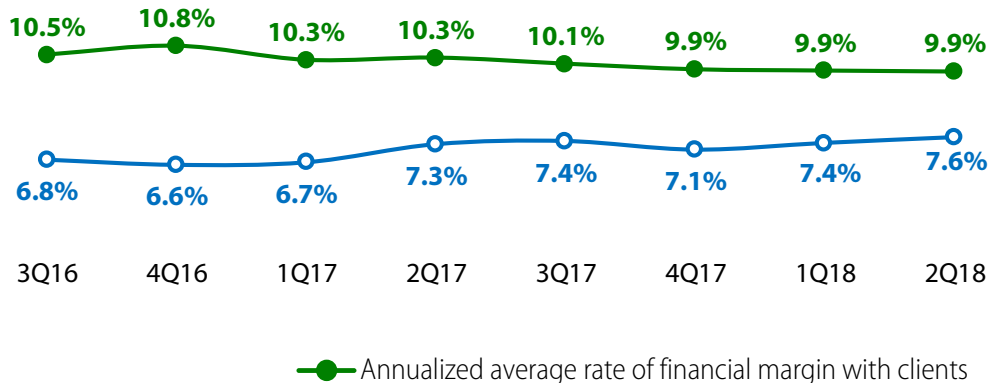


Note: Do not consider origination of Credit Card, Overdraft, Debt Renegotiation and other revolving credits. ¹ Average origination per working day in the quarter, except for private securities issuance. ² Does not include private securities issuance. ³ Considers total volume of fixed income and hybrid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

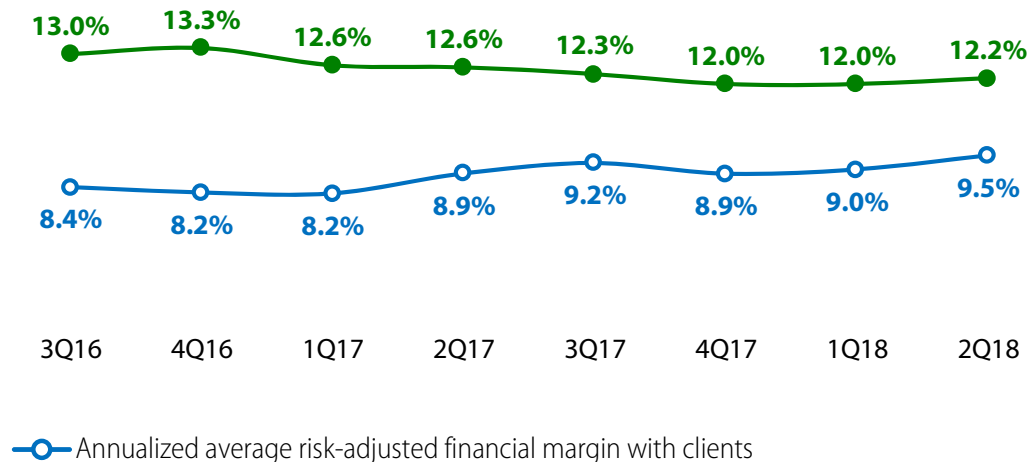
Net Interest Margin and Financial Margin with Clients

Annualized Average Rate

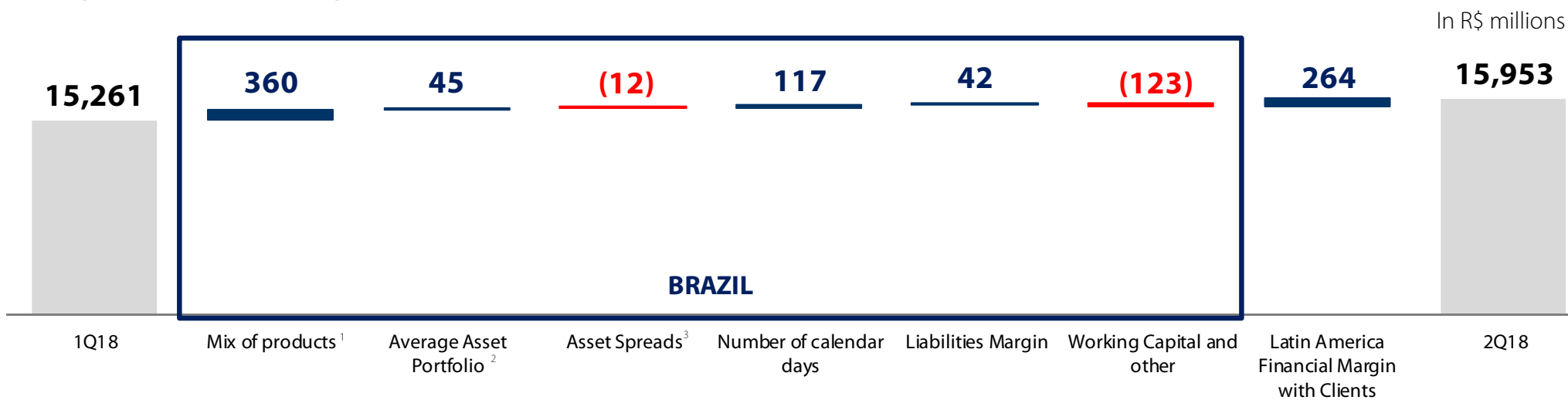
Consolidated



Brazil



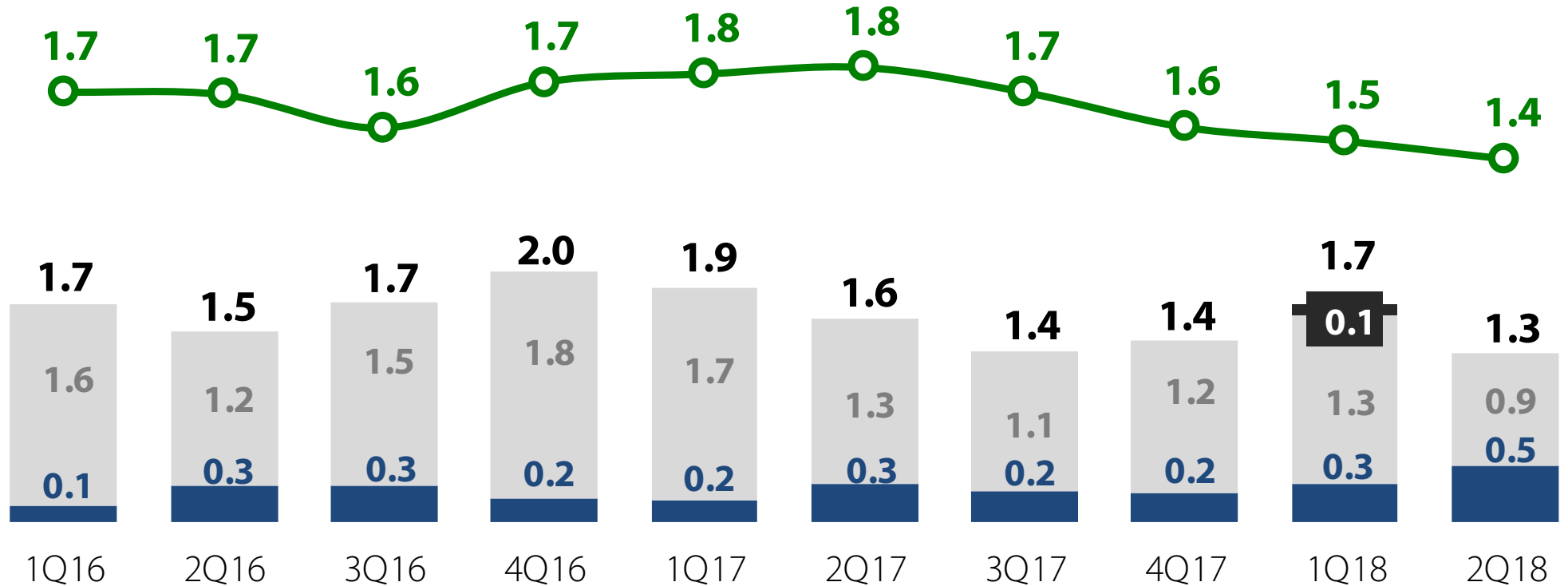
Change in Financial Margin with Clients



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

Financial Margin with the Market

In R\$ billions



■ Sale of B3 Shares

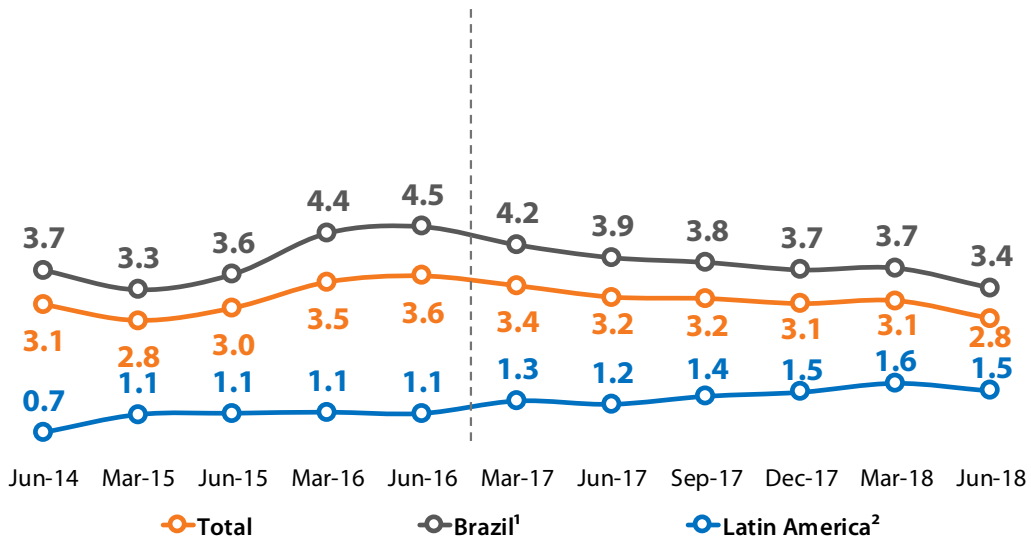
■ Financial Margin with the Market - Brazil¹

■ Financial Margin with the Market - Latin America^{2,3}

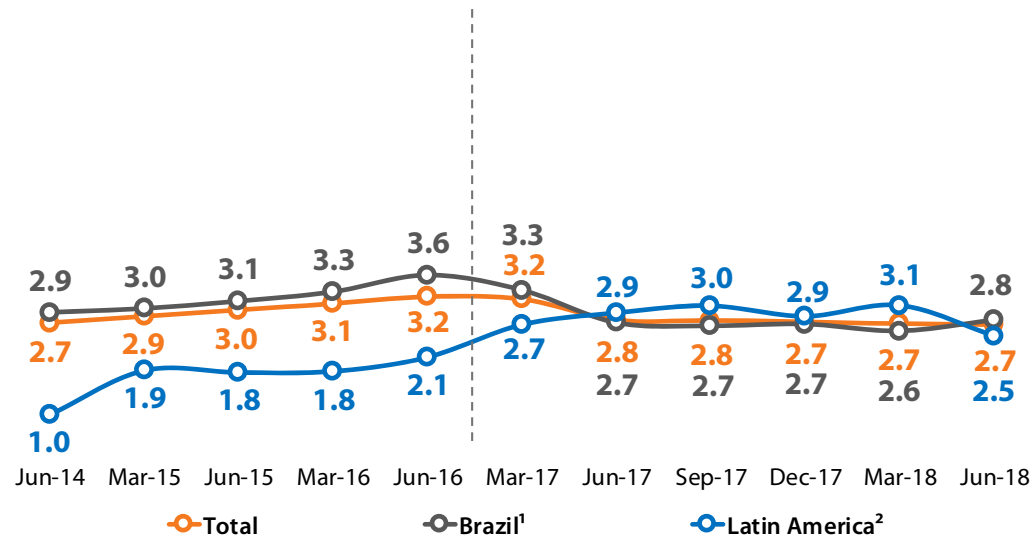
○ 1-year moving average of Financial Margin with the Market

¹ Includes units abroad ex-Latin America; ² Excludes Brazil; ³ The Latin America pro forma Financial Margin with the Market from 2015 and 1Q16 does not consider CorpBanca's information, which is classified in financial margin with clients.

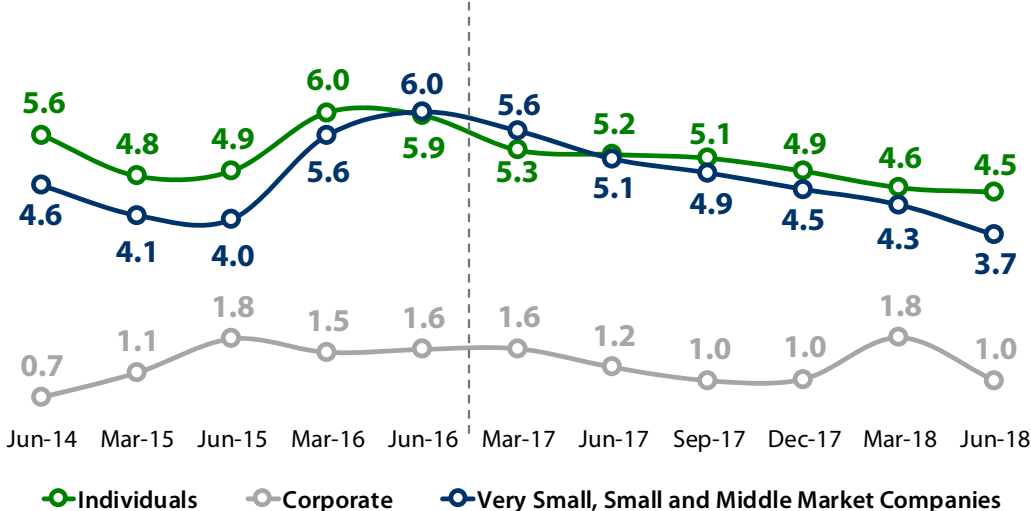
90-day NPL Ratio - Consolidated - %



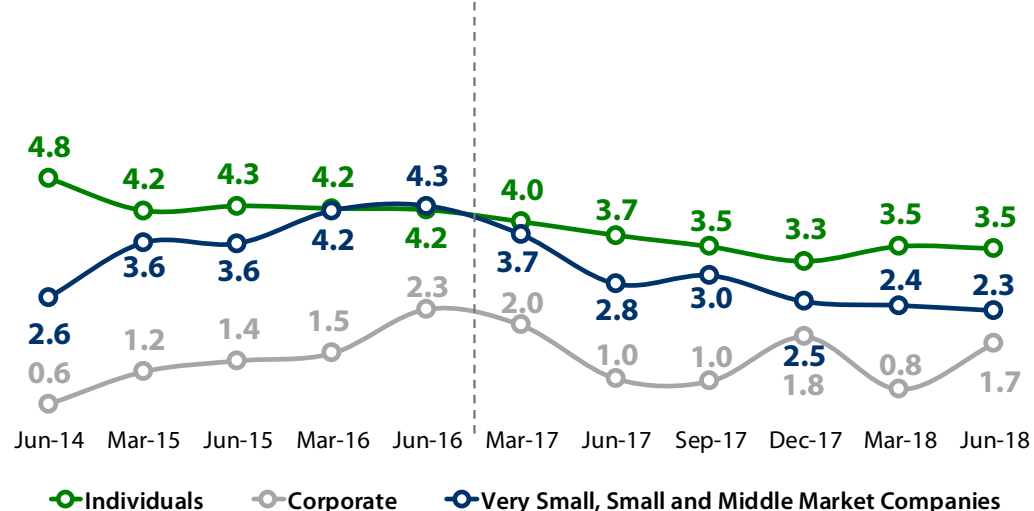
15 to 90-day NPL Ratio - Consolidated - %



90-day NPL Ratio - Brazil¹ - %



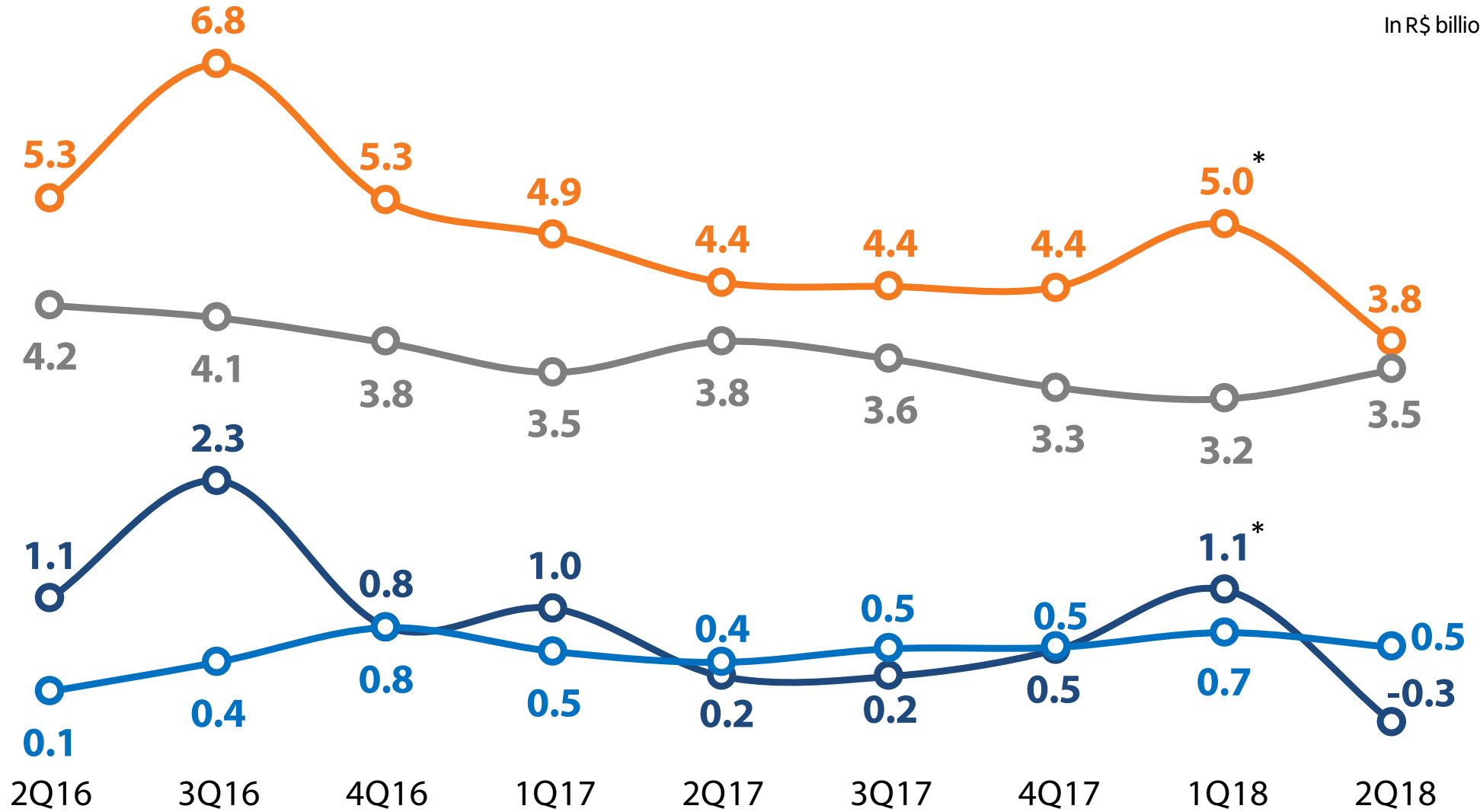
15 to 90-day NPL Ratio - Brazil¹ - %



Note: Total and Latin America 15 to 90-day NPL Ratios prior to June 2016 do not include CorpBanca. ¹ Includes units abroad ex-Latin America. ² Excludes Brazil.

NPL Creation

In R\$ billions

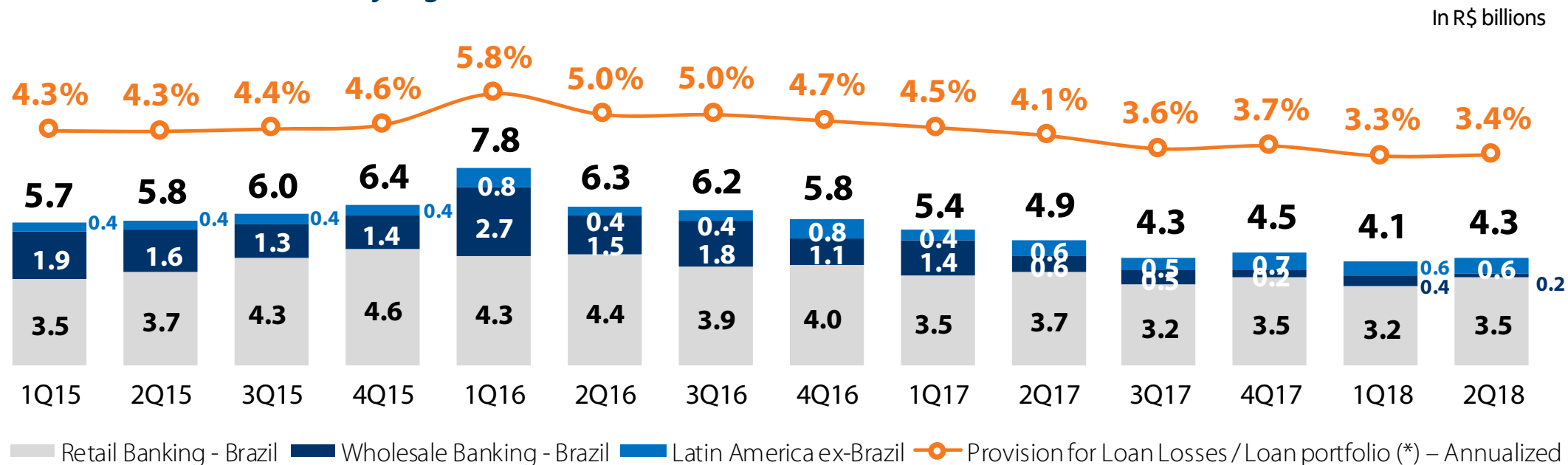


○ Total
 ○ Retail Banking - Brazil
 ○ Wholesale Banking - Brazil
 ○ Latin America ex-Brazil

* Excluding the exposure of a corporate cliente, the Total NPL Creation would have been R\$4.5 billion and the Wholesale Banking in Brazil NPL Creation would have been R\$0.6 billion.

Provision for Loan Losses and Cost of Credit

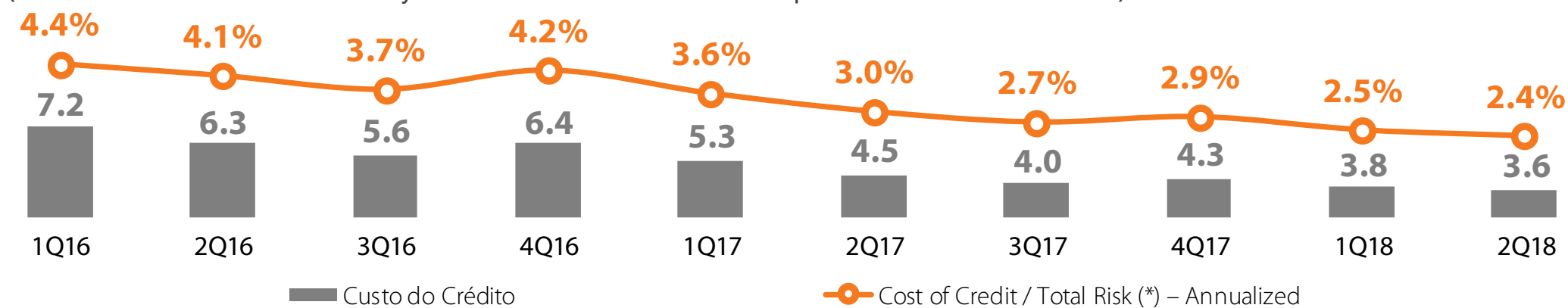
Provision for Loan Losses by Segment



(*) Average balance of the loan portfolio, considering the last two quarters.

Cost of Credit

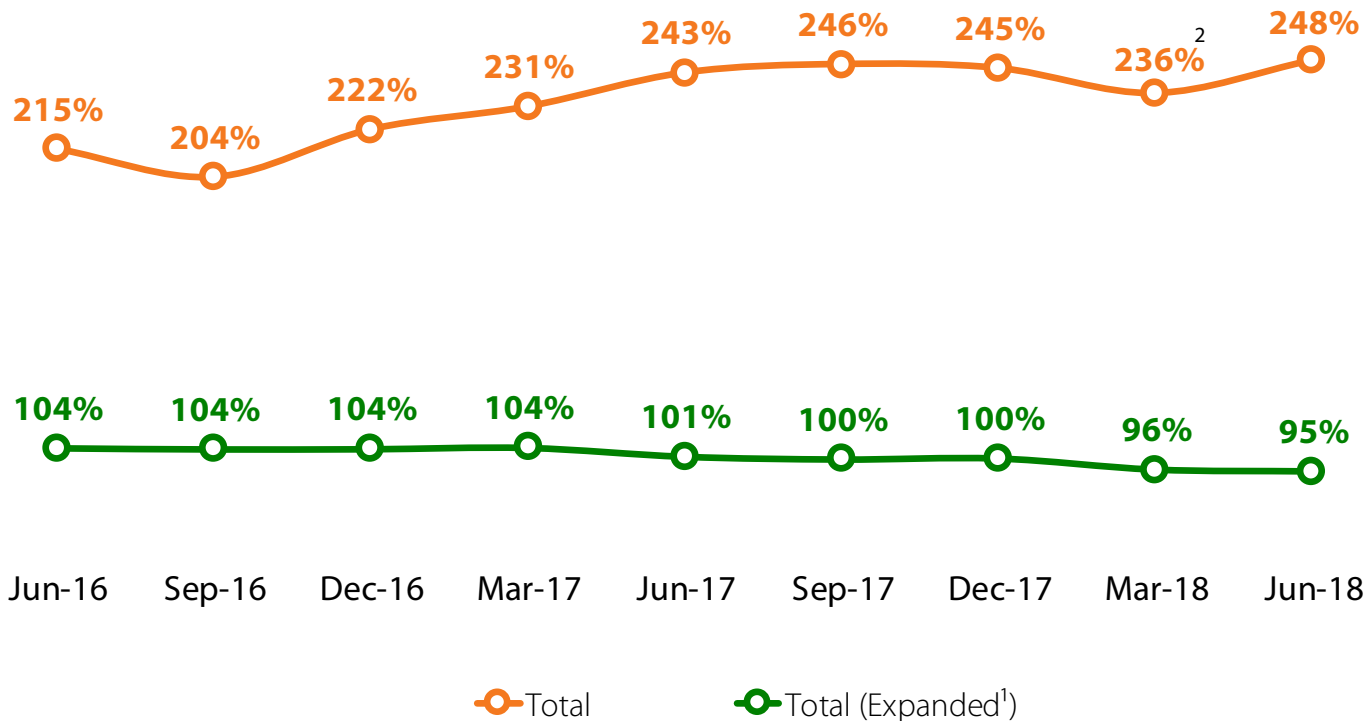
(Provision for Loan Losses + Recovery of Loans Written Off as Losses + Impairment + Discounts Granted)



(*) Average balance of the loan portfolio with financial guarantees provided and corporate securities, considering the last two quarters

Coverage Ratio (90-day NPL)

Coverage Ratio and Expanded Coverage Ratio

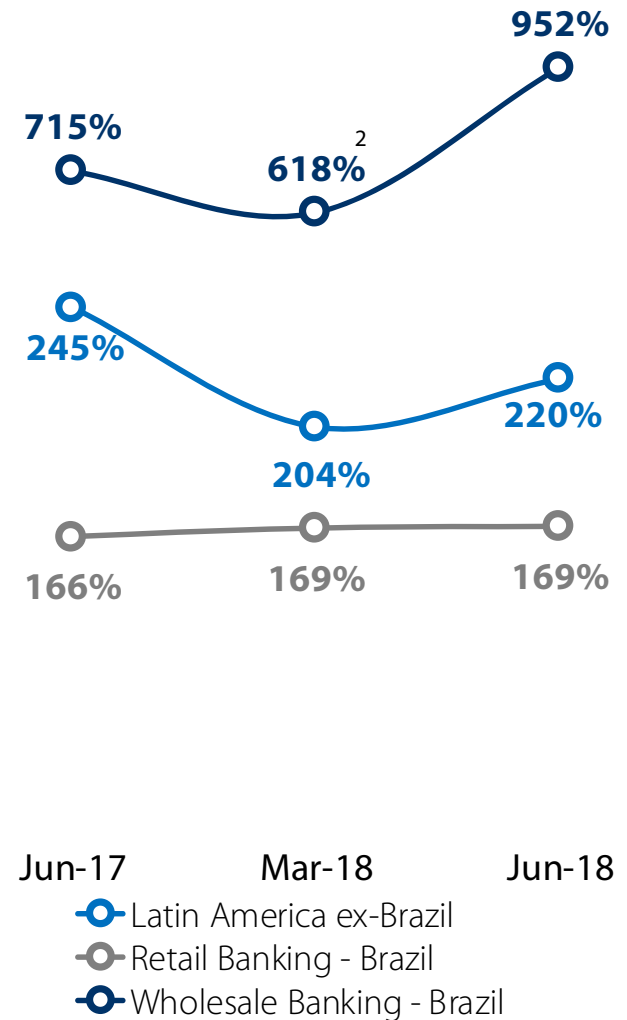


¹ Expanded Coverage Ratio is calculated from the division of the total allowance balance* by the sum of 90 days overdue operations and of renegotiated loan portfolio excluding the double counting of 90 days overdue renegotiated loans.

² Excluding the exposure of a corporate cliente, the Total coverage ratio would have been 244% and the Wholesale Banking in Brazil coverage ratio would have been 845%.

(*) Total allowance used for calculation of the coverage and expanded coverage ratios includes the provision for financial guarantees provided, which is recorded in liabilities as from March 2017, in accordance with CMN Resolution No. 4,512/16.

Coverage Ratio



Commissions & Fees and Result from Insurance



In R\$ billions	2Q18	1Q18	Δ	1H18	1H17	Δ
Credit Cards	3.0	3.1	-2.8%	6.2	6.0	3.7%
Current Account Services	1.8	1.8	0.1%	3.6	3.3	9.2%
Asset Management ¹	1.1	1.0	9.1%	2.1	1.7	26.4%
Credit Operations and Guarantees Provided	0.8	0.8	0.2%	1.7	1.7	1.7%
Collection Services	0.5	0.5	5.7%	0.9	0.8	12.5%
Advisory Services and Brokerage	0.4	0.3	29.9%	0.7	0.6	25.8%
Other	0.3	0.3	7.9%	0.5	0.6	-5.4%
Latin America (ex-Brazil)	0.7	0.7	7.3%	1.4	1.2	11.8%
Commissions and Fees	8.7	8.5	2.3%	17.3	15.9	8.6%
Result from Insurance Operations ²	1.6	1.6	2.7%	3.2	3.1	6.2%
Total	10.4	10.1	2.4%	20.5	18.9	8.2%

¹ Includes fund management fees and consortia management fees.

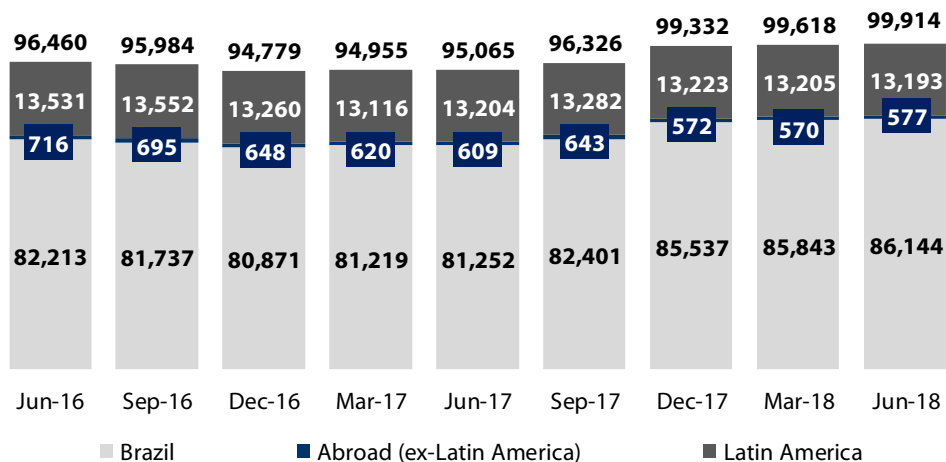
² Result from Insurance includes the Result from Insurance, Pension Plan and Premium Bonds Operations net of Retained Claims and Selling Expenses.

Non-Interest Expenses

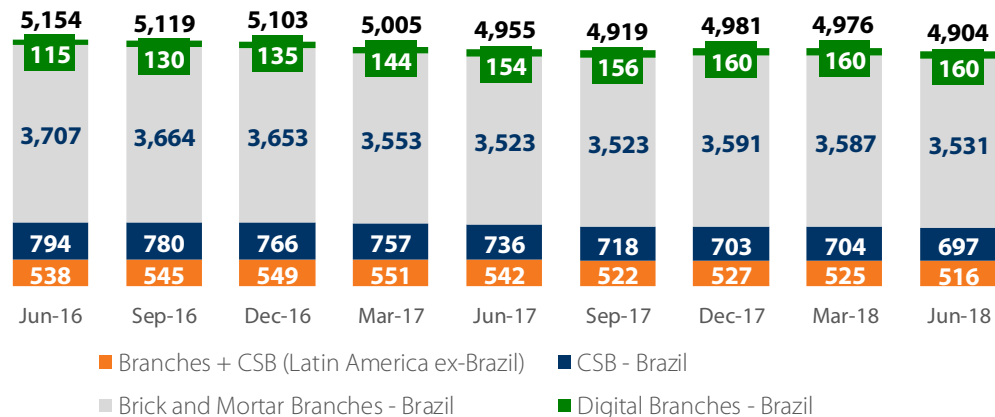
In R\$ billions	2Q18	1Q18	Δ	1H18	1H17	Δ
Personnel Expenses	(5.1)	(4.9)	3.3%	(10.0)	(9.8)	2.5%
Administrative Expenses	(4.0)	(3.7)	6.7%	(7.7)	(7.8)	-1.3%
Personnel and Administrative Expenses	(9.0)	(8.6)	4.8%	(17.7)	(17.5)	0.8%
Operating Expenses	(1.2)	(1.1)	6.0%	(2.3)	(2.3)	-2.1%
Other Tax Expenses ⁽¹⁾	(0.1)	(0.1)	3.4%	(0.2)	(0.2)	-4.6%
Total Brazil ex-Citibank	(10.3)	(9.8)	4.9%	(20.1)	(20.0)	0.5%
Latin America (ex-Brazil) ⁽²⁾	(1.6)	(1.5)	9.2%	(3.1)	(2.5)	21.0%
Citibank	(0.4)	(0.4)	-7.7%	(0.8)	-	-
Total	(12.3)	(11.7)	5.0%	(23.9)	(22.6)	6.1%

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

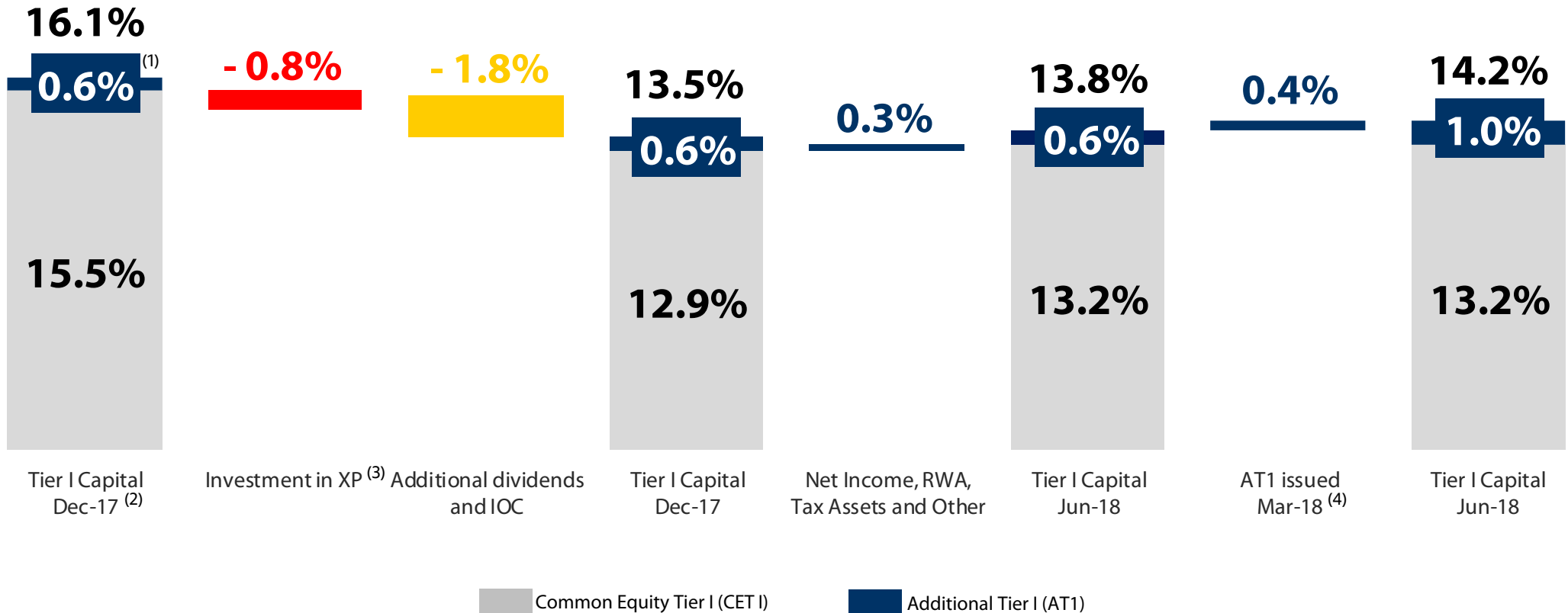
Employees



Branches and Client Service Branches



Full application of Basel III rules | June 30, 2018

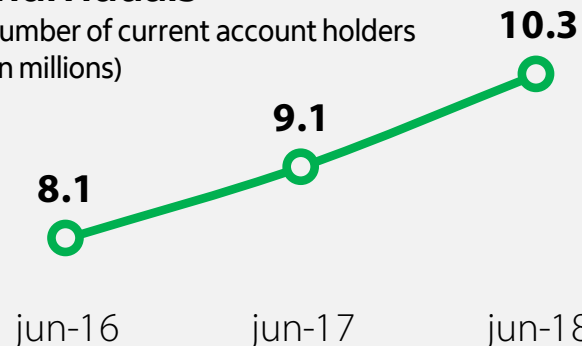


(1) The impact of 0.6% represents AT1 issued. (2) Includes deductions of Goodwill, Intangible Assets (generated before and after October 2013), Tax Credits from Temporary Differences and Tax Loss Carryforwards, Pension Fund Assets, Equity Investments in Financial Institutions, Insurance and similar companies, the increase of the multiplier of the amounts of market risk, operational risk and certain credit risk accounts. This multiplier, which was 10.8% in 2017, is at 11.6 nowadays, will be 12.5 in 2019. (3) Based on preliminary information. (4) Includes a 10 basis points impact from the exchange rate variation over the Additional Tier I Capital perpetual notes.

Use of Digital Channels

Individuals

number of current account holders
(in millions)



Companies

number of current account holders
(in millions)



Note: Number of retail current account holders that use Internet, mobile or SMS.

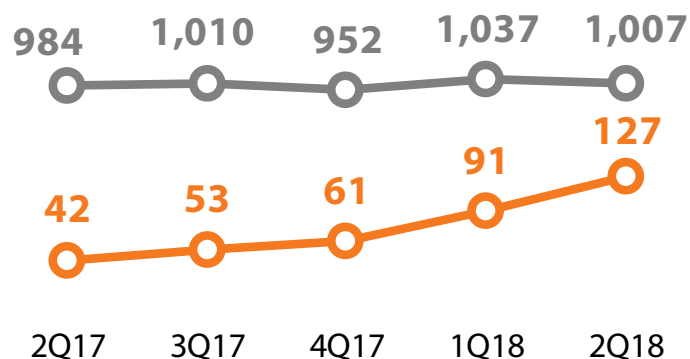
Share of Transactions through digital channels

	Jun-16	Jun-18
Credit	16%	18%
Investments	29%	38%
Payments	61%	79%

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

New Accounts¹

(In thousands)

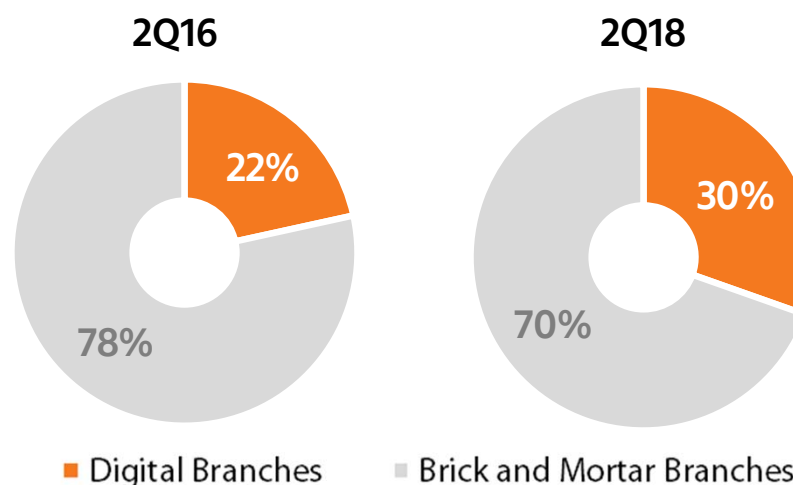


—○— Abreconta App
—○— Brick and Mortar Branches

¹ Individuals accounts.

Digital Operations on our Operating Revenues

Share on the Retail Operating Revenues



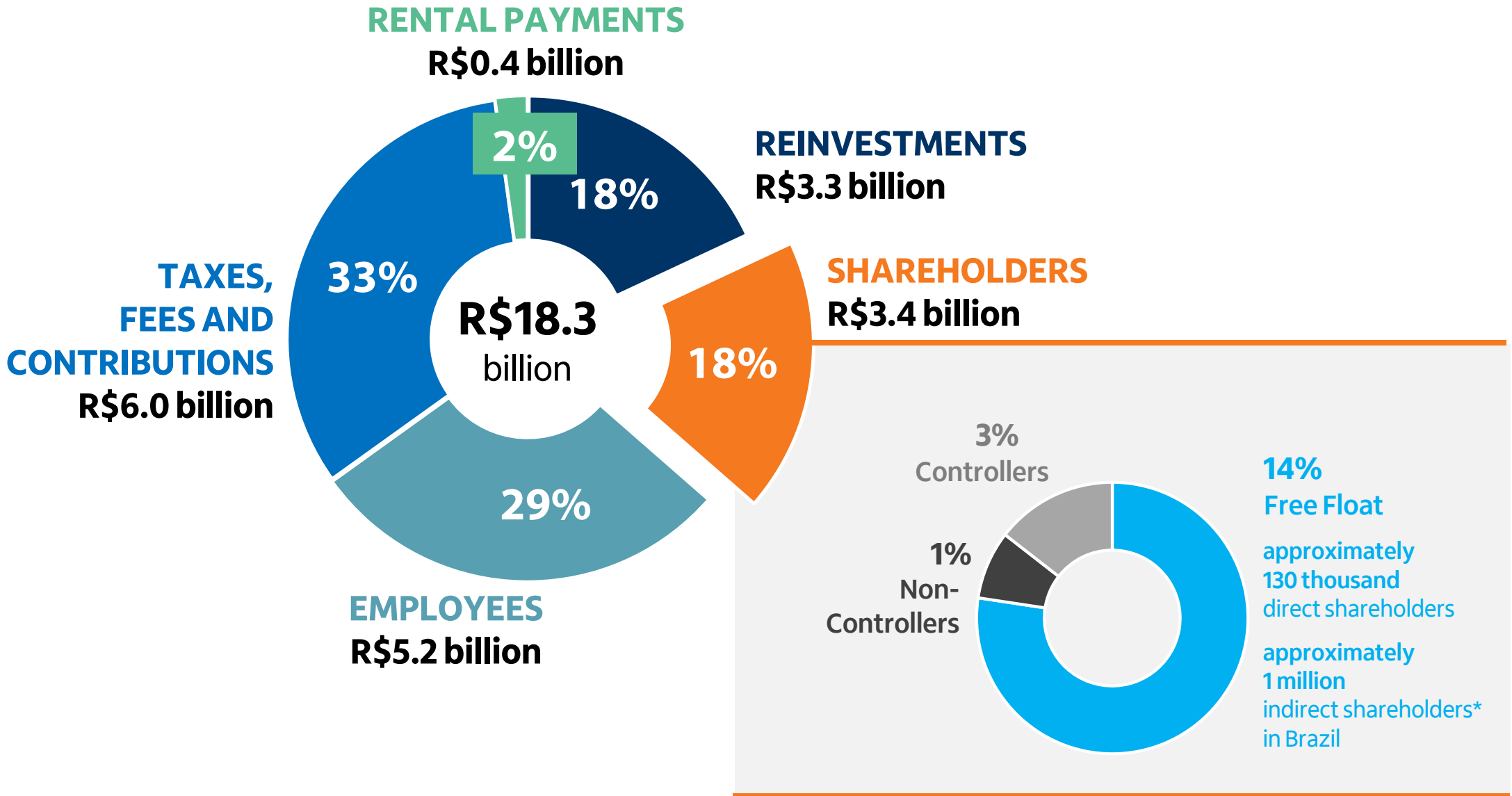
Efficiency Ratio
2Q18

Brick and Mortar Branches
69.8%

vs

Digital Branches
26.2%

Distribution of Added Value in the 2Q18



Note: includes recurring net income and the reclassification of hedge tax effects of investments abroad to the financial margin.

* Indirect shareholders are individuals or institutional investors who have indirectly bought our shares through an investment fund.

We kept unchanged the ranges of our 2018 forecast.

2018 forecast considers Citibank's retail operations. Therefore, 2017 income statement basis for 2018 forecast must consider Citibank's figures in all lines of the income statement and also in the credit portfolio.*

	Consolidated	Brazil ¹
Total Credit Portfolio ²	From 4.0% to 7.0%	From 4.0% to 7.0%
Financial Margin with Clients	From -0.5% to 3.0%	From -1.0% to 2.5%
Financial Margin with the Market	Between R\$4.3 bn and R\$5.3 bn	Between R\$3.3 bn and R\$4.3 bn
Cost of Credit ³	Between R\$12.0 bn and R\$16.0 bn	Between R\$10.5 bn and R\$14.5 bn
Commissions and Fees and Result from Insurance Operations ⁴	From 5.5% to 8.5%	From 6.5% to 9.5%
Non-Interest Expenses	From 0.5% to 3.5%	From 0.5% to 3.5%
Effective Tax Rate ⁵	From 33.5% to 35.5%	From 34.0% to 36.0%

(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; (5) Considers the constitution of new deferred tax assets at a rate of 40%.

(*) For further details, please refer to page 13 of the 2Q18 Management Discussion & Analysis.

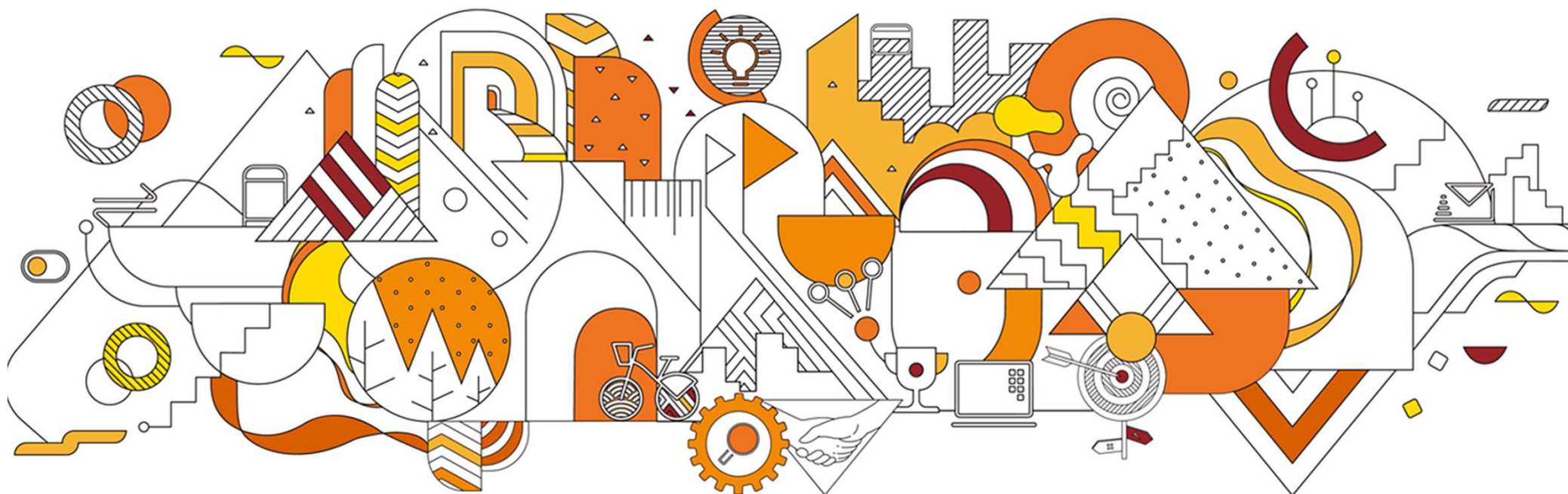
Wednesday, September 12th at 2:00 p.m.

Hotel Unique – Espaço de Eventos

Av. Brigadeiro Luiz Antônio, 4700. Jardim Paulista – São Paulo – SP

The presentation will be transmitted via website www.itaú.com.br/investor-relations, including simultaneous translation into English.

Please access the Investor Relations website for further information: www.itaú.com.br/investor-relations





Conference Call

2nd quarter 2018 - Earnings Review

Candido Botelho Bracher

President and CEO

Caio Ibrahim David

Executive Vice-President, CFO and CRO

Alexsandro Broedel

Executive Finance Director and Head of Investor Relations

Marcos Magalhães

Merchant Acquirer Executive Director

