



Conference Call

1st 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

Marcos Magalhães

Merchant Acquirer Executive Director



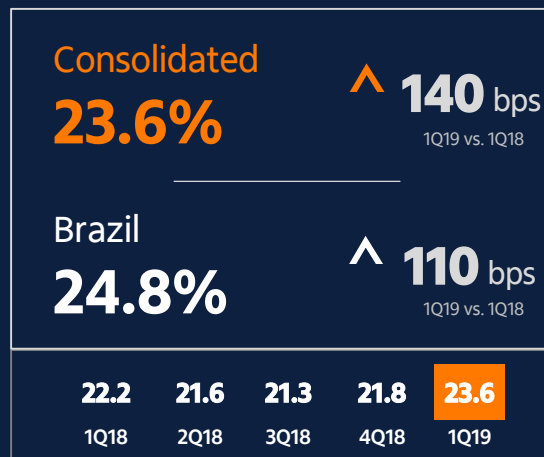
Highlights

1st quarter 2019

Recurring Net Income



Recurring ROE



Credit ¹



NPL 90 days



Financial Margin with Clients



Commission, Fees and Insurance Results ²



Cost of Credit

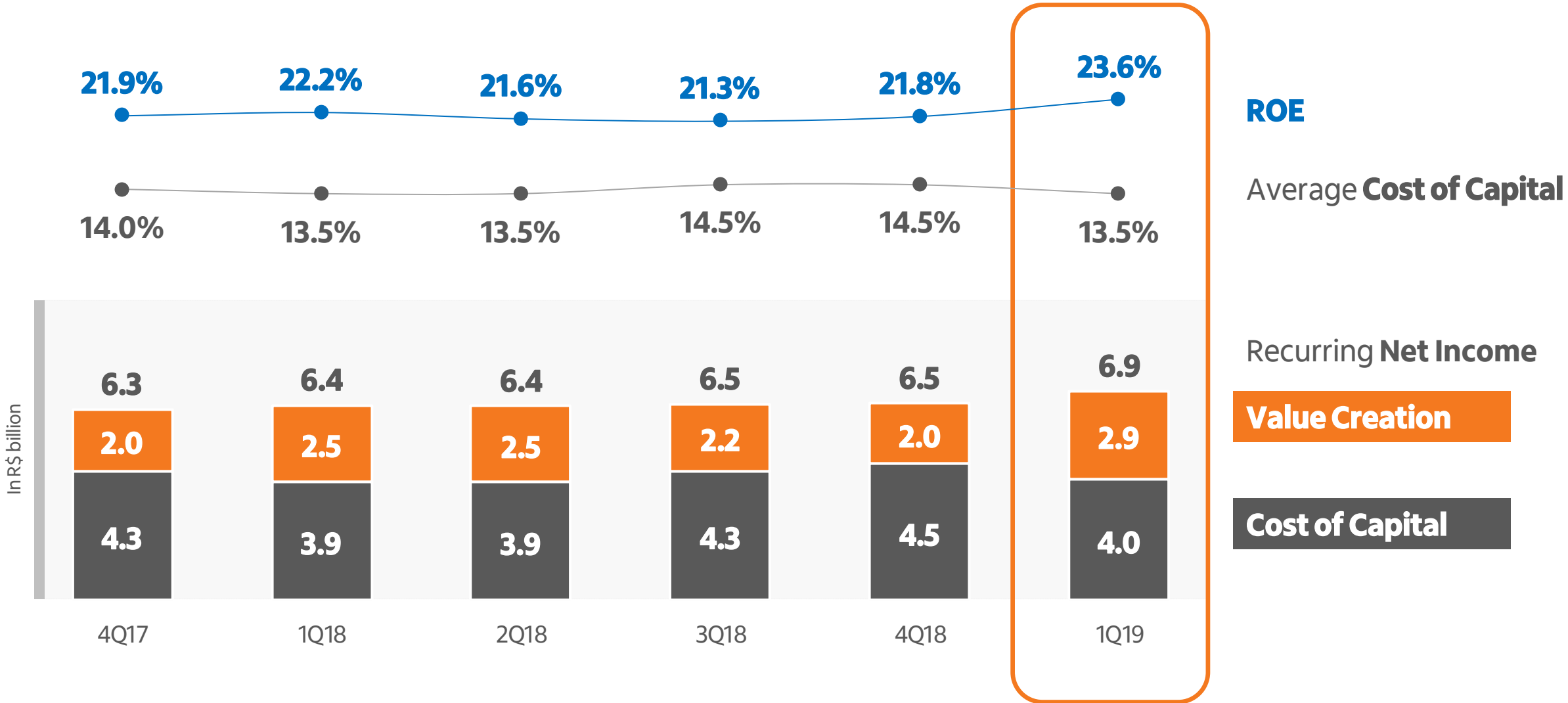


Non-Interest Expenses



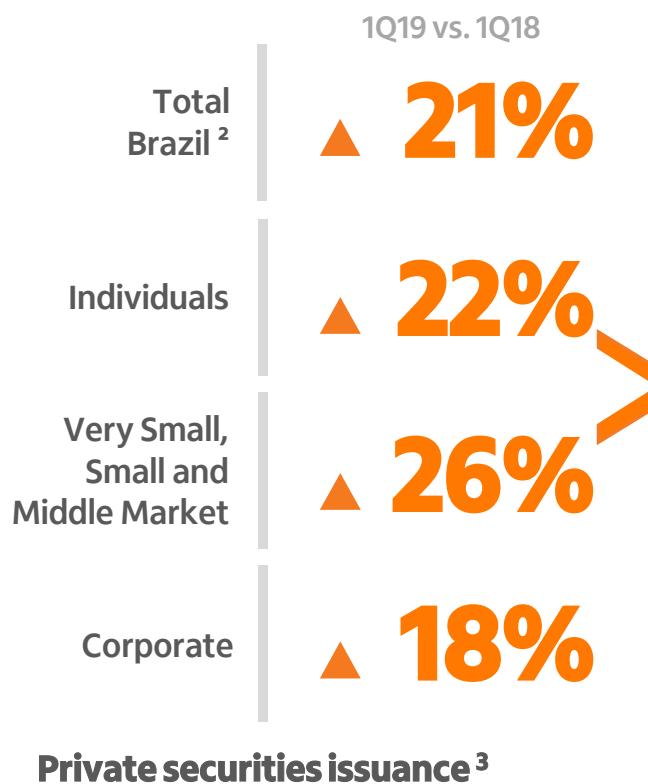
(1) Total with Financial Guarantees provided and Corporate Securities; (2) Revenues from Insurance (-) Claims Expenses (-) Insurance Selling Expenses.

Recurring Net Income and Value Creation



Credit by Client profile or Product

Credit origination¹



1Q19

1st place in the ANBIMA ranking

R\$6.7 bn

In R\$ billions, end of period

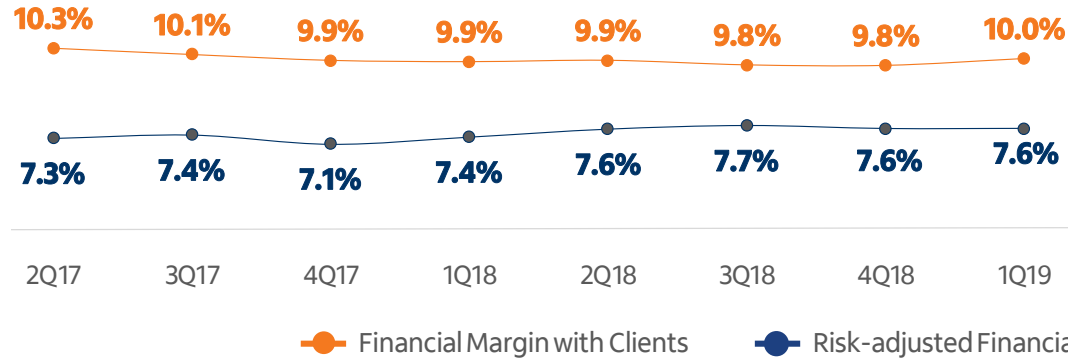
	1Q19	4Q18	Δ	1Q18	Δ
Individuals	215.6	211.3	2.0%	191.4	12.7%
Credit Card Loans	76.4	77.5	-1.3%	65.0	17.6%
Personal Loans	31.1	29.2	6.5%	27.4	13.7%
Payroll Loans	48.6	46.7	4.2%	44.7	8.8%
Vehicle Loans	16.6	15.9	4.1%	14.3	15.7%
Mortgage Loans	42.9	42.0	1.9%	40.0	7.2%
Very Small, Small and Middle Market Loans	74.1	70.8	4.7%	63.0	17.6%
Individuals + Very Small, Small and Middle Market Loans	289.7	282.1	2.7%	254.4	13.9%
Corporate Loans	190.7	191.6	-0.5%	196.7	-3.1%
Credit Operations	152.6	153.3	-0.4%	162.0	-5.8%
Corporate Securities	38.0	38.3	-0.8%	34.7	9.6%
Latin America	166.7	163.2	2.1%	150.0	11.1%
Total with Financial Guarantees provided and Corporate Securities	647.1	636.9	1.6%	601.1	7.7%

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)

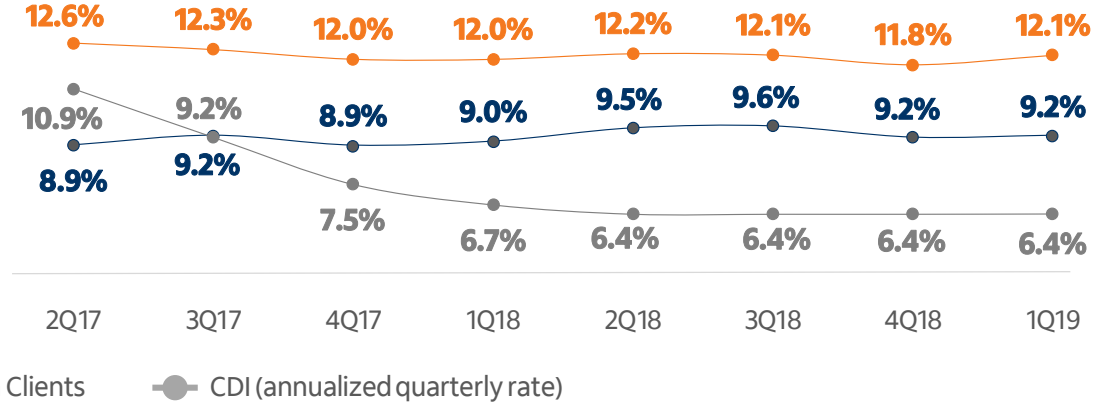
Financial Margin with Clients

Annualized Average Rate

Consolidated

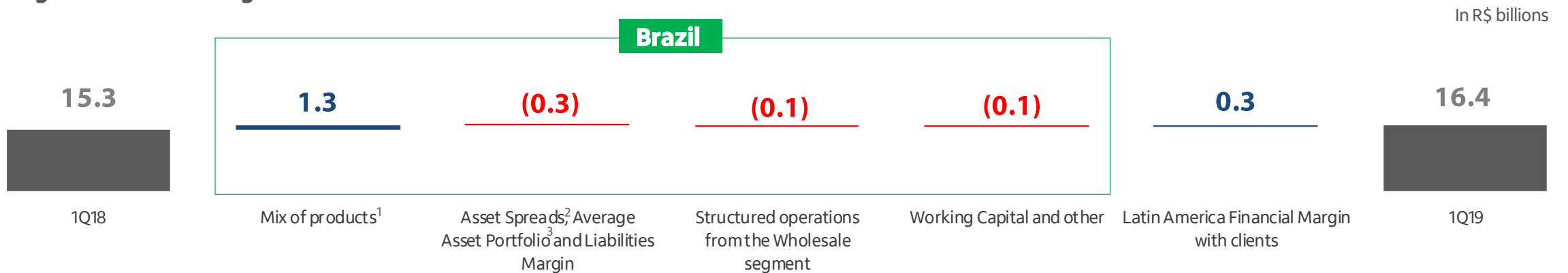


Brazil



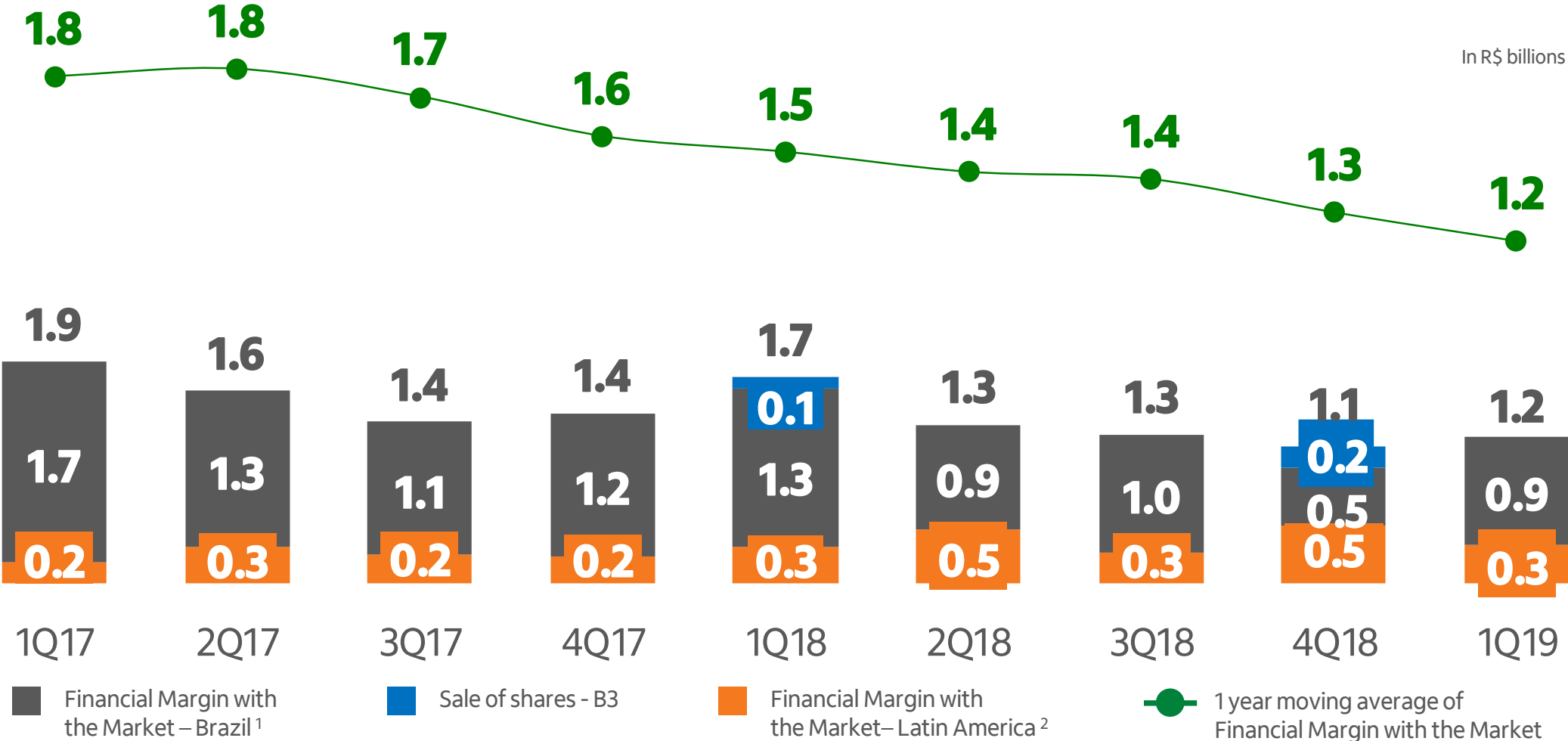
Change in Financial Margin with Client

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

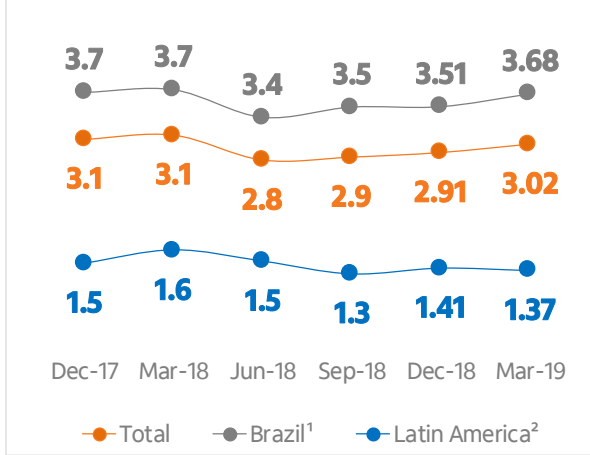


(1) Includes units abroad ex-Latin America; (2) Excludes Brazil.

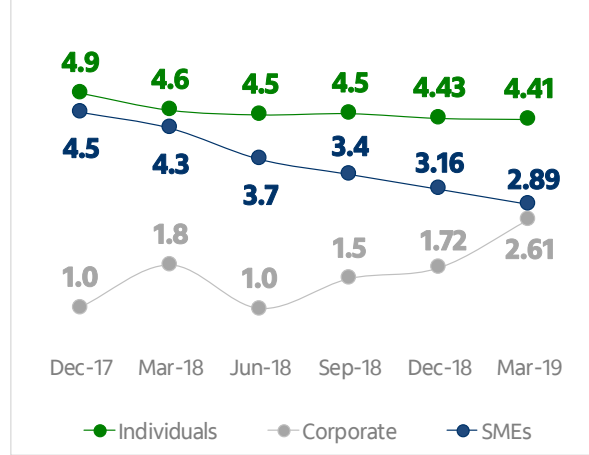
Cost of Credit and Credit Quality

NPL Ratio

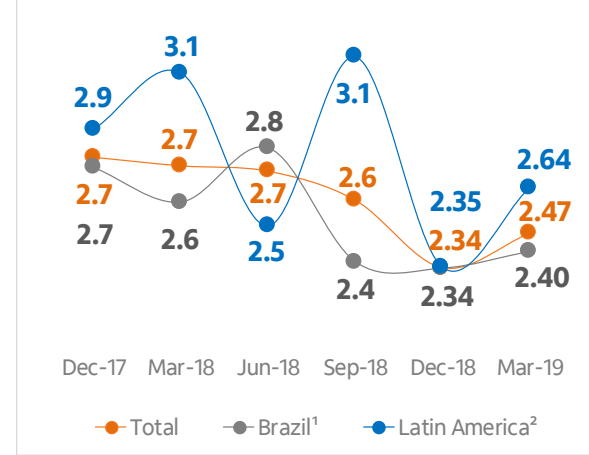
Consolidated (90 days) - %



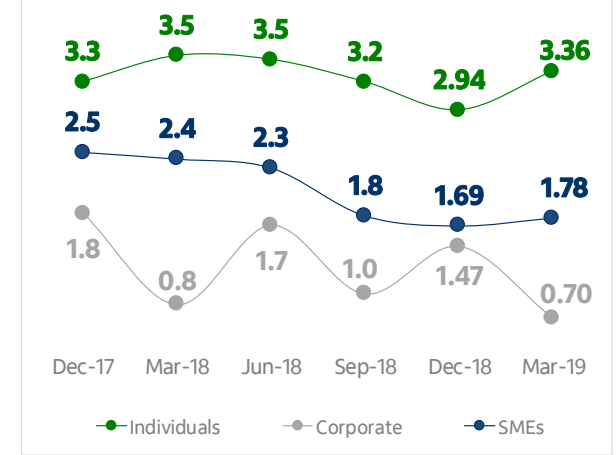
Brazil (90 days) - %



Consolidated (15-90 days) - %



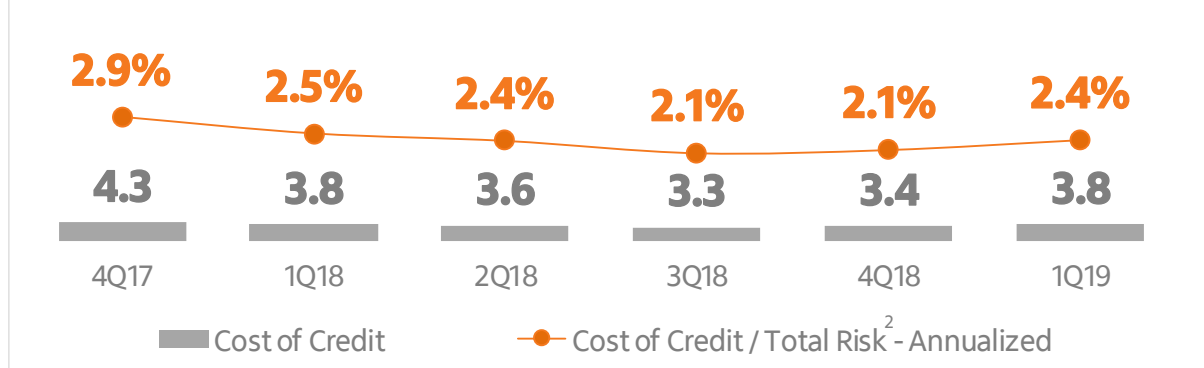
Brazil (15-90 days) - %



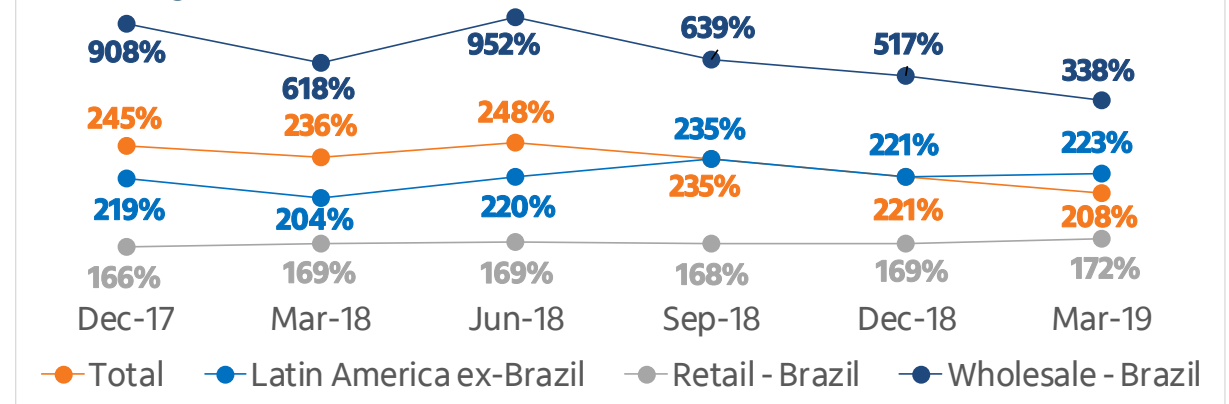
⁽¹⁾ Includes units abroad ex-Latin America; ⁽²⁾ Excludes Brazil.

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.

Commissions and Fees and Result From Insurance Operations

In R\$ billions	1Q19	4Q18	Δ	1Q18	Δ
Credit and Debit Cards	3.3	3.5	-5.9%	3.3	-1.7%
Current Account Services	1.8	1.9	-0.4%	1.8	1.5%
Asset Management ¹	1.1	1.2	-10.5%	1.0	5.2%
Credit Operations and Guarantees Provided	0.6	0.6	-2.7%	0.6	-7.6%
Collection Services	0.5	0.5	-2.8%	0.5	2.1%
Advisory Services and Brokerage	0.4	0.6	-33.1%	0.3	16.2%
Other	0.3	0.2	8.6%	0.3	-2.3%
Latin America (ex-Brazil)	0.7	0.8	-4.7%	0.7	9.2%
Commissions and Fees	8.6	9.2	-6.2%	8.5	1.1%
Result from Insurance Operations ²	1.6	1.6	1.1%	1.6	0.3%
Total	10.2	10.8	-5.1%	10.1	1.0%

Current Account Holders

▲ **10.4%**

Increase in the number of Individuals account holders compared to 1Q18.

Assets Under Administration ³

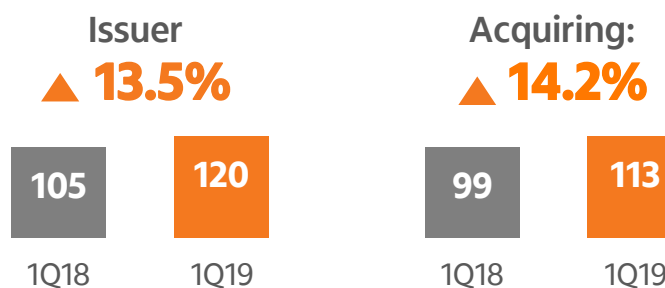
In R\$ billions



▲ **13.2%**

Transactions with Cards - Value

In R\$ billions



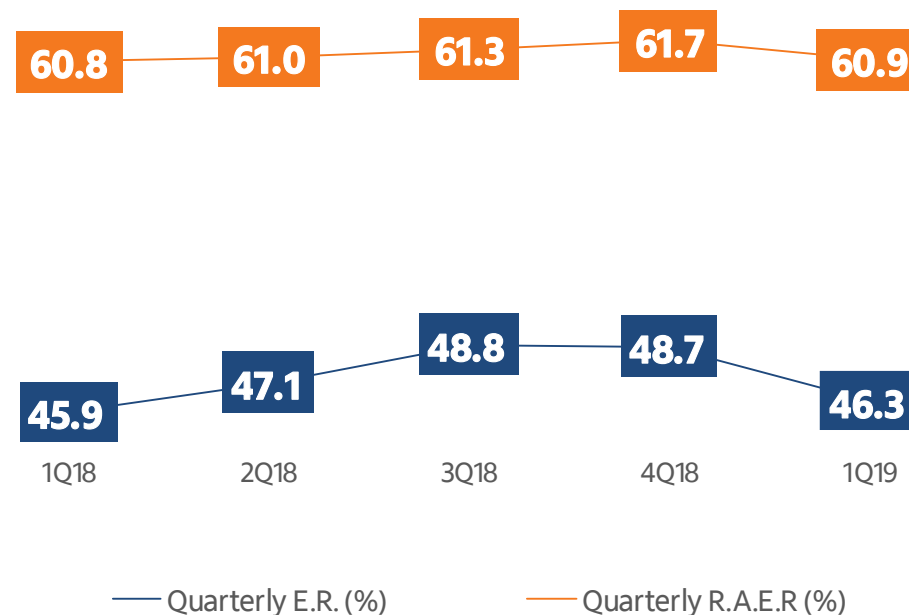
(1) Includes fund management fees and consortia management fees; (2) Result from Insurance includes the Revenues from Insurance, Pension Plan and Premium Bonds Operations net of Retained Claims and Selling Expenses; (3) Does not include Latin America (ex-Brazil)

Non-Interest Expenses

In R\$ billions	1Q19	4Q18	Δ	1Q18	Δ
Personnel Expenses	(5.3)	(5.6)	-5.7%	(5.1)	4.3%
Administrative Expenses	(4.1)	(4.5)	-7.6%	(3.9)	6.0%
Operating Expenses	(1.1)	(0.9)	14.1%	(1.2)	-7.3%
Other Tax Expenses ¹	(0.1)	(0.1)	-5.7%	(0.1)	9.3%
Latin America (ex-Brazil) ²	(1.6)	(1.7)	-6.7%	(1.5)	6.8%
Total	(12.1)	(12.8)	-5.0%	(11.7)	4.1%

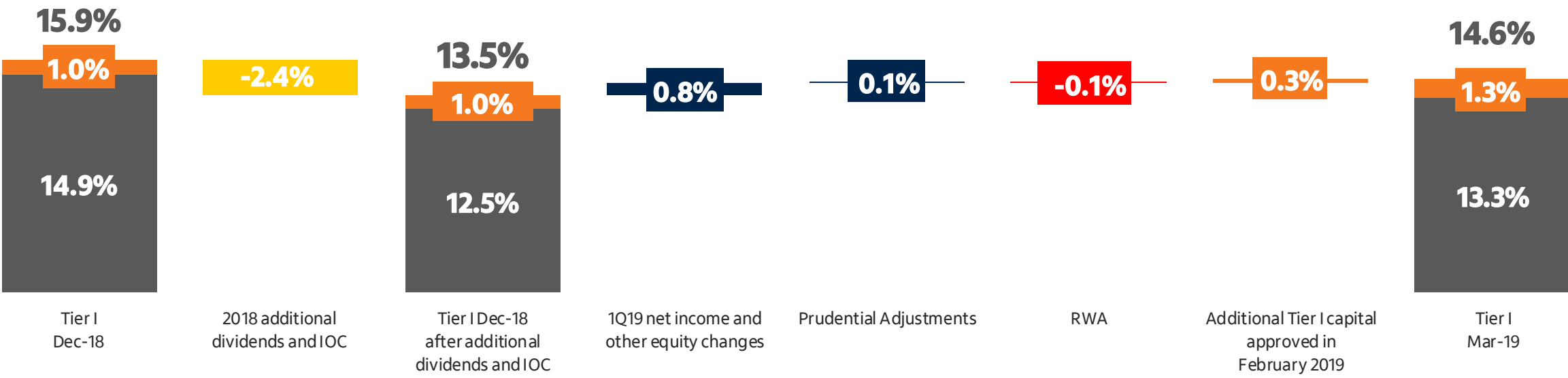
(1) Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS; (2) Does not consider overhead allocation.

Efficiency Ratio



Capital

Full application of Basel III rules | March 31, 2019



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

Unprecedented initiative in the acquiring business

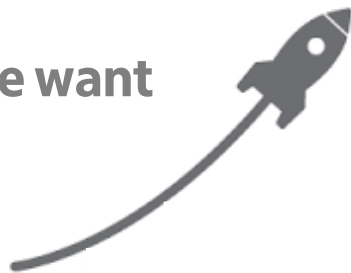


Rede ended the prepayment rate on credit card transactions without installments

- Effective **May 2, 2109**
- **Credit card** transactions without installments
- Using any POS machine from **rede**
- With a bank domicile in **Itaú Unibanco**
- And annual sales up to **R\$30 million**

Will be received in **2 days with zero cost of anticipation**

We want



Stimulate the development
of entrepreneurs, micro and
small companies

Pursue even higher
levels of **customer**
satisfaction

Influence other
movements in the
sector

2019 Forecast

	Consolidated		Brazil ¹	
	Previous	Revised	Previous	Revised
Total Credit Portfolio ²	8.0% — 11.0%	Unchanged	8.0% — 11.0%	Unchanged
Financial Margin with Clients	9.5% — 12.5%	9.0% — 12.0%	9.5% — 12.5%	9.0% — 12.0%
Financial Margin with the Market	R\$4.6 bn — R\$5.6 bn	Unchanged	R\$3.6 bn — R\$4.6 bn	Unchanged
Cost of Credit ³	R\$14.5 bn — R\$17.5 bn	Unchanged	R\$12.5 bn — R\$15.5 bn	Unchanged
Commissions and Fees and Results from Insurance Operations ⁴	3.0% — 6.0%	2.0% — 5.0%	3.0% — 6.0%	2.0% — 5.0%
Non-Interest Expenses	5.0% — 8.0%	3.0% — 6.0%	5.5% — 8.5%	3.5% — 6.5%
Effective Tax Rate	31.0% — 33.0%	Unchanged	32.0% — 34.0%	Unchanged

(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 (+) Revenues 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

	1Q19					1Q18					Δ				
	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital	Consolidated	Credit	Trading	Insurance & Services	Excess Capital
Operating Revenues	28.2	14.6	0.4	12.8	0.4	27.4	13.9	0.6	12.3	0.6	0.8	0.6	(0.2)	0.5	(0.2)
Managerial Financial Margin	17.7	11.6	0.4	5.2	0.4	17.0	11.1	0.6	4.7	0.6	0.7	0.5	(0.2)	0.5	(0.2)
Commissions and Fees	8.6	2.9	0.0	5.7	-	8.5	2.8	0.0	5.7	-	0.1	0.1	(0.0)	(0.0)	-
Revenues from Insurance ¹	1.9	-	-	1.9	-	1.9	-	-	1.9	-	0.0	-	-	0.0	-
Cost of Credit	(3.8)	(3.8)	-	-	-	(3.8)	(3.8)	-	-	-	(0.0)	(0.0)	-	-	-
Retained Claims	(0.3)	-	-	(0.3)	-	(0.3)	-	-	(0.3)	-	(0.0)	-	-	(0.0)	-
Non-Interested Expenses and Other Expenses ²	(14.0)	(7.0)	(0.1)	(6.9)	(0.0)	(13.5)	(6.2)	(0.3)	(6.9)	(0.0)	(0.6)	(0.8)	0.2	0.1	0.0
Recurring Net Income	6.9	2.7	0.1	3.7	0.3	6.4	2.2	0.2	3.6	0.4	0.5	0.5	(0.1)	0.1	(0.1)
Average Regulatory Capital	124.0	63.1	1.5	38.4	21.0	121.5	61.4	1.8	34.3	24.0	2.5	1.7	(0.3)	4.1	(3.0)
Value Creation	2.9	0.6	0.1	2.5	(0.3)	2.5	0.2	0.2	2.5	(0.4)	0.4	0.4	(0.1)	(0.0)	0.0
Recurring ROE	23.6%	17.0%	39.0%	38.5%	6.6%	22.2%	14.1%	53.0%	42.0%	6.8%	140 bps	290bps	-1,390 bps	-360 bps	-20 bps

⁽¹⁾ Revenues from Insurance includes the Revenues 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	1Q19	4Q18	Δ	1Q18	Δ
Operating Revenues	28.2	28.5	-0.9%	27.4	2.8%
Managerial Financial Margin	17.7	17.4	1.6%	17.0	3.9%
Financial Margin with Clients	16.4	16.2	1.2%	15.3	7.6%
Financial Margin with the Market	1.2	1.1	8.2%	1.7	-28.4%
Commissions and Fees	8.6	9.2	-6.2%	8.5	1.1%
Revenues from Insurance ¹	1.9	1.9	1.1%	1.9	1.0%
Cost of Credit	(3.8)	(3.4)	11.4%	(3.8)	0.4%
Provision for Loan Losses	(4.2)	(3.8)	10.8%	(4.1)	2.3%
Impairment	(0.0)	(0.3)	-88.9%	(0.2)	-84.1%
Discounts Granted	(0.3)	(0.3)	-1.2%	(0.3)	8.4%
Recovery of Loans Written Off as Losses	0.7	1.0	-23.0%	0.8	-6.9%
Retained Claims	(0.3)	(0.3)	1.9%	(0.3)	7.1%
Other Operating Expenses	(13.8)	(14.7)	-5.8%	(13.4)	3.4%
Non-Interest Expenses	(12.1)	(12.8)	-5.0%	(11.7)	4.1%
Tax Expenses and Other ²	(1.7)	(1.9)	-10.7%	(1.7)	-0.8%
Income before Tax and Minority Interests	10.3	10.1	1.9%	10.0	2.9%
Income Tax and Social Contribution	(3.2)	(3.4)	-4.9%	(3.5)	-7.9%
Minority Interests in Subsidiaries	(0.2)	(0.2)	-19.2%	(0.1)	106.7%
Recurring Net Income	6.9	6.5	6.2%	6.4	7.1%

⁽¹⁾ Revenues from Insurance includes the Revenues 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.

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.

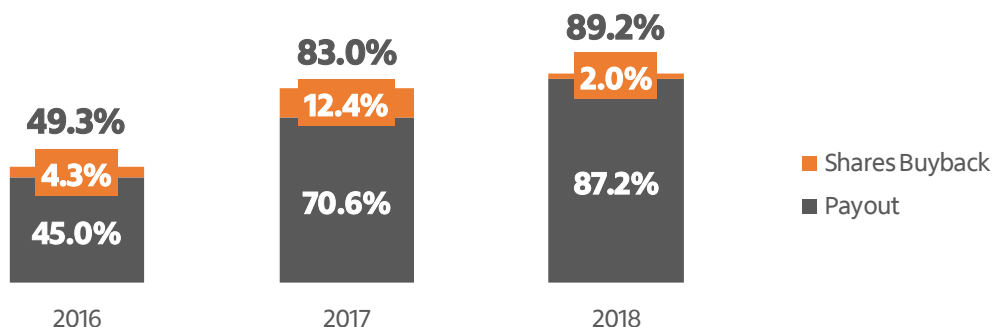
Total Payout simulation

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 ¹

7.5%
in 2018

22.9

Dividends and IOC ²
In R\$ billions



Reserved in Equity

Paid and provisioned

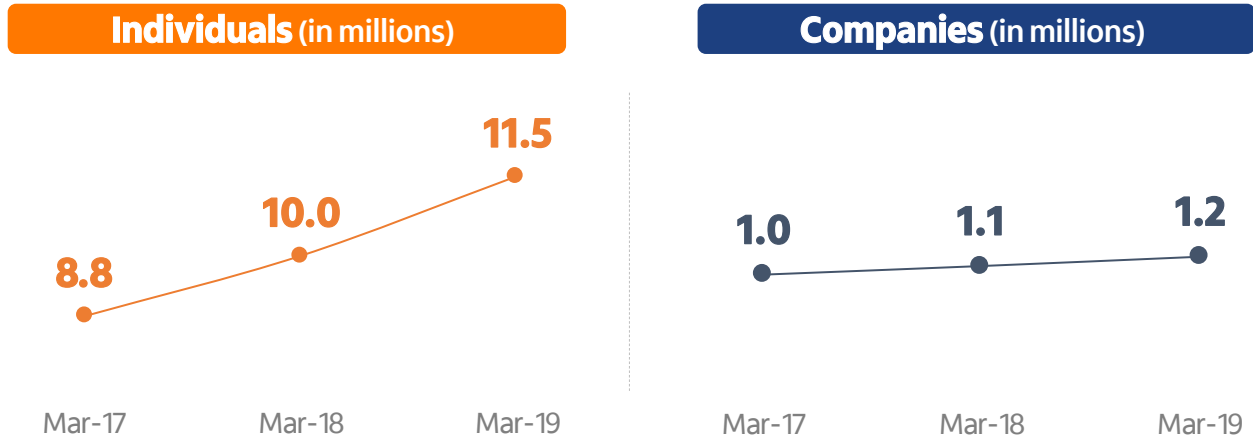
Shares Buyback

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 ¹

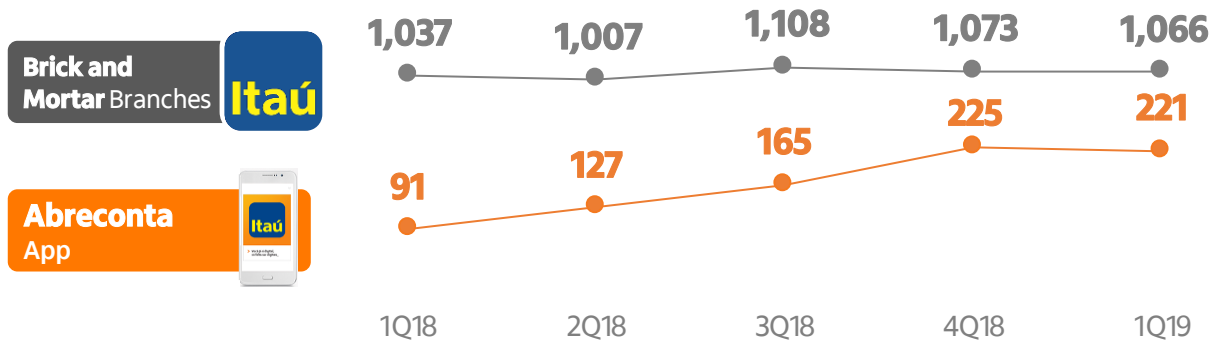


% of transactions through digital channels

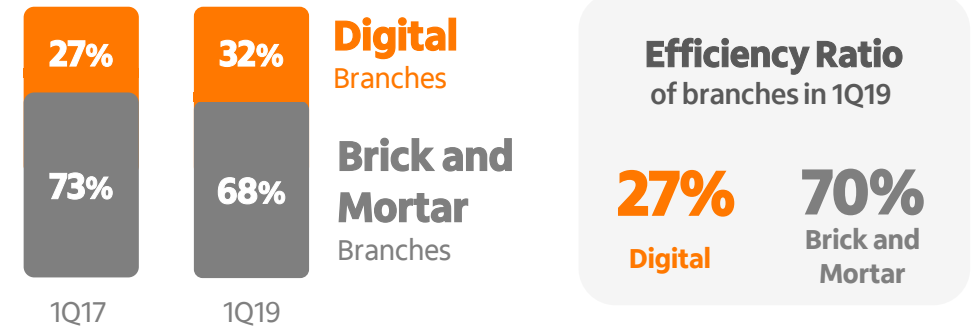
	1Q17	1Q19
Credit	16%	18%
Investments	37%	46%
Payments	64%	80%

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.



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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

Marcos Magalhães

Merchant Acquirer Executive Director

