

Ciclo Apimec 2019

Agenda

24
consecutive
years

01



10 years of Itaú Unibanco

Pedro Moreira Salles – Co-chairman of the Board of Directors
Roberto Setubal – Co-chairman of the Board of Directors
Ricardo Tadeu Martins – President of Apimec Nacional

02



Itaú Unibanco's Results and structural changes in the Brazilian Financial System

Milton Maluhy – Executive Vice-President, CFO and CRO

03



Customer centricity and Digital strategy

Candido Bracher – President and CEO
André Sapoznik – Vice-President of IT and Operations
Márcio Schettini – Retail General Director

04



Closing - Candido Bracher

05



Q&A Session

Milton Maluhy

Executive Vice President, CFO & CRO



1.

**Structural changes in the
Brazilian Financial System**



2.

Itaú Unibanco is ready



3.

Shareholder value creation



1.

**Structural changes in the
Brazilian Financial System**



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Shareholder value creation

The Brazilian Financial System undergoes a structural change

Selic rate - % per year



Inflation under control (IPCA) - %



Source: Bloomberg and Itaú Unibanco

Source: IBGE and Itaú Unibanco

Agenda



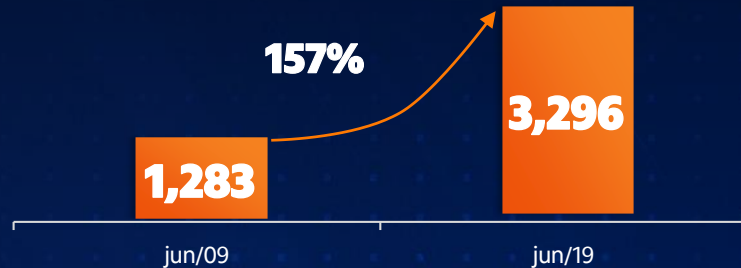
- Inclusion
- Competitiveness
- Transparency
- Education

Approved Reforms

- Long-Term Interest Rate (TLP)
- Positive Bureau
- Social Security Reform in progress at the Congress

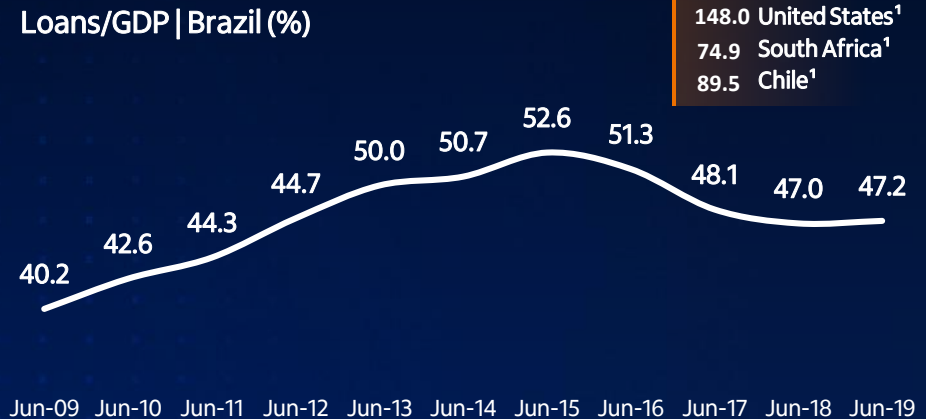
Credit and insurance in Brazil: growth potential

Total Loans (In R\$ billion)



Source: Central Bank of Brazil.

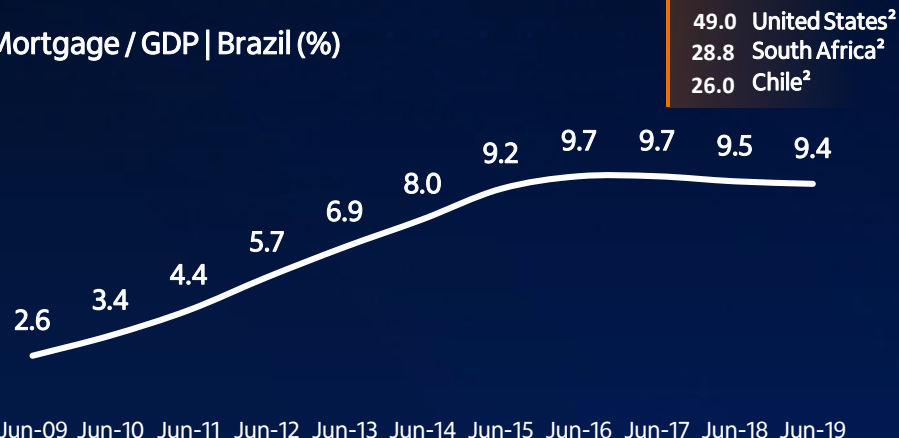
Loans/GDP | Brazil (%)



(1) Information by country refers to: December 2018 (South Africa), March 2019 (USA) and July 2019 (Chile).

Sources: Central Bank of Brazil, Federal Reserve Board, South African Reserve Bank and Central Bank of Chile.

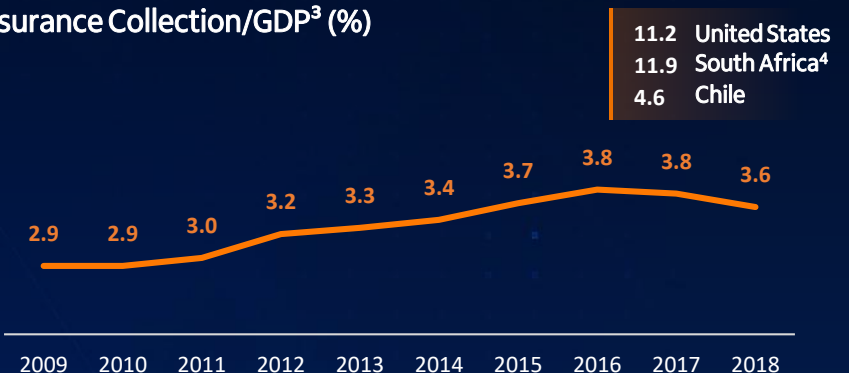
Mortgage / GDP | Brazil (%)



(2) Information by country refers to: December 2018 (South Africa), March 2019 (USA) and July 2019 (Chile).

Sources: Central Bank of Brazil, Federal Reserve Board, South African Reserve Bank and Central Bank of Chile.

Insurance Collection/GDP³ (%)



(3) Insurance premiums do not include health care insurance

(4) Information by country refers to 2017. Information on South Africa refers to 2016.

Sources: Susep and OECD



1.

**Structural changes in the
Brazilian Financial System**



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Itaú Unibanco is ready



3.

Shareholder value creation

We are **ready...**



Universal Business Model

Focus on value creation
and broad customer
base



Cost management discipline

Continuous search for
efficiency



Technological capacity

Continuous
investment



Risk appetite

Acceptable exposure
levels



Capitalization and liquidity

Prudence and
soundness

Business Model

A universal bank

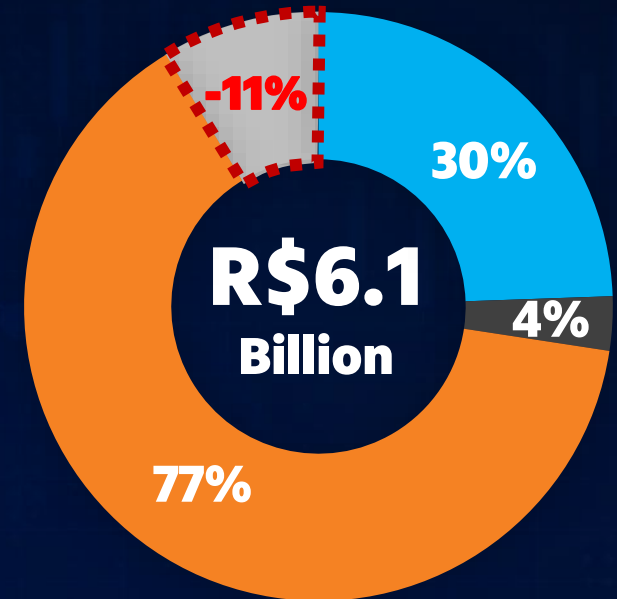
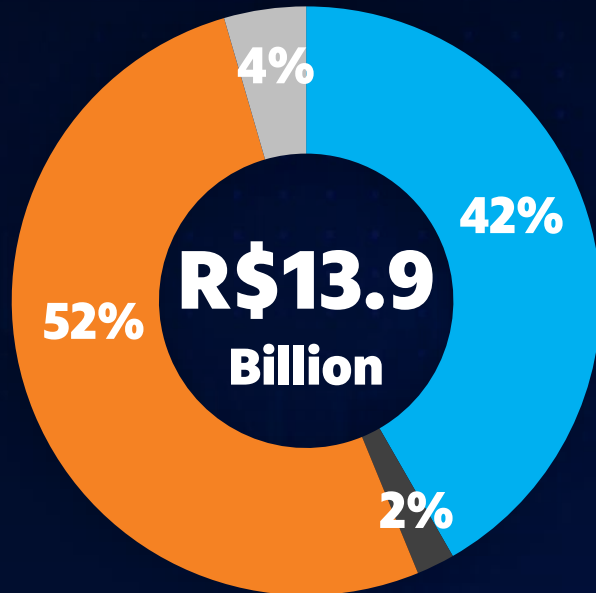


Universal
Business Model

Recurring Net Income

1st Half of 2019

Value creation



A Universal Bank

all products and services for multiple customers



Universal Business Model



(1) Examples of partnership: Magazine Luiza, Wallmart, Fiat, Latam, Ipiranga and Vivo.

A Universal Bank

all products and services for multiple customers



Universal Business Model

BROKER

R\$ 41 billion in volume traded in 2018.



ITAÚ SECURITIES SERVICES

Best sub custodian in Brazil, Paraguay and Uruguay in June/19
R\$ 1,405 billion in local custody services.
R\$ 177 billion in international custody services in June/19.



VEHICLES

R\$ 17.2 billion in vehicle portfolio.
Third largest bank in the individual segment.



INSURANCE OPERATIONS

R\$ 2.0 billion in Revenues from Insurance, Pension Plans and Premium Bonds in 2Q19.



INVESTMENT BANKING

Leader in Mergers and Acquisitions.



WEALTH MANAGEMENT AND SERVICES

R\$ 1.2 trillion in Total Assets under management.
Best asset manager in Brazil in 2018.



55 million customers

PRIVATE PENSION PLANS

R\$ 26.9 billion in contributions for the Itaú Private Pension Plans in 2018.
Largest private Brazilian bank in this segment for individuals.



CREDIT CARDS

Leader in the Brazilian market.¹



MORTGAGE

Premier banking brand in the Brazilian market.



PAYROLL LOANS

Fourth largest bank in this segment in Brazil.



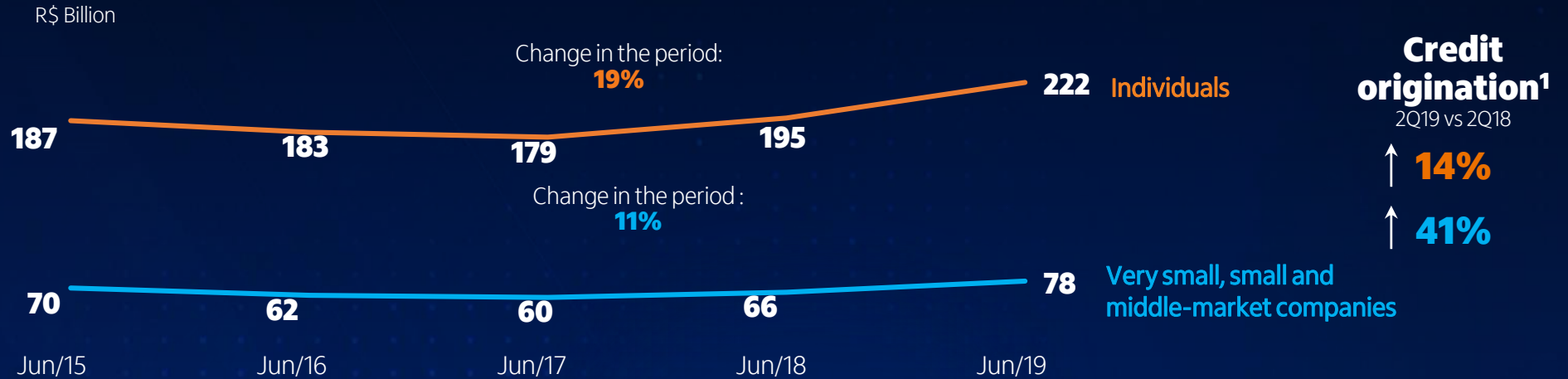
ACQUIRING SERVICES

R\$ 437.1 billion in credit and debit card transactions in 2018.



(1) Based on the purchase volume

Loan portfolio growth, with increase in origination



Investment funds growth², especially open platforms



(1) Average by business day in the period,

(2) Does not include Latin America (ex-Brazil). As of 3Q17, we deconsolidated managed portfolios of the Itaú group and, for comparison purposes, we reprocessed the history.

We are **ready...**



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Capitalization and liquidity

Prudence and
soundness

Cost control and efficiency



Cost management discipline

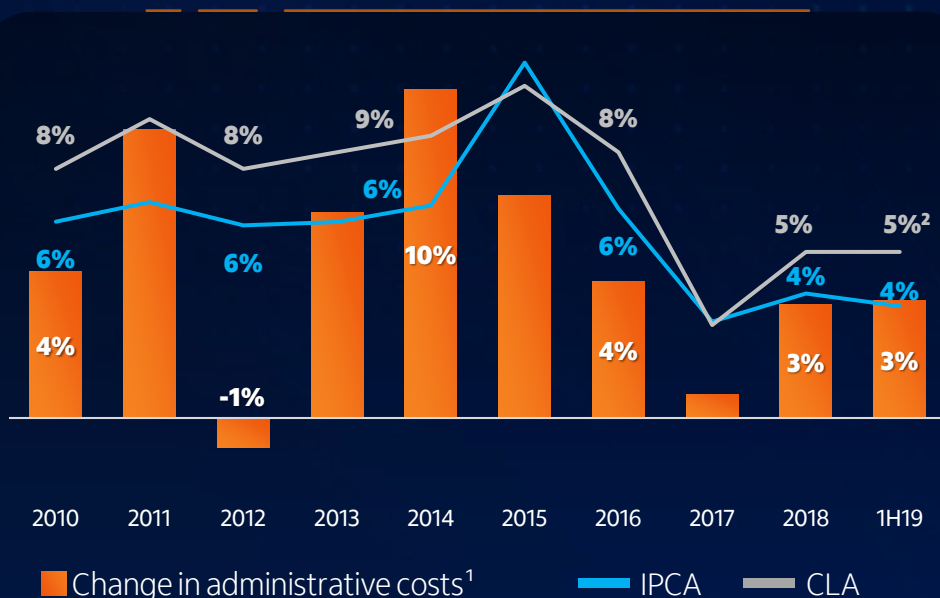
Our administrative costs in Brazil

Annual average variation

Costs:
4.7%

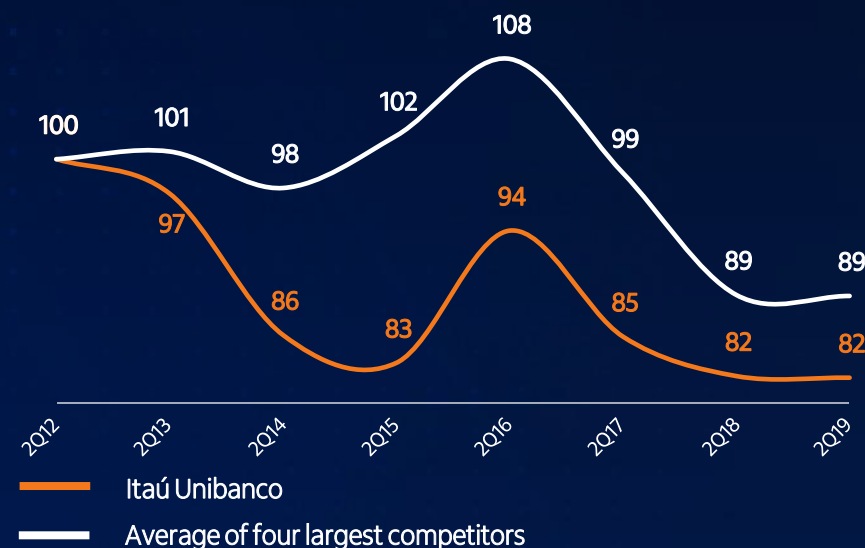
Inflation
(IPCA):
5.8%

Collective Labor
Agreement (CLA):
7.1%



Risk-Adjusted Efficiency Ratio

Basis 100



Historically more efficient than the average of main competitors.

¹ Does not include operations in Latin America. Includes Insurance Selling Expenses.

² Includes Collective Labor Agreement 2018.

There is no break. We are constantly seeking cost reduction opportunities



Cost management discipline

Internal Initiatives

- Voluntary Severance Program
- Process reviews
- Costs optimization
- Management engagement
- **Internal engagement campaigns**

“Avoiding waste and rethinking our habits to be simple. Always.”

“Managing the bank’s resources as if they were yours. This is also changing league.”

Employees

99,914

▼1,468

98,446

Jun/18

Jun/19

Branches and CSBs

4,904

160

4,744

Jun/18

4,722

196

4,526

Jun/19

- Digital branches - Brazil
- Physical branches and CSBs

We are **ready...**



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Continuous search for
efficiency



Technological capacity

Continuous
investment



Risk appetite

Acceptable exposure
levels



Capitalization and liquidity

Prudence and
soundness

Continuous investment in technology



Technological capacity

Basis 100



18%
Inflation (IPCA)
accumulated in
the period

● Technology investments

● Non-interest Expenses

We are **ready...**



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Cost management discipline

Continuous search for
efficiency



Technological capacity

Continuous
investment



Risk appetite

Acceptable exposure
levels



Capitalization and liquidity

Prudence and
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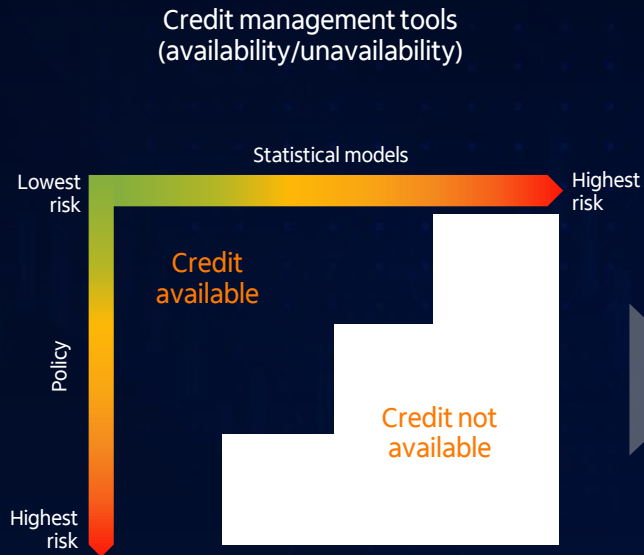
Risk appetite - No change



Risk appetite

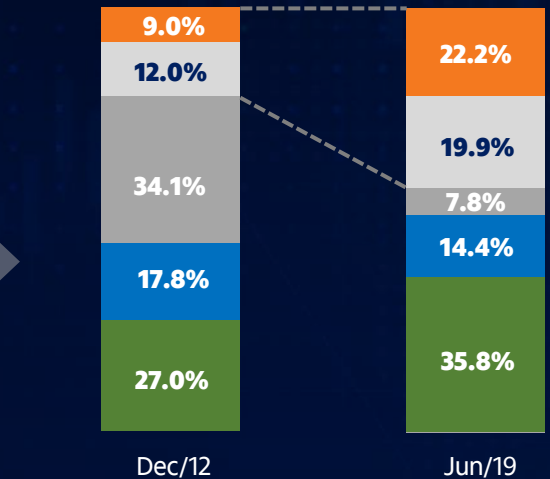
Retail Banking

Management strategy



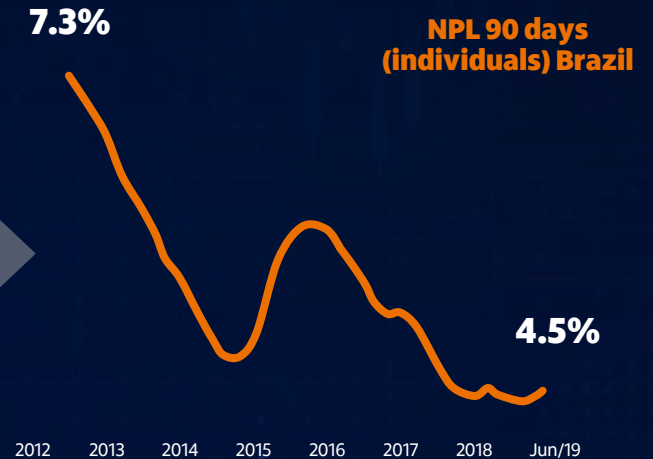
Effect on the portfolio

Change in the mix of individuals portfolio in Brazil



Strategy results

NPL reduction in the segment



Risk appetite - No change



Risk appetite

Wholesale Banking

Management strategy

Joint decisions based on individual rating, sector visions and portfolio management

Business evolution - Companies

2014|2015

2015|2016

Corporate strategic review

Implementation of the new Corporate model

Specialization for credit restructuring and recovery

Effect on the portfolio

Exposure reduction in the largest debtors

Dec/12

Jun/19

% of total portfolio

Largest

1.1%

0.9%

10 largest

7.7%

6.4%

50 largest

19.6%

16.0%

We are **ready...**



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Risk appetite

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levels



Capitalization and liquidity

Prudence and
soundness

Prudent capital management

Maintenance of adequate capitalization levels



Capitalization and liquidity

Tier I Capital Ratio

Itaú Unibanco Model

13.5 %

4.0 %

3.5 %

6.0 %

■ **Additional buffer for stress**

■ **Regulatory buffer**

■ **Minimum regulatory**

14.9 %

(R\$ 126.4 billion)

1.3 %

13.6 %

■ **Additional Capital Tier I (AT1)**

■ **Common Equity Tier I (CET I)**

Jun/19


Distribution of profits practices



Capitalization and liquidity

 To hold Tier 1 Capital ratio at 13.5% in different return and growth scenarios, assuming no acquisitions or changes in capital requirements.

ROE

	5.0%	15.0%	17.5%	20.0%	22.5%	25.0%
 Risk Weighted Assets Growth	65-70%	70-75%	75-80%	80-85%	85-90%	
	40-45%	45-50%	50-55%	55-60%	60-65%	
	35%	35%	35-40%	40-45%	45-50%	

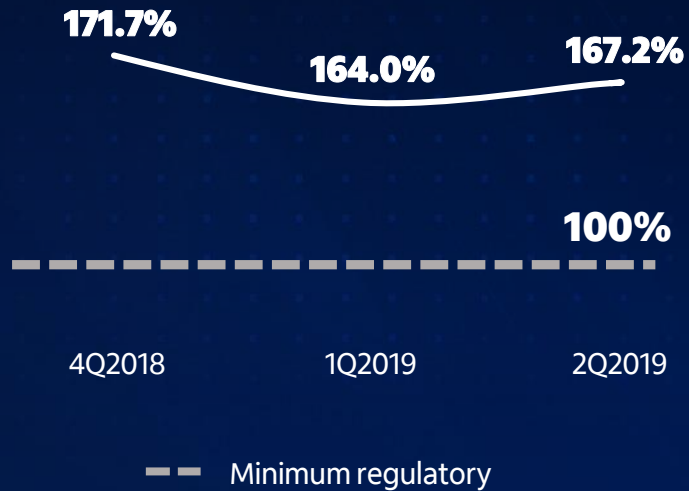
The percentage to be distributed may vary year-on-year based on profitability and capital demands, always taking into consideration the minimum set forth in the company's bylaws

Liquidity

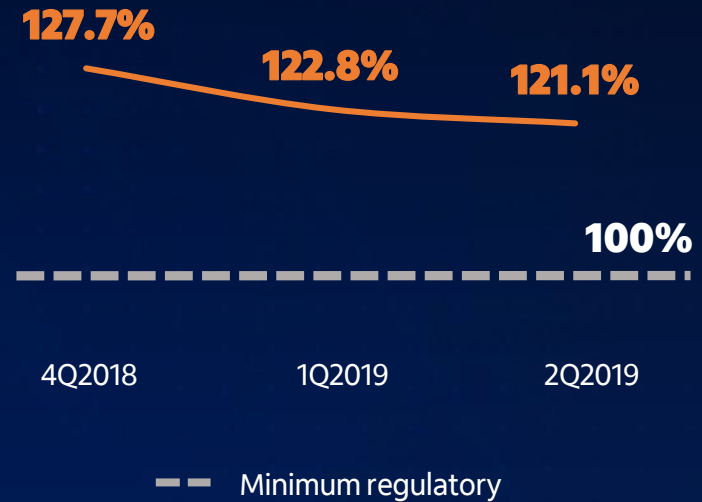


Capitalization and liquidity

Short-Term Liquidity Indicator (LCR)¹



Long-Term Liquidity Indicator (NSFR)²



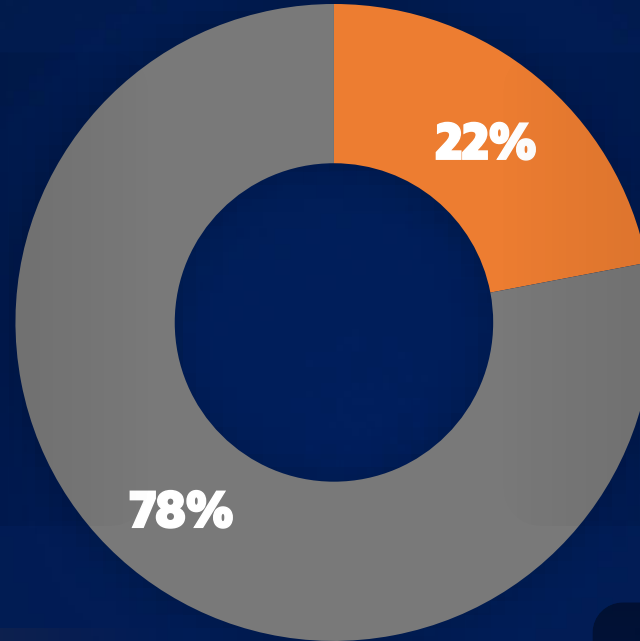
(1) High Quality Liquid Assets (HQLA) / Potential Cash Outflows
(2) Available Stable Funds / Required Stable Funds

Diversified funding



Capitalization and liquidity

- 44% savings deposits
- 30% time deposits
- 20% demand deposits
- 6% Financial Bills and other



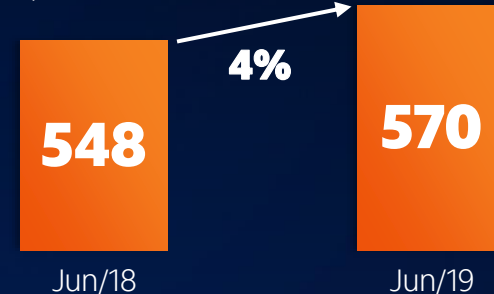
22% of funding is from the **WHOLESALE BANKING** segment (average: 1.8 year)

78% of funding is from the **RETAIL BANKING** segment (average: 3 years)

Base-Date: July 2019
In national currency

Funds raised¹

R\$ Billion



(1) Includes demand, savings, and time deposits, debentures, CRI, on lending, loans, funds from acceptances and financial notes, securities issues abroad, net of compulsory deposits and cash and cash equivalents.



1.

**Structural changes in the
Brazilian Financial System**



2.

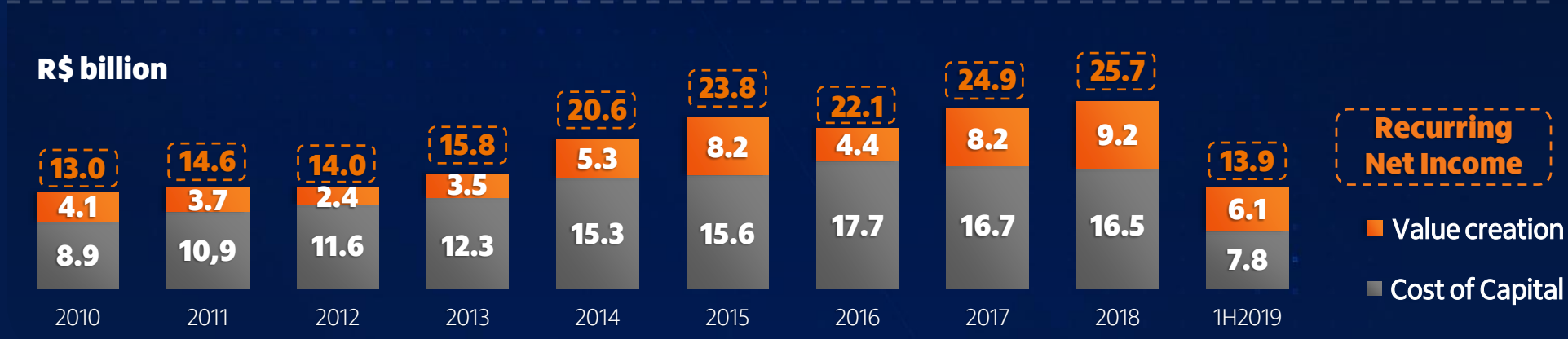
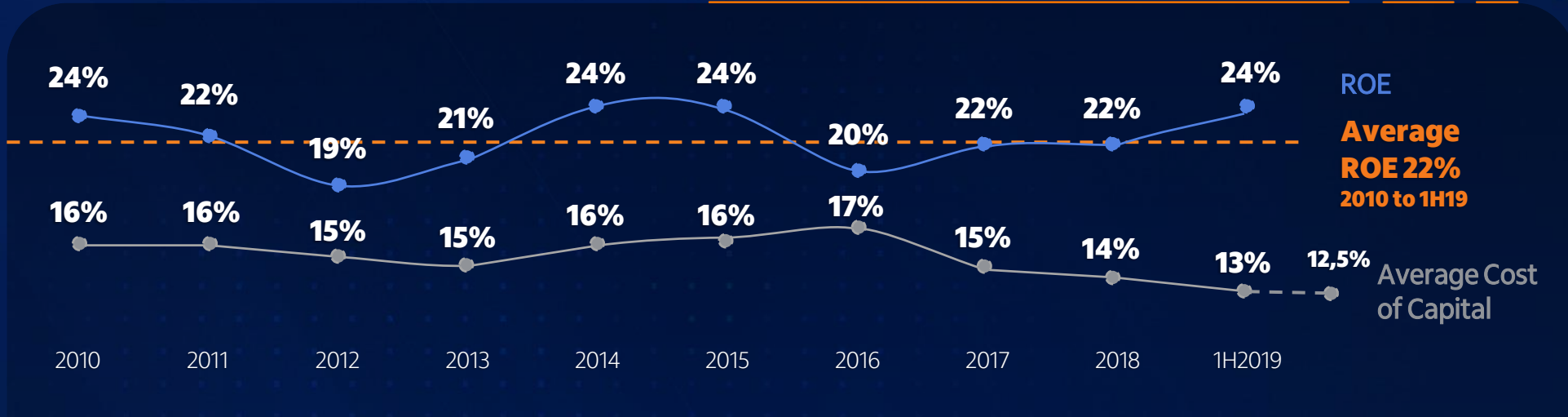
Itaú Unibanco is ready



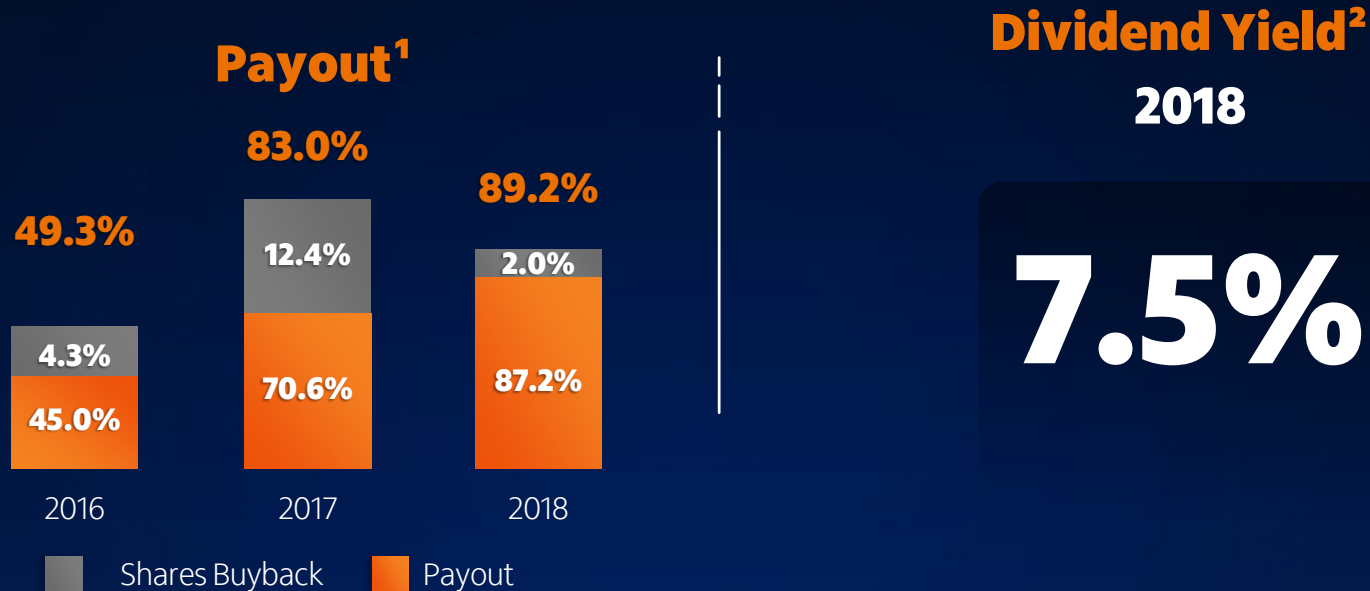
3.

Shareholder value creation

Consistent profitability



Return to shareholders



In 2019...

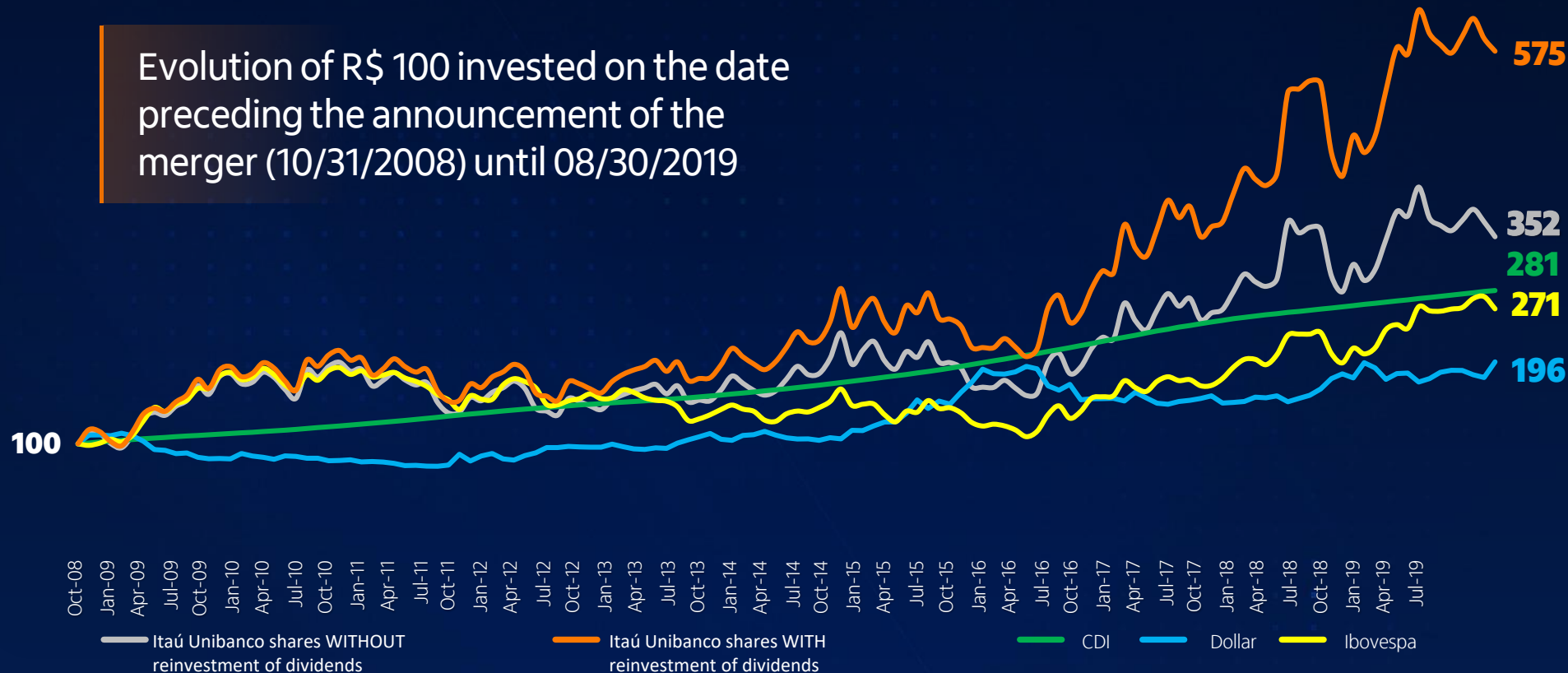
**R\$ 8.5 billion in
dividends were paid out, equivalent to
R\$ 0.877 per share**

(1) % of recurring net income

(2) Includes 89.2% payout and the average daily closing price in 2018.

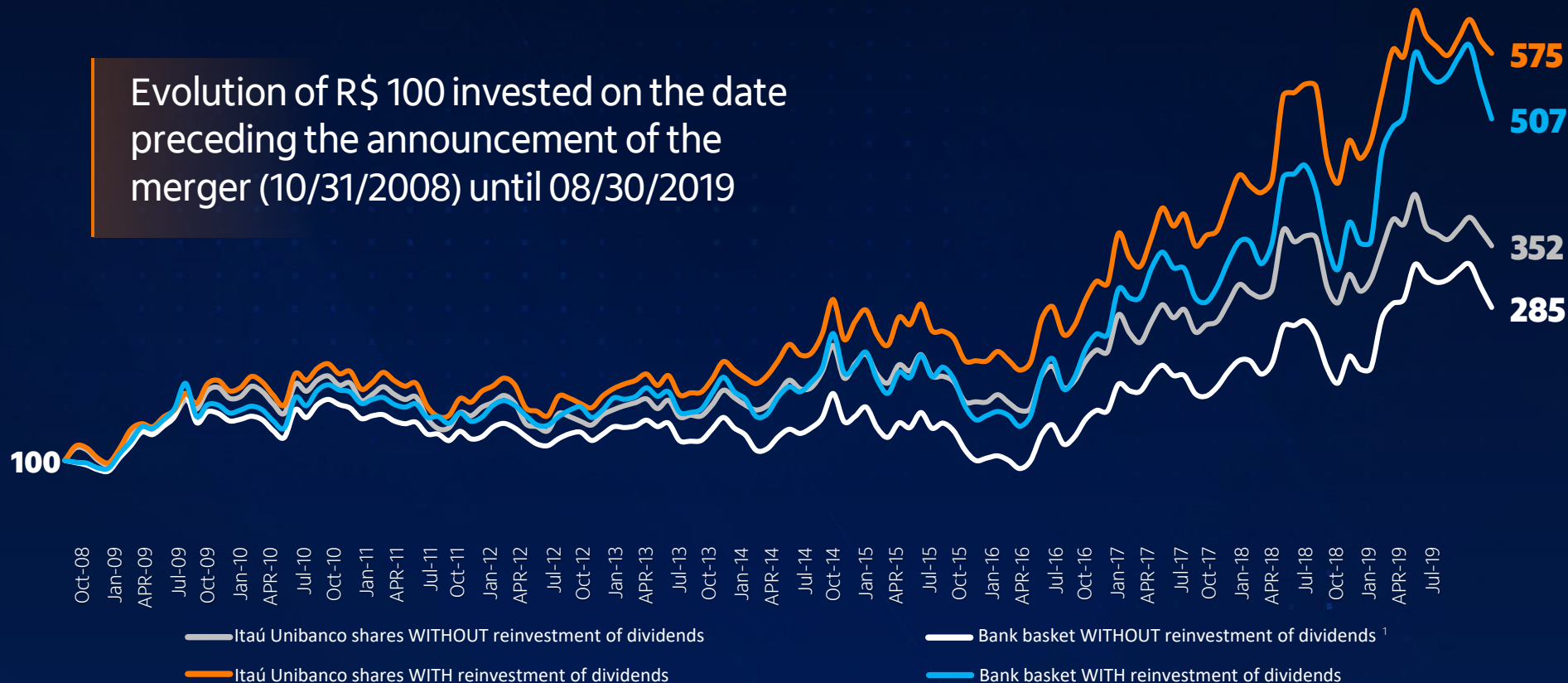
Itaú Unibanco preferred shares appreciation – Compared with market indicators

Evolution of R\$ 100 invested on the date preceding the announcement of the merger (10/31/2008) until 08/30/2019



Itaú Unibanco preferred shares appreciation – Compared with other Brazilian banks

Evolution of R\$ 100 invested on the date preceding the announcement of the merger (10/31/2008) until 08/30/2019



Source: Economática.

¹Simple average of the three largest Brazilian banks ex Itaú Unibanco.

Candido Bracher

President & CEO



Agenda

1. Scenario

2. Strategy to improve customer satisfaction

3. Results achieved (NPS evolution)



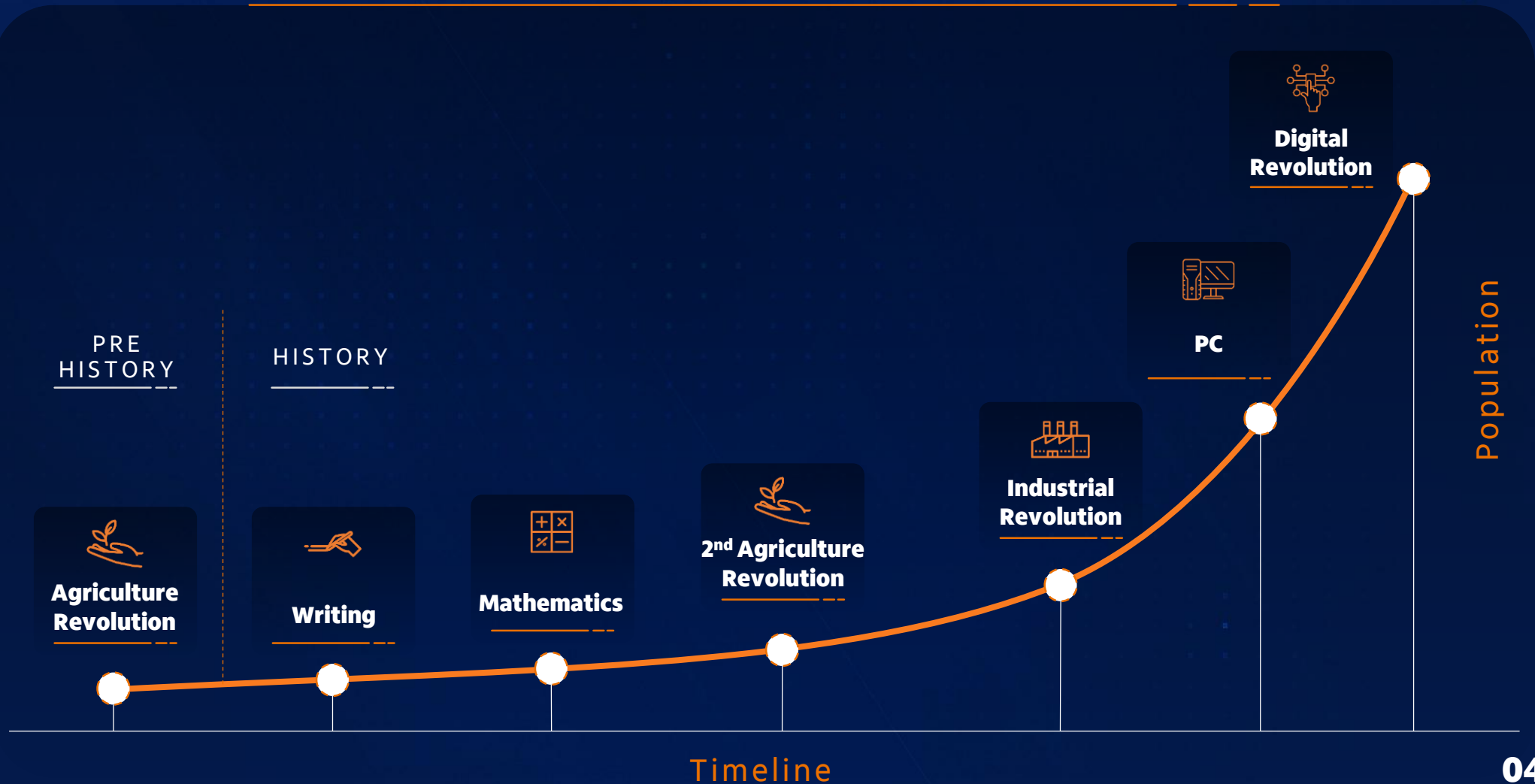
Agenda

1. Scenario

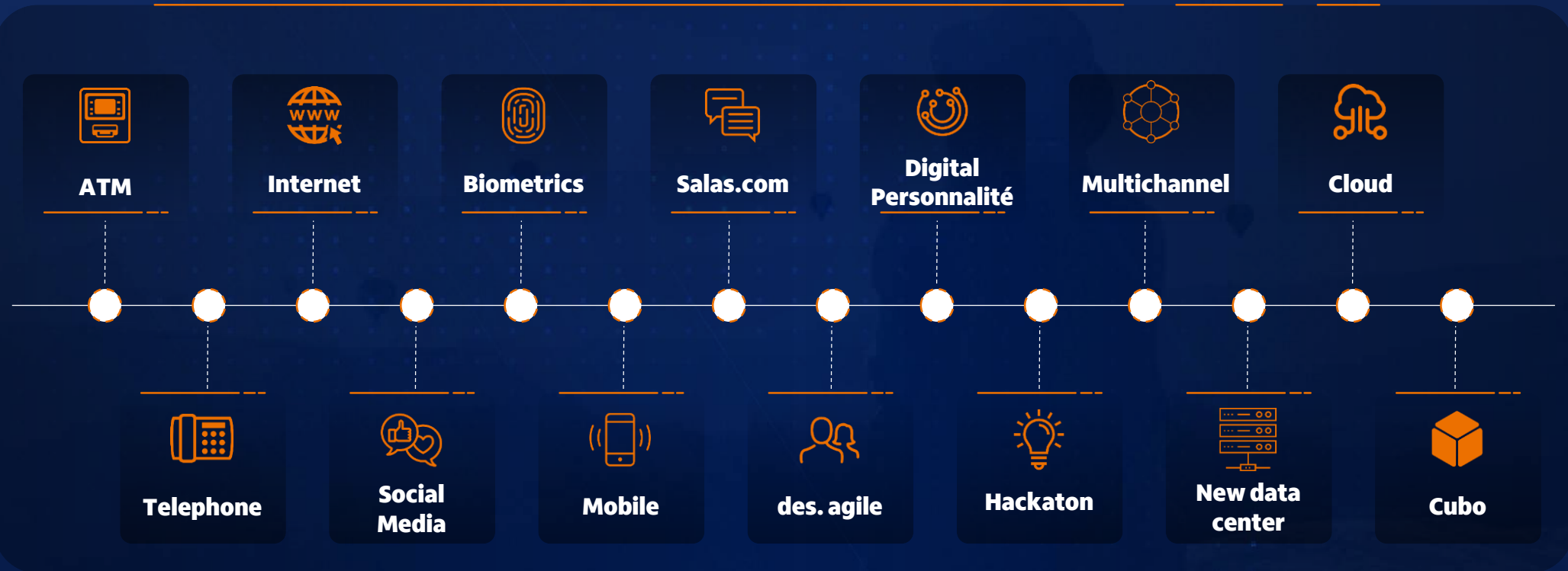
2. Strategy to improve customer satisfaction

3. Results achieved (NPS evolution)

We are experiencing a moment of **exponential transformations** in different sectors



Transformation is a journey, not a destiny



Digital revolution

New customers' needs



MOBILITY

Do not want to waste time in traffic



LEISURE

Want access to nice and easy entertainment



COMMUNICATION

Need to communicate with their network anytime, anywhere



TRAVEL

Seek to have new experiences and convenience while traveling



CONSUMPTION

Want as many product options as possible to choose from when necessary



MUSIC

Want to listen to their favorite albums anytime, anywhere



FULL SERVICE

Look for intelligent and integrated solutions (super apps) to make their everyday life easier

Customers' expectations have changed.

They demand high-quality experiences rather than just products and services.

The game changer: **Technology**

Addressing customers needs through tech.



ARTIFICIAL INTELLIGENCE



BIG DATA ANALYTICS



BIOMETRICS



SMARTPHONE



SOCIAL MEDIA



WEARABLES



CLOUD



BLOCKCHAIN



CHATBOTS

Customer ownership **is the new rule**

Continuously listen to customers and follow up to get their feedback

Act proactively to anticipate needs

Build customer empathy into processes and policies

Act systematically to improve customer experience



Respect customer privacy

Motivate employees to stay engaged

Adapt to customer demands and real-time circumstances

What really matters is to have the **customer in the center** of everything we do

We have plenty of customers and their satisfaction is what matters

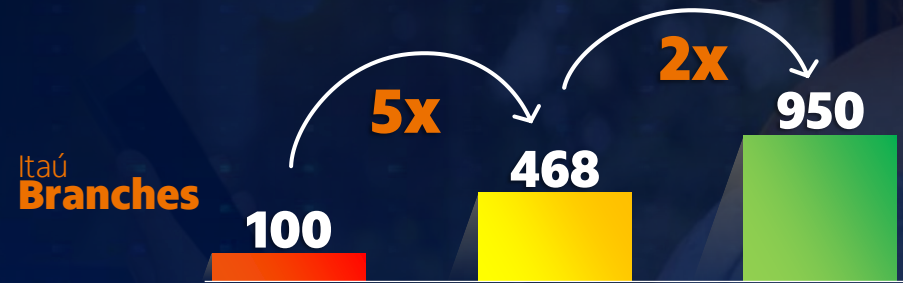
Universal Bank

- 55 million customers
 - between 18 and over 80 years old
 - from low-income customers to the Private segment
 - present throughout Brazil, in the capitals or countryside, and abroad
 - legal entity: comprise from very small companies to large business conglomerates

We challenge ourselves on a daily basis to meet this heterogeneous universe.

Satisfied customers generate more value

Present Value in net income (basis 100) R\$/customer, 5-year projection



10x

It is the difference between the present value generated by a promoter of the **Itaú Branches** segment versus the value generated by a detractor



Our Vision

To be the leading bank in sustainable performance and **customer satisfaction**

Our Purpose



To encourage people's power of transformation

Customer
centricity as a
guiding thread to

**changing
leagues**

Customer
at the Center

We started to compare ourselves with the world's top companies in customer satisfaction rather than only with direct banking competitors.

Competition



Established

Challenge: **change**

X



Innovators

Challenge: **scale**



**“Established must find innovation before
innovators find distribution”**



Agenda

1. Scenario

2. Strategy to improve customer satisfaction

3. Results achieved (NPS evolution)

Satisfaction has assumed the **core role in strategy**



Cultural Transformation

- Engagement
- Incentives
- Communication
- Training
- Organizational structure



Customer Experience Transformation

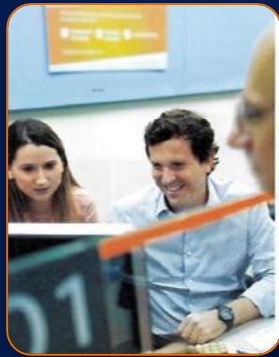
- Satisfaction measurement (listening to the customer)
- Product and process evolution
- Journey redesign



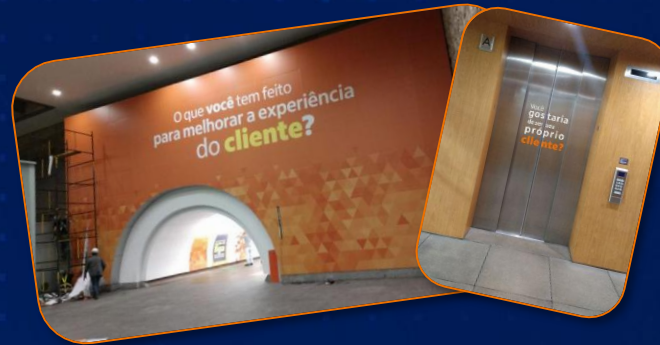
Cultural Transformation

How to engage leaders and teams in changing behaviors?

May I help you? Program



Administrative conglomerates setting



Itaú Unibanco magazines



New brand positioning



Cultural Transformation

How to engage teams in changing behaviors?

“Rituals reinforce the **behaviors we want** and **implement changes.”**

(Heidi Grant, Ph.D. at Neuroleadership Institute; Harvard Business Review)



Proactive communication to understand customer experience

+80,000 feedback per month



Learnings from customer feedback to improve their experience

+ 6,000 meetings

Customer Experience Transformation

1st step: Satisfaction Measurement



+ **30 million**
surveys sent
every year



Approximately
4 million
responses from customers

Customer Experience Transformation

2nd step: Journey Redesign

Discovery

Delivery



Prioritizing the Journey



Mapping Pains and As-Is flow



Benchmarks and To Be ideation



Assessing solutions



Implementing initiatives



Monitoring results

1 Onboarding and use of current account

2 Onboarding and use of current account - Companies

3 Acquisition and use of credit card

4 Onboarding and use of current account - Companies

5 Acquisition and use of personal loan

6 Acquisition and use of overdraft

7 Acquisition and use of REDE

8 Account onboarding with cash products

9 Acquisition and use of Domestic Currency

10 Financial advisory

Customer Experience Transformation

2nd step: Journey Redesign

Discovery

Delivery



**Prioritizing
the Journey**



**Mapping Pains
and As-Is flow**



**Benchmarks and
To Be ideation**



**Assessing
solutions**



**Implementing
initiatives**



**Monitoring
results**

1

Pains

2

**Customer's
journey**

3

**Comparison
with best
practices**

4

**Solution
hypotheses**

5

**Multidisciplinary
team**

6

**Tests with
customer**

7

**Agile
implementation**



Agenda

1. Scenario

2. Strategy to improve customer satisfaction

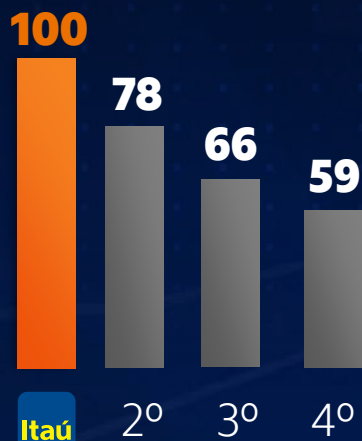
3. Results achieved (NPS evolution)

Competitive NPS

In general, we have good results compared with our main competitors

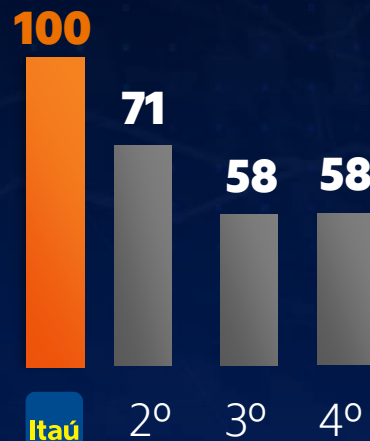
Itaú Branch

Competitive NPS
(Basis 100)



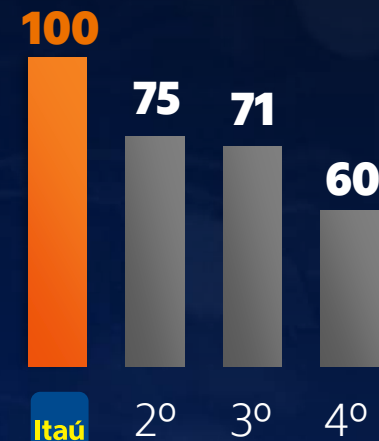
Itaú Uniclass

Competitive NPS
(Basis 100)



Itaú Personalité

Competitive NPS
(Basis 100)



Global NPS for Business (Aug/18 x Jul/19)



Retail Banking - Individuals

↑ **4 pp**

Retail Banking - Companies

↑ **12 pp**

Cards

↑ **4 pp**

Acquiring services

↑ **20 pp**

Private banking

↑ **12 pp**

Transactional NPS (Aug/18 x Jul/19)

Branches*

↑ **8 pp**

Service Centers

↑ **14 pp**

Itaú App score **



4.7

App Store



4.5

Play Store

*Total Orange Branches (Itaú Branches, Itaú Uniclass and EMP4). ** On August 29, 2019

Holding's Company Global NPS

↑ **7 pontos**

70% of the challenge to grow
10pp by **2020**



Wrapping up...

We know our customers' pains and the challenges ahead

We have already made great progress in customer satisfaction and centricity, but there is still a long way to go

We know where we should go and we are in the right path to changing league

André Sapoznik

Technology & Operations

Itaú's Digital Strategy



Itaú's Digital Strategy



Start from the client: **An imperative always up to date**

With the speed of change in the world and stronger computational power, we are able to find out more expeditiously what the client is searching for and develop customized solutions.

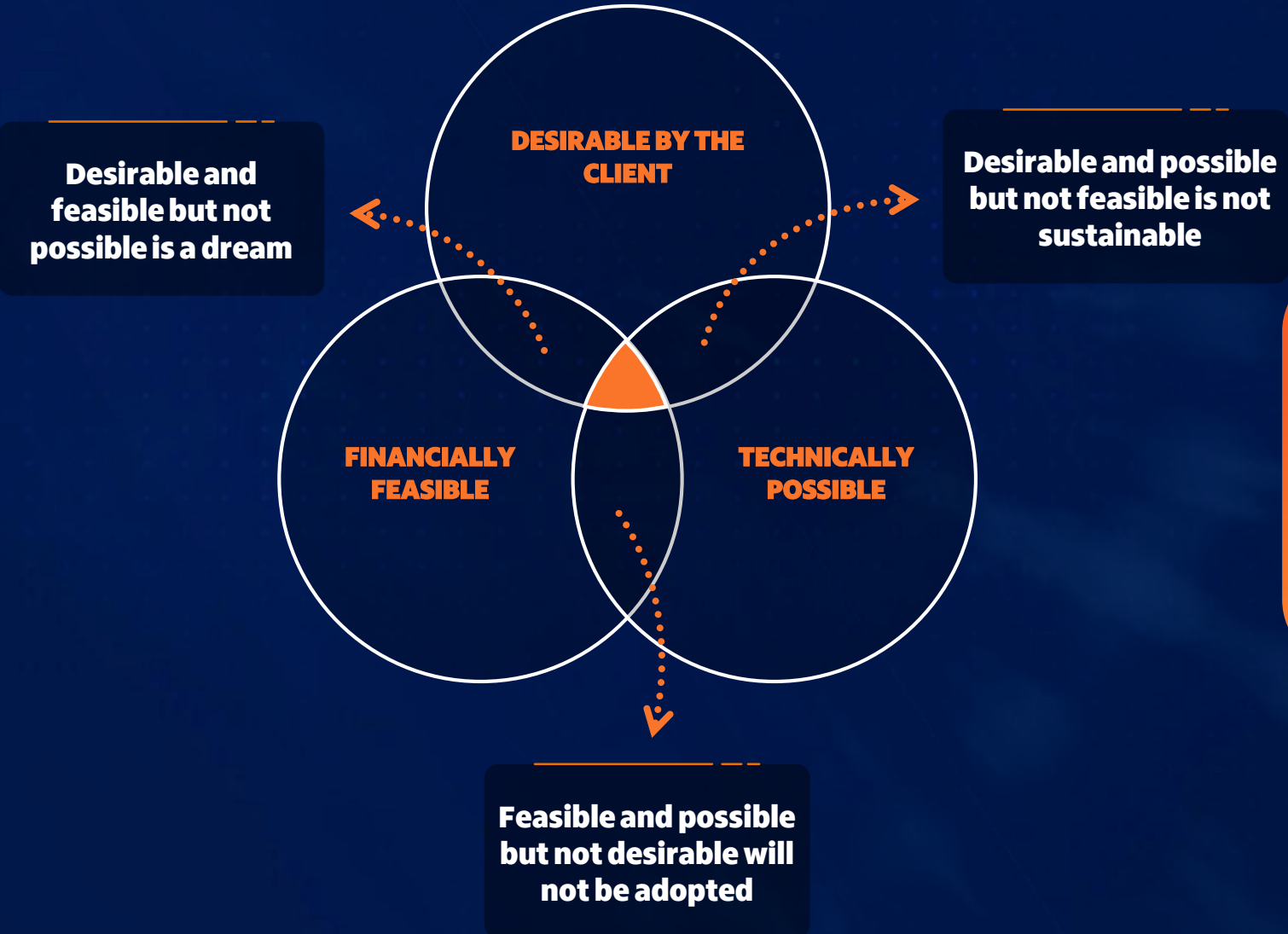
Before



Now



Creating **powerful** digital solutions



Powerful digital solutions arise from meeting clients' actual needs by using technology that has just become technically possible and financially feasible.

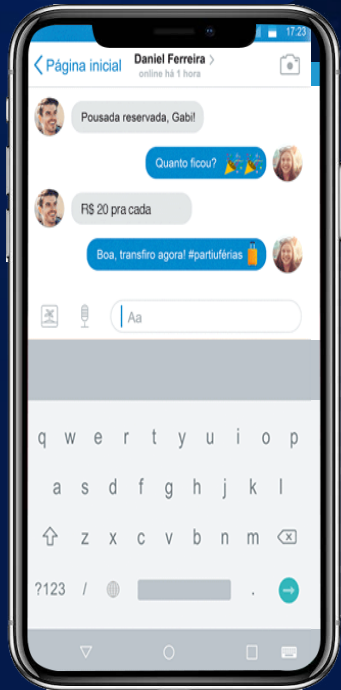
Start from the client: Itaú Keyboard

The bank participates from the client's financial life wherever he chooses to be. Financial services are present through any app on his mobile phone.

Identified need:

“ I have to pay Daniel for the trip. Is there an easy way to do it without having to open another app? ”

Solution: Itaú Keyboard



900,000
clients registered
at launch

+62%
transfers
by user



Transfer in less than
30 seconds



2x faster than the transaction in the app



New functionality: virtual card

The client generates a card on their own keyboard to pay their online purchases.

Start from the client: **Investment recommendations**

Identified need:

“ What is the best way to invest my money? So many options! ”

Data only Itaú has:

Expected results from **28,000 financial products and assets**

200,000 possible portfolio combinations

10,000 scenarios for market behavior



Testing **2 billion different scenarios** for all client profiles



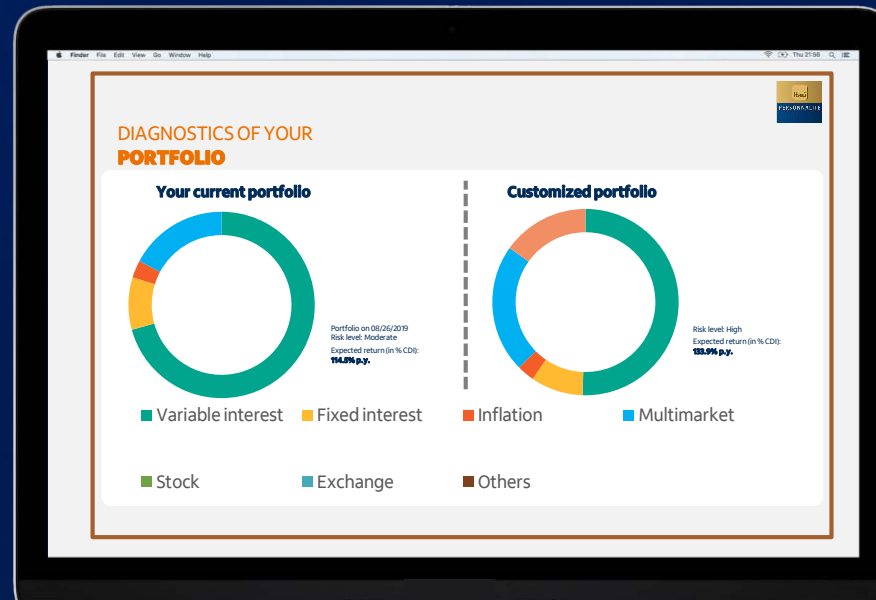
Optimization in the client context (current portfolio, earnings and new investments)



Customized **expert evaluation**

Solution:

The **most advantageous combination** possible for each client, according to their **profile and moment in life**



2.5 minutes to generate a recommendation

+0.50 to 2.50 pp additional annual portfolio profitability based on the recommendation

Itaú's Digital Strategy



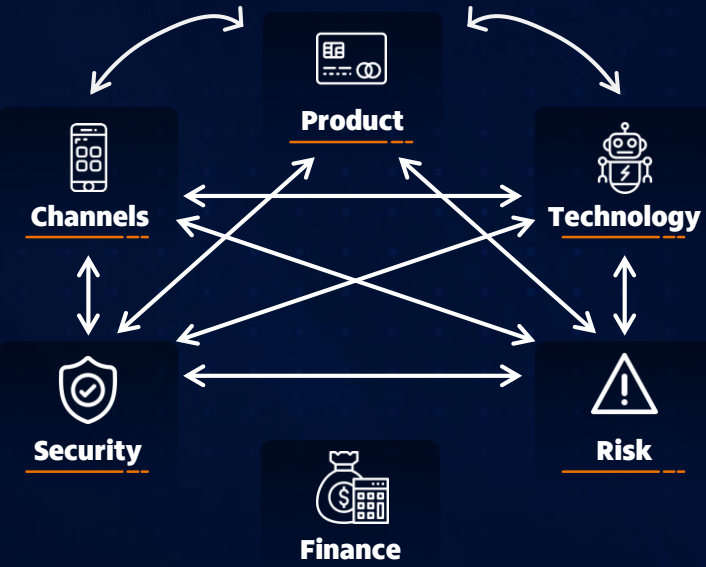
Itaú's Digital Strategy



Speed is key in today's competitive environment

Traditional model

Multiple interactions among different functional structures to develop one single product.



Modern model

Autonomous team inspired by the same purpose, gathering complementary skills to enable fast decision-making.



large projects with long stages



time



experimenting



value capture



continuous value delivery in short cycles



time



experimenting



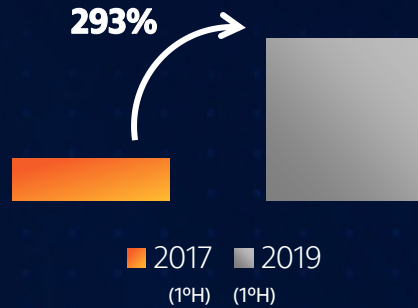
value capture



New ways of working translate into superior results

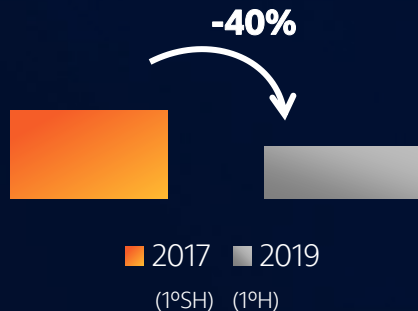
Integrated multidisciplinary teams, focused on smaller and quicker deliveries, result in higher quality, productivity and financial return.

Technology solutions



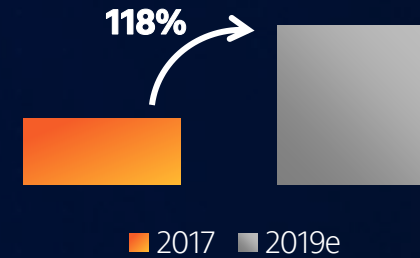
Higher productivity

Less time to deliver technology solutions



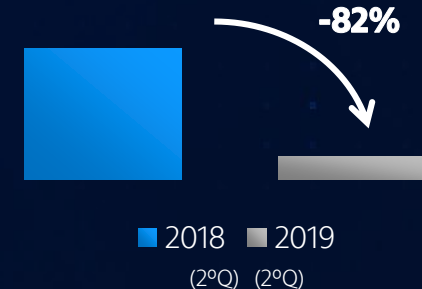
More value

Higher financial return captured



Unavailability

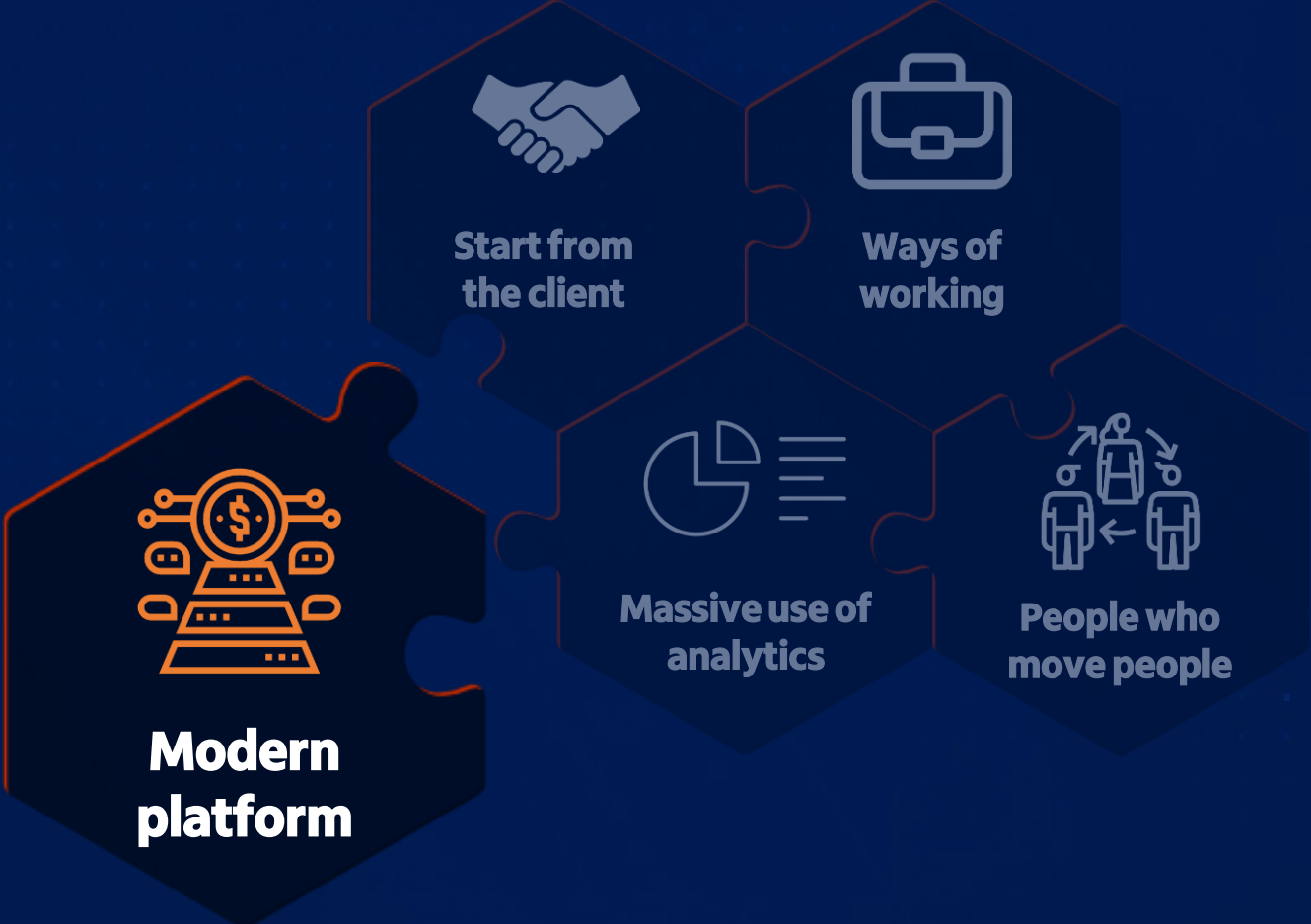
Number of clients impacted by availability issues in digital channels



Itaú's Digital Strategy

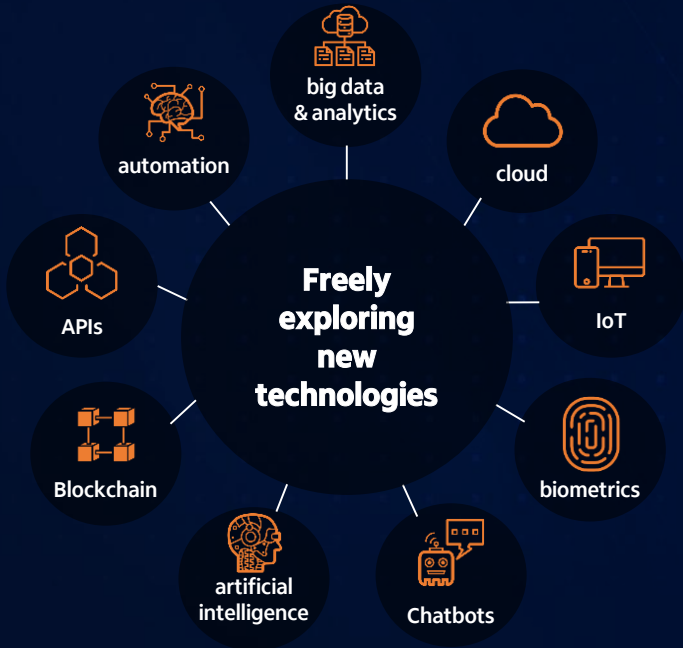


Itaú's Digital Strategy



We use technology to solve **real problems**

Traditional model: **supply perspective**



What are they for?

Identifying possible application opportunities



Let's test

Pilots and tests in lateral situations, which do not compromise



We find an application

More investment for updating

time



expenditure



Modern model: **demand perspective**



client's real needs



Technology applied to solve real problems, enabling measurement of value created

time



expenditure



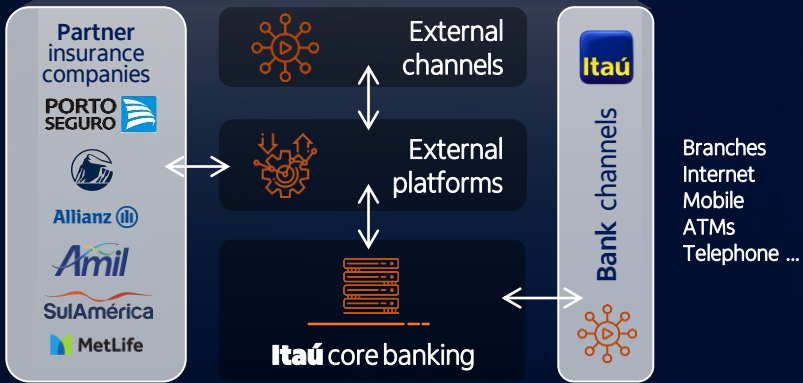
Applying a demand perspective to improve our technological platform

1 Develop new products, matching the bank's platform with external solutions



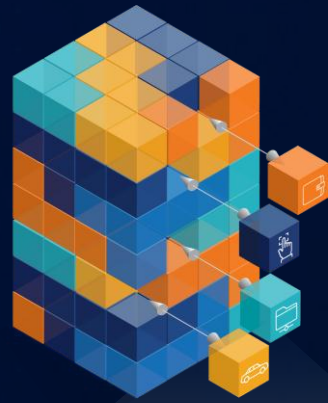
New products

Insurance ecosystem:



2 Constantly update our legacy systems

From a single interconnected system



To independent applications

- +speed**
- +flexibility**
- +scalability**
- +resilience**

API Itaú "boletos"

25 million "boletos" issued monthly

R\$ 22 billion in "boletos" every month

APIs
Enable connections between apps, even if they are from different companies.

Cubo: **innovation** driver for the bank's platform

cubo

Largest technology entrepreneurship hub in Latin America.

215,000 sqft



2,000 people/day



24 corporate sponsors



1,100 residents
(120 startups)

400 Startups members



70+ projects including the bank and Cubo startups overall



1,000 events/year



Contact with new technologies and solutions



Getting in touch with new business models



promoting experimentation in Itaú's business lines



Access to specialized talents



Coming closer to the innovation ecosystem in Brazil and in the world

Cybersecurity: security is **non-negotiable**

In an increasingly digital world, cyber risk management is an essential part of our operations.



Protection by design

- Secure development
- Secure infrastructure architecture
- Data observability

100% compliant with regulatory bodies requirements

+70% new processes and controls in the last two years



Process discipline

- Operating center 24/7
- Comprehensive prevention processes
- Threat detection and response
- Regular blue team vs. red team exercises
- Frequent, controlled invasion tests

100% of top security controls are tested semiannually



Human capital

- A distinctive talent attraction, development and retention program
- Ongoing search for international benchmarks
- Integrated with business lines

+80% of the team is certified with the most important Information Security subjects



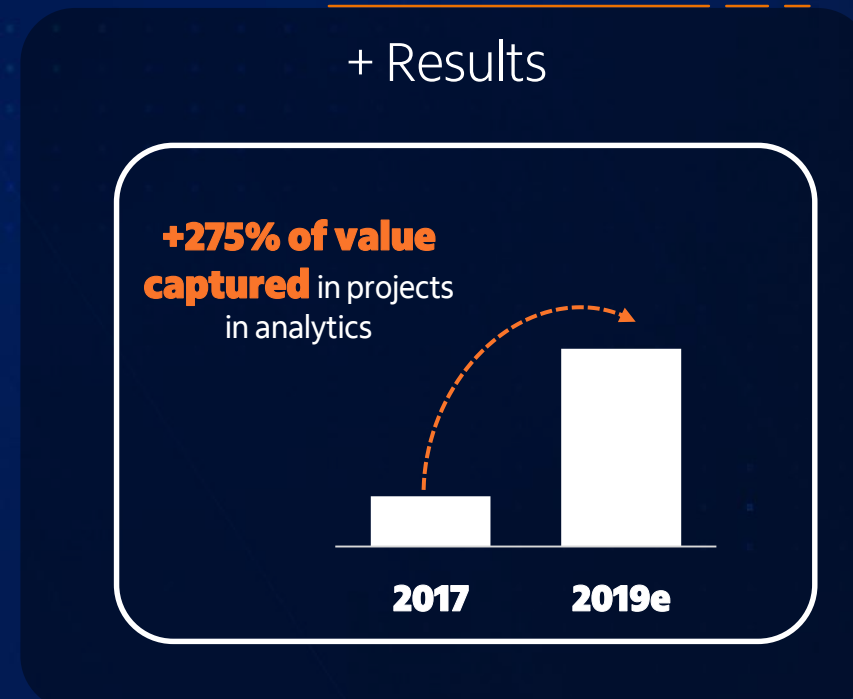
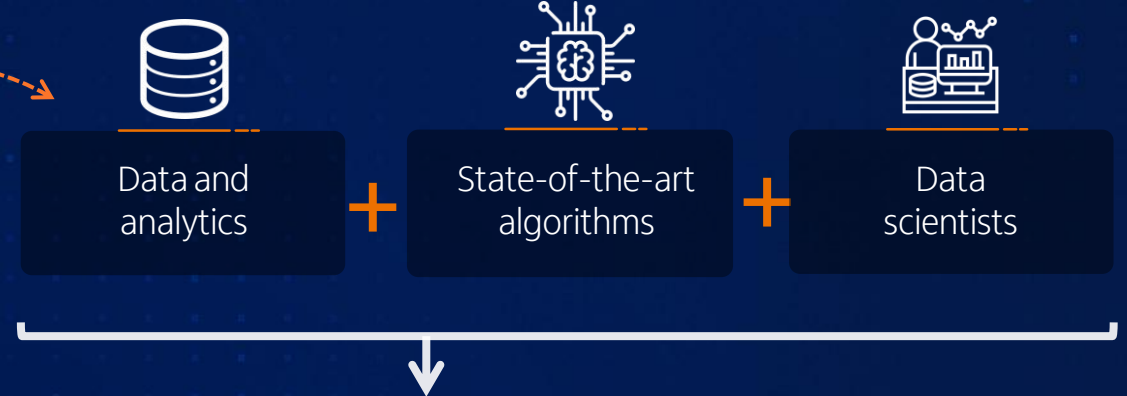
Itaú's Digital Strategy



Itaú's Digital Strategy



Data: the bank's new capital



1500%
ROI

Analytics: **credit card** underwriting through digital sales

Identified need:

“ How to provide clients with more cards through digital sales without increasing the risk for the bank? ”

Before



1 single model for many audiences



Hundreds of variables for testing



+ time for model development



Less accuracy

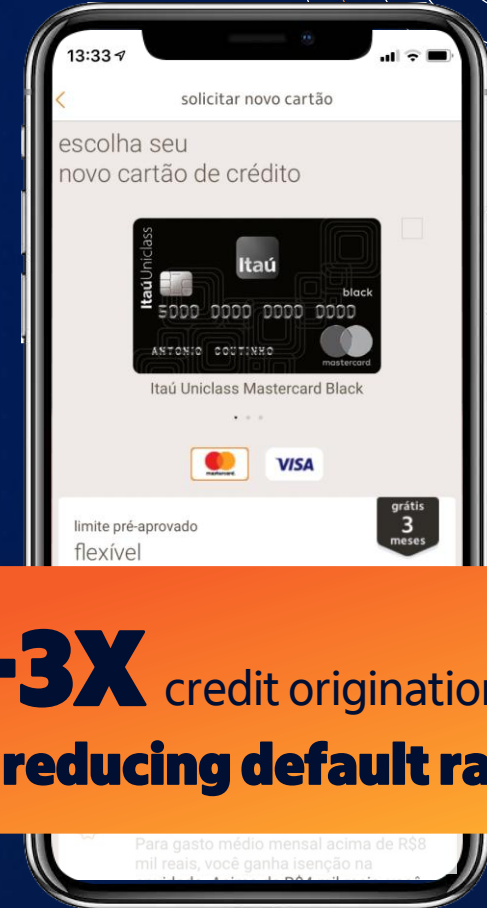
Now

+50 models for customized audiences

+80,000 variables available for testing

4x less time to develop the model

126% more accurate to identify default risk



+3X credit origination while reducing default rates

Para gasto médio mensal acima de R\$8 mil reais, você ganha isenção na

Analytics: “listening” to **360,000** calls. Every single day.

In the past

Traditional monitoring:



Calls monitored by people. Only **0.2%** monitored.

Customer satisfaction capture was limited to one **sample** only

Today

Speech analytics:

Transcription of 100% of calls and text analysis



client

“I’d like to increase my credit limit.”



call center operator



AUDIO



CONTENT



DATA

- Measure satisfaction of 100% customers
- Map opportunities
- Capture the intention without having to ask
- Drive efficiency



World’s largest voice transcription operation

130 Million calls/year

The right **service**, for the right **customer**, at the right **moment**

Itaú's Digital Strategy



Itaú's Digital Strategy



People who move **people**

Along this transformation journey, we value individuals and teams who:



Are **flexible** to work under **new** work arrangements and structures



Are **proficient** in technology



Make **data-based decisions**



Are enthusiastic about **our culture**



Understand the client



People who move **people**

Our search for the right people is relentless.



**Modern
talent
acquisition**



**Environments
that enhance
cooperation**



**Continuous
leadership
development**



**Partnerships with
education centers**



Training programs

+150 Technology topics

+980 subjects

+1000 hours
in data science
training

Equivalent to **2**
**master's
degrees**

LinkedIn

Abril 2019

**LinkedIn Top
Companies 2019**

vocês/a

December 2018



**The Best Companies to
Start your Career**

Valor

November 2018

Valor Carreira

Among the "Best in People Management 2018".

Itaú's Digital Strategy



Márcio Schettini
Retail General Director

Agenda

- 1. Industry Context and Recent Performance**
- 2. Business Model**
- 3. Transformation and Digital Innovation**



Agenda



1. Industry Context and Recent Performance

2. Business Model

3. Transformation and Digital Innovation

Our business environment



Industry Context

- New competitive arena
- More enlightened and more demanding clients
- Evolving regulatory context
- Margins under pressure
- Need for gains in efficiency and productivity
- Technology as the driver of new business models
- Advent of new markets reinterpreting “financial inclusion” and ecosystems



Challenges

- Retain a self-transformation capability
- Leverage the potential for innovation

Our business environment

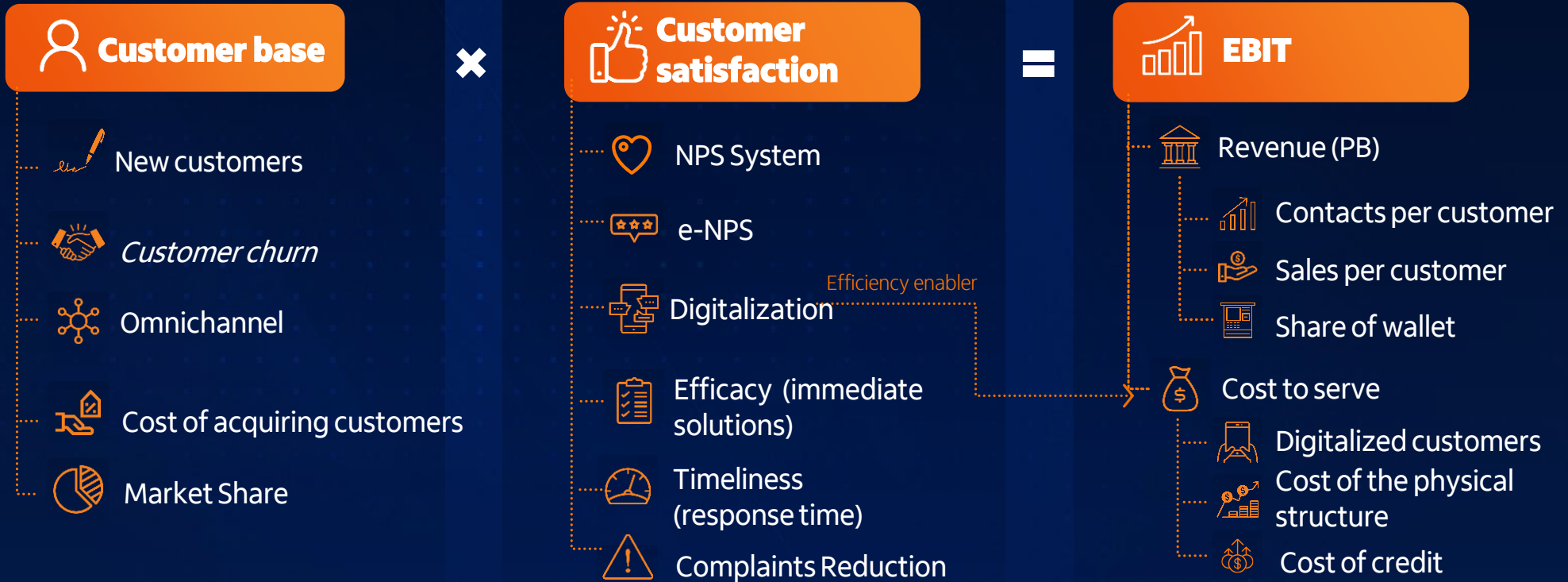


Itaú Unibanco

Attributes

- Proven track record of differentiated performance
- Capability and readiness to compete in all core businesses
- Sound approach to execution
- Significant scale in all business lines
- Command of the levers of growth
- Robust and comprehensive distribution
- Low customer acquisition cost
- High-value, loyal and engaged customer base
- Intensive use of technology and digital
- Team ready to go and focused
- Practice of having the customer in the center of decisions

Recent Performance **how the bank creates value**



Recent Performance **Important Figures**

55 MM Customers

31 MM Account Holders and Savers

29 MM Individual Customers

1.6 MM Itaú Companies

4,018 Branches + Banking Outlets

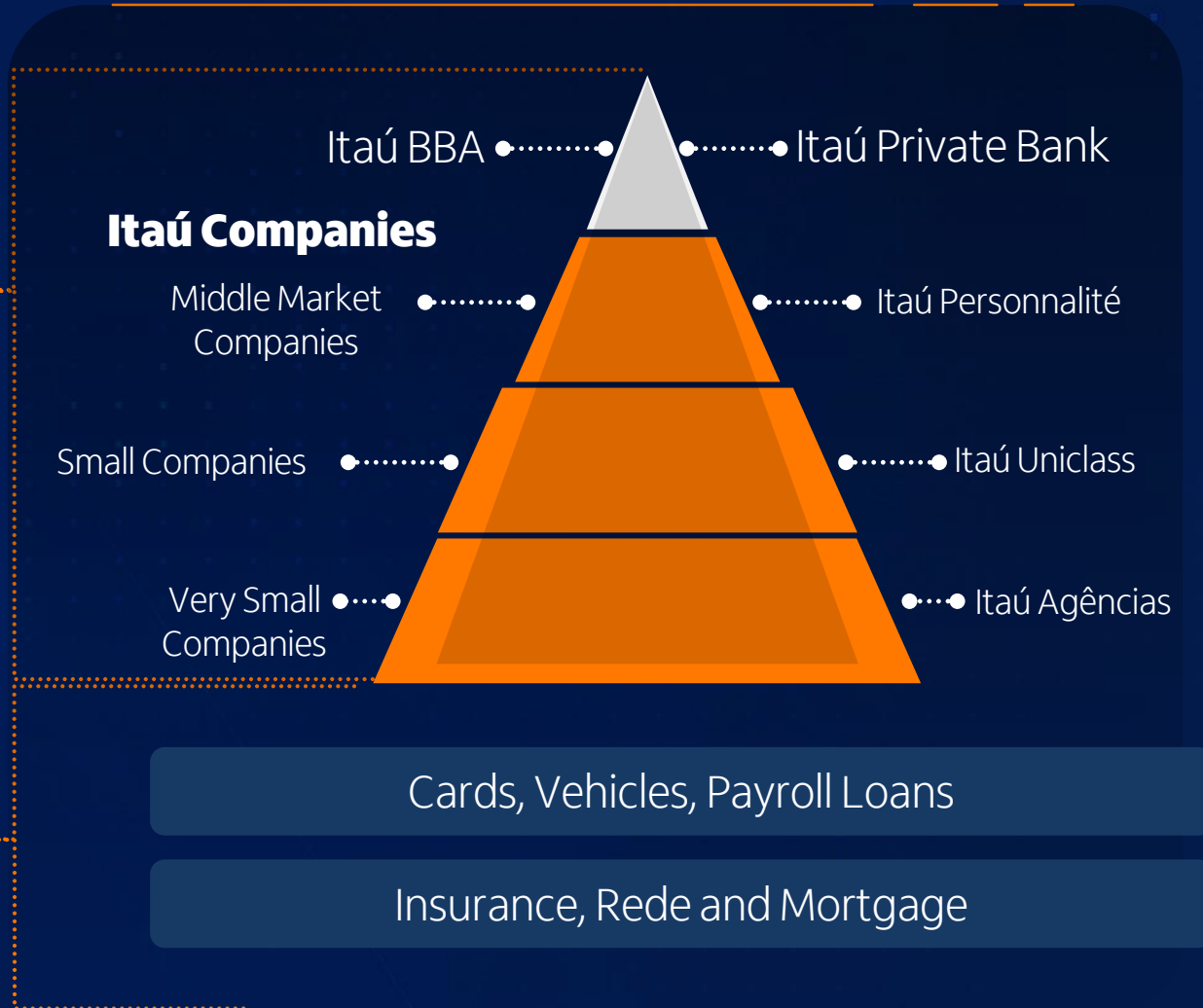
26 MM Cards

8.2 MM Payroll loans

15 MM Insurance

0.2 MM Mortgage

1 MM Rede



Recent Performance

(basis100)


Customer Base
July

Individual Customer Base



Business Customer Base




Accounts Opened
January to July

Individual Accounts Opened



Business Accounts Opened



Recent Performance

(basis100)



Portfolio



Credit Granted



Mortgage Portfolio



Vehicle Portfolio



Payroll Loan Portfolio



Recent Performance

(basis100)

Balance of Investment



New customers Rede



Rede Invoicing



Card base



Card sales



Card Invoicing



Recent Performance **Digital Channels**

(basis100)
January to July

Individual Checking Accounts Checking accounts opened using the app



Credit Cards Digital card sales



Individuals Digital sales



Share of Results

34% 37% 41%

Companies Digital sales



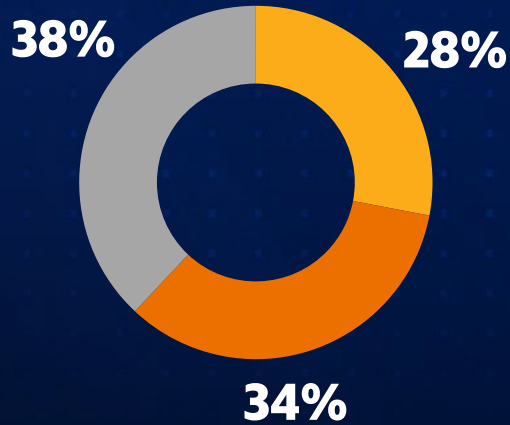
Share of Results

53% 57% 59%

(1) Considering only "non-SPI" type accounts. If we factor in the "SPI and non-SPI" accounts opened, the AbreConta app would account for 19% of the total.

Recent Performance **Share per Channel**

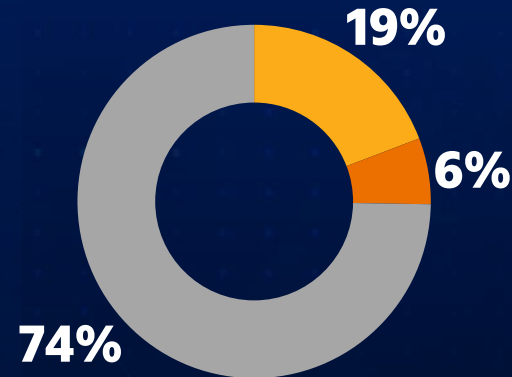
Channel Accesses/ month



ATM, internet and Mobile take into account unique CPF numbers

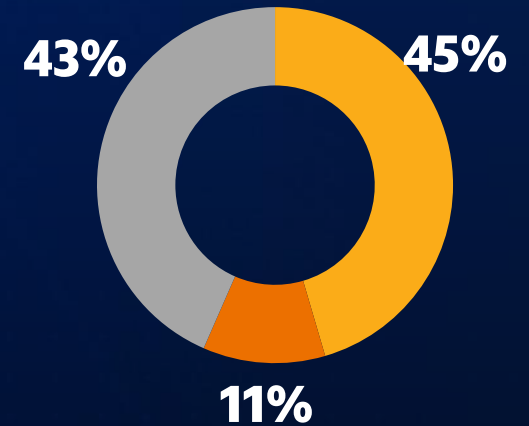
1Q19

Revenue

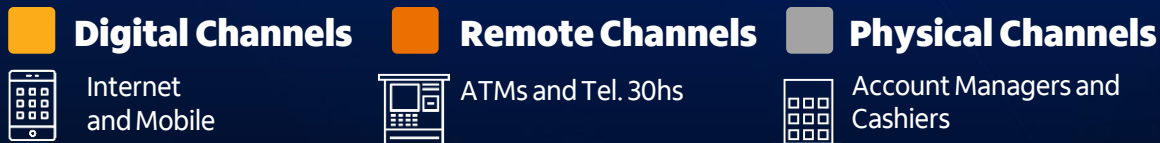


1H19

Result



1H19



Agenda

1. Industry Context and Recent Performance















2. Business Model

3. Transformation and Digital Innovation

Business model

	 Branch Business	 Companies Product	 Marketplace
Characteristics	<ul style="list-style-type: none"> ▪ Universal relationship ▪ Rooted in Branch – Manager – Checking Account 	<ul style="list-style-type: none"> ▪ Single-product relationship with no banking association required ▪ More intense competition 	<ul style="list-style-type: none"> ▪ Offer the best (own or third-party) products in the market ▪ Smaller margins
Strategic Role	<ul style="list-style-type: none"> ▪ Physical or digital for Individuals or Companies 	<ul style="list-style-type: none"> ▪ Direct Channels ▪ Dedicated Channels 	<ul style="list-style-type: none"> ▪ Need for partnerships to ensure and extensive and quality range
Maturity	<ul style="list-style-type: none"> ▪ More developed core business ▪ Complete range of products and services 	<ul style="list-style-type: none"> ▪ Companies Product and full vertical 	<ul style="list-style-type: none"> ▪ Initiatives in the initial phase
Challenges and Threats	<ul style="list-style-type: none"> ▪ Traditional financial companies with product scale and completeness 	<ul style="list-style-type: none"> ▪ Fintechs, companies specializing in products with customer centricity 	<ul style="list-style-type: none"> ▪ Big Techs, SuperApps and non financial companies
Businesses / Threats	   ItaúEmpresas 2 ItaúEmpresas 3 ItaúEmpresas 4	 Personal Loans  Insuranc  Mortgage  Payroll Loans  Cards  Rede  Vehicles  Investment	   Insurance   Investment 

Business model

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Maturity	<ul style="list-style-type: none"> More developed core business Complete range of products and services 	<ul style="list-style-type: none"> Companies Product and full vertical 	<ul style="list-style-type: none"> Initial focus on the initial phase
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Businesses / Threats	 ItaúEmpresas 2 ItaúEmpresas 3 ItaúEmpresas 4	 Personal Loans  Cards  Insurance  Rede  Mortgage  Vehicles  Payroll Loans  Investment	 iti  carros Insurance: PORTO SEGURO, MetLife, CHUBB SEGUROS Investment: 360


Digital Transformation


Digital Innovation



Agenda

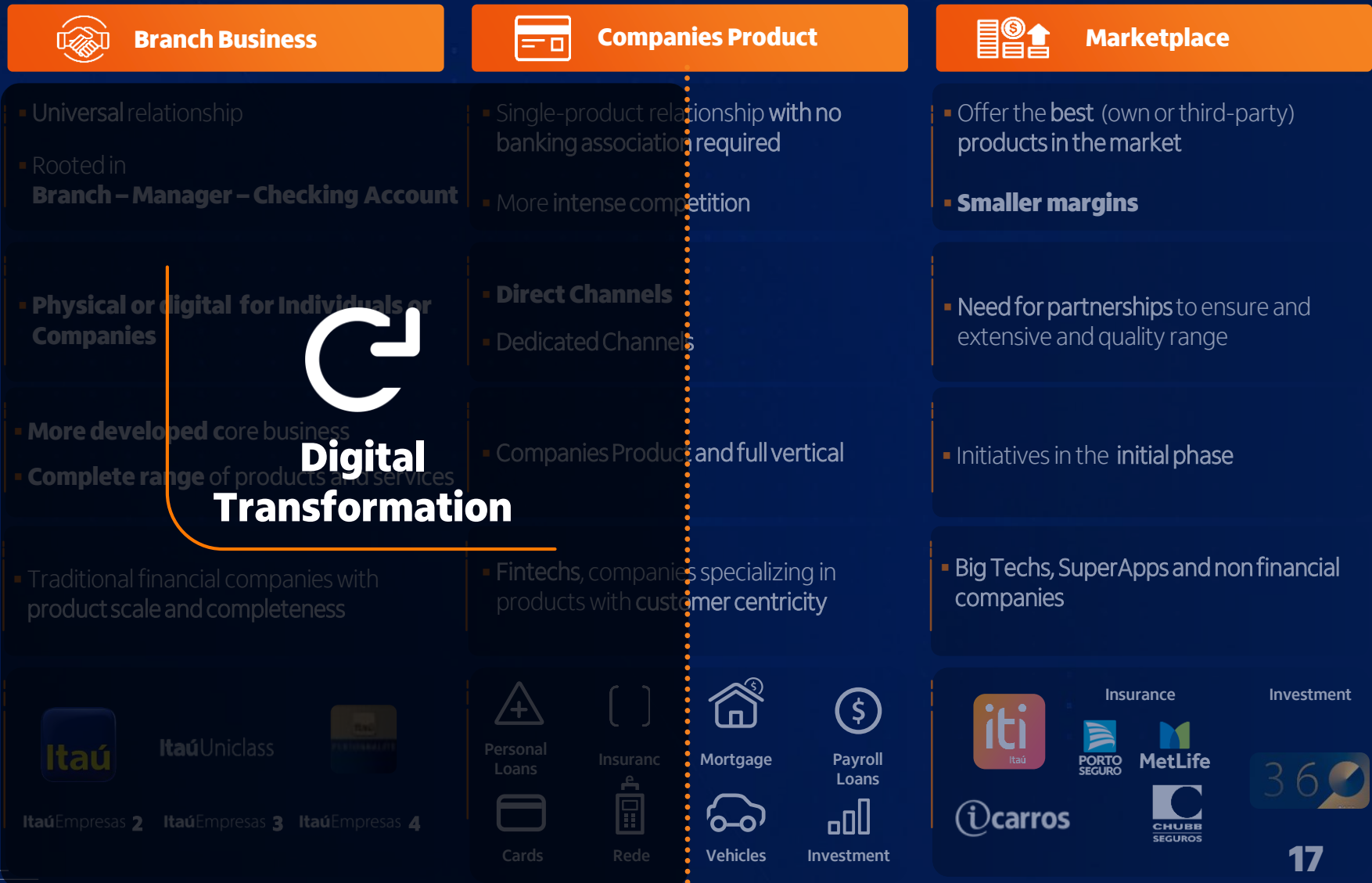


1. Industry Context and Recent Performance

2. Business Model

3. Transformation and Digital Innovation

Business model




Digital Transformation

Digital Transformation Branch



Digitalize - Enhance the customer's experience in the physical space



Complete self-service, Video Conferencing and new customer service stations



Increase the branch's decisiveness



Without obligating the customer to go to the branch

Transactions that obligated the customers to go to the branch

Commercial



e.g. Vehicle credit

Cashier



e.g.: Re-presenting checks

ATM



e.g. Issuing checks

Digital Transformation Branch Footprint

Branch coverage



1 Branch 100 Branches

Customer coverage



2 Branch 100 customers

% municipalities covered

% of GDP covered


Branch coverage

19%

84%


Customer coverage¹

96%

99.7%

Closures

 **212**
Branches

- Customer is more digital
- Geographical overlap

Omnichannel



Physical



Remote



Digital



1. Considers at least 10 customers (Customers considered monoliners – Correspondent payroll loans and non-account holder cardholders)

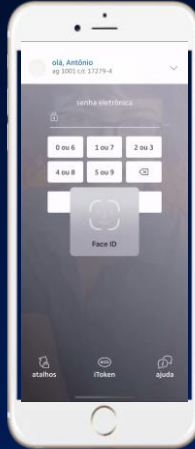
Digital Transformation **Banking**

Mobile for Individuals

+ 1.9MM new users last year

High engagement

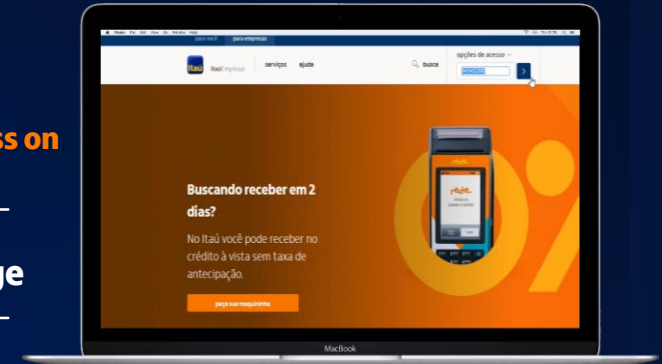
54% of our customer access the app every month with an average of 20 access per person



Internet for Companies

90% of the base access on every month

Easy to manage



Sales to Individuals

Easier and intuitive experience

Growth of 43% in digital sales

Personalization

Innovation



Abre Conta MEI for Companies

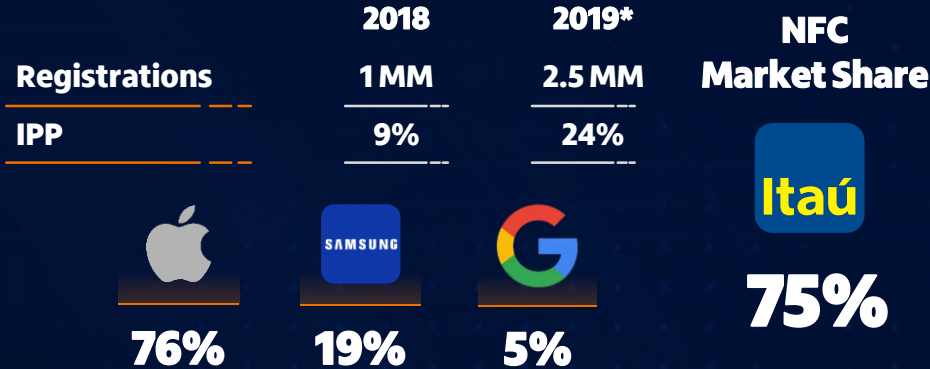
100% opening online of accounts for Very Small Companies (MEI)

Simplicity



Digital Transformation Payments and Cards

Digital Wallets

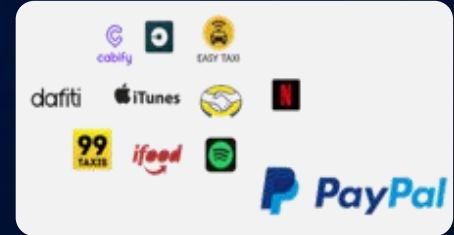


Card on File

Approvals



Linked Account

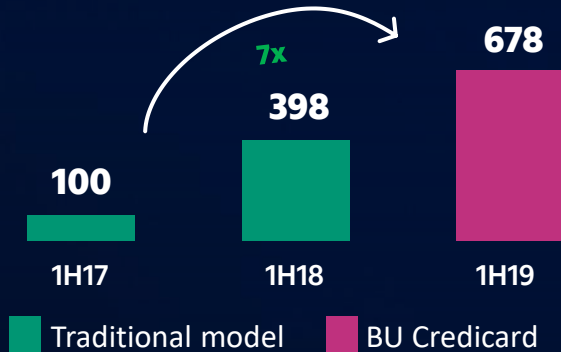


Credicard Zero

Entry



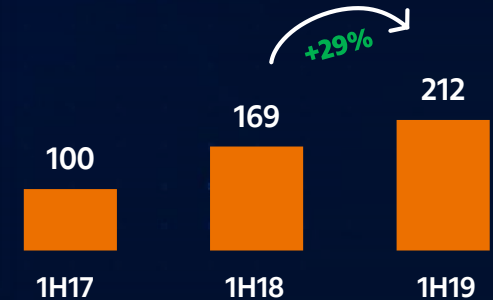
New Accounts History



(basis 100)

Virtual Cards

Virtual Cards Issued



(basis 100)

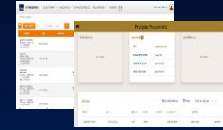
Digital Transformation **Other initiatives**

Insurance



Insurance Store

+50 products



Account Holders: Advisory



Non-Account Holder: Digital

Vehicles



Evolution of Proposals



- Qualified lead
- Offering the right car

Investment



Increase of 25% in funds balance
in the last 12 months

Main products and services

- Funds
- Stocks & Shares
- Tesouro Direto
- Saving
- Retirement Products
- CDs e Fixed Income



Loyalty



Loyalty & Benefits for **Itaú Unibanco as a whole**
from 6 MM to 55 MM of clients



- Savings
- Insurance
- Consortia
- Checking Accounts
- Pension Plans
- Vehicles

Our ecosystem



Wallets



Student Loans



Touch Point c/ Aluno



Capilarity





















Integration



Longevity



Business model




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Businesses / Threats	   ItaúEmpresas 2 ItaúEmpresas 3 ItaúEmpresas 4	 Personal Loans  Insurance  Cards  Rede	 Mortgage  Payroll Loans  Vehicles  Investment	   Insurance   Investment  23


Inovação Digital



the project has 4 steps

vision 0

-  Digital account
-  payments
-  chat with a human attendant

vision 1

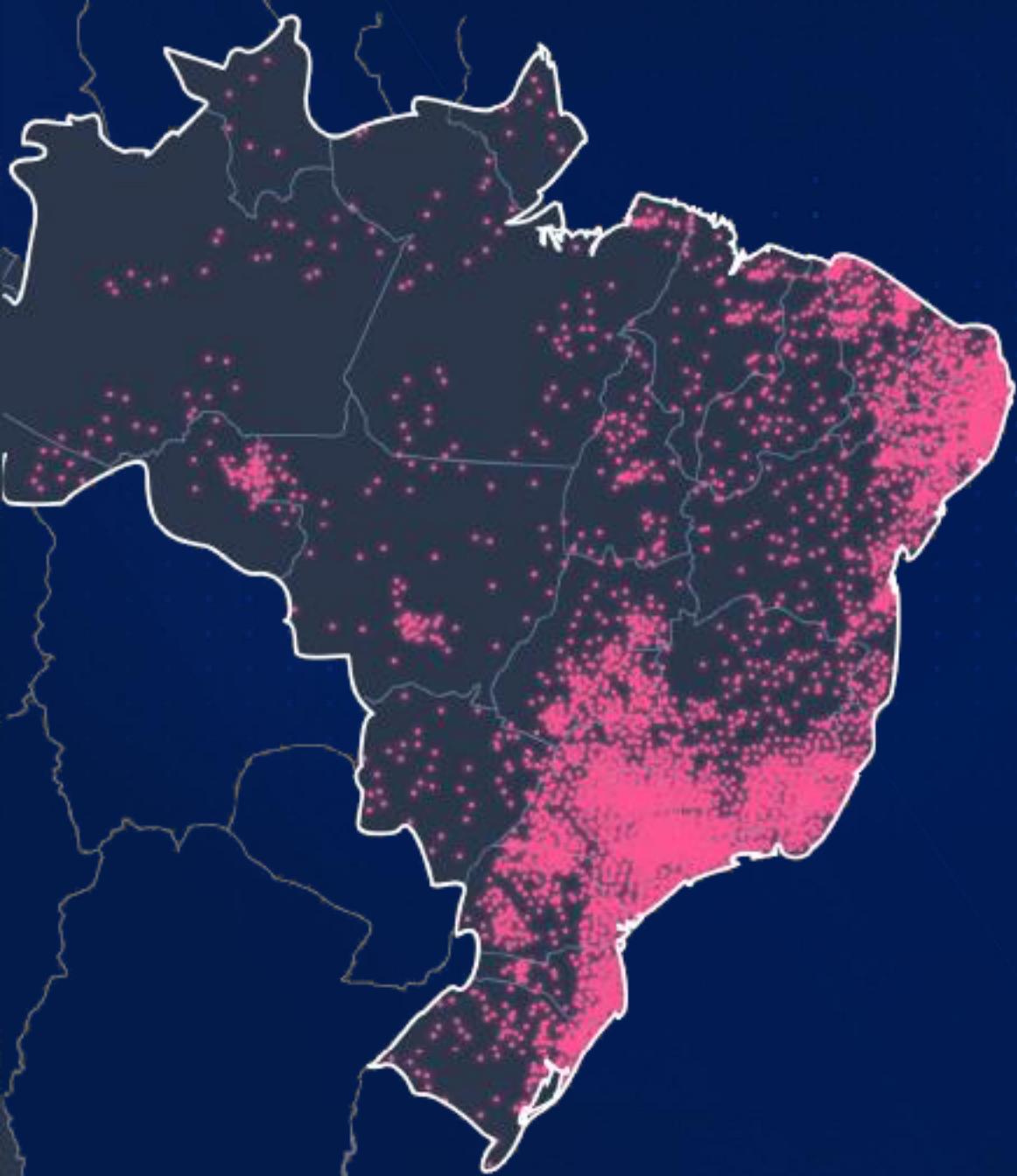
-  aut. income
-  Financial management
-  credit
-  investment
-  credit card
-  conversational experience

vision 2

-  open products platform

vision 3

-  beyond banking
-  benefits
-  marketplace



— coverage

**iti is up
and
running
across all
of Brazil**

from major retailers
to local businesses

