



Conference Call
2018 Earnings Review

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Highlights

4th quarter 2018

Recurring Net Income



Recurring ROE



Credit ¹



NPL 90 days



Financial Margin with Clients



Commission, Fees and Insurance Results ²



Cost of Credit



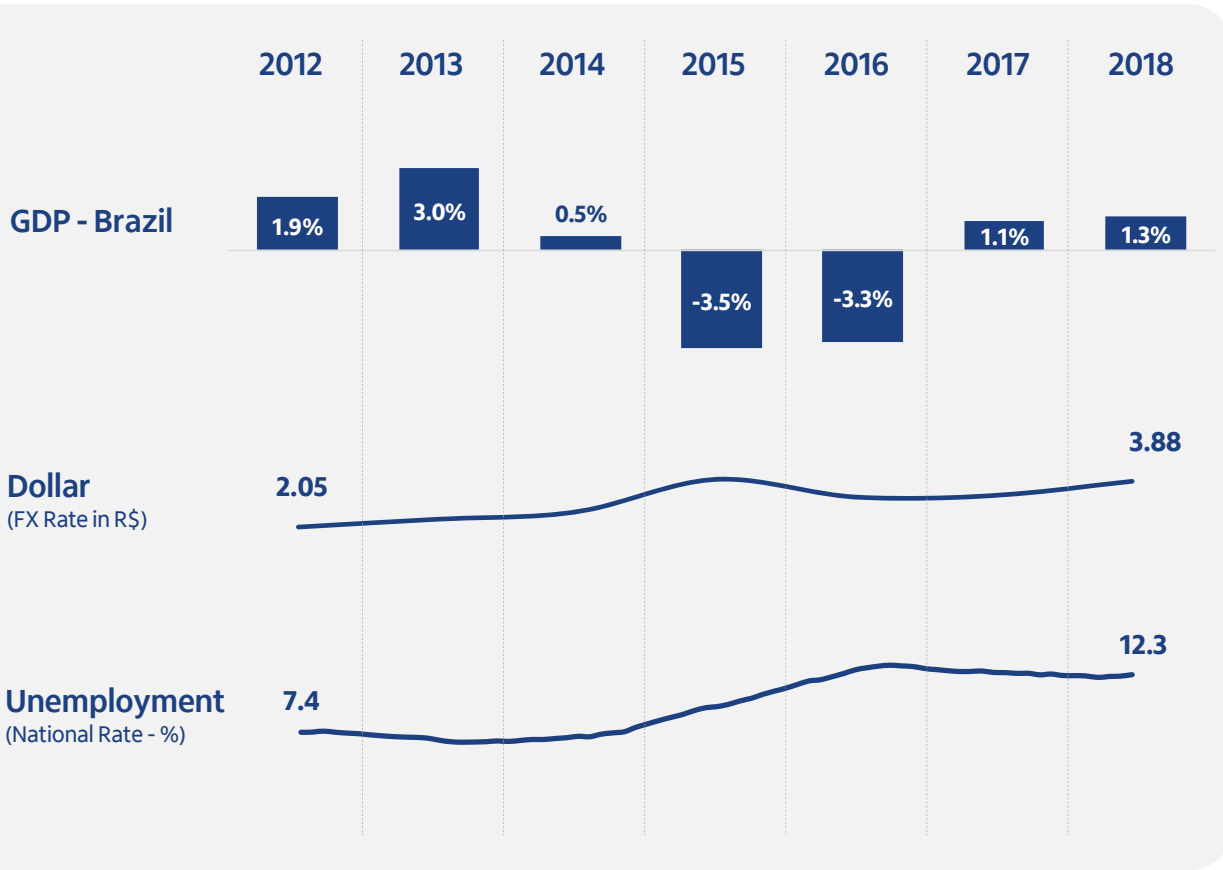
Non-Interest Expenses



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

About 2018

Macroeconomic Outlook



	Forecast ¹	Actual ²
GDP - World	3.8%	3.8%
GDP - Brazil	3.0%	1.3%
SELIC ³	6.50%	6.50%
Inflation ⁴	3.8%	3.7%
Unemployment ^{3,5}	11.8%	12.3%
Dollar ^{3,6}	3.50	3.88

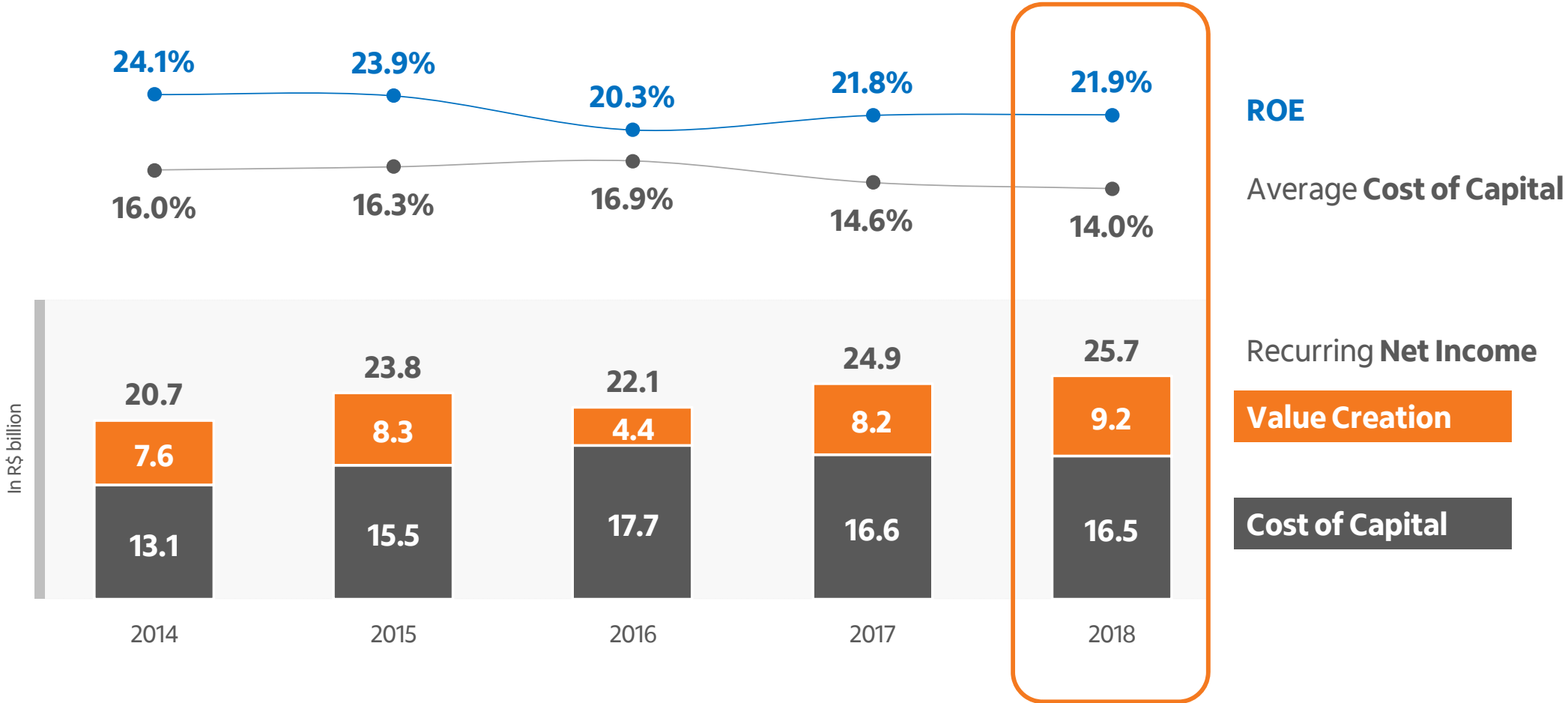
(1) Itaú Unibanco forecast for 2018 on 02/05/2018; (2) GDP data projected; (3) End of period; (4) IPCA; (5) National unemployment rate - seasonally adjusted; (6) FX Rate in R\$.

2018 Forecast

	Consolidated		Brazil ¹	
	Realized	Expected	Realized	Expected
Total Credit Portfolio ²	6.1%	4.0% — 7.0%	4.2%	4.0% — 7.0%
Financial Margin with Clients	2.2%	-0.5% — 3.0%	-0.2%	-1.0% — 2.5%
Financial Margin with the Market	R\$5.5 bn	R\$4.3 bn — R\$5.3 bn	R\$4.0 bn	R\$3.3 bn — R\$4.3 bn
Cost of Credit ³	R\$14.1 bn	R\$12.0 bn — R\$16.0 bn	R\$12.3 bn	R\$10.5 bn — R\$14.5 bn
Commissions and Fees and Results from Insurance Operations ⁴	5.5%	5.5% — 8.5%	5.1%	6.5% — 9.5%
Non-Interest Expenses	5.0%	0.5% — 3.5%	3.3%	0.5% — 3.5%
Effective Tax Rate ⁵	34.1%	33.5% — 35.5%	34.7%	34.0% — 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%.

Recurring Net Income and Value Creation



Credit by Client profile or Product

Forecast: Total Credit Portfolio

4.0%

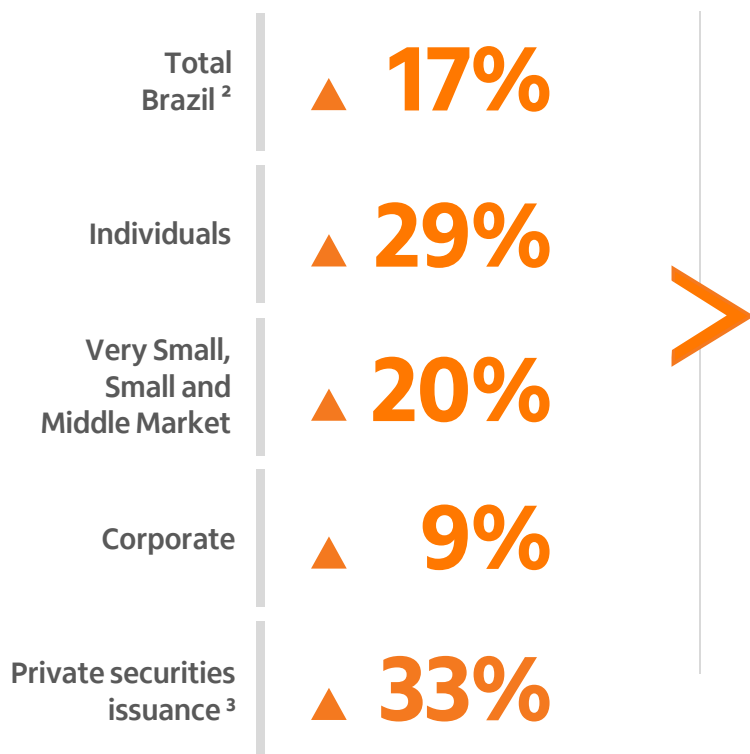
7.0%

6.1%

Realized

Credit origination¹ and private securities issuance

2018 vs. 2017



In R\$ billions, end of period

	2018	2017	Δ
Individuals	211.3	191.5	10.3%
Credit Card Loans	77.5	66.9	15.7%
Personal Loans	29.2	26.4	10.9%
Payroll Loans	46.7	44.4	5.0%
Vehicle Loans	15.9	14.1	12.9%
Mortgage Loans	42.0	39.7	5.8%
Very Small, Small and Middle Market Loans	70.8	61.9	14.4%
Individuals + Very Small, Small and Middle Market Loans	282.1	253.4	11.3%
Corporate Loans	191.6	201.1	-4.7%
Credit Operations	153.3	165.1	-7.1%
Corporate Securities	38.3	36.0	6.5%
Latin America	163.2	145.6	12.0%
Total with Financial Guarantees provided and Corporate Securities	636.9	600.1	6.1%
Total (ex-foreign exchange rate variation)	636.9	614.9	3.6%

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. 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

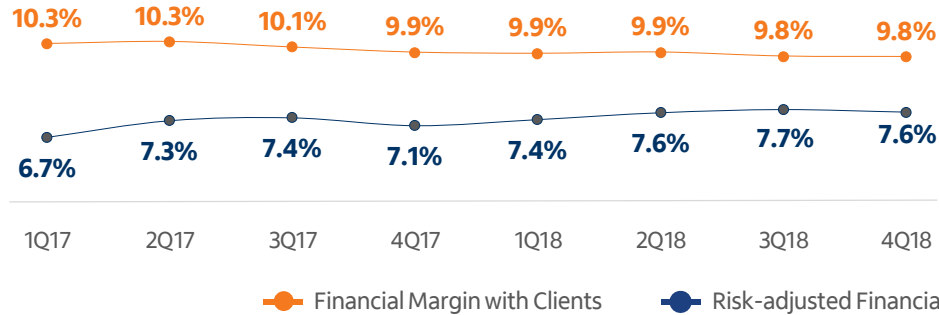
Forecast: Margin with Clients

-0.5% 3.0%

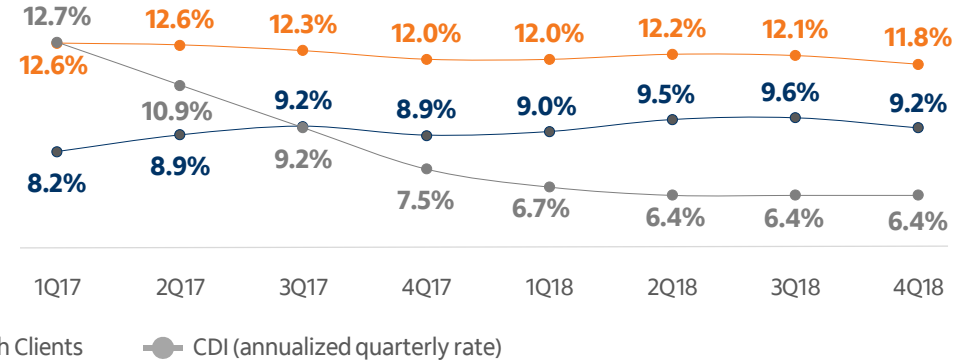
2.2%
Realized

Annualized Average Rate

Consolidated

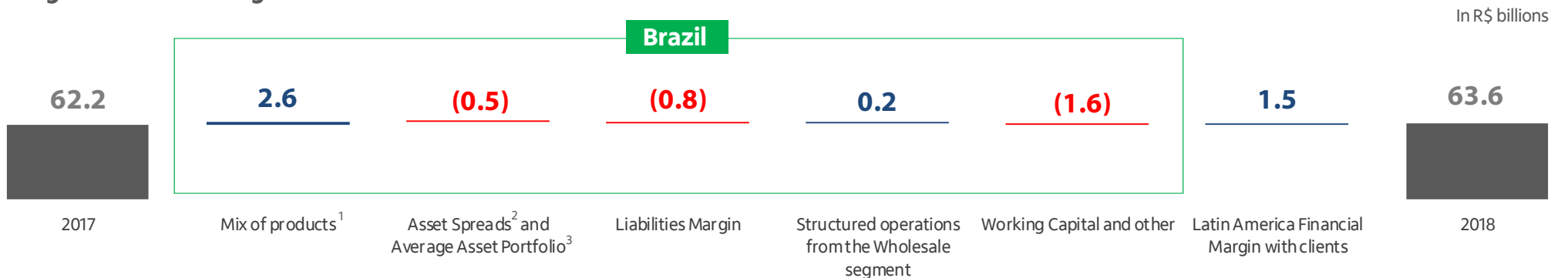


Brazil



Change in Financial Margin with Client

Brazil



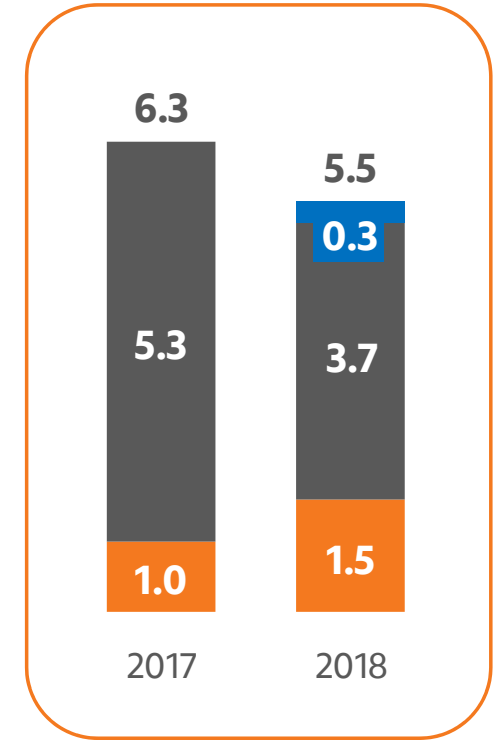
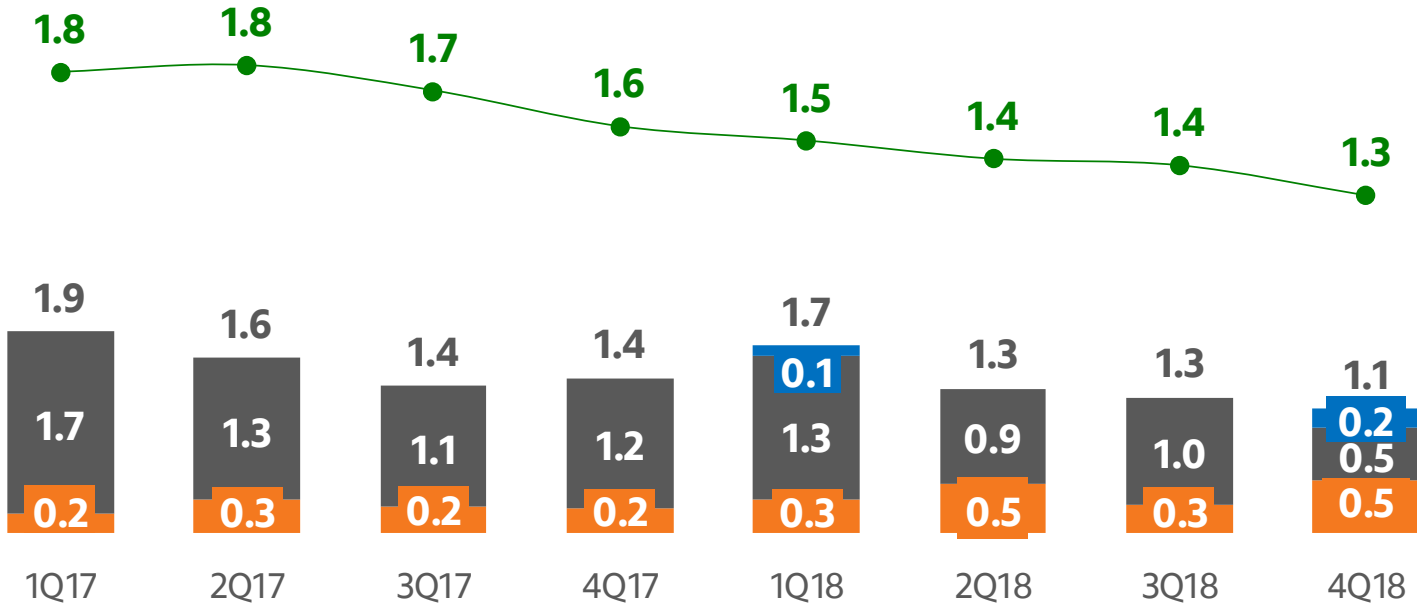
(1) Change in the composition of assets with credit risk between periods; (2) Spreads variation of assets with credit risk between periods; (3) Considers credit and private securities portfolio net of overdue balance over 60 days.

Financial Margin with the Market

Forecast: Margin with the Market

R\$4.3 bn R\$5.3 bn **R\$5.5 bn**

Realized



■ Financial Margin with the Market – Brazil¹

■ Sale of shares - B3

■ Financial Margin with the Market – Latin America²

● 1 year moving average of Financial Margin with the Market

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

Cost of Credit and Credit Quality

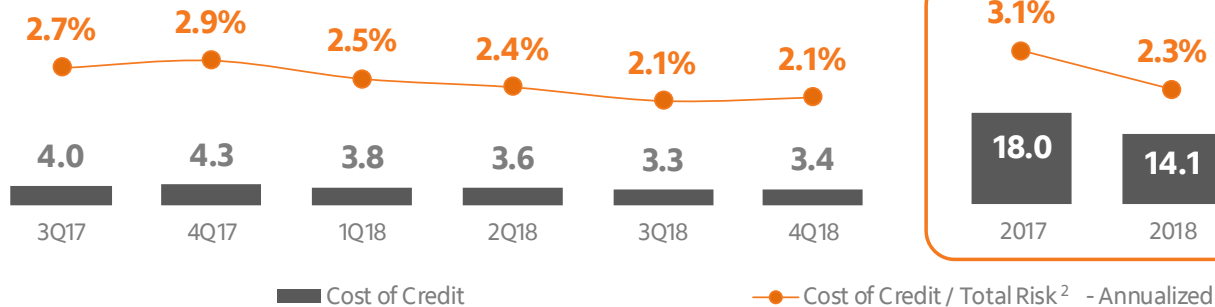
Forecast: Cost of Credit

R\$12.0 bn R\$16.0 bn

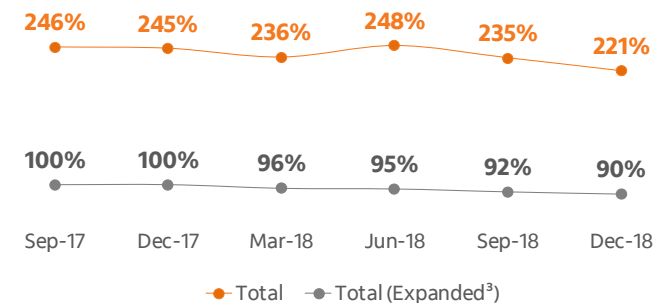
R\$14.1 bn
Realized

Cost of Credit ¹

In R\$ Billions



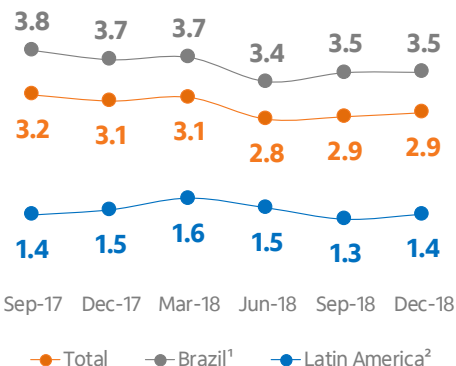
Coverage Ratio



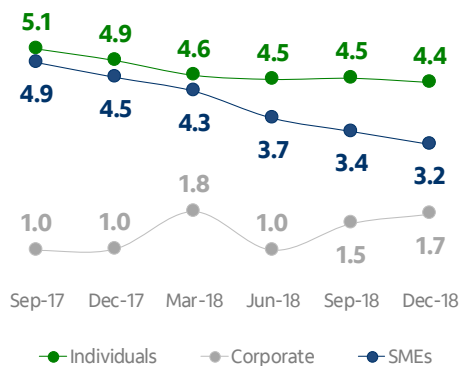
(1) Provision for Loan Losses and + Recovery of Loans written-off as Losses + Impairment + Discounts Granted; (2) Average balance of the loan portfolio with financial guarantees provided and corporate securities, considering the last two quarters; (3) Is calculated from the division of the total allowance balance by the sum of 90 days overdue operations and of renegotiated loan portfolio excluding the double counting of 90 days overdue renegotiated loans.

NPL Ratio

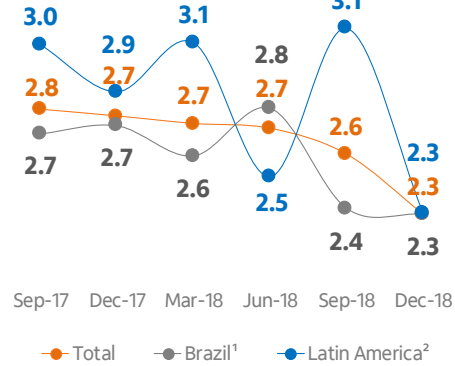
Consolidated (90 days) - %



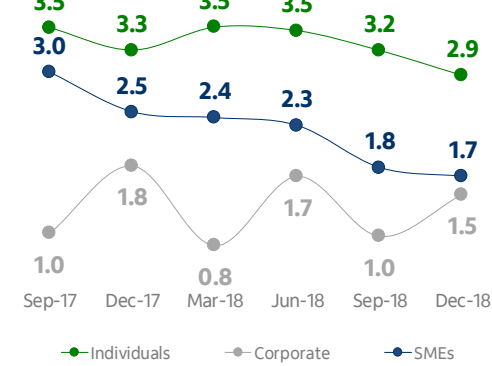
Brazil (90 days) - %



Consolidated (15-90 days) - %



Brazil (15-90 days) - %



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

Commissions and Fees and Result From Insurance Operations

Forecast: Services and Insurance²

5.5%

8.5%

5.5%

Realized

In R\$ billions	2018	2017	Δ
Credit and Debit Cards	13.4	13.2	2.0%
Current Account Services	7.3	6.8	7.8%
Asset Management ¹	4.4	3.6	22.7%
Credit Operations and Guarantees Provided	2.5	2.6	-3.5%
Collection Services	1.9	1.7	9.6%
Advisory Services and Brokerage	1.6	1.4	12.7%
Other	1.0	1.2	-12.0%
Latin America (ex-Brazil)	2.9	2.6	13.5%
Commissions and Fees	35.1	33.0	6.3%
Result from Insurance Operations ²	6.4	6.3	1.6%
Total	41.4	39.3	5.5%

Current Account Holders

▲ 10.0%

Increase in the number of Individuals account holders compared to 2017.

Assets Under Administration ³

In R\$ Billions

946

Dec-17

1,107

Dec-18

▲ 17.1%

Transactions with Cards - Value

In R\$ Billions

Issuer

▲ 16.9%

394

2017

461

2018

Acquiring:

▲ 11.6%

392

2017

437

2018

(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; (3) Does not include Latin America (ex-Brazil)

Non-Interest Expenses

Forecast: Non-Interest Expenses

0.5%

3.5%

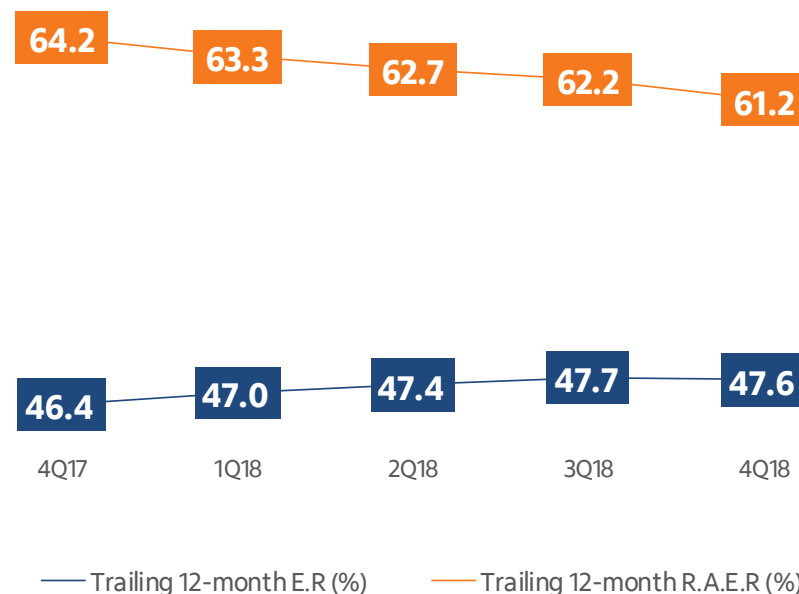
5.0%

Realized

In R\$ billions	2018	2017	Δ
Personnel Expenses	(20.9)	(20.2)	3.7%
Administrative Expenses	(15.9)	(15.8)	0.6%
Personnel Expenses and Administrative Expenses	(36.9)	(36.0)	2.3%
Operating Expenses	(4.4)	(4.9)	-11.0%
Other Tax Expenses ¹	(0.3)	(0.3)	-4.8%
Total Brazil ex-Citibank	(41.6)	(41.3)	0.7%
Latin America (ex-Brazil) ²	(6.5)	(5.4)	19.1%
Citibank	(1.3)	(0.3)	-
Total	(49.4)	(47.0)	5.0%

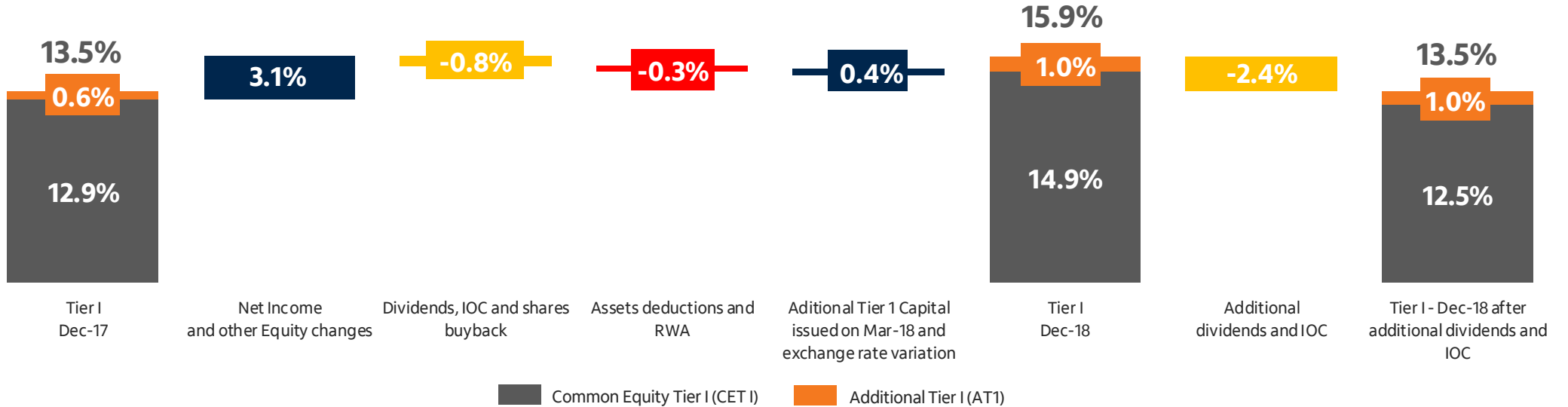
(1) Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS; (2) Does not consider overhead allocation.

Efficiency Ratio

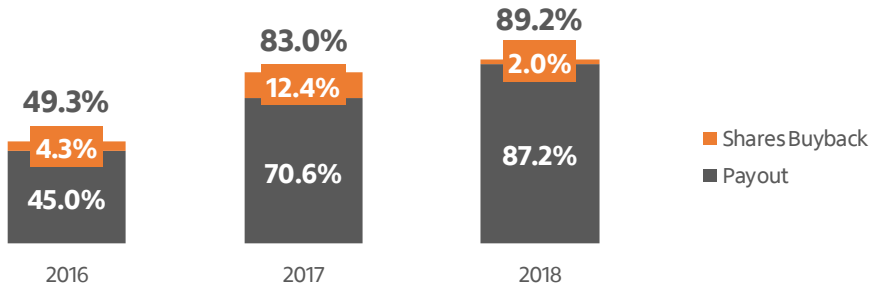


Capital and Payout

Full application of Basel III rules | December 31, 2018

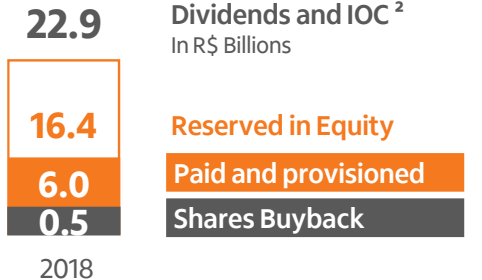


Payout and Shares Buyback



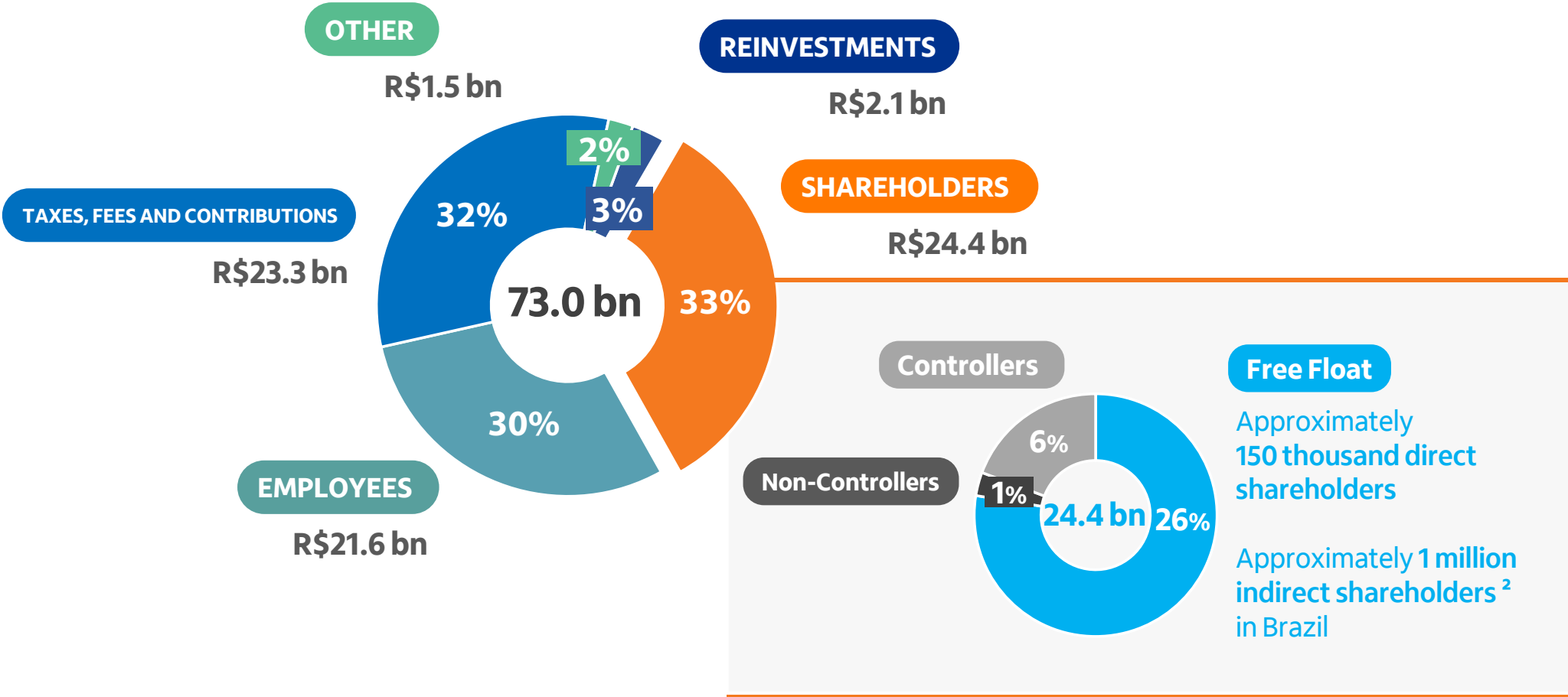
Dividend Yield ¹

7.5%
in 2018



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

Distribution of Added Value ¹



(1) Includes recurring net income and the reclassification of hedge tax effects of investments abroad to the financial margin; (2) Indirect shareholders are individuals or institutional investors who have indirectly bought our shares through an investment fund.

Translating strategy into action

Client Centricity

• **D** Implementation of client satisfaction measurement program (NPS)

 Development of an **open** insurance platform

 Launch of **Pop Credicard** machines' family

 Digital branches **to very small companies**

 First installment of personal loan **in up to 90 days**

 **Zero** carrying rate to **Pension Plans** and **Treasury custody**

 Launch of **Itaú Keyboard**, to transfer money without leaving the app you are using

 Launch of **Apple Pay** and **Samsung Pay**

People Management

Dress Code Flexibility for Employees



Go As I Am

New Working Methods

Mobility, Home Office e Communities



30 communities in the bank
+ 6 thousand employees working on this new model

Working to increase diversity...

A bank of all colors 

Appreciation and respect for what people are, regardless of race, gender, sexual orientation, religion, age, etc.

Women's
Empowerment
campaign

LGBT+
Diversity
week

racial
Diversity
week

Digital Transformation

Digital channel numbers

+ 600 thousand individual accounts opened with Abreconta app in 2018

Almost 100 thousand accounts opened in Nov-18

+ 11 million individuals using our digital channels

Intensifying the adoption of Cloud

22 thousand hours of training* to **+ 800** employees

*in Cloud and other modern technology capabilities

+ 40 new functions on mobile channels

318 updates
in all of our
apps in 2018

Average of 2
updates per month
by app

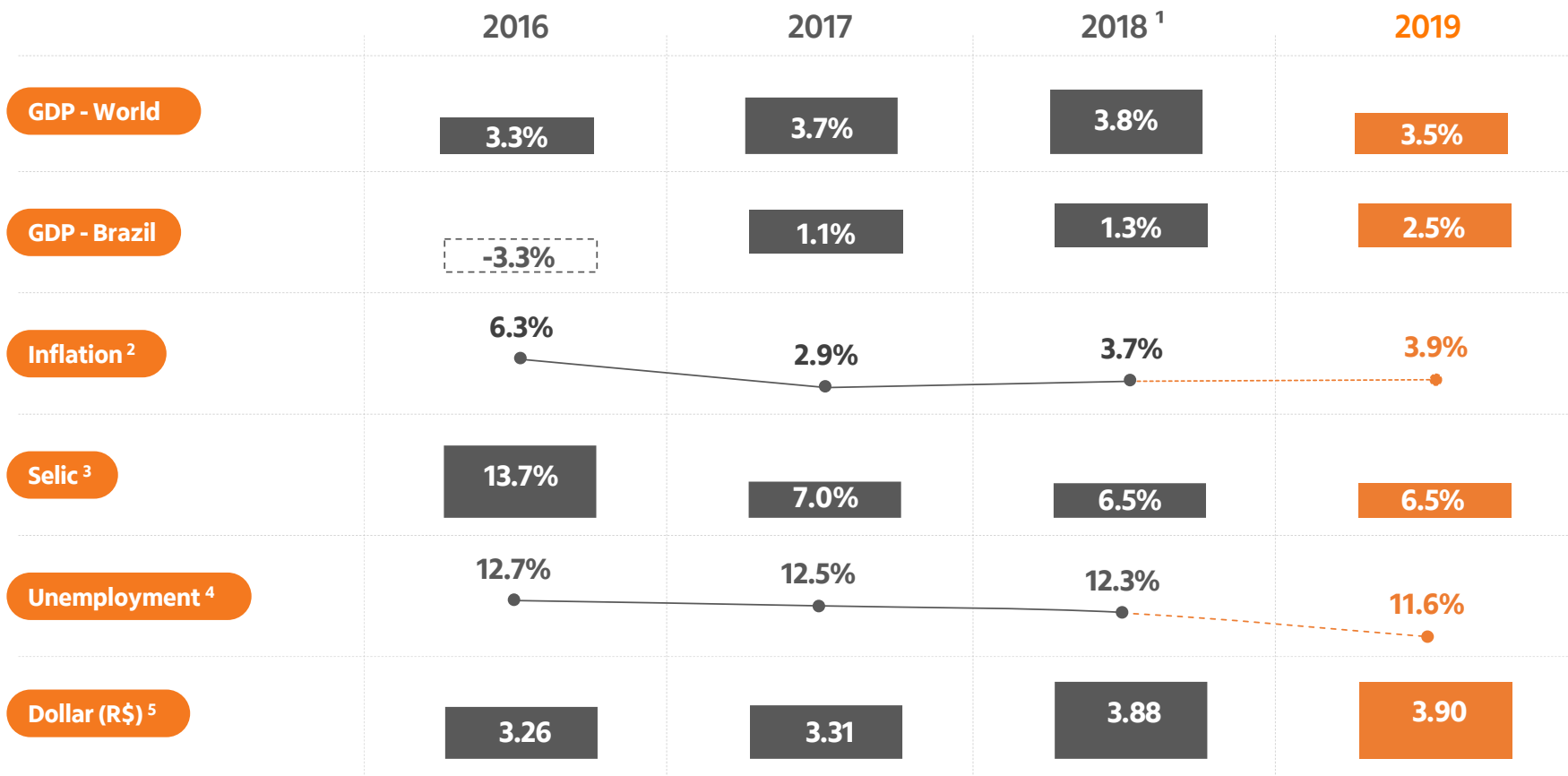
New Cubo opening

4 times more space | startups | partners | residents

728 business with corporates,
+ 60 projects with Itaú Unibanco

About 2019

2019 Macroeconomic Outlook



(1) GDP data projected; (2) IPCA; (3) End of period; (4) National unemployment rate - seasonally adjusted; (5) FX Rate in R\$.

2019 Forecast

	Consolidated	Brazil ¹
Total Credit Portfolio ²	8.0% — 11.0%	8.0% — 11.0%
Financial Margin with Clients	9.5% — 12.5%	9.5% — 12.5%
Financial Margin with the Market	R\$4.6 bn — R\$5.6 bn	R\$3.6 bn — R\$4.6 bn
Cost of Credit ³	R\$14.5 bn — R\$17.5 bn	R\$12.5 bn — R\$15.5 bn
Commissions and Fees and Results from Insurance Operations ⁴	3.0% — 6.0%	3.0% — 6.0%
Non-Interest Expenses	5.0% — 8.0%	5.5% — 8.5%
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

	2018					2017					Δ				
	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital
Operating Revenues	111.8	56.9	1.6	51.5	1.7	109.3	56.1	1.6	48.8	2.7	2.5	0.8	0.0	2.7	(1.0)
Managerial Financial Margin	69.1	45.5	1.6	20.3	1.7	68.5	45.6	1.6	18.6	2.7	0.6	(0.1)	0.0	1.7	(1.0)
Commissions and Fees	35.1	11.4	0.0	23.6	-	33.0	10.5	0.0	22.5	-	2.1	0.9	(0.0)	1.2	-
Result from Insurance ¹	7.7	-	-	7.7	-	7.8	-	-	7.8	-	(0.1)	-	-	(0.1)	-
Cost of Credit	(14.1)	(14.1)	-	-	-	(18.0)	(18.0)	-	-	-	3.9	3.9	-	-	-
Retained Claims	(1.2)	-	-	(1.2)	-	(1.3)	-	-	(1.3)	-	0.0	-	-	0.0	-
Non-Interested Expenses and Other Expenses ²	(57.1)	(27.1)	(0.9)	(29.0)	(0.1)	(53.8)	(26.0)	(0.5)	(27.1)	(0.1)	(3.2)	(1.0)	(0.3)	(1.9)	0.0
Recurring Net Income	25.7	9.2	0.5	14.3	1.7	24.9	8.3	0.7	13.5	2.4	0.9	0.9	(0.2)	0.8	(0.7)
Average Regulatory Capital	123.8	61.8	1.5	38.0	22.5	120.2	58.1	2.0	29.6	30.4	3.6	3.7	(0.6)	8.4	(7.9)
Value Creation	9.2	0.9	0.3	9.3	(1.3)	8.2	0.1	0.4	9.6	(1.8)	1.0	0.9	(0.1)	(0.3)	0.6
Recurring ROE	21.9%	14.9%	34.2%	37.6%	7.7%	21.8%	14.3%	35.4%	45.4%	7.9%	10 bps	60 bps	-120 bps	-780 bps	-20 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.

Results

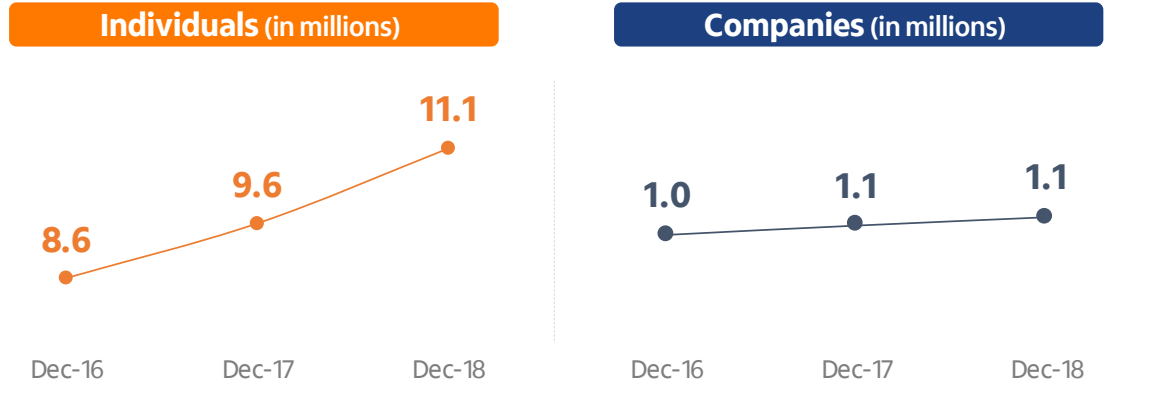
In R\$ Billions	4Q18	3Q18	Δ	2018	2017	Δ
Operating Revenues	28.5	27.9	2.1%	111.8	109.3	2.3%
Managerial Financial Margin	17.4	17.4	-0.2%	69.1	68.5	0.8%
Financial Margin with Clients	16.2	16.2	0.5%	63.6	62.2	2.2%
Financial Margin with the Market	1.1	1.3	-8.5%	5.5	6.3	-12.7%
Commissions and Fees	9.2	8.6	6.5%	35.1	33.0	6.3%
Result from Insurance ¹	1.9	1.9	2.1%	7.7	7.8	-1.5%
Cost of Credit	(3.4)	(3.3)	4.7%	(14.1)	(18.0)	-21.9%
Provision for Loan Losses	(3.8)	(3.9)	-2.8%	(16.1)	(19.1)	-15.8%
Impairment	(0.3)	(0.1)	203.5%	(0.5)	(1.1)	-50.1%
Discounts Granted	(0.3)	(0.3)	9.6%	(1.2)	(1.1)	4.3%
Recovery of Loans Written Off as Losses	1.0	1.0	-5.3%	3.7	3.3	12.5%
Retained Claims	(0.3)	(0.3)	-8.1%	(1.2)	(1.3)	-3.7%
Other Operating Expenses	(14.7)	(14.3)	2.8%	(56.3)	(53.8)	4.7%
Non-Interest Expenses	(12.8)	(12.6)	1.2%	(49.4)	(47.0)	5.0%
Tax Expenses and Other ²	(1.9)	(1.6)	15.5%	(6.9)	(6.7)	2.8%
Income before Tax and Minority Interests	10.1	10.0	0.4%	40.2	36.2	11.0%
Income Tax and Social Contribution	(3.4)	(3.4)	-2.0%	(13.7)	(11.3)	21.6%
Minority Interests in Subsidiaries	(0.2)	(0.2)	58.2%	(0.8)	(0.1)	977.4%
Recurring Net Income	6.5	6.5	0.4%	25.7	24.9	3.4%

⁽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.

Digital Transformation

Use of Digital Channels ¹

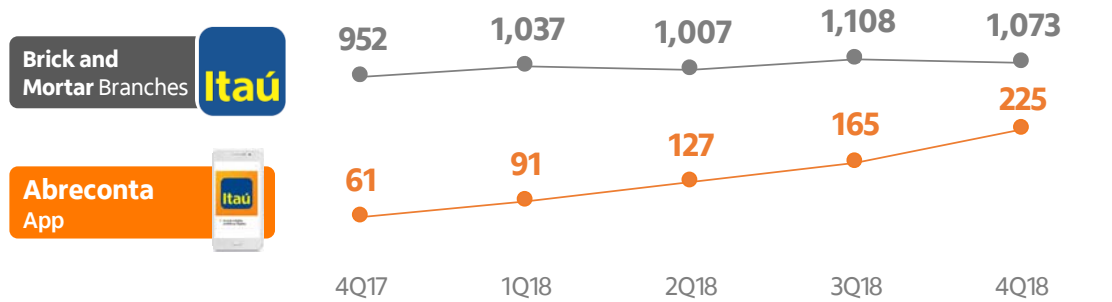


% of transactions through digital channels

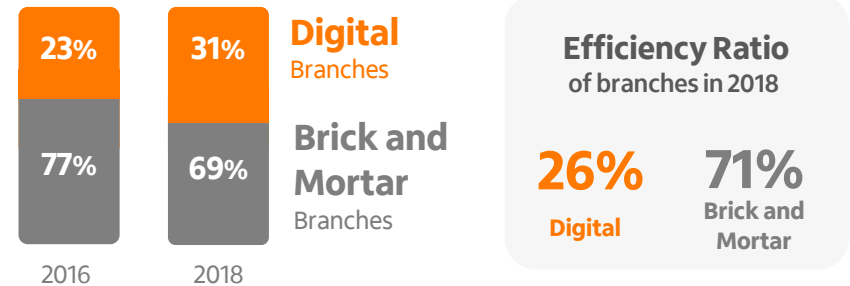
	2016	2018
Credit	16%	19%
Investments	31%	41%
Payments	61%	76%

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



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

Learn more about our result

www.itaubank.com.br/investor-relations





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President and CEO

Milton Maluhy Filho

Executive Vice-President, CFO and CRO

Alexsandro Broedel

Executive Finance Director and Head of Investor Relations

