



**International Conference Call
Itaú Unibanco
4th Quarter 2013 Earnings Results
February 5th, 2014**

Operator: Good morning ladies and gentlemen, thank you for standing by and welcome to Itaú Unibanco Holding conference call to discuss 4Q13 earnings results.

At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. If you should require assistance during the call, please press star followed by zero. As a reminder, this conference is being recorded and broadcast live on the investor relations website at www.itaú-unibanco.com/ir. A slide presentation is also available on this site. The replay of the conference call will be available by phone, on (55 11) 4688-6312 – access code 1576884 #.

Before proceeding, let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from that anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks and other factors. With us today in this conference call in São Paulo are **Mr. Roberto Egydio Setubal**, Chief Executive Officer; **Mr. Alfredo Egydio Setubal**, Executive Vice President and Investor Relations Officer; **Mr. Caio Ibrahim David**, Chief Financial Officer; and **Mr. Rogério Calderón**, Corporate Controller & Head of Investor Relations.

First, **Mr. Roberto Setubal** will comment on fourth quarter 2013 **earnings** results. Afterwards, management will be available for a question and answer session. It is now my pleasure to turn the call over to **Mr. Roberto Setubal**.

Mr. Roberto Setubal: Thank you. Good morning and good afternoon for all of you. It's a pleasure to be here with you and to show our results for the year and for the fourth quarter.

I'd like to start... I guess that all of you are following the presentation on the Internet, so let me start on page 2 with the highlights of the quarter. We had a very strong quarter, R\$ 4.7 billion net income. I think it was a stronger in all the lines, we have margins with clients growing, we have margins with the market also very strong compared to previous quarters, our loan loss expenses were down, so this was positive for the results, commissions and fees we have major improvement in the fourth quarter, there is some seasonality there, but it was also very strong. Efficiency ratio improved, although the noninterest expenses did not perform as well as previous quarter, but we still had a strong year with assets running in line with inflation in comparable basis with the situation of Redecard.

The loan portfolio also had an important growth in the fourth quarter, and we will see this down the presentation.



Moving ahead, our ROE when we exclude market revenues are improving, income operations is very strong, we presented operational ROE of 24%, which is quite recurrent in my view and we see some volatility in the market lines, but the operation of the bank is quite strong, although we have to consider the seasonality, which is positive in the fourth quarter.

ROA is also improving, as you can see in the fourth page, heading to the highest levels since the merger of Itaú Unibanco, so this shows how strong is our operating models.

The results were strong in the fourth quarter, as I mentioned, better than in the 3Q and much better than last year's, for the full year we had a net income growth of 15% and it is important to mention that although that, when we compare year-to-year margins with clients has declined, the 4Q shows gross. So, we are already in the move of growth and we have fully adjusted our risk appetite in terms of the impact on the revenue side. So from now on we expect growth and we are having growth in these margins with clients since the second quarter and we will have growth for the next year.

Market line, revenues with market have been very volatile and we expect to keep in very high level volatility of the market to... this brings some uncertainty to our results, although we had a strong quarter in the fourth of 2013.

The revenues from fees and commissions were also strong. This is a quarter of favorable seasonality and we performed quite well. Insurance revenues came in line with our expectations and we are concentrating more our business in lower risk lines and we will talk about that, so the net of revenues after claims is improving, this is what calls in our mind.

Loan losses is improving, still improving as you can see. Year-to-year we had a 23% decline, which was positive. In the quarter we had 7% decline. We still expect some additional decline going forward.

Expenses for the year were 7.4% growth, but I will show you that in a more recurring basis we were pretty much in line with the 5.9% inflation of the year, this year. We had some nonrecurring events, I won't talk about that because they basically were neutral for the results of the quarter and for the year, so if you have some questions, please, ask us.

The loan portfolio had a strong growth in the 4Q even if we do not consider the acquisition of Credicard, that we incorporated in our balance sheet in December. We had strong growth, which means that we are already coming back to growth although the vehicle's portfolio is still declining.

This change in our risk appetite has made a big change in our financial margin with clients, as you can see in page 8. We are reducing the risks so the revenues mix is



changing in line with that. And as you can see on page 9 this has brought in very important results for the bank. The strategy has clearly paid out because we can see that, although the cross spread is declining, we had a level of 13.4% and now it's 10.9% although we have reached some stable points now on, as we consider the net spread after the loan loss provisions we are already increasing it, so we have 7.9% net spread compared to 6.9% in the fourth quarter of 2012. So it was a major improvement, and it was reached although the gross revenue has declined.

In terms of credit quality we still are improving our NPLs, it has declined to the lowest level since the merger of the bank, we are at a 3.7 level in the first quarter, and this was impacted in 10 basis points by the incorporation of Credicard portfolio. Although we see some additional reduction in the delinquency, we believe that most of the improvement is already shown, so, although we expect some improvements it will not be in the same amount as we had in this last 12 months.

Provisions are declining when we compare to... in absolute levels or also compared to our loan portfolio, so this shows the improvement that we are having. When we look at the short term NPLs on page 12 we can see that is already in a stable level and, again, it's the lowest level since the merger Itaú Unibanco, and we can see clearly improvements coming still on the consumer side although on the company's side we had some deterioration here in this quarter. We don't see these as a trend. We expect that companies will be in a stable level, this does not represent a trend, this small deterioration that we had in this quarter was due to a few clients that went past due during the quarter.

When we go to see the revenues coming from market, we see that we had a good quarter, much better than previous quarters and more in line with the year of 2012. This is a line that we expect volatility going ahead, we are not sure about exactly how will this line perform, so I will be very careful in terms of what can we expect about this line in the coming quarters.

When we look at the fees and commissions revenues we can see that all the lines have been improving, especially the credit card lines, which we have incorporated Redecard and in this coming year we are operating Credicard, so we will keep on growing, but all the lines are growing. This was part of our strategy when we announced the change in our risk appetite, we also mentioned that we would put more efforts to grow service revenues, and I think that we are in line with this strategy. We have acquired Redecard, 50% of Redecard, and also Credicard, which will keep our momentum on growth on service revenue.

On page 15 we can see the banking and insurance operations, which show the performance both in the bank and the insurance. Both businesses are performing quite well. We are having a ROE of 25% when we analyze the banking operation, which is still very strong, so the banking operations are in a very good momentum with all the basics in line with a good performance. We believe that this is the leading franchise in terms of performance in Brazil this base.



Insurance is performing well. We believe we can grow that business in a more related basis with the bank, in a more... aligning more with the bank on a bank assurance strategy that we believe will be what we will do in the future.

On page 16 you can see that our insurance net income breakdown shows that we have a low level of risk in our insurance portfolio. We worked very hard in order to focus on the technical results, so this means that our business is a low claim business and we have a combined ratio of 71%, which is a very strong performance for our insurance operations. And we will keep the business in that strategy, we will not move to higher risk segments of insurance.

And by the way, we are moving out of the large business of insurance, which we believe is not in line with the bank insurance strategy.

The noninterest expenses, as I mentioned, for the year was in line with our objectives of being below or in line with inflation. When we compare with last year we had a 5.9% comparable basis with Credicard, so it was a good year, although the fourth quarter was not as good as we would like compared to the third quarter. But we will keep this objective of growing expenses on the inflation level for the coming years.

All this, the improvements in our risk appetite, reduction on losses has made our risk-adjusted efficiency ratio achieve 65%, which means that we have 35% pre-tax profit to revenue ratio, which is a very strong ratio and we are very happy about the achievements that we have had more recently in that kind of ratio.

We had in the year an increase by 9% in our shareholders' equity, which shows a strong confidence about the ability of the bank to adjust to Basel III. Our ratio today is 16.6, as you can see on page 20. It's a strong number for the time being and we believe that we will be fully adjusted to Basel III before 2019, although we have still some questions about domestic sheets and things like that, which have not been defined so far. But the strong base of capital that we have today make us very confident that we will need not additional capital, especially given the very strong capital generation that we are going through at this moment.

When we see our trading volume of our shares, it has been kept very strong. Yesterday at Bovespa we had almost 18% of the volume Itaú/Itausa, so the liquidity of the shares is very strong and this is good for investors.

When we look our numbers in IFRS, which are more comparable to international standards, we can check that our net revenue is even bigger than the one we are showing in Brazilian GAAP, which gives you a clear idea of the quality of the operational level that the Bank is going through at this moment. We are running in a 24.6% ROE in the 4Q in IFRS, so they are very strong results.

In the year of 2013, I think we could achieve all the guidance that we mentioned to you at the beginning of last year. Some of them were above the previous outlook that we had, and now looking on page 24 we are looking at the year of 2014 and give you



those highlights for the year. We expect the loan growth to be in the range of 10 to 13%, this is basically based in a range of growth of the Brazilian economy of 2 to 2.5%, and the currency more or less stable at the level that we have today.

Loan loss expenses net of recoveries, so this is a different guidance than the one, a different concept than the one we gave you last year, because we are talking about provisions net of recoveries, and the range that we are looking is between 13 and R\$ 15 billion.

Revenues of service per insurance, we believe our growth will be of 12 to 14% and this already includes Credicard revenues that we are adding next year.

Noninterest expenses, growth 10 to 12,5, but this includes the expenses that we will have next year of Credicard, so if we discount that we would be talking between 5.5 in 7.5%. But we would like to improve this number in order to keep it more below inflation. So we believe that we will be able to do it, but the current guidance is this one.

Efficiency ratio and debt conditions, we believe that we will keep on improving, and the range, our efficiency that we..., the range of improvement that we expect for the year of 2014 is between 50 and 175 bps. And those are the numbers that we are looking at for 2014.

Let me talk a little bit about the CorpBanca deal. It was a merger with CorpBanca that is a Chilean plus Colombian bank, with that merger we reached... we merged our Chilean operation with that bank and we will be controlling Itaú CorpBanca deal as you can see on the chart and we will become the fourth bank in the Chilean market. It is always interesting to remind you that Chilean financial market is bigger than Mexican and Argentinean market, so it's the second Latin American market, so it's really an important market in terms of banking in Latin America. In Colombia we will be the fifth Colombian bank in terms of size. This deal was done in a way that we believe that we will be acquitive soon after we have the synergy done, so it is a well-practiced deal for us, we believe.

After this deal, as you can see here on page 26, we will have a consolidated in our balance sheet an important amount of credit loan outside of Brazil in local markets in Latin America that will represent 20% of our total credit portfolio. It shows... I think it's an interesting thing for the shareholders because it gives us some new diversity that we did not have in our balance sheet and we would like to have to be more diverse in terms of not as much concentrated in one market, and at the same time we are moving into markets that are outgrowing Brazil, we have more growth perspective in those markets because of those economies are outgrowing Brazil and also because we had a lower level of market share, which allows us to have a higher growth in those markets. So we are moving into markets that we believe that will bring additional growth for the bank.

Having said that I open for questions. Thank you very much.





Q&A Session

Operator: Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press the star key followed by the one key on your touchtone phone now. If at any time you would like to remove yourself from the questioning queue press star two.

Our first question comes from Carlos Macedo, with Goldman Sachs.

Mr. Carlos Macedo: Good afternoon Roberto, gentlemen. Thanks for the opportunity to ask questions. Congratulations on the very strong results for the quarter. I have two questions. The first one is related to margins. If you could give us some color on what your expectations are for 2014. Just doing the math on your guidance, it looks that if you were right at the middle of the guidance for all the different items, your managerial financial margins would have to be up 14% year on year, which seems a little bit high given the tender 13% guidance you have for loans. If you give us a little bit of color on what you expect in terms of guidance and how to understand those numbers and put them together.

The second one is also on top of the guidance, you know, looking at the numbers that you have on your results for Credicard, it appears that expenses for the company are around maybe 3% of Itaú's expenses, and yet we have 5% higher for... the guidance including Credicard is 5% higher than that of Itaú. Is there room for improvement there, in that specific one? I mean, are there any synergies that you will be able to get so that maybe that 5% is not included... Is that 5% including also some of the amortization of the goodwill in the Credicard acquisition? Some color there also will be welcome. Thank you.

Mr. Roberto Setubal: In terms of expenses you were absolutely correct; this number includes the goodwill amortization for Credicard. I mean, Credicard has operational expenses month to month of about R\$ 130 million, so if you multiply this by 12 you reach R\$ 1.5 billion plus the amortization that we plan to do next year of the goodwill, you reach a number that will be very close to those 5% that you are mentioning. So you were absolutely right; those are the numbers.

In terms of margins, I mean, you made up that numbers, I have not seen your numbers, but we, as I mentioned during the presentation, we expect margins with clients to be growing. I do not expect them to be outgrowing the level of growth that we will have in the portfolio. We are running... the portfolio is running to a direction of lower risks because we are growing more the mortgages business and the *consignado* business, which are lower margin business compared to... and also the big companies, big operations, those are business that have lower margins, although lower losses as well. So we are running, in terms of revenue, in terms of margins, to the direction of lower level of margins before losses, and we believe at a higher level of margins after losses.



So we... so the numbers that you made up, I'm not sure why, are showing higher growth on margins that we would expect for clients. We also have an additional number there that is the revenues with markets, which are more uncertainty, ok, we have more uncertainty. Although we expected growth coming from this year of 2013, which we had a much lower level of market revenue, if you compare to previous years. So we do expect improvements in that line.

Mr. Macedo: Okay, thank you Roberto. Just one final follow-up. Would it be fair to say that there will be synergies in Credicard then, and that maybe that 5% won't actually end up being 5%?

Mr. Roberto Setubal: Yes, we expect synergies, although depending on how fast we implement them, because when we integrate two companies, before you have the benefits, you have some additional costs. So this might impact negatively, although not in a meaningful way, ok, in the short term. But down the road, yes we do expect synergies coming from Credicard.

Mr. Macedo: Thank you Roberto.

Operator: Our next question comes from Mario Pierry, Deutsche Bank.

Mr. Pierry: Hi, good afternoon everybody. Let me ask you two questions as well, Roberto. First question is related to loan growth. You know, as you mentioned, the margins of clients are rising, asset quality is completely under control, you mentioned also the risk appetite is improving, but you're only guiding for loan growth to 10 to 13% in 2014, which is roughly in line with what you reported in 2013.

So I was wondering why not guide for higher loan growth? What really concerns you about the Brazilian economy? We've seen all this volatility, rising interest rates, weaker currency. If you could give us your perception of the Brazilian economy, why you should be growing faster given that we've seen better spreads and asset quality under control?

Second question is related to your expansion. We think that this was a great transaction with CorpBanca, you now have very nice footprints in Latin America, but I was wondering if there is any appetite for the Bank to expand outside of Latin America. Would you consider any expansions in developed markets? Thank you.

Mr. Roberto Setubal: Okay, talking about loan growth, we had in 2013 an important impact of the exchange rates, which in that range that we are giving you in terms of guidance, we do not expect... we don't have any important impact in that range. If we have devaluation this might impact positively the growth, if we have an appreciation of the Real this might be impacting negatively that line. This is one thing that is important. In 2013, we had also the growth that was impacted by Credicard incorporation in our balance sheet, so those two things, if you take out those two things, we would be talking about a number that would be closer to 10% for 2013, which compares to 11.5%, the middle of the range that we are giving you.



So there is some more growth, yes, it is true, but not that much growth. We expect a lower growth in the Brazilian economy in 2014 compared to 2013. So this is also one of the reasons why the growth is not that much stronger.

The other question was about?

Mr. Pierry: About the expansion outside of Latin America.

Mr. Roberto Setubal: Well, we are very happy that we could do this deal in an acquitive situation, which is always very difficult to reach, to be able to achieve a controlling position in an acquitive transaction. I think this was really something very special.

We will have a strong... a lot of work to do in the next two years in Chile and Colombia in order to integrate those banks that we acquired. Now in Colombia we have three banks, two that were subsidiaries of CorpBanca, plus our bank, so we are talking about three banks situation. In Chile we will be integrating a bank to our bank, which is bigger than ours. So we have a lot of work to do in the coming two or three years in those markets. So we do not plan to have anything new for those two markets at least. Then we are still looking to be in other countries in Latin America that we are not at this point in time, which is Peru and Mexico, and maybe if we have the opportunity to acquire something in those markets we will do it.

We do not have anything in deal in terms of developing economies at this point in time. We believe that we should pursue our strategy of becoming a regional bank, so we would like to have presence in more markets and have a stronger position in Latin America before we think about going to other markets.

Mr. Pierry: Very clear. Just a quick question, a follow up there. When we look at your franchise today and your earnings contribution coming from Brazil, what would you expect this mix to look like five years down the road or even 10 years down the road? What is the ideal mix that you would like to get in terms of revenue contribution out of Brazil and outside of Brazil?

Mr. Roberto Setubal: Well, I think that we would like to have a more diversified balance sheet than the one we have today. When we look 10 years from now – maybe between 5 to 10 years from now – we believe that we will have a more diversified balance sheet because in Brazil the growth that we have in terms of, the potential growth that we have is more limited given our market share that we have today and also the potential growth of the Brazilian economy.

When we look into Latin America, we see more potential growth in the local economies that we are in, and there is also market gain potential that we might achieve through acquisitions and transactions. So, looking for more growth out of Brazil than in Brazil for the next few years at least.



And we believe that we will always be mainly a Brazilian bank. Probably, it will be very difficult to achieve more than 30% of revenues coming from other Latin Americans countries.

Mr. Pierry: Perfect. Thank you very much.

Operator: Our next question comes from Saul Martinez, with J.P. Morgan.

Mr. Martinez: Hi, good morning or actually good afternoon to you guys. I've two questions as well. First on loan growth in risk appetite. Roberto, you talked a little bit in your answer to the previous question about your expectations for credit growth, but obviously one of the major drags has been...the principal drag really on your credit growth has been the auto book and the SME portfolio book, but which have been contracting. Can you give us an outlook on how you see these two businesses going forward? What you think needs to happen for risk appetite in these segments to start to come back and when do you envision the balances for these segments to start to grow again?

My second question is very specific, it's on your NPL formation. I think on page 12 of your presentation you give an evolution of NPL formation. I just wanted to understand, just clarify first that seems to not include the additional NPL that came on board with Credicard, and if you could just give us a specific numbers, I know you gave us the NPL ratio excluding Credicard, but if you can share the specific number of what Credicard added to your 90-day past due low ratio that would be helpful.

Mr. Roberto Setubal: Okay, in terms of NPL creation I don't have a number here for Credicard to give you and those numbers do not include Credicard. We might work out some number for you, if you wish, please, Rogério is here with me and he will be able to provide you those numbers.

In terms of impacting the NPLs, we showed you a 3.7 number in page 10 of our presentation. Credicard represents 10 bps on that, so if we had not had Credicard incorporated in those numbers, we would be running at a 3.6 ratio at this point time.

In terms of credit growth of the auto book, we still expect some decline in that book, especially in the first semester, with some recovery in the second semester. Probably going to a level still below December 2013. So still some decline although we will be in a growth move in the second semester.

In terms of SMEs, we have already started to grow the SME portfolio, although slowly, but we will see this portfolio improving along the year. We believe that we have some changes not only in terms of risk appetite, but more recently in the way that we organize the business and we moved some of the business into different segments, so we have to adjust in that. But we believe that this year we will have growth, market growth in that segment.



Mr. Martinez: Ok. The 30 basis points increase in early-stage delinquency in commercials will those concentrate more in your corporate portfolio or were they more specific to small companies and middle market companies?

Mr. Roberto Setubal: The early delinquency NPLs for companies is more on the corporation side; we have a few names in that portfolio. It does not represent a trend in my view. We believe that this will be stable in a level that we have seen since June. It's a normal oscillation, normal variation that we have in that number; it is not a trend. And I still believe that the credit quality of consumers will improve down the road, so companies more or less stable and some improvement in the consumer side.

Mr. Martinez: Great, thank you very much.

Operator: Our next question comes from Amit Mehta, with Pimco.

Mr. Mehta: Hi, thank you for hosting the call. I just wanted to kind of get more color on your expectations for your insurance business growth rate just reflecting on the growth in 2013 and how you see the outlook for 2014.

Mr. Roberto Setubal: That's an interesting question. Our strategy is to concentrate more in the bank insurance business, and we are moving out of some other segments that we have business, we are considering to sell our property business, and this will affect our top line because those are business have strong revenues. But you should be looking at the combined ratio. We should be focusing more and we are focusing more in our business in the combined ratio as you can see on page 16, which means looking at the technical results, which means plus premium less claims and sales expenses. This is the line that we should be following and we will show you this because since we are moving out of some of the business we believe that does not have to do with our strategy because they are either too risky and need more focus than we are able to put in it, but also we are not going to areas of insurance that have higher level of claims, we want to be in lower level, more bank assurance and grow that line of technical results.

Mr. Mehta: Can you elaborate on what combined ratio you would like to target and then maybe you can give us some color on what growth rate you expect earn premiums to grow at.

Mr. Roberto Setubal: I do not have numbers here...

Mr. Mehta: ... combined ratio performance.

Mr. Roberto Setubal: Okay. I do not have a number to give you because we are changing the mix, and this change the... if we, for instance, in selling the property business this will affect it and I don't have here the number to give you, but we can think of, in terms of technical results, we can always think in terms of growing that



line. I don't have a number of the combined ratio to give you here at this point in terms of focusing.

Mr. Mehta: What would be the priority segments that you will be focusing on?

Mr. Roberto Setubal: Pension and life is the primary focus of our insurance is strategy.

Mr. Mehta: Are you able to elaborate on how much your costs in a basis already penetrated for those products?

Mr. Roberto Setubal: We have a market share on those products, but we believe we are below our potential. We can grow our market share, we have opportunities there, especially to penetrate in terms of cross-selling in our Credicard portfolio that is much below what the potential for insurance sold to Credicard would be the potential for our size...for the size of our Credicard portfolio.

Mr. Mehta: Thank you.

Operator: Our next question comes from Philip Finch, with UBS.

Mr. Philip your line is open.

Mr. Finch: Hello, can you hear me?

Mr. Roberto Setubal: Yes.

Mr. Finch: Hi, good afternoon everyone and thank you for taking my questions. They are two questions really. One is in terms of asset quality, where you reported really impressive NPL improvements coming through, so I think on slide 10 you showed your 90 day NPL ratio at 3.7%, which looks like the lowest level for at least five years. I realize you are continuing to change your loan mix for safer type of borrowers. So my question is whether there is much more scope for your NPL ratio to go much lower, given the current level which is already very low.

The second question is again going back to Credicard where are you've given guidance for 5% rising costs in 2014. I guess the question here is: can you share any color in terms of how the impact Credicard could have it in terms of revenue growth in 2014 as well? Thank you.

Mr. Roberto Setubal: Okay, we still see some additional decline in our NPL over 90 days. I believe that most of the reduction that we have already seen given our current risk appetite position, in the last year we had a major decline, we see additional decline for this year, but not the same level of last year, but some additional decline, especially coming from the consumer side.



In terms of the second question, I would like you to repeat it because I really did not understand it very well.

Mr. Finch: The second question is really trying to understand the contribution Credicard could give to your revenues on going forward, it was about the additional cost of 5%, but I guess just trying to get to what sort of revenue outside this could add to your overall group revenues?

Mr. Roberto Setubal: I don't have a number here, but in our guidance, when we... Credicard is included in the numbers that we are giving in terms of guidance, so whatever number you come up out of the math that you do on the guidance that we gave you, it does include Credicard already.

Mr. Finch: Okay, fair enough. Thank you very much.

Operator: Our next question comes from Jorge Kuri, with Morgan Stanley.

Mr. Kuri: Hi Roberto, good morning. Two questions if I may. On your guidance on provisions I just wanted to understand the change in expressing the guidance net of recoveries. I'm assuming that the amount of provisions you're going to do are not necessarily dependent on whether the recoveries are this year. So, would you mind just, you know, helping us with understanding the provision in the same way as you did last year just loan loss provision expenses and, you know, whatever recoveries I guess will let them out if they happen, so what is your expectation for this?

The second question I guess is a bit more in long-term and it has to do with your loan growth outlook, I think you've made perfectly clear that it is difficult to grow loans beyond the level that we've seen over the last year or two without the support of a stronger macroeconomic growth. And, I guess what needs to happen in Brazil in order for the economy to grow much faster do you have the visibility that, that is in the near future, you obviously don't see this happening in 2014. You know, is there an expectation that, you know, closer to that is 2015, hopefully a better year or not or are we in this sort of funk for the next foreseeable future? So I just wanted to understand how do you see this playing out. Thank you.

Mr. Roberto Setubal: Okay, let me start with this growth potential that we see over the years. I believe that probably we can grow between 10 and 15% in the current level of growth of the Brazilian economy of 2 to 3%; something around that number is good. Probably if we have a higher growth closer to 3 will be more close to 15, lower growth more to 2 it will be something closer to 10%. So this is for the next two or three years, this is the kind of growth that I would expect, between 10 to 15% would be quite reasonable.

In terms of loan loss provisions net of recoveries, I tell you that we do not expect a major change in recoveries, we believe it would be around the same number that we had this year, more or less stable, maybe 5 or 10% above or below here, not more than that. So this is the number. But it's also important to have in mind that we have



Credicard included in that number. Credicard brings additional losses given the business that we acquired, so, but on same basis we are talking about gross provisions below this year, the year of 2013. So on the same business, on a comparable basis, the loan loss provisions for 2014 should be below the level of 2013.

Mr. Kuri: All right. If I may just a couple of clarifications. Is it fair to assume the same level of improvement that you saw in 2013 versus 12 or a slower level of improvement, you know, how much is better? I guess that's the question.

Then, on the first answer, thank you for your answer, but I was thinking more about your view on the macro, what needs to... I appreciate that the range is... I mean, if the economy grows three you would be closer to 15, if the economy grows two you would be closer to 10. You know, the economy has been closer to 2 for the last, you know, two or three years I guess. So, I wanted to understand your view on the macro, on what you think needs to happen in order for Brazil to move out of this sort of blockage environment that we've seen and how do you think it needs to play out? Thank you.

Mr. Roberto Setubal: In terms of the macroeconomic conditions... the bad thing is that growth will probably be between 2 and 3, but the good thing is that probably it won't be below 2. I think that Brazil has a low level of vulnerability in terms of external accounts, so I think 2% is a floor for Brazilian economy growth. I think there is some additional potential growth that we should take into consideration, which are the growth that would come from the reduction of the presence of the public banks that have been announced by the government. This will open up space for the private sector to improve, and some recovery also on the margins of loans because of that reduction in presence. So those are things that we should take into consideration given the market conditions and the level of growth of Brazil.

And also about your question on how much lower, we do not think that will be too much lower and given the number that we gave you can do the math and you'll find out if it will be a little bit below, not that much, but below the level of expenses of provisions that we had in 2013. Thank you.

Mr. Kuri: Great, thanks Roberto.

Operator: This concludes today's question-and-answer session. Mr. Roberto Setubal, at this time you may proceed with your closing statements.

Mr. Roberto Setubal: Okay, thank you all of you that have been with us during this call. It was a pleasure to have you and the opportunity to present to you the results that we had and I look forward to seeing you again in other opportunities. Thank you very much for your presence.

Operator: This does conclude Itaú Unibanco Holding earnings conference call for today. Thank you very much for your participation. You may now disconnect.

