

Selected quarterly information

3rd quarter 2017



ITAÚSA

- Ownership structure
- Highlights
- Economic performance
- Performance assessment
- ITAÚSA in the stock market
- Flow of dividends / Interest on capital
- Financial statements

We present the financial information and indicators of Itaúsa – Investimentos Itaú S.A. (Itaúsa) under the International Financial Reporting Standards (IFRS) and CVM (Comissão de Valores Mobiliários – Brazilian Securities and Exchange Commission) instructions.

Future expectations arising from the reading of this report should consider the risks and uncertainties that involve any activities and that are beyond the control of the Conglomerate companies (political and economic changes, volatility in interest and exchange rates, technological changes, inflation, competitive pressure on products and prices, and changes to the tax legislation).

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Renewal of Itaúsa Shareholders' Agreement – ITAÚSA Shareholders' Agreement will be automatically renewed on June 24, 2019 for other 10 years, in view of the lack of express opposition stated by subscribers up to June 24, 2017, in accordance with procedures set forth in Clause 12 of said Agreement. This decision reinforces the Parent Company's commitment to the Company's sustainability and continuity.

Alpargatas – On September 20, 2017, Itaúsa, together with Brasil Warrant Administração de Bens e Empresas S.A. and Cambuhy Investimentos Ltda., concluded the acquisition of 100% shares issued by Alpargatas S.A. held by J&F Investimentos S.A.

Itaúsa acquired 27.12% of Alpargatas' total capital stock, represented by 103,623,035 common shares and 23,968,521 preferred shares, and paid approximately R\$ 1,740 million, with price per share equal to R\$ 14.17 per common share and R\$ 11.32 per preferred share.

As a result of the acquisition of the ownership control of Alpargatas, the purchasers will carry out a public offering to purchase the shares held by other Alpargatas shareholders, ensuring a price equal to 80% of the amount paid to sellers. The outcome of this public offering may result in purchasers increasing their stake in Alpargatas and in additional proportional disbursements by Itaúsa.

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Company's Share Buyback Program/Cancellation of Shares – On August 7, 2017, the Board of Directors of Itaúsa resolved to cancel 50,970,229 book-entry common shares of own issue held in treasury, by absorbing R\$ 448.7 million recorded in revenues reserves. It also resolved to renew the authorization to acquire, within a period of 18 months and at market price, up to 50,000,000 common shares and the equal number of preferred shares of own issue for treasury. Later, on October 10, 2017, the Board of Directors resolved to rise the limits to up to 153,700,000 book-entry shares of own issue, of which 103,700,000 are common and 50,000,000 are preferred shares. The acquisition of shares of own issue is aimed at investing the Company's available funds.

Sustainability – Itaúsa was selected for the 14th consecutive year to make up the Dow Jones Sustainability World Index (DJSI), the main sustainability index in the world. In its 2017/2018 edition, the portfolio is made up of 319 companies from 29 countries, of which only six are Brazilian – among them, Itaúsa and Itaú Unibanco Holding.

Itaúsa achieved the highest rate in the banking sector in the following criteria:

- Anti-Crime Policies/Actions;
- Financial Stability and Systemic Risk;
- Business Risks and Opportunities;
- Climate Strategy; and
- Social Reporting.



Share Buyback Program – The Board of Directors approved a new Share Buyback Program starting in September 2017, authorizing the purchase of up to 60 million common shares and up to 39,155,000 preferred shares. The operations may be carried out from September 1, 2017 to November 26, 2018.

In the period from January to September 2017, the volume of 37,982,900 preferred shares of own issue were acquired in the total amount of R\$ 1.4 billion at the average price of R\$ 36.25 per share.

Dividends and Interest on Capital – As disclosed on September 26, 2017, Itaú Unibanco intends to continue to pay dividends and interest on capital of at least 35% of recurring net income and it eliminated the maximum 45% limit. The total amount to be paid each year will be set forth by the Bank's Board of Directors. The percentage to be distributed may change every year based on the Company's profitability and capital demands, always considering the minimum distribution set forth in the Bylaws.

In the first nine months of 2017, Itaú Unibanco paid or recognized in a provision the amount of R\$ 3.9 billion and identified in the Stockholders' Equity R\$ 7.5 billion in dividends and interest on capital, net of taxes, totaling R\$ 11.4 billion.

Itaú CorpBanca – On September 15, 2017, Itaú Unibanco acquired 1.8 billion shares of Itaú CorpBanca for approximately R\$ 55.6 million. As a result, Itaú Unibanco's ownership interest increased from 35.71% to 36.06%, without changing Itaú CorpBanca's governance.

The Extraordinary Stockholders' Agreement held on September 20, 2017 resolved on the new composition of the Board of Directors, with the election of effective members. Will represent Itaúsa: Alfredo Egydio Setubal and Rodolfo Villela Marino.

Pedro Moreira Salles was elected Chairman of the Board of Directors at the meeting of the Board of Directors held on October 6, 2017. At the same meeting, were created three permanent advisory non-statutory committees, and approved their respective rules.

In the third quarter of 2017, investments totaled R\$ 86.5 million, of which, in the quarter, R\$ 45.0 million were for industrial maintenance, and R\$ 41.5 million for forest operating expenses. In the first nine months of 2017, Duratex's consolidated investments totaled R\$ 283.3 million

On August 28, 2017 Duratex announced it had started a process to acquire Ceusa, a Brazilian manufacturer of ceramic coatings with 64 years of history. Its business model is based on innovations and high quality in ceramic coatings.

In the third quarter of 2017, Itaúsa received dividends and interest on capital, gross, related to the stake held in NTS in the amount of R\$ 59 million. In the same period, income from interest on debentures of NTS was R\$ 15 million. In the first nine months of the year, dividends/interest on capital, gross, received totaled R\$ 115 million, and income from interest on debentures totaled R\$ 30 million.

In the first nine months of 2017, the amount of R\$ 17 million was invested and allocated to maintenance of operations.



Results of Itaúsa - Main indicators - January to September

R\$ million

	Parent company		Non-controlling interests		Consolidated	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Net income	6,461	6,313	64	0	6,525	6,313
Recurring net income	6,609	6,309	43	(13)	6,652	6,296
Stockholders' equity	51,662	47,933	2,980	2,961	54,642	50,894
Annualized return on average equity (%)	17.5%	18.2%	2.9%	0.0%	16.7%	17.1%
Annualized recurring return on average equity (%)	17.9%	18.2%	1.9%	-0.6%	17.0%	17.1%

Results per share - in R\$

	9/30/2017	9/30/2016	Actual change	
Net income of parent company	0.87	0.85	0.02	2.1%
Recurring net income of parent company	0.89	0.85	0.04	4.5%
Book value of parent company	6.91	6.47	0.44	6.8%
Dividends/ interest on capital, net	0.21	0.20	0.01	1.5%
Price of preferred share (PN) ⁽¹⁾	10.97	8.40	2.57	30.6%
Market capitalization ⁽²⁾ - R\$ million	81,986	62,188	19,798	31.8%

(1) Based on the average quotation of preferred shares on the last day of the period.






(2) Calculated based on the average quotation of preferred shares on the last day of the period (quotation of average PN multiplied by the number of outstanding shares at the end of the period).

Reconciliation of recurring net income

R\$ million

	Parent company		Non-controlling interests		Consolidated	
	Jan-Sep/17	Jan-Sep/16	Jan-Sep/17	Jan-Sep/16	Jan-Sep/17	Jan-Sep/16
Net income	6,461	6,313	64	-	6,525	6,313
Inclusion/(Exclusion) of non-recurring effects C= (A + B)	148	(4)	(21)	(13)	127	(17)
Arising from stockholding interest in Itaú Unibanco (A)	160	9	-	-	160	9
Change in Treasury Shares	132	(43)	-	-	132	(43)
Effect of Adherence to the Program for the Payment of Federal Taxes	-	(4)	-	-	-	(4)
Provision for Contingencies - Economic Plans	38	51	-	-	38	51
Provision for Contingencies - Tax and Social Security Lawsuits	16	2	-	-	16	2
Impairment	54	3	-	-	54	3
Disposal of IRB shares	(58)	-	-	-	(58)	-
Other	(22)	-	-	-	(22)	-
Arising from stockholding interest in other Itaúsa group companies (B)	(12)	(13)	(21)	(13)	(33)	(26)
Duratex	(12)	(7)	(21)	(13)	(33)	(20)
Elekeiroz	-	2	-	-	-	2
Itautec	-	(7)	-	-	-	(7)
Other	-	(1)	-	-	-	(1)
Recurring net income	6,609	6,309	43	(13)	6,652	6,296

Main financial indicators of Itaúsa portfolio companies

	January to September	Financial Sector	Non Financial Sector				R\$ million
			 ⁽¹⁾		 ⁽²⁾		
Total assets	2017	1,373,518	3,709	9,033	10,182	456	
	2016	1,324,122	3,777	9,246	n.d	707	
Operating revenues	2017	147,822	1,667	2,888	3,092	719	
	2016	155,529	2,006	2,881	n.d	585	
Net income	2017	18,418	234	100	1,348	23	
	2016	17,271	171	1	n.d	(40)	
Stockholders' equity	2017	131,410	2,241	4,678	4,286	135	
	2016	121,942	1,985	4,571	n.d	415	
Annualized return on average equity (%)	2017	20.2%	21.6%	2.9%	43.0%	26.1%	
	2016	20.0%	17.4%	0.0%	n.d	-12.4%	
Internal fund generation ⁽³⁾	2017	56,863	193	735	2,744	57	
	2016	76,603	227	643	n.d	(17)	

(1) Based on Financial Statements ended in June 2017.

(2) Information were not reviewed by external audit.

(3) Refers to funds arising from operations as reported by the Statements of Cash Flows.

Note: Net Income, Stockholders' equity and ROE of Itaú Unibanco correspond to results attributable to controlling stockholders.

Statement of income

	3rd quarter 2017		2nd quarter 2017		3rd quarter 2016		jan-sep 2017		jan-sep 2016		3rdQ17 / 2ndQ17		3rdQ17 / 3rdQ16		R\$ million jan-sep 17 / jan-sep 16	
FINANCIAL SECTOR	2,276	97.1%	2,391	97.7%	2,094	100.6%	6,890	98.4%	6,470	101.0%	(115)	-4.8%	182	8.7%	420	6.5%
NON FINANCIAL SECTOR	68	2.9%	56	2.3%	(12)	-0.6%	115	1.6%	(65)	-1.0%	12	21.4%	80	-666.7%	180	-276.9%
DURATEX	13	0.6%	5	0.2%	3	0.1%	14	0.2%	(7)	-0.1%	8	160.0%	10	333.3%	21	-300.0%
NTS ⁽¹⁾	52	2.2%	44	1.8%	-	0.0%	96	1.4%	-	0.0%	8	18.2%	52	n.a	96	n.a
ELEKEIROZ	15	0.6%	9	0.4%	(13)	-0.6%	23	0.3%	(37)	-0.6%	6	66.7%	28	-215.4%	60	-162.2%
ITAUTEC	(10)	-0.4%	(2)	-0.1%	(3)	-0.1%	(17)	-0.2%	(23)	-0.4%	(8)	400.0%	(7)	233.3%	6	-26.1%
OTHER COMPANIES	(2)	-0.1%	-	0.0%	1	0.0%	(1)	0.0%	2	0.0%	(2)	n.a.	(3)	-300.0%	(3)	-150.0%
RECURRING SHARE OF INCOME + DIVIDENDS AND INTEREST ON DEBENTURES	2,344	100%	2,447	100%	2,082	100%	7,005	100%	6,405	100%	(103)	-4.2%	262	12.6%	600	9.4%
FINANCIAL INCOME	2		(4)		15		19		51		6	-150.0%	(13)	-86.7%	(32)	-62.7%
ADMINISTRATIVE EXPENSES	(19)		(12)		(10)		(42)		(30)		(7)	58.3%	(9)	90.0%	(12)	40.0%
TAX EXPENSES	(45)		(38)		(39)		(303)		(200)		(7)	18.4%	(6)	15.4%	(103)	51.5%
OTHER OPERATING REVENUES	2		2		9		7		16		-	0.0%	(7)	-77.8%	(9)	-56.3%
RESULTS OF ITAÚSA	(60)		(52)		(25)		(319)		(163)		(8)	15.4%	(35)	140.0%	(156)	95.7%
INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION	2,284		2,395		2,057		6,686		6,242		(111)	-4.6%	227	11.0%	444	7.1%
INCOME TAX/ SOCIAL CONTRIBUTION	39		52		45		(77)		67		(13)	-25.0%	(6)	-13.3%	(144)	-214.9%
RECURRING INDIVIDUAL NET INCOME	2,323		2,447		2,102		6,609		6,309		(124)	-5.1%	221	10.5%	300	4.8%
NON-RECURRING RESULTS	27		(257)		12		(148)		4		284	-110.5%	15	125.0%	(152)	-3800.0%
FINANCIAL SECTOR	16		(257)		(4)		(160)		(9)							
NON FINANCIAL SECTOR	11		-		15		12		12							
DURATEX	11		-		7		12		7							
ELEKEIROZ	-		-		1		-		(2)							
ITAUTEC	-		-		7		-		7							
OTHER COMPANIES	-		-		1		-		1							
INDIVIDUAL NET INCOME	2,350		2,190		2,114		6,461		6,313		160	7.3%	236	11.2%	148	2.3%
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	53		16		19		64		-		37	231.3%	34	178.9%	64	n.a.
CONSOLIDATED NET INCOME	2,403		2,206		2,133		6,525		6,313		197	8.9%	270	12.7%	212	3.4%

(1) Includes dividends and interest on capital related to the stake held in NTS, income from interest on debentures of NTS, expenses on the installment of the invested amount in NTS and expenses of interest on debentures issued by Itaúsa.

As a publicly-held holding company, the results are basically derived from its Recurring Share of Income of its subsidiaries. We show below the calculation of Share of Income per company.

Determination of Share of Income - July to September 2017

R\$ million

	ITAÚ UNIBANCO		DURATEX		ELEKEIROZ		ITAUTEC		OTHER AREAS		TOTAL	
	3rdQ17	3rdQ16	3rdQ17	3rdQ16	3rdQ17	3rdQ16	3rdQ17	3rdQ16	3rdQ17	3rdQ16	3rdQ17	3rdQ16
Recurring net income	6,100	5,641	52	10	15	(13)	(10)	(4)	(2)	1		
(x) Direct/Indirect interest	37.41%	37.26%	36.41%	35.57%	96.60%	96.60%	98.93%	98.93%	100.00%	100.00%		
(=) Share of recurring net income	2,278	2,096	20	3	15	(13)	(10)	(4)	(2)	1	2,301	2,083
(+/-) Share of income not arising from net income	(2)	(2)	(7)	-	-	-	-	1	-	-	(9)	(1)
Recurring share of income	2,276	2,094	13	3	15	(13)	(10)	(3)	(2)	1	2,292	2,082
Non-recurring results	16	(4)	11	7	-	1	-	7	-	1	27	12
Change in Treasury Shares	36	26	-	-	-	-	-	-	-	-	36	26
Provision for Contingencies - Economic Plans	(23)	(30)	-	-	-	-	-	-	-	-	(23)	(30)
Provision for Contingencies - Tax and Social Security Lawsuits	(4)	-	-	-	-	-	-	-	-	-	(4)	-
Impairment	(51)	-	-	-	-	-	-	-	-	-	(51)	-
Disposal of IRB shares	58	-	-	-	-	-	-	-	-	-	58	-
Other	-	-	11	7	-	1	-	7	-	1	11	16
Share of income	2,292	2,090	24	10	15	(12)	(10)	4	(2)	2	2,319	2,094
	98.8%	99.8%	1.0%	0.5%	0.6%	-0.6%	-0.4%	0.2%	-0.1%	0.1%	100.0%	100.0%

In the third quarter of 2017, the Share of Income amounted to R\$ 2,319 million, a 10.7% increase in relation to the same period of the previous year, arising basically from the 9.7% raise in the result from the Financial Sector.

Determination of Share of Income - January to September 2017

R\$ million

	ITAÚ UNIBANCO		DURATEX		ELEKEIROZ		ITAUTEC		OTHER AREAS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Recurring net income	18,490	17,410	67	(21)	23	(38)	(17)	(18)	(1)	2		
(x) Direct/Indirect interest	37.41%	37.26%	36.41%	35.57%	96.60%	96.60%	98.93%	98.93%	100.00%	100.00%		
(=) Share of recurring net income	6,917	6,487	25	(8)	23	(37)	(17)	(18)	(1)	2	6,947	6,426
(+/-) Share of income not arising from net income	(27)	(17)	(11)	1	-	-	-	(5)	-	-	(38)	(21)
Recurring share of income	6,890	6,470	14	(7)	23	(37)	(17)	(23)	(1)	2	6,909	6,405
Non-recurring results	(160)	(9)	12	7	-	(2)	-	7	-	1	(148)	4
Change in Treasury Shares	(132)	43	-	-	-	-	-	-	-	-	(132)	43
Effect of Adherence to the Program for the Payment of Federal Taxes	-	4	-	-	-	-	-	-	-	-	-	4
Provision for Contingencies - Economic Plans	(38)	(51)	-	-	-	-	-	-	-	-	(38)	(51)
Provision for Contingencies - Tax and Social Security Lawsuits	(16)	(2)	-	-	-	-	-	-	-	-	(16)	(2)
Impairment	(54)	(3)	-	-	-	-	-	-	-	-	(54)	(3)
Disposal of IRB shares	58	-	-	-	-	-	-	-	-	-	58	-
Other	22	-	12	7	-	(2)	-	7	-	1	34	13
Share of income	6,730	6,461	26	-	23	(39)	(17)	(16)	(1)	3	6,761	6,409
	99.5%	100.8%	0.4%	0.0%	0.3%	-0.6%	-0.3%	-0.2%	0.0%	0.0%	100.0%	100.0%

In the period from January to September of 2017, the Share of Income amounted to R\$ 6,761 million, a 5.5% increase in relation to the same period of the previous year, arising basically from the 4.2% raise in the result from the Financial Sector.

Market value of subsidiaries x Discount in the price of Itaúsa

On September 30, 2017

Public companies	Total shares (thousand)	Average quotation ⁽¹⁾ of the most liquid share (R\$)	Market value of companies (R\$ million)	Interest of Itaúsa in companies (%)	Market value of interests (R\$ million)
	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
Itaú Unibanco Holding S.A.	6,504,352	43.35	281,964	37.41%	105,485
Duratex S.A.	689,306	9.51	6,555	36.41%	2,387
Alpargatas S.A.	463,053	15.72	7,279	27.55%	2,006
Itautec S.A.	11,072	15.61	173	98.93%	171
Elekeiroz S.A.	31,485	6.85	216	96.60%	208
Nova Transportadora do Sudeste S.A - NTS ⁽²⁾					1,376
Other assets and liabilities, net (F)					-2,173
Market value of the Itaúsa interests (G)					109,460
Market value of Itaúsa (H)	7,473,630	10.97	81,986		81,986
Discount (%) (I) = (H)/(G)-1					-25.10%

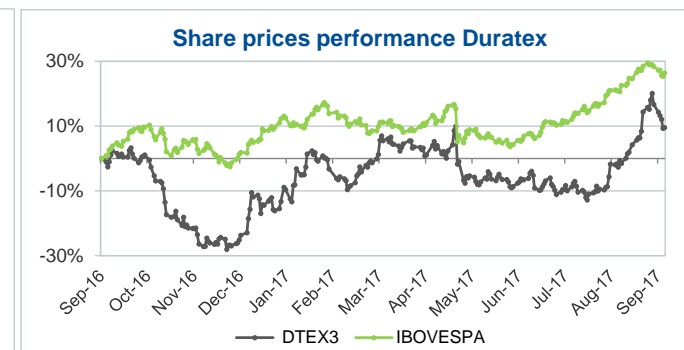
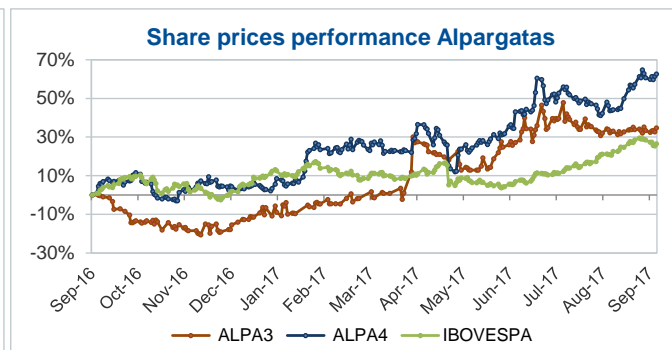
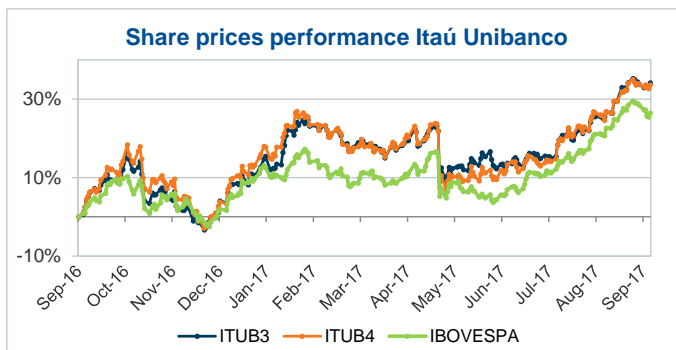
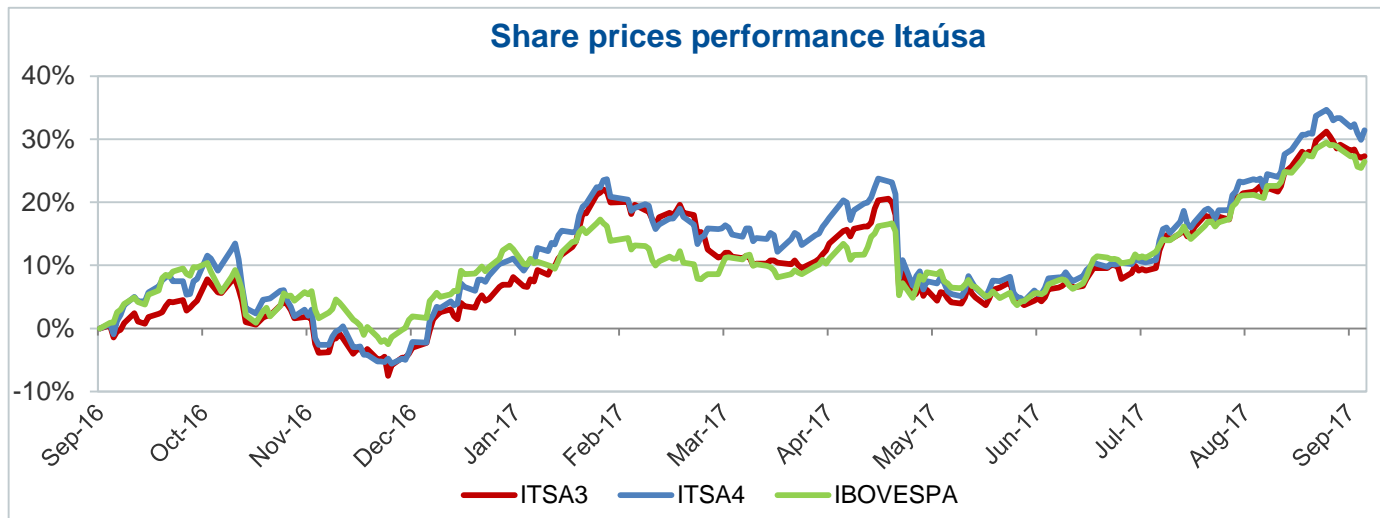


(1) Average quotation of the most liquid share on the last day of the period.

(2) Refers to the book value of debentures and the participation in the capital of NTS.

(F) Net value of other assets and liabilities (Individual balance sheet).

Share prices performance at B3* - Base date September 30, 2016



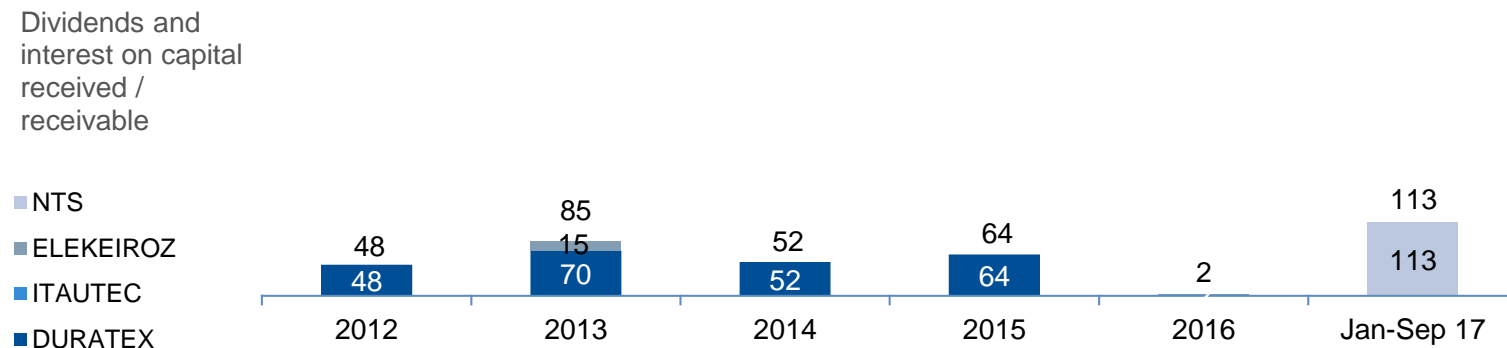
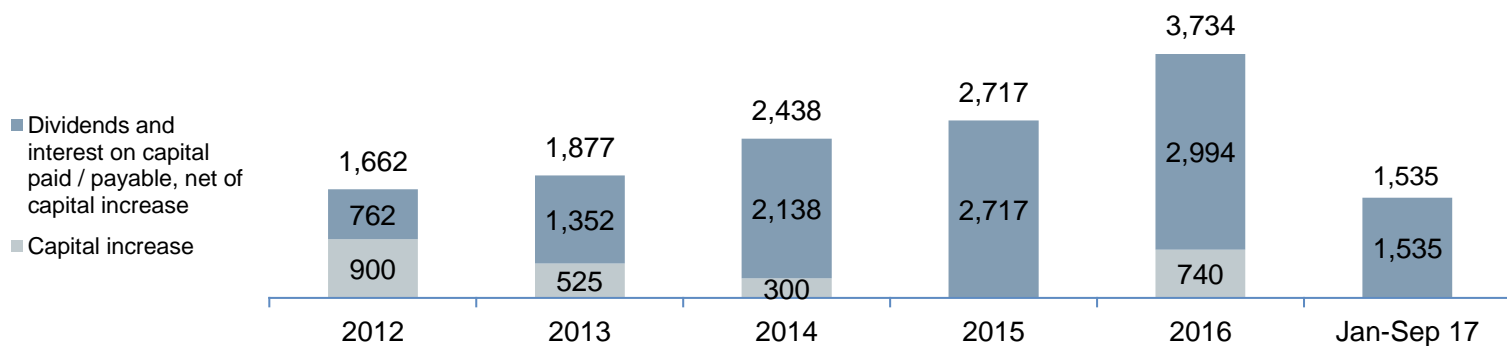
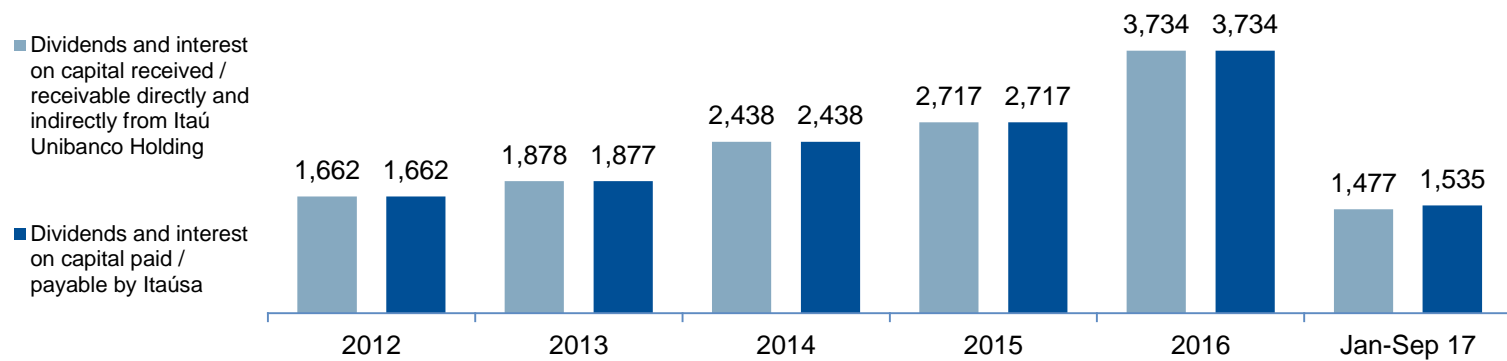
Source: Economática

Period: Sep 30, 2016 to Sep 29, 2017

Average quotations adjusted by events such as reverse split, split and bonus of shares.

(*) B3.S.A. – Brasil, Bolsa, Balcão.

Flow of dividends / Interest on capital⁽¹⁾ – R\$ million



(1) Interest on capital, net of withholding income tax.

Financial statements

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
 INDIVIDUAL BALANCE SHEET AT SEPTEMBER 30, 2017, JUNE 30, 2017 AND DECEMBER 31, 2016
 (In millions of Reais)

ASSETS	9/30/2017	6/30/2017	12/31/2016	LIABILITIES AND STOCKHOLDERS' EQUITY	9/30/2017	6/30/2017	12/31/2016
Financial assets	1,938	3,325	1,982	Current and non-current	4,126	3,629	3,144
Cash and cash equivalents	77	534	666	Debentures	1,242	1,212	-
Financial assets held for trading	76	526	310	Dividends / Interest on capital payable	1,049	1,115	2,028
Financial assets available for sale	931	926	-	Loans and financing	501	-	-
Financial assets held to maturity	445	442	-	Other payables	238	241	-
Dividends / Interest on capital receivable	409	897	1,006	Tax liabilities	40	85	290
				Provisions	1,044	969	821
				Other liabilities	12	7	5
Tax assets	952	861	1,168				
Income tax and social contribution - current	119	153	485				
Income tax and social contribution - deferred	833	708	683				
Investments	52,316	48,510	47,142	TOTAL LIABILITIES	4,126	3,629	3,144
Investments in Associates and Jointly Controlled Entities	52,311	48,506	47,138				
Other investments	5	4	4	Stockholders' equity	51,662	49,653	47,729
Fixed assets, net	86	86	85	Capital	37,145	37,145	36,405
Intangible assets	460	460	460	Reserves	15,674	14,397	13,067
				Carrying Value Adjustment	(1,157)	(1,440)	(1,539)
Other non-financial assets	36	40	36	(-) Treasury shares	-	(449)	(204)
TOTAL ASSETS	55,788	53,282	50,873	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	55,788	53,282	50,873

Financial statements

ITAÚSA - INVESTIMENTOS ITAÚ S.A. INDIVIDUAL STATEMENT OF INCOME

Periods ended September 30, 2017 and 2016

(In millions of Reais, except for share information)

	7/1 to 9/30/2017	1/1 to 9/30/2017	7/1 to 9/30/2016	1/1 to 9/30/2016
OPERATING INCOME (net)	2,433	7,013	2,138	6,536
Gain from financial assets	53	130	35	111
Share of income	2,319	6,761	2,094	6,409
Dividends / Interest on capital	59	115	-	-
Other operating income	2	7	9	16
OPERATING EXPENSES	(122)	(475)	(69)	(290)
General and administrative expenses	(19)	(42)	(10)	(30)
Tax Expenses	(45)	(303)	(39)	(200)
Financial expenses	(58)	(130)	(20)	(60)
NET INCOME BEFORE INCOME TAX	2,311	6,538	2,069	6,246
INCOME TAX AND SOCIAL CONTRIBUTION	39	(77)	45	67
Current income tax and social contribution	(85)	(226)	(63)	(137)
Deferred Income tax and social contribution	124	149	108	204
NET INCOME	2,350	6,461	2,114	6,313
EARNINGS PER SHARE - BASIC / DILUTED				
Common	0.31	0.87	0.29	0.85
Preferred	0.31	0.87	0.29	0.85