



3rd quarter 2015 – Earnings Review

Conference Call

Eduardo Mazzilli de Vassimon

Executive Vice-President, CFO (Chief Financial Officer)
and CRO (Chief Risk Officer)

Marcelo Kopel

Investor Relations Officer



Highlights

Recurring Net Income

R\$6.1
billion

— **stable** (3Q15/2Q15)

▲ **20.7%** (9M15/9M14)

Recurring ROE (p.a.)

24.0%

▼ **80 bps** (3Q15/2Q15)

▲ **80 bps** (9M15/9M14)

12-month ROE was 24.5%

Credit Quality

3.3%
NPL 90

— **stable** (3Q15/2Q15)

▲ **10 bps** (3Q15/3Q14)

NPL 15-90: 3.0% — **stable** (3Q15/2Q15)

▲ **40 bps** (3Q15/3Q14)

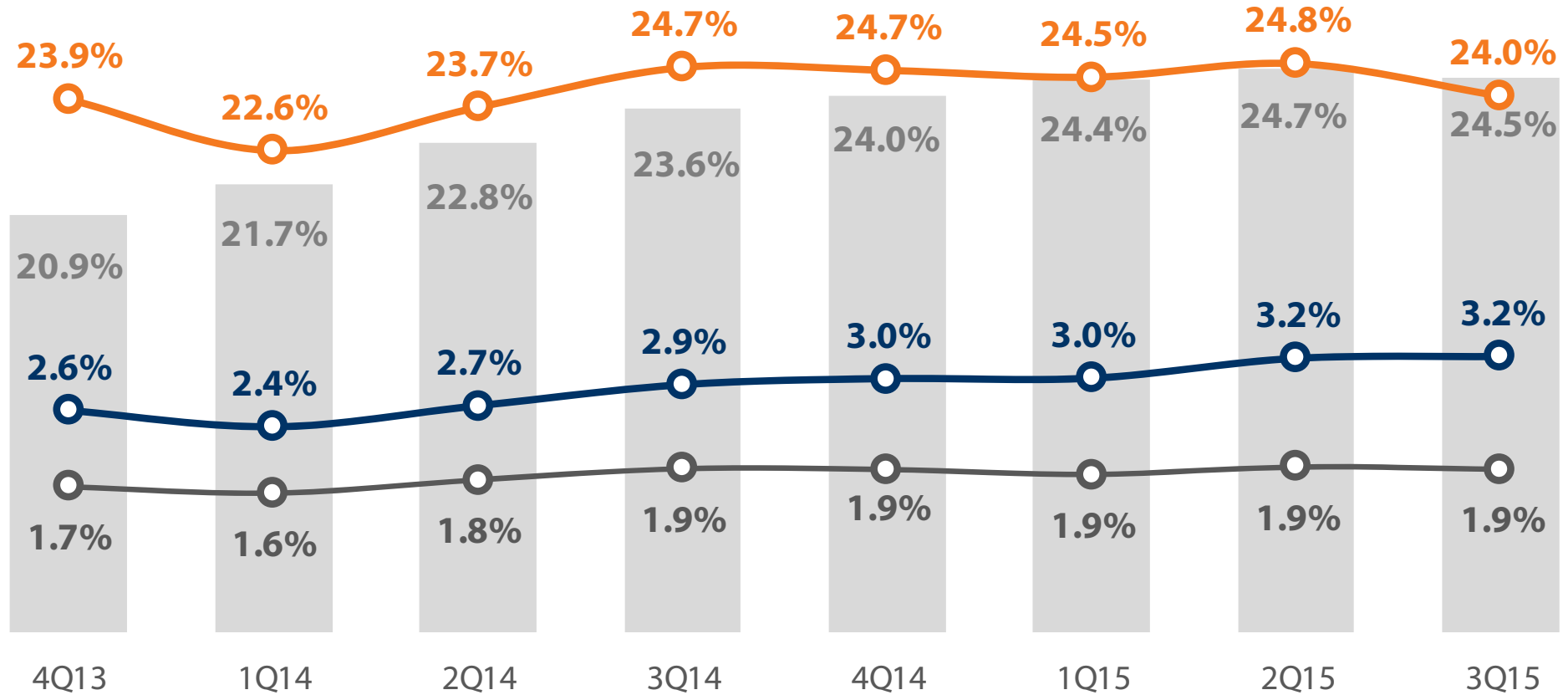
- **Financial Margin with Clients:** ▲ **4.4%** (3Q15/2Q15) and ▲ **16.4%** (9M15/9M14) totaled R\$15.3 billion in the quarter and R\$44.1 billion year-to-date
- **Financial Margin with the Market:** ▲ **45.7%** (3Q15/2Q15) and ▲ **121.5%** (9M15/9M14) totaled R\$2.3 billion in the quarter and R\$5.7 billion year-to-date
- **Provision for Loan Losses:** ▲ **4.1%** (3Q15/2Q15) and ▲ **24.7%** (9M15/9M14) reached R\$5.7 billion in the quarter and R\$16.8 billion year-to-date
- **Fees and Result from Insurance¹:** ▲ **2.3%** (3Q15/2Q15) and ▲ **9.2%** (9M15/9M14) reached R\$8.6 billion in the quarter and R\$25.4 billion year-to-date
- **Non-Interest Expenses:** ▲ **9.3%** (3Q15/2Q15) and ▲ **8.5%** (9M15/9M14) totaled R\$10.9 billion in the quarter and R\$30.8 billion year-to-date
- **Efficiency Ratio:** ▲ **130 bps** (3Q15/2Q15) and ▼ **370 bps** (9M15/9M14) reached 44.2% in the quarter and Risk-Adjusted Efficiency Ratio reached 63.1%
- **Loan Portfolio:** ▲ **3.9%** (Sep-15/Jun-15) and ▲ **9.7%** (Sep-15/Sep-14) including private securities ▲ **4.3%** in the quarter and ▲ **10.1%** (Sep-15/Sep-14) excluding exchange rate variation ▼ **1.1%** in the quarter and ▼ **0.4%** (Sep-15/Sep-14)

¹ Result from Insurance (-) Retained Claims (-) Insurance Selling Expenses

Non-Recurring Events

In R\$ millions	3Q15
Recurring Net Income	6,117
Non-Recurring Events	(172)
Social Contribution Rate Increase	3,988
Complementary Provision for Loan Losses	(2,793)
Financial Leasing Accounting Change	(520)
Contingencies Provision	(540)
Pension Fund	(130)
Goodwill Amortization	(34)
Program for Settlement or Installment Payment of Taxes	(1)
Other	(143)
Net Income	5,945

Recurring ROE / Recurring ROA



■ Recurring Return on Average Equity (trailing 12 months)

○ Recurring Return on Average Equity (quarterly)

○ Recurring Return on Average Assets – Annualized

○ Recurring Return on Risk-Weighted Assets – Annualized

In R\$ millions	3Q15	2Q15	change		3Q14	change		9M15	9M14	change	
Operating Revenues	26,945	25,339	1,607	6.3%	23,305	3,640	15.6%	77,230	66,086	11,144	16.9%
Managerial Financial Margin	17,595	16,235	1,360	8.4%	14,369	3,226	22.4%	49,793	40,450	9,343	23.1%
Financial Margin with Clients	15,319	14,673	646	4.4%	13,287	2,033	15.3%	44,085	37,873	6,212	16.4%
Financial Margin with the Market	2,276	1,561	714	45.7%	1,083	1,193	110.2%	5,708	2,577	3,131	121.5%
Commissions and Fees	7,082	6,906	176	2.5%	6,558	525	8.0%	20,855	18,952	1,903	10.0%
Result from Insurance ¹	2,268	2,198	71	3.2%	2,379	(110)	-4.6%	6,582	6,683	(101)	-1.5%
Result from Loan Losses	(4,653)	(4,387)	(266)	6.1%	(3,343)	(1,310)	39.2%	(13,495)	(9,739)	(3,756)	38.6%
Provision for Loan Losses	(5,747)	(5,520)	(227)	4.1%	(4,741)	(1,006)	21.2%	(16,782)	(13,457)	(3,325)	24.7%
Recovery of Loans Written Off as Losses	1,094	1,133	(39)	-3.4%	1,397	(303)	-21.7%	3,288	3,719	(431)	-11.6%
Retained Claims	(437)	(385)	(52)	13.5%	(559)	122	-21.8%	(1,191)	(1,526)	335	-22.0%
Other Operating Expenses	(12,748)	(11,692)	(1,056)	9.0%	(11,292)	(1,456)	12.9%	(36,043)	(32,805)	(3,237)	9.9%
Non-interest Expenses	(10,906)	(9,979)	(927)	9.3%	(9,753)	(1,153)	11.8%	(30,767)	(28,369)	(2,397)	8.5%
Tax Expenses and Other ²	(1,841)	(1,713)	(128)	7.5%	(1,538)	(303)	19.7%	(5,276)	(4,436)	(840)	18.9%
Income before Tax and Minority Interests	9,108	8,875	233	2.6%	8,112	996	12.3%	26,502	22,016	4,486	20.4%
Income Tax and Social Contribution	(2,911)	(2,661)	(250)	9.4%	(2,571)	(340)	13.2%	(8,179)	(6,832)	(1,348)	19.7%
Minority Interests in Subsidiaries	(79)	(79)	0	-0.4%	(84)	5	-5.7%	(264)	(226)	(38)	16.7%
Recurring Net Income	6,117	6,134	(17)	-0.3%	5,457	660	12.1%	18,059	14,959	3,101	20.7%
Non-recurring Events	(172)	(150)	(22)	14.5%	(53)	(119)	223.8%	(398)	(237)	(161)	67.7%
Net Income	5,945	5,984	(39)	-0.7%	5,404	541	10.0%	17,662	14,722	2,940	20.0%

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.

In R\$ millions, end of period	3Q15	2Q15	change	4Q14	change	3Q14	change
Individuals	186,128	187,318	-0.6%	186,212	0.0%	178,280	4.4%
Credit Card Loans	55,051	56,247	-2.1%	59,321	-7.2%	54,265	1.4%
Personal Loans	30,256	30,016	0.8%	28,541	6.0%	28,690	5.5%
Payroll Loans	45,695	45,517	0.4%	40,525	12.8%	36,436	25.4%
Vehicle Loans	21,632	23,786	-9.1%	28,927	-25.2%	31,323	-30.9%
Mortgage Loans	33,493	31,753	5.5%	28,898	15.9%	27,566	21.5%
Companies	306,314	295,384	3.7%	295,366	3.7%	285,813	7.2%
Corporate Loans	221,574	211,905	4.6%	211,241	4.9%	203,042	9.1%
Very Small, Small and Middle Market Loans	84,739	83,479	1.5%	84,125	0.7%	82,771	2.4%
Latin America	59,900	49,004	22.2%	43,942	36.3%	39,252	52.6%
Total with Endorsements and Sureties	552,342	531,706	3.9%	525,519	5.1%	503,345	9.7%
Corporate - Private Securities	38,332	34,850	10.0%	34,175	12.2%	32,942	16.4%
Total with Endorsements, Sureties and Private Securities	590,674	566,556	4.3%	559,694	5.5%	536,287	10.1%
Total with Endorsements, Sureties and Private Securities (ex-foreign exchange rate variation)	590,674	597,204	-1.1%	608,249	-2.9%	593,261	-0.4%

Credit and Trading & Insurance and Services

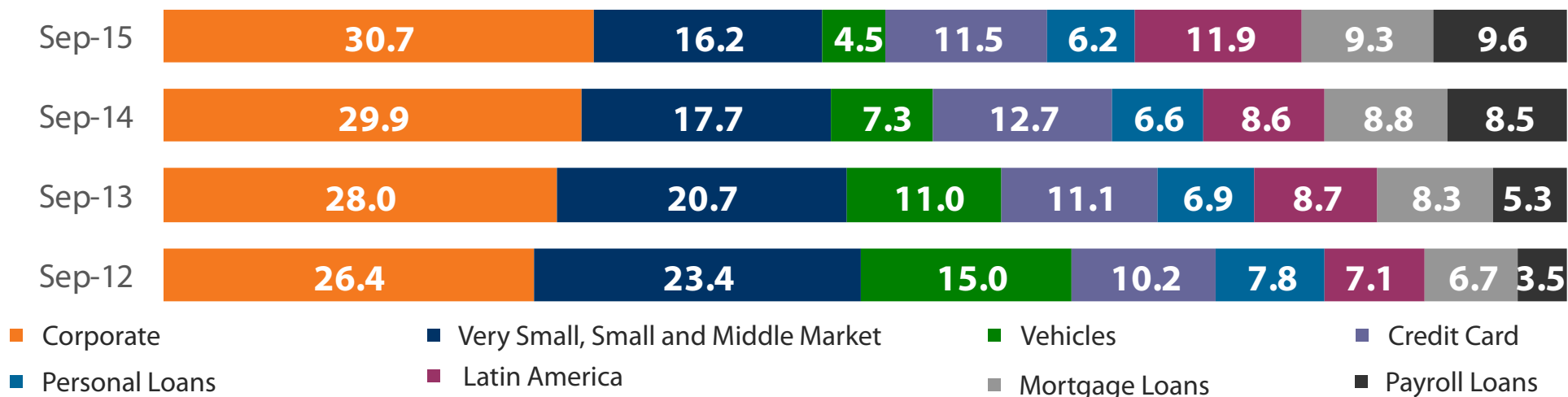


In R\$ billions	3Q15				2Q15				change			
	Consolidated	Credit and Trading	Insurance and Services	Excess Capital	Consolidated	Credit and Trading	Insurance and Services	Excess Capital	Consolidated	Credit and Trading	Insurance and Services	Excess Capital
Operating Revenues	26.9	14.3	12.3	0.3	25.3	14.0	11.1	0.2	6.3%	2.0%	11.0%	50.4%
Managerial Financial Margin	17.6	12.1	5.2	0.3	16.2	11.8	4.2	0.2	8.4%	2.2%	23.4%	50.4%
Commissions and Fees	7.1	2.3	4.8	-	6.9	2.2	4.7	-	2.5%	0.8%	3.4%	-
Result from Insurance	2.3	-	2.3	-	2.2	-	2.2	-	3.2%	-	3.2%	-
Result from Loan Losses	(4.7)	(4.7)	-	-	(4.4)	(4.4)	-	-	6.1%	6.1%	-	-
Retained Claims	(0.4)	-	(0.4)	-	(0.4)	-	(0.4)	-	13.5%	-	13.5%	-
Non-interest Expenses and Other Expenses	(12.8)	(6.0)	(6.8)	(0.0)	(11.8)	(5.7)	(6.0)	(0.0)	9.0%	5.1%	12.6%	50.4%
Recurring Net Income	6.1	2.5	3.4	0.2	6.1	2.7	3.3	0.2	-0.3%	-6.9%	3.0%	45.4%
Regulatory Capital	103.4	64.3	26.4	12.7	100.7	63.9	27.1	9.7	2.6%	0.6%	-2.4%	30.2%
Recurring Return	24.0%	15.1%	50.9%	7.0%	24.8%	16.2%	49.4%	7.9%	-80 bps	-110 bps	150 bps	-90 bps

Financial Margin with Clients Breakdown



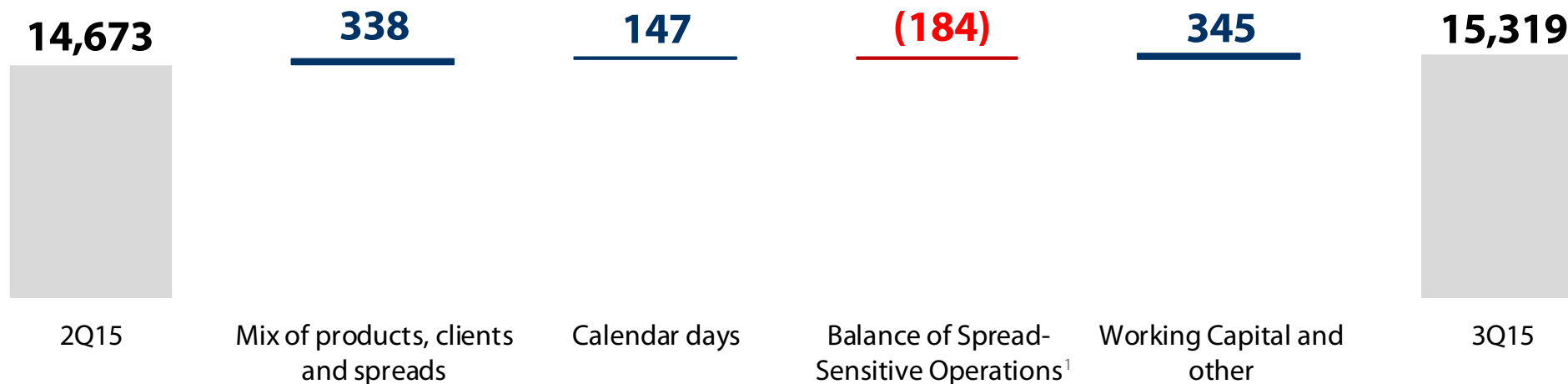
Loan Portfolio Mix Change ¹ (%)



¹ Does not include endorsements and sureties

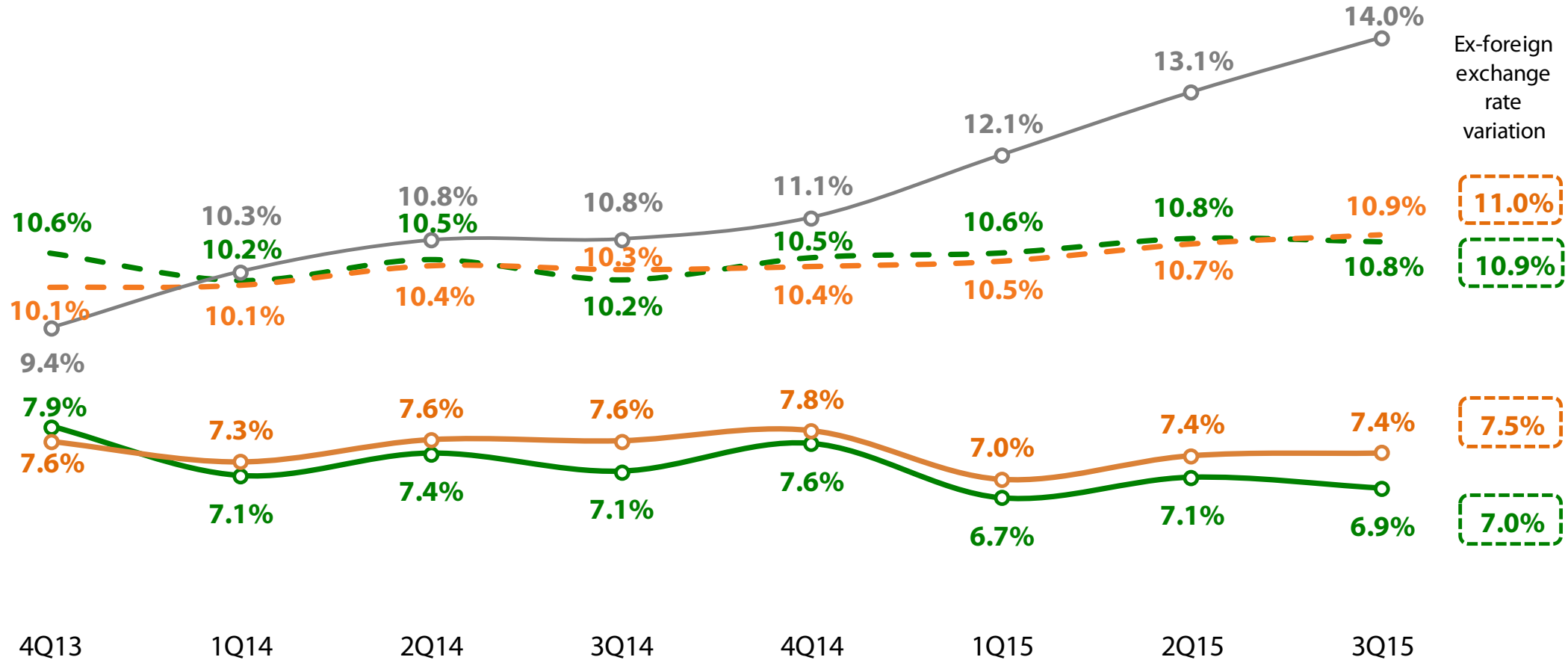
Financial Margin with Clients Breakdown (Quarter)

In R\$ millions



¹ The effect of foreign exchange rate variation is excluded from balance.

Financial Margin | Annualized average rate

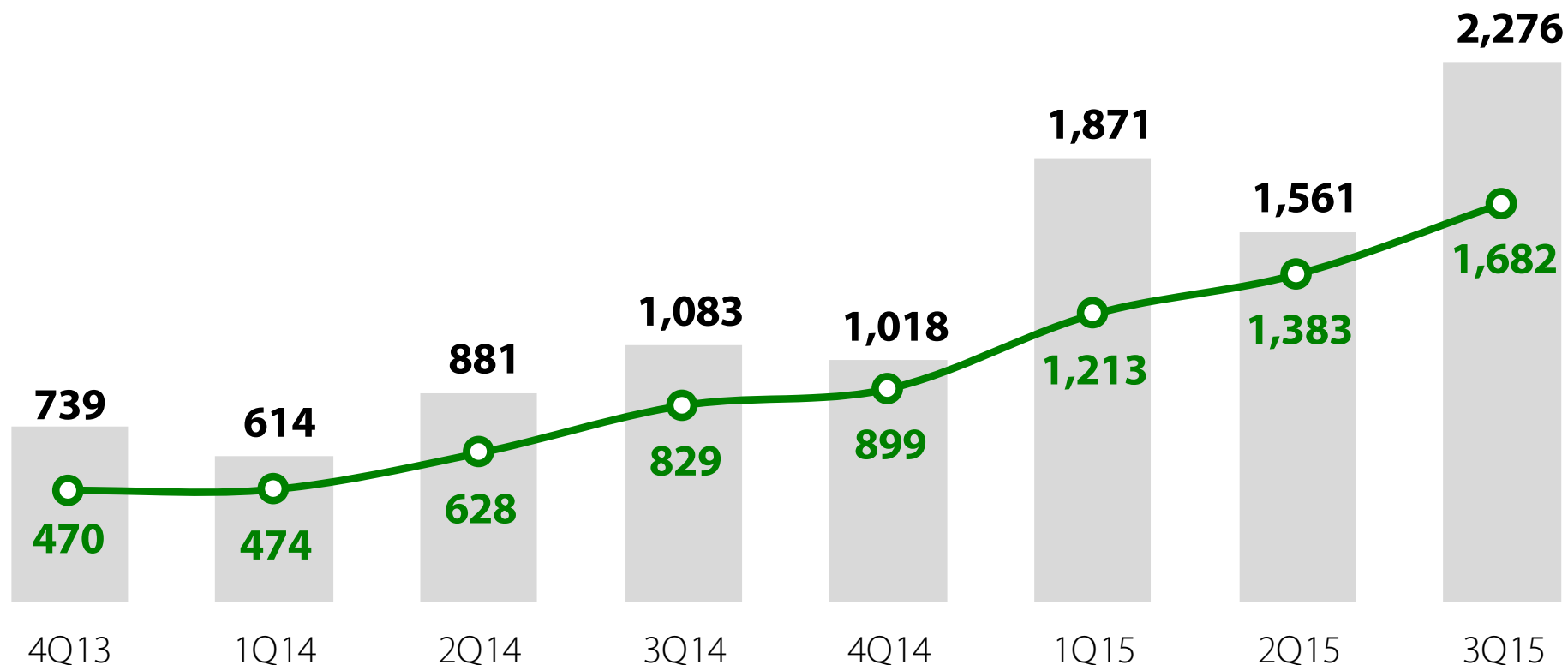


- Spread-sensitive operations
- Risk-adjusted spread-sensitive operations ¹
- Financial margin with clients
- Risk-adjusted financial margin with clients ¹
- CDI (annualized quarterly rate)

¹ After provision for loan losses, net of recoveries.

Financial Margin with the Market

In R\$ millions

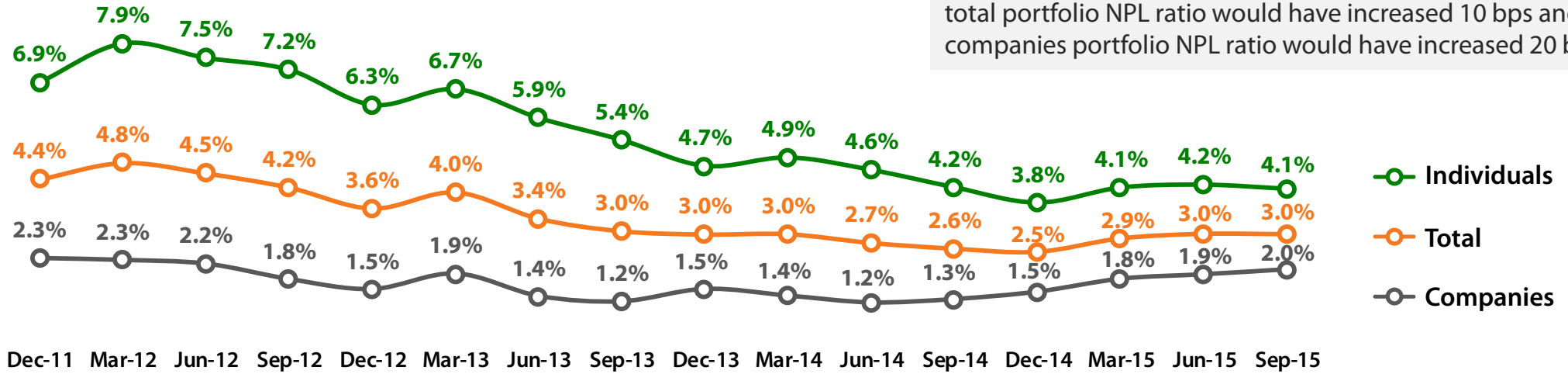


■ Financial Margin with the Market

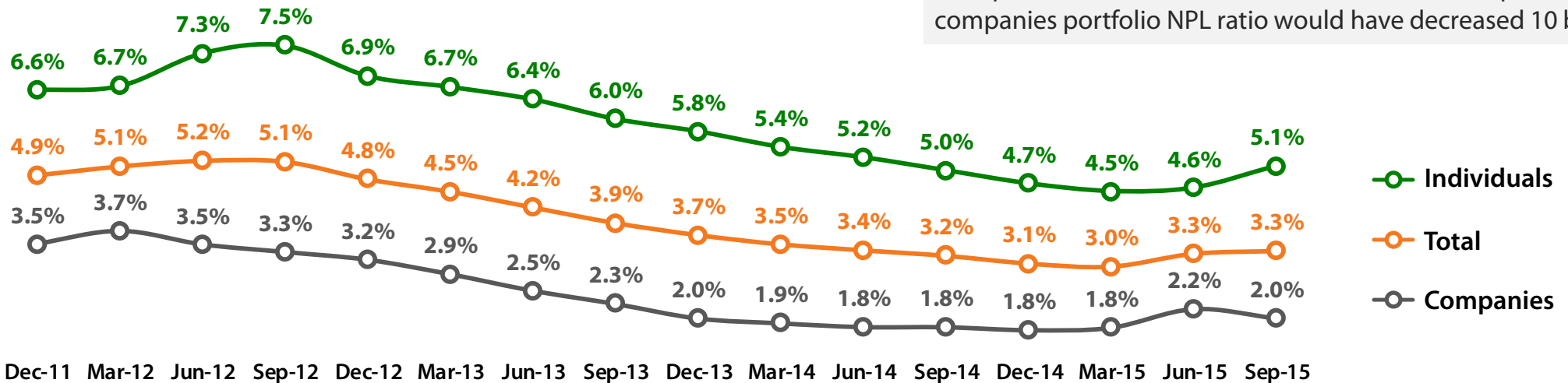
○ 1-year moving average of Financial Margin with the Market (ex-Sale of Shares)

The quarterly average Financial Margin with the Market for the past 8 quarters was R\$1,255 million.

15 to 90-day NPL Ratio

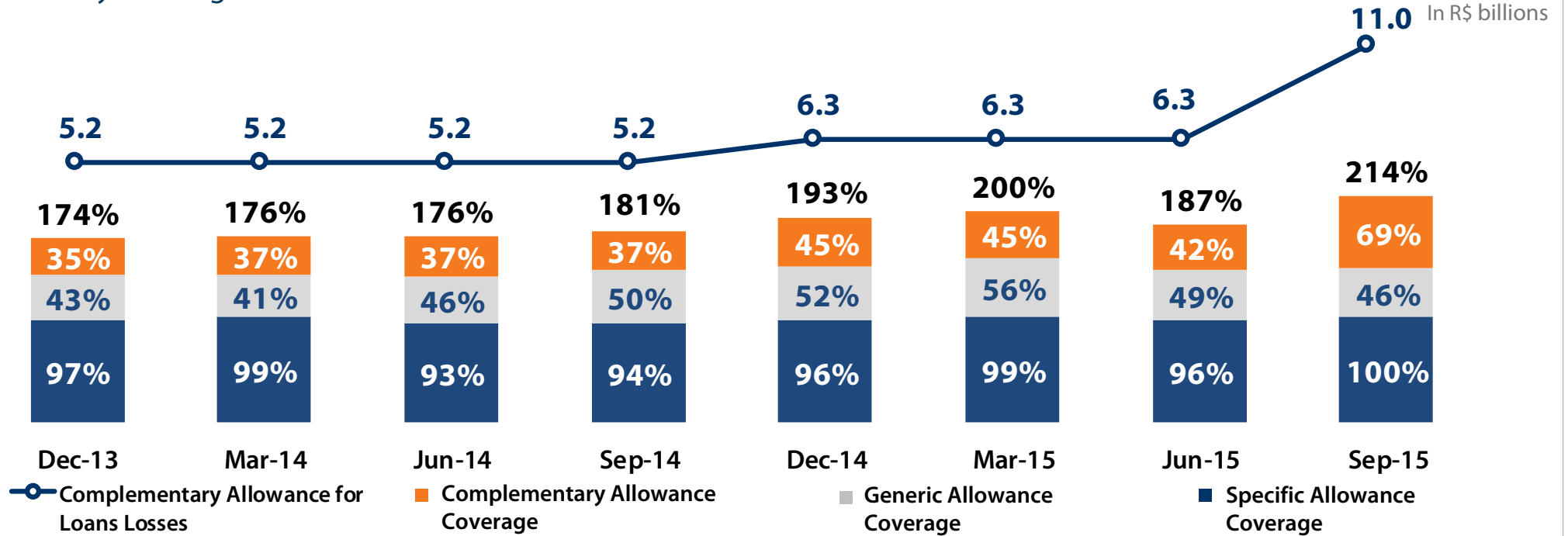


90-day NPL Ratio

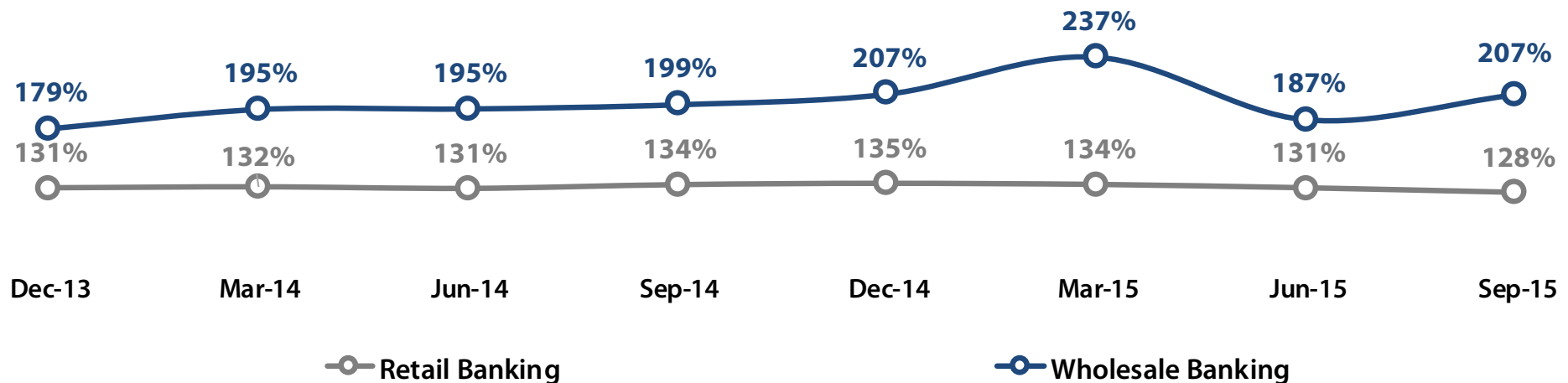


90-day Coverage Ratio

Total 90-day Coverage Ratio

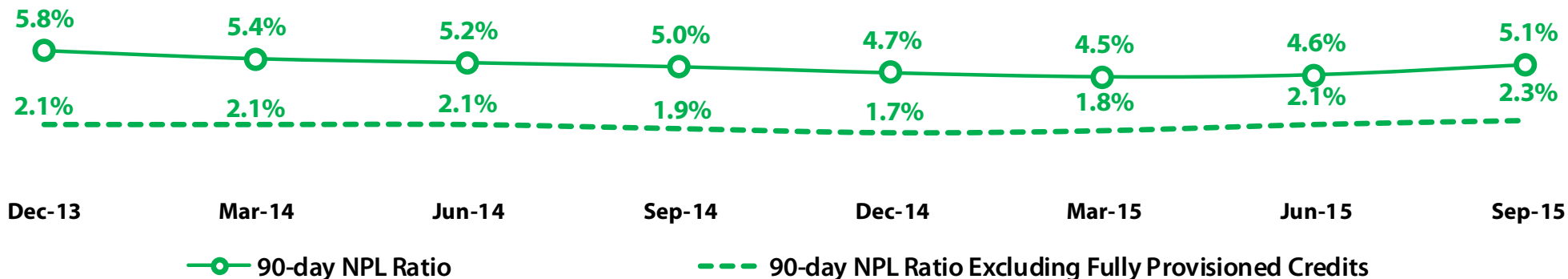


Coverage Ratio by Segment ¹

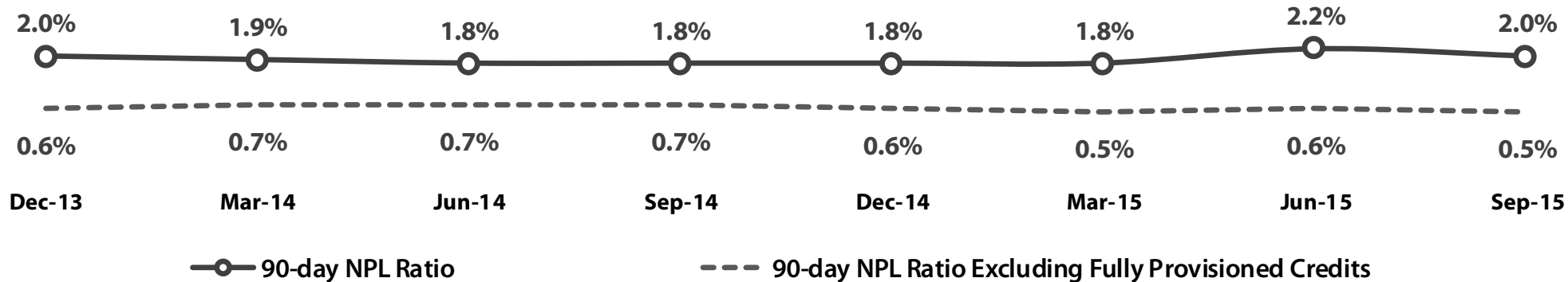


¹ Without complementary allowance portion.

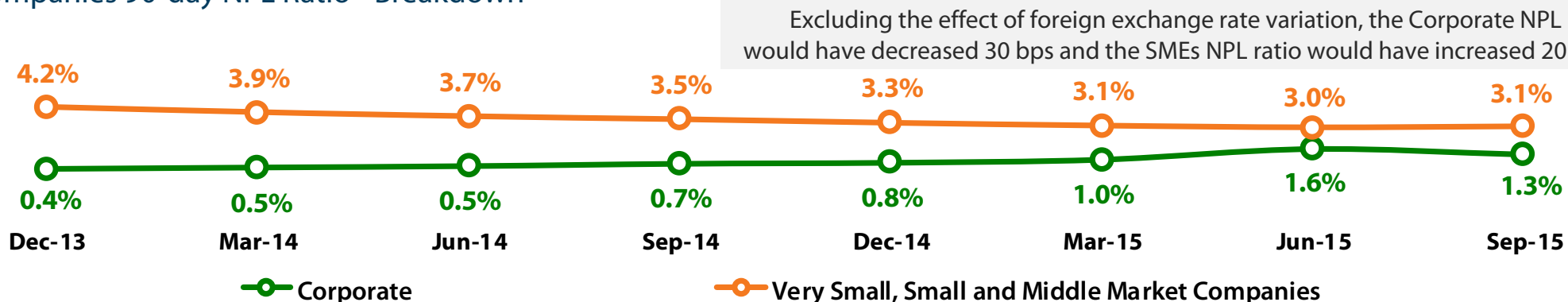
Individuals 90-day NPL Ratio



Companies 90-day NPL Ratio



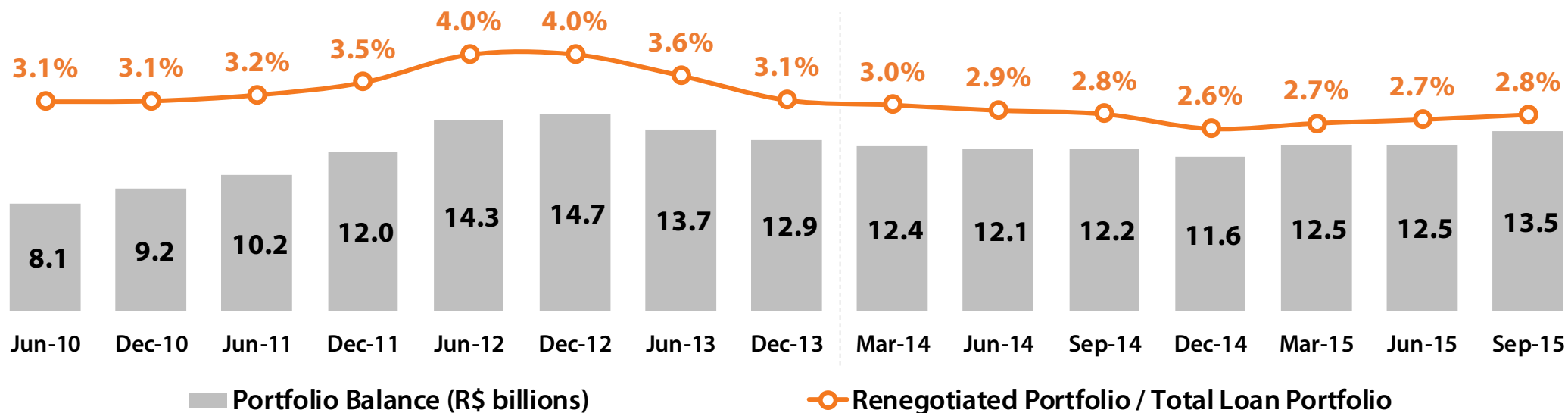
Companies 90-day NPL Ratio - Breakdown



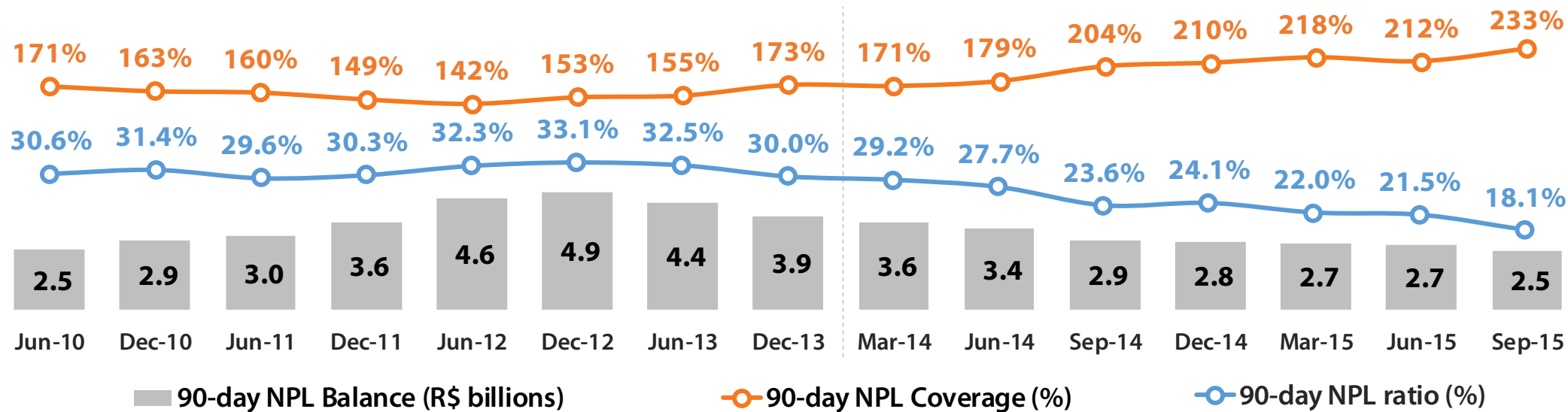
Renegotiated Loan Operations



Portfolio

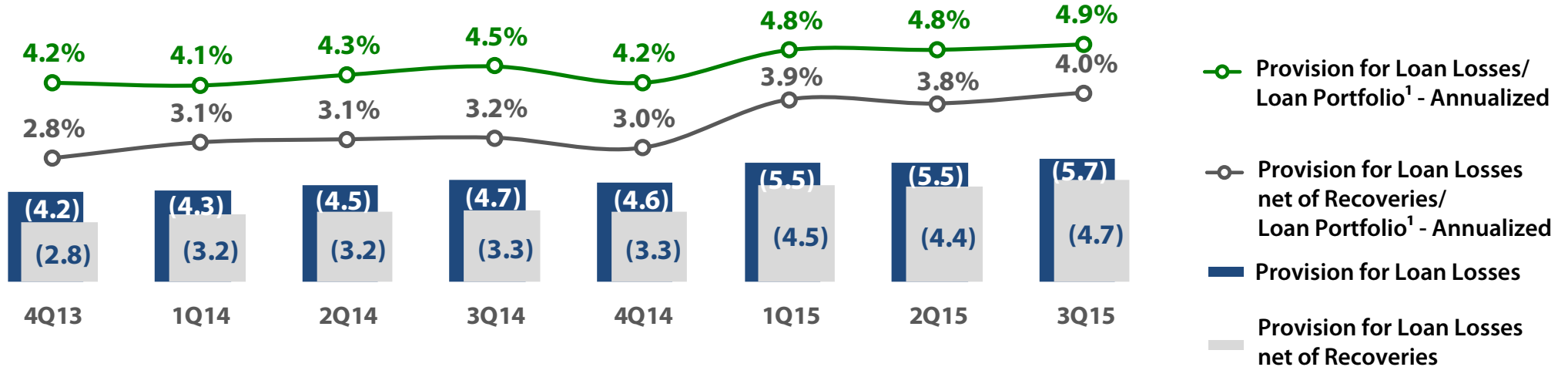


Delinquency and Allowance for Loan Losses Coverage



Provision for Loan Losses

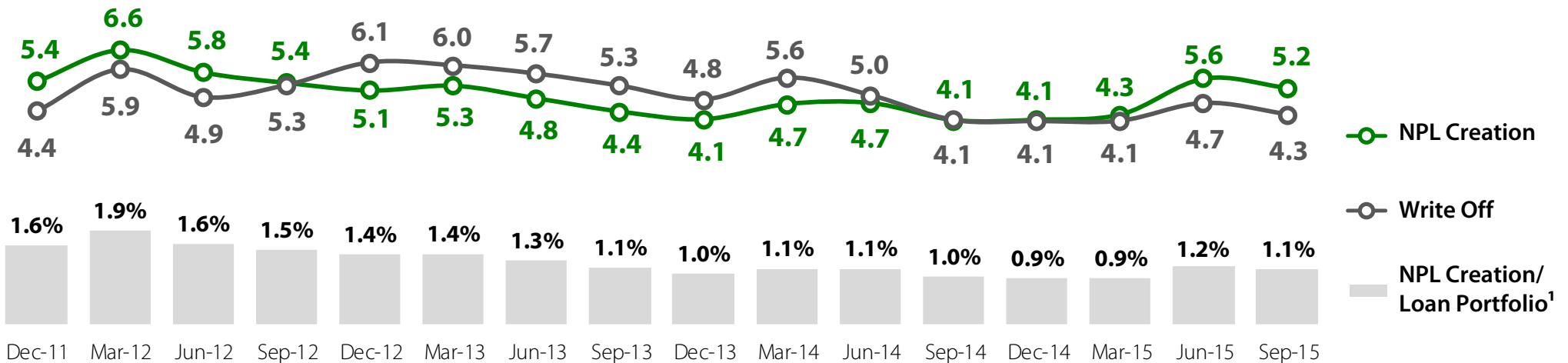
In R\$ billions



¹ Average balance of the loan portfolio considering the last two quarters.

NPL Creation and Write-off

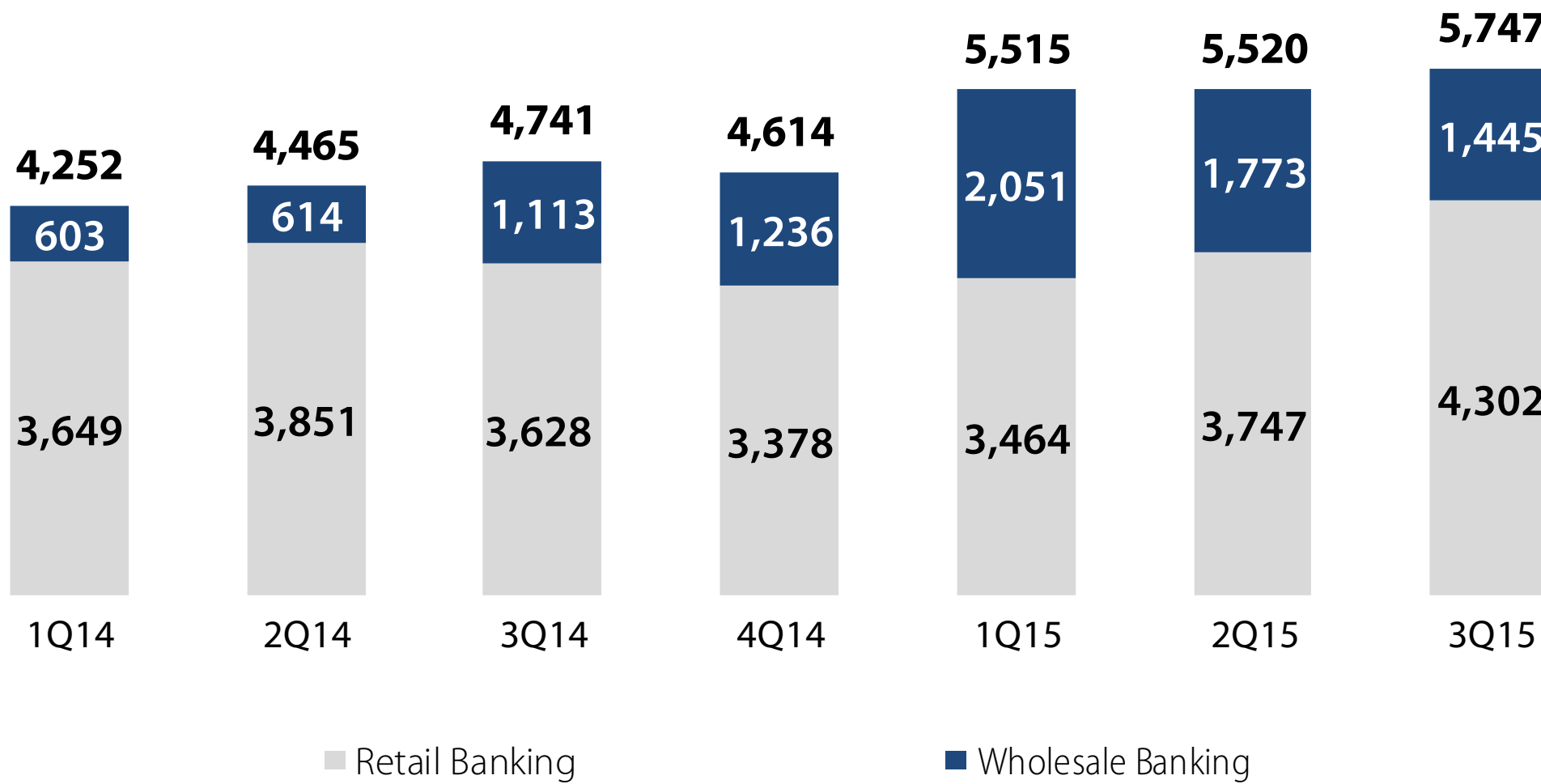
In R\$ billions



¹ Average balance of the loan portfolio considering the last two quarters.

Provision for Loan Losses by Segment

In R\$ millions



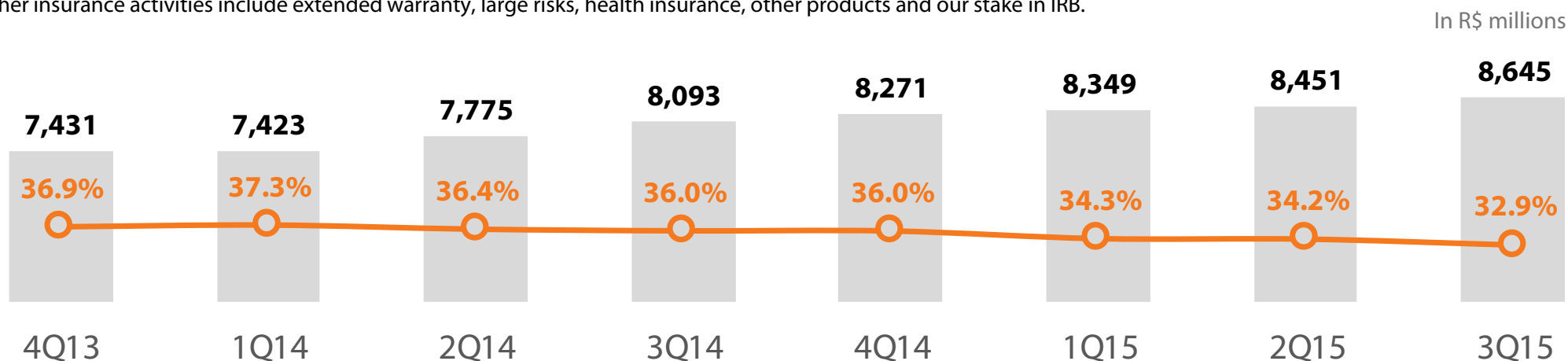
Commissions & Fees and Result from Insurance



In R\$ millions	3Q15	2Q15	change		3Q14	change		9M15	9M14	change	
Asset Management ¹	760	689	70	10.2%	688	72	10.4%	2,111	1,993	118	5.9%
Current Account Services	1,462	1,368	94	6.8%	1,217	245	20.2%	4,235	3,582	653	18.2%
Credit Operations and Guarantees Provided	824	799	25	3.2%	781	43	5.5%	2,424	2,234	189	8.5%
Collection Services	383	385	(3)	-0.7%	387	(4)	-1.1%	1,134	1,160	(26)	-2.3%
Credit Cards	2,929	2,929	(0)	0.0%	2,767	162	5.9%	8,742	8,050	692	8.6%
Other	725	735	(10)	-1.4%	719	6	0.8%	2,209	1,933	276	14.3%
Banking Service Fees and Income from Banking Charges	7,082	6,906	176	2.5%	6,558	525	8.0%	20,855	18,952	1,903	10.0%
Result from Insurance, Pension Plan and Premium Bonds	1,563	1,544	19	1.2%	1,536	27	1.8%	4,590	4,339	251	5.8%
Total	8,645	8,451	195	2.3%	8,093	552	6.8%	25,445	23,291	2,154	9.2%
(-) Result from Other Insurance Activities ²	95	99	(4)	-3.9%	133	(38)	-28.6%	278	456	(178)	-39.1%
Total excluding Other Insurance Activities²	8,551	8,352	199	2.4%	7,961	590	7.4%	25,167	22,835	2,332	10.2%

¹ Includes fund management fees and consortia management fees.

² Other insurance activities include extended warranty, large risks, health insurance, other products and our stake in IRB.



■ Banking Services Fees and Income from Banking Charges and Result from Insurance Operations*

○ (Banking Services Fees and Income from Banking Charges and Result from Insurance Operations*) / (Financial Margin + Banking Services Fees and Income from Banking Charges and Result from Insurance Operations*)

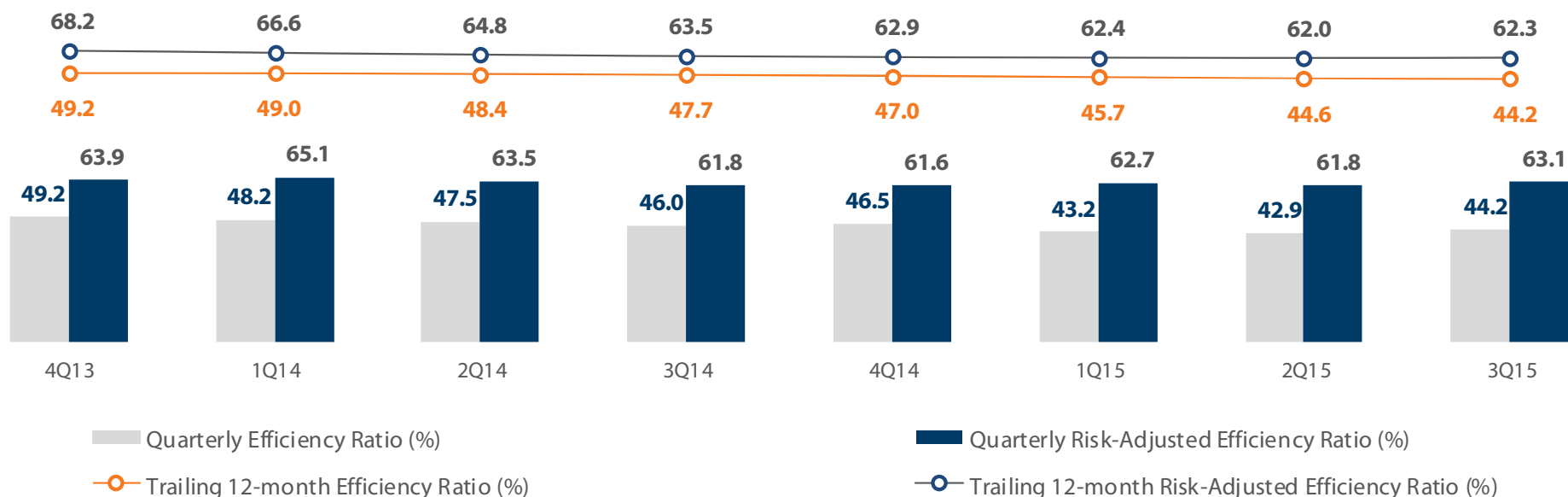
* Insurance Operations include insurance, pension plan and premium bonds.

Non-Interest Expenses



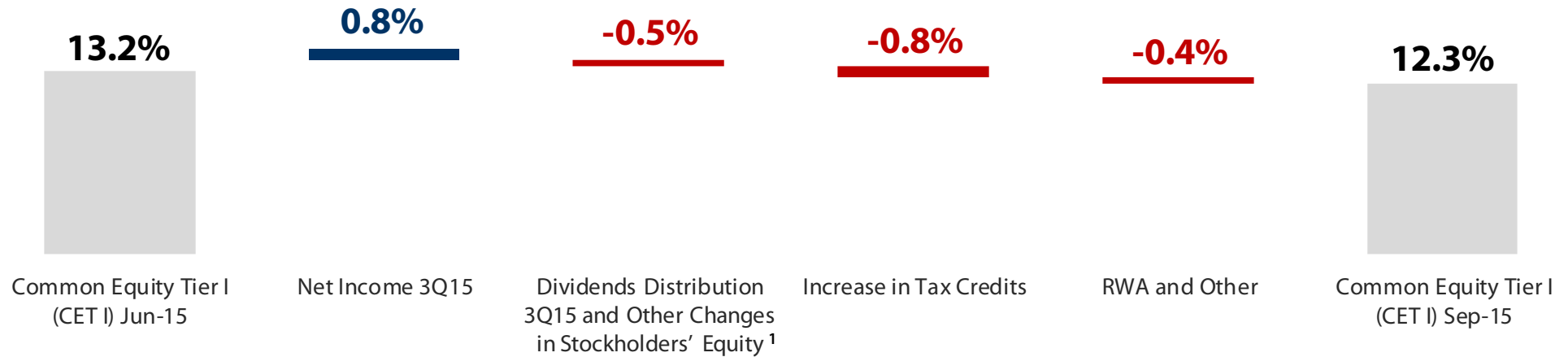
In R\$ millions	3Q15	2Q15	change		3Q14	change		9M15	9M14	change	
Personnel Expenses ⁽¹⁾	(5,011)	(4,349)	(662)	15.2%	(4,352)	(659)	15.1%	(13,874)	(12,459)	(1,415)	11.4%
Administrative Expenses	(4,350)	(4,265)	(84)	2.0%	(4,127)	(223)	5.4%	(12,543)	(11,958)	(585)	4.9%
Personnel and Administrative Expenses	(9,361)	(8,614)	(747)	8.7%	(8,479)	(882)	10.4%	(26,417)	(24,417)	(2,000)	8.2%
Operating Expenses ⁽²⁾	(1,410)	(1,287)	(122)	9.5%	(1,162)	(248)	21.3%	(3,972)	(3,613)	(359)	9.9%
Other Tax Expenses ⁽³⁾	(136)	(77)	(58)	75.0%	(112)	(23)	20.7%	(378)	(340)	(38)	11.2%
Total	(10,906)	(9,979)	(927)	9.3%	(9,753)	(1,153)	11.8%	(30,767)	(28,369)	(2,397)	8.5%
(-) Operations Abroad	(1,131)	(983)	(148)	15.0%	(764)	(367)	48.1%	(3,130)	(2,286)	(844)	36.9%
Total (ex-operations abroad)	(9,775)	(8,996)	(779)	8.7%	(8,989)	(786)	8.7%	(27,637)	(26,083)	(1,553)	6.0%

¹ In 3Q15 considers R\$ 315 million of the salaries and benefits adjustment related to the collective negotiation agreement; ² Includes expenses from provisions for contingencies, credit card selling expenses, claims and other; ³ Includes IPTU, IPVA, IOF and other. Does not include PIS, Cofins and ISS.

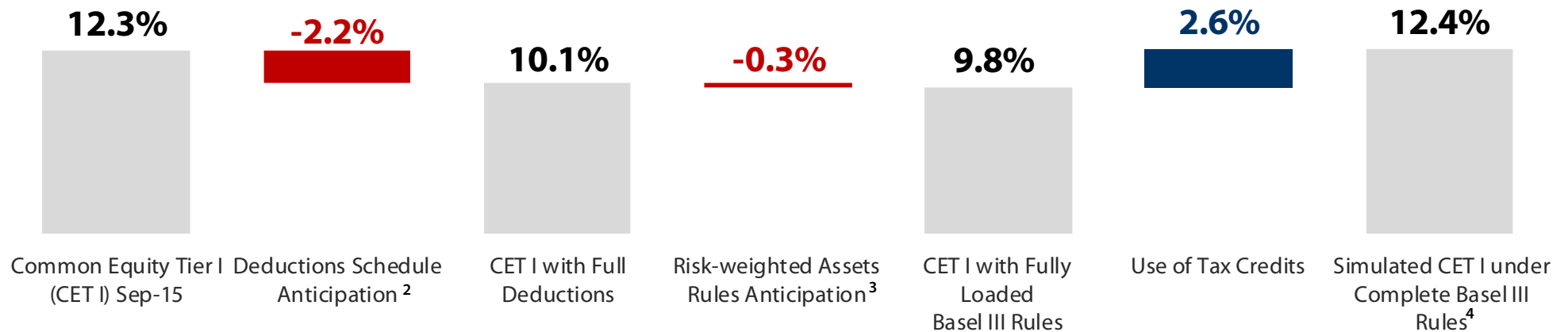


Core Capital Ratio (Common Equity Tier I)

Changes in the Core Capital Ratio in the 3Q15



Full application of Basel III rules | September 30, 2015

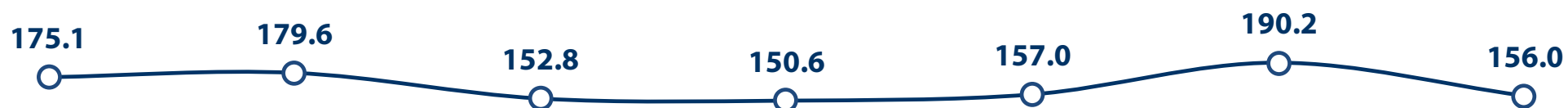


¹ Includes the increase in treasury shares and the increase in the negative balance of asset valuation adjustment. ² Includes deductions of Goodwill, Intangible Assets, Tax Credits from Temporary Differences, Pension Fund Assets, Equity Investments in Insurance and similar companies. ³ Includes the increase of the multiplier of the market risk, operational risk and certain credit risk accounts. This multiplier, which is at 9.09 nowadays, will be to 12.5 in 2019. ⁴ Does not include any reversal of the complementary allowance for loan losses.

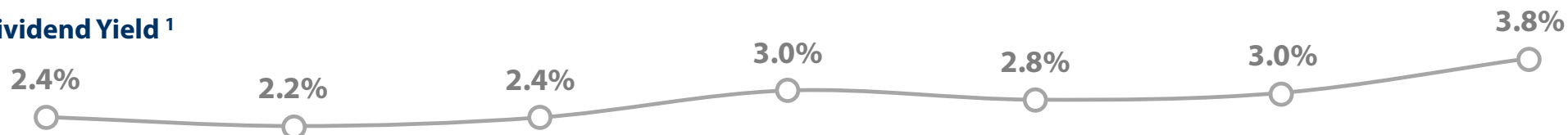
Stock Market Performance



Market Capitalization (in R\$ billions)



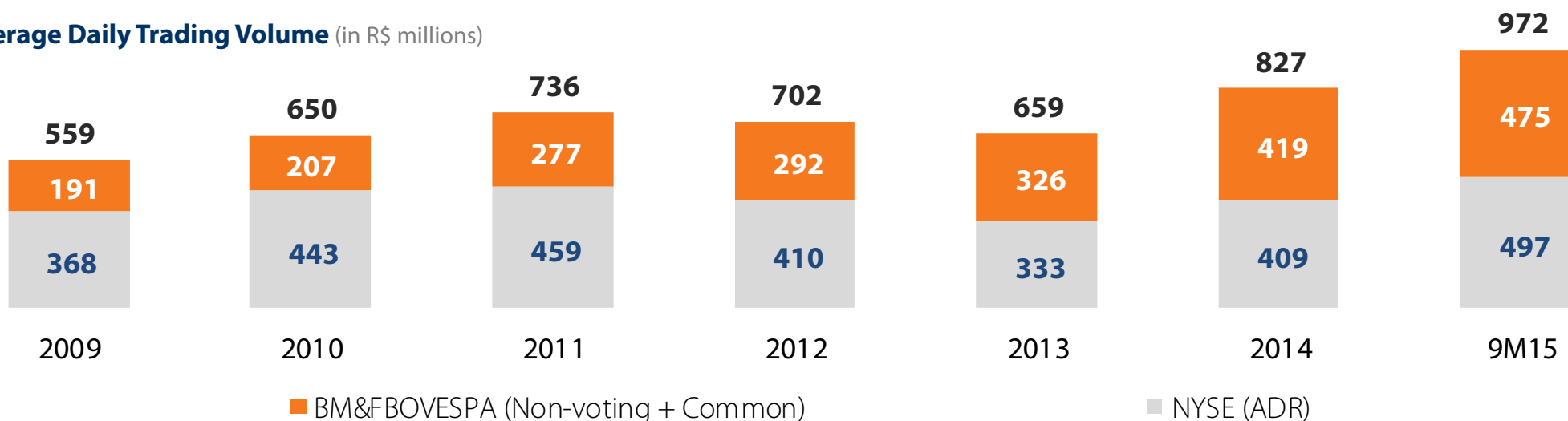
Net Dividend Yield ¹



Price/Earnings ²



Average Daily Trading Volume (in R\$ millions)



¹ Dividends and Interest on Capital Distributed in the last 12 months of each period/average price of the non-voting shares on the first day of each period; ² Source: Bloomberg (considered analysts expectations for the next 12 months, as of each date, and ITUB4 closing price).

Buybacks in 2015

Purpose

- ✓ Compliance with the long-term compensation and incentive programs for employees and management members
- ✓ Capital Management

Non-Voting Shares Acquired *

Number (Units)	Average Price (R\$)	Amount (R\$ million)
86,700,280	29.07	2,520.1

2.9% of the capital stock, in non-voting shares

The balance of treasury shares accounts for **4.6%** of total outstanding shares of the same class.

Current Share Repurchase Program

Authorizes the acquisition of up to:

50 million

non-voting shares

(**13.3 million** already acquired)

11 million

common shares

By October 30, **26.5%** of the non-voting shares current program limit had been used. Therefore, there is a balance of **36.7 million** for future acquisitions.

* Operations prior to July 14 were adjusted by the share bonus of 10%

Our expectations for 2015 (reviewed in the 1Q15) were kept unchanged.

Total Loan Portfolio¹	Growth of 3.0% to 7.0%
Managerial Financial Margin²	Growth of 14.5% to 17.5%
Provision for Loan Losses Net of Recovery of Loans	Between R\$15 billion and R\$18 billion
Service Fees and Result from Insurance Operations³	Growth of 9.5% to 11.5%
Non-Interest Expenses	Growth of 7.0% to 10.0%

¹ Includes endorsements, sureties and private securities;

² Includes Financial Margin with Clients and Financial Margin with Market;

³ Service Fees (+) Income from Insurance, Pension Plan and Premium Bonds (-) Retained Claims (-) Selling Expenses with Insurance, Pension Plan and Premium Bonds.

* The outlook does not consider the effects of the CorpBanca's transaction.



3rd quarter 2015 – Earnings Review

Conference Call

Eduardo Mazzilli de Vassimon

Executive Vice-President, CFO (Chief Financial Officer)
and CRO (Chief Risk Officer)

Marcelo Kopel

Investor Relations Officer

