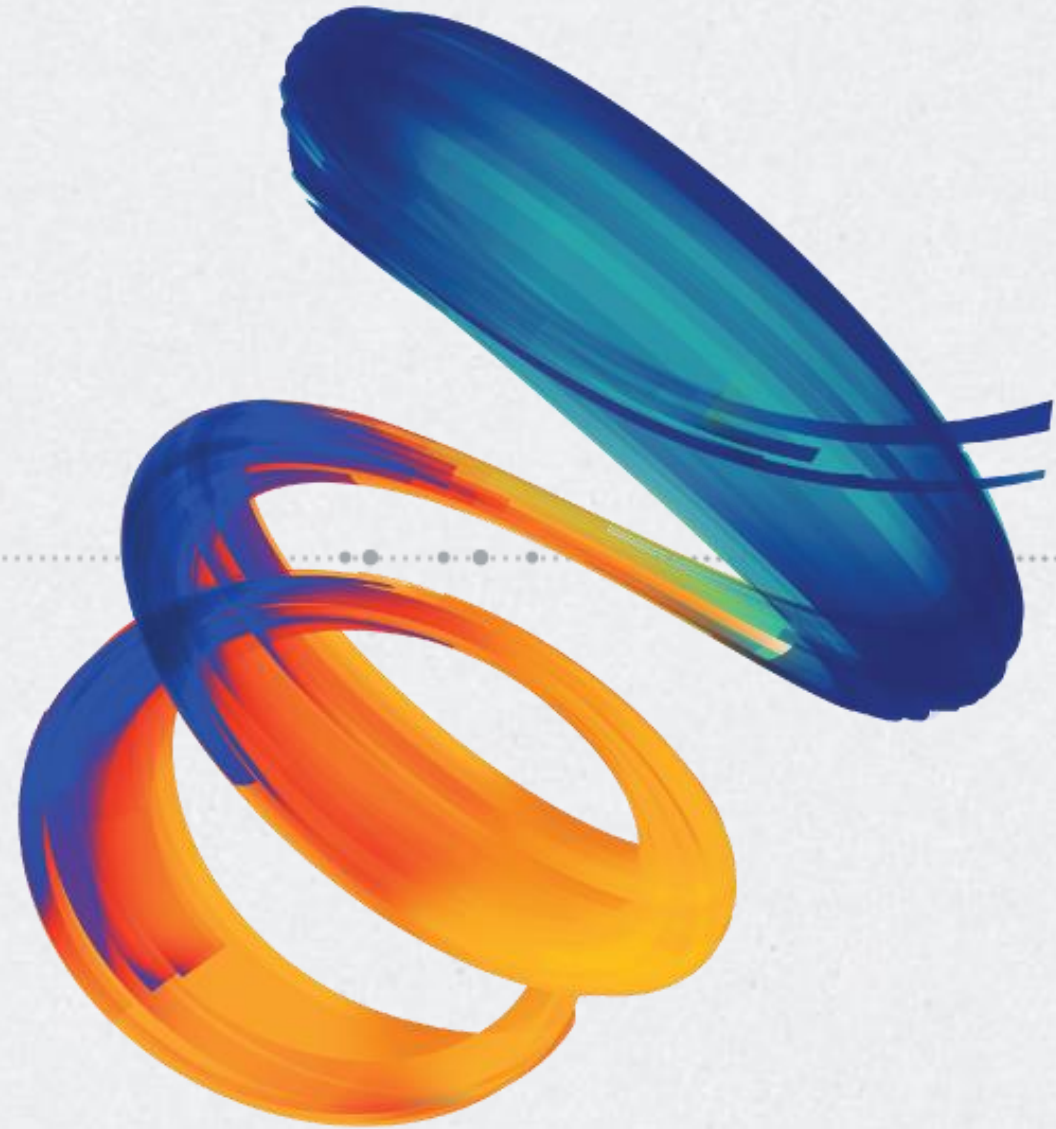


ITAÚSA

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## Selected quarterly information

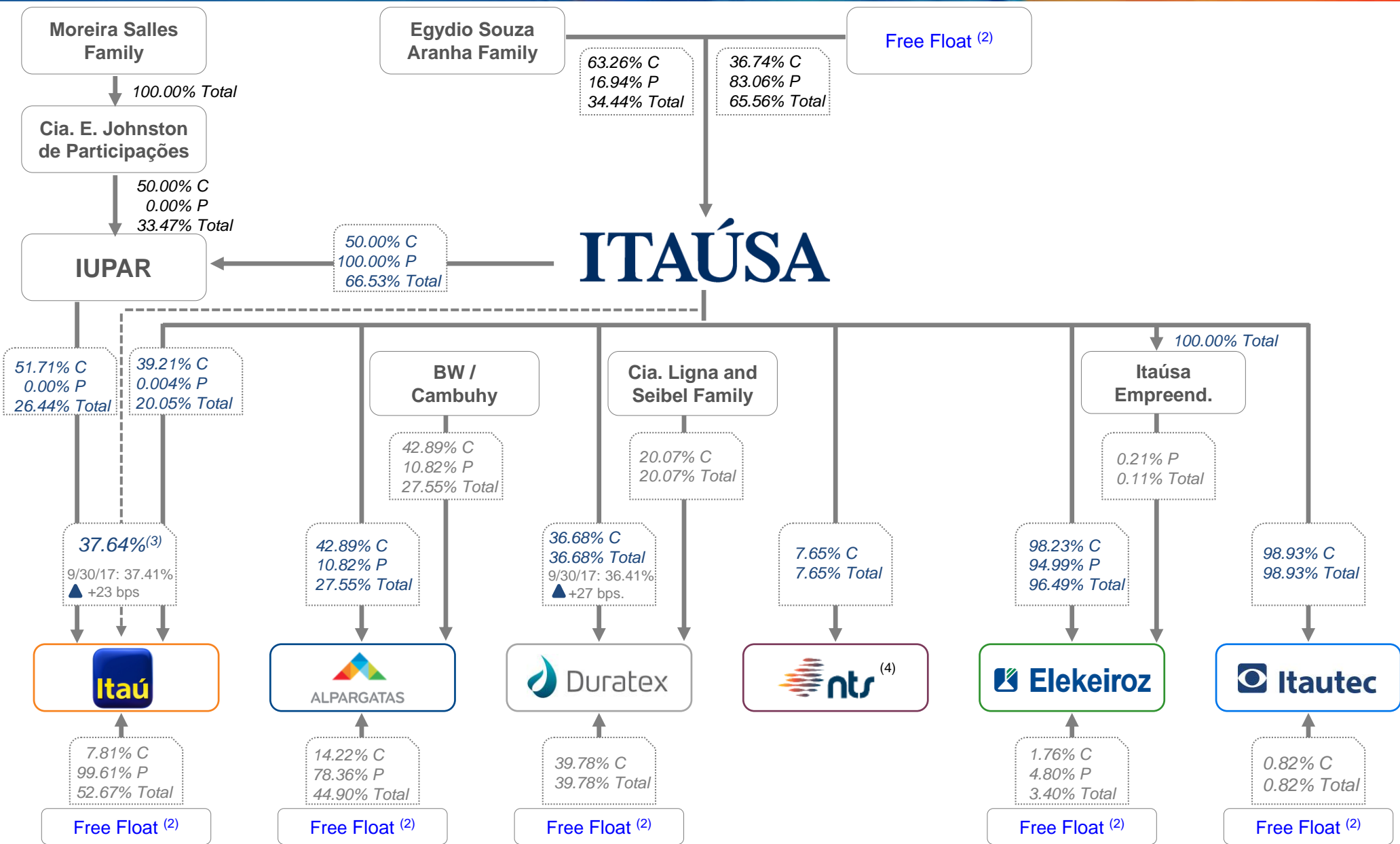
4<sup>th</sup> quarter 2017

- 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).

# Ownership structure<sup>(1)</sup> – December 31, 2017



(1) The Interest presented consider the outstanding shares.

(2) Excluding the shares held by controlling interests.

(3) Represents the direct/ indirect Itaúsa interest in the Capital of Itaú Unibanco Holding.

(4) Investment is not being assessed under the equity method.

(C) Common Shares (P) Preferred Shares

(C) Common Shares (P) Preferred Shares

## ITAÚSA

At a meeting on February 19, 2018, the Board of Directors resolved on as follows:

### **Dividends and Interest on Capital –**

- To pay on March 7, 2018:
  - ✓ The interest on capital declared on December 19, 2017, with December 22, 2017 as base date, in the amount of R\$ 0.168060 per share (net of R\$ 0.142851 per share).
- To declare additional dividends and interest on capital, with February 22, 2018 as base date, as follows:
  - ✓ To pay interest on capital on March 7, 2018 in the amount of R\$ 0.37400 per share (net of R\$ 0.31790 per share);
  - ✓ To pay dividends on March 7, 2018 in the amount of R\$ 0.11025 per share; and
  - ✓ To pay dividends on April 5, 2018 in the amount of R\$ 0.18500 per share, so that this amount may be used to pay shares that could be subscribed by Stockholders at the capital call as mentioned below.

**Capital Call –** To increase the subscribed paid-up capital by R\$ 1,370 million, by issuing new shares for private subscription:

- subscription price: R\$ 7.80 per common or preferred share, according to the average weighted price of preferred shares on B3 in the period from October 06, 2017 to February 02, 2018, adjusted by a negative goodwill of approximately 30%; and
- stockholders may exercise their preemptive right to the subscription of shares in the period from February 28, 2018 to March 29, 2018, in the proportion of 2.3501435% on shares of the same type that they held in the final shareholding position of February 22, 2018.

**Sustainability –** For the 11<sup>th</sup> year, Itaúsa was selected to make up the portfolio of the B3 Corporate Sustainability Index (ISE). Itaú Unibanco (13<sup>th</sup>) and Duratex (10<sup>th</sup>) were also handpicked for this select list. This new portfolio gathers 33 shares from 30 companies, representing 12 sectors that totaled R\$ 1.28 trillion in market value, corresponding to 41.47% of total market value of companies with shares traded on B3 (on 11/21/2017). This new portfolio will be in effect from January 8, 2018 to January 4, 2019.

# ITAÚSA

**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 R\$ 1,740 million, with price per share equal to R\$ 14.17 per common share and R\$ 11.32 per preferred share

On February 7, 2018, CVM approved the request for registration of a public offering for the purchase of common shares held by minority stockholders at a price equal to 80% of the amount paid by current controlling parties (R\$ 11.34 per share). Itaúsa may invest at the most R\$ 200 million in this transaction.

**Nova Transportadora do Sudeste S.A. – NTS** – On April 4, 2017, Itaúsa announced the acquisition of equities stake of NTS, a company controlled by Nova Infraestrutura Fundo de Investimentos em Participações (“FIP”), and resulted in a final stake of 7.65% in NTS' capital stock. Out of the amount invested, R\$ 696.9 million was paid on April 4, 2017 and US\$ 72.3 million will be paid in five years. In addition to the shareholding in NTS, Itaúsa also acquired from FIP debentures converted into shares issued by NTS, maturing in ten years in the total amount of R\$ 442.1 million.

**Share Buyback Program / Cancellation of Treasury Shares** –In the second quarter of 2017 Itaúsa acquired approximately 51 million common shares of own issue, in the amount of R\$ 448.8 million. The common shares acquired for treasury were cancelled by decision of Board of Directors, on 08/07/2017, with no capital reduction.



**Dividend and Interest on Capital** – In 2017, Itaú Unibanco paid, recognized in a provision or identified in Stockholders' Equity the amount of R\$ 17.6 billion in dividends and interest on capital, net, the highest in the bank's history, corresponding to 70.6% of 2017 consolidated recurring net income, which represents an increase of 75.6% from fiscal year 2016. Additionally, considering the share buyback in 2017, payout accounts for 83.0% of the 2017 consolidated recurring net income.

**New Executive President (CEO)** – In April 2017, Candido Botelho Bracher took over as the new Executive President of Itaú Unibanco, succeeding Roberto Egydio Setubal. After 23 years leading the Company, Mr. Setubal has reached the age limit and is now a co-chairman of the Board of Directors. We thank Mr. Setubal for all his dedication and contributions made to the organization, which experienced a period of significant growth, increasing, for instance, its annual recurring net income 69 fold.

**Citibank** – In October 2017, after obtaining regulatory approvals, Itaú Unibanco carried out the first step of the incorporation process and it is now in charge of the retail business of Citibank in Brazil.

**Group Life Insurance** – In April 2017, after obtaining approvals (from SUSEP and CADE), Itaú Unibanco completed the sale of 100% of its group life insurance operations to Prudential do Brasil Seguros de Vida S.A. The disposal of this operation reinforces the already disclosed strategy to focus on mass-market insurance policies, traditionally related to the retail banking segment.

**IRB – Brasil Resseguros** – In July and August 2017, Itaú Seguros S.A. reduced its interest to 11.1%, from 14.7%, in the total capital of IRB. Itaú Vida e Previdência S.A., which held 0.2% interest, is no longer a stockholder. Itaú Unibanco remains in the IRB controlling group, under the terms of the company's shareholders' agreement.



**Share Buyback Program** – From January to December 2017, Itaú Unibanco acquired approximately 38.0 million preferred shares (total of R\$ 1.4 billion) and 46.2 million common shares (total of R\$ 1.7 billion) of own issue. The total of 84.2 million shares bought back equal 1.3% of the bank's capital stock at December 31, 2016.

**Cancellation of Treasury Shares** – Of the shares bought back and held in treasury, 31,793,105 common shares were cancelled, as decided by the Board of Directors of Itaú Unibanco, with no capital decrease. Cancellation is pending regulatory approvals.

**Perpetual Subordinated Notes** – In December 2017, Itaú Unibanco issued for the first time perpetual subordinated notes/AT1, in the amount of US\$ 1.25 billion. These notes were issued at a fixed rate of 6.125%, which will be applicable until the fifth anniversary of the date of issue. Itaú Unibanco has requested the approval from the Central Bank of Brazil so that these perpetual subordinated notes be included in its Reference Equity as Additional Tier 1 Capital, adding 60 bps to the Company's Tier 1 capital ratio.

**XP Investimentos (XP)** – In December 2017, the General Superintendence of CADE issued a favorable opinion on Itaú Unibanco's acquisition of a minority interest of XP, accounting for 49.9% of total capital, of which 30.1% are common shares, conditioned on Itaú Unibanco's commitment not to intervene in XP's business management, as well as to reduce possible barriers to the entry and development in the segment of open platforms. The operation is still pending approval from the Central Bank of Brazil.

In 2017, the highlights were the increased market share of Havaianas in the domestic market and the opening of 17 Havaianas brand stores in Brazil and 27 abroad, totaling 622 points of sale in the world. Direct sales of Havaianas flip-flops were started in Argentina and Colombia (previously sold by distributors), and a commercial office was opened in Hong Kong, China.

Alpargatas' consolidated EBITDA in 2017 totaled R\$ 486.2 million, down 15.6% from 2016. In Brazil, EBITDA was R\$ 372.9 million, up 2.0% from that recorded in 2016.

In 2017, Duratex recorded EBITDA of R\$ 986.8 million, up 9.5% from 2016, and EBITDA margin of 24.7% compared to 23.0% in the previous year.

After approval from the Brazilian anti-trust agency (CADE) in October, the results of newly-acquired Ceusa, a benchmark in the ceramic tiles sector, started to be consolidated by Duratex.

In the fourth quarter of 2017, Itaúsa received dividends and interest on capital, gross, related to the stake held in NTS in the amount of R\$ 59.9 million. In the same period, income from interest on debentures of NTS was R\$ 12.0 million. In 2017, dividends/interest on capital, gross, received totaled R\$ 174.8 million, and income from interest on debentures totaled R\$ 41.6 million.

In 2017, Elekeiroz achieved a significant recovery of EBITDA, driven by larger volumes and better margins, together with efforts to optimize the production chain and reduce costs and expenses. EBITDA totaled R\$ 87.8 million, whereas net income amounted to R\$ 47.7 million in the year.





Results of Itaúsa - Main indicators - January to December

R\$ million

	Parent company		Non-controlling interests		Consolidated	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Net income	8,403	8,211	119	5	8,522	8,216
Recurring net income	9,120	8,643	192	(9)	9,312	8,634
Stockholders' equity	53,229	47,729	2,993	2,950	56,222	50,679
Annualized return on average equity (%)	16.8%	17.7%	4.0%	0.2%	16.1%	16.6%
Annualized recurring return on average equity (%)	18.2%	18.6%	6.5%	-0.3%	17.6%	17.5%

Results per share - in R\$	12/31/2017	12/31/2016	Actual change	
Net income of parent company	1.13	1.11	0.02	1.9%
Recurring net income of parent company	1.22	1.17	0.05	5.0%
Book value of parent company	7.12	6.45	0.67	10.5%
Dividends/ interest on capital, net	0.88	0.50	0.38	75.1%
Price of preferred share (PN) <sup>(1)</sup>	10.82	8.22	2.60	31.6%
Market capitalization <sup>(2)</sup> - R\$ million	80,865	60,855	20,010	32.9%

(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-Dec/17	Jan-Dec/16	Jan-Dec/17	Jan-Dec/16	Jan-Dec/17	Jan-Dec/16
<b>Net income</b>	<b>8,403</b>	<b>8,211</b>	<b>119</b>	<b>5</b>	<b>8,522</b>	<b>8,216</b>
<b>Inclusion/(Exclusion) of non-recurring effects D= (A + B + C)</b>	<b>717</b>	<b>432</b>	<b>73</b>	<b>(14)</b>	<b>790</b>	<b>418</b>
<b>Itaúsa (A)</b>	<b>108</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>-</b>
Provision for Tax Contingencies	108	-	-	-	108	-
<b>Arising from stockholding interest in Itaú Unibanco (B)</b>	<b>589</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>589</b>	<b>170</b>
Change in Treasury Shares	403	76	-	-	403	76
Disposal of IRB shares	(58)	-	-	-	(58)	-
Pension Fund	-	(49)	-	-	-	(49)
Program for the Settlement or Installment Payment of Taxes	-	(5)	-	-	-	(5)
Civil Lawsuits - Economic Plans	38	84	-	-	38	84
Tax Contingencies and Legal Liabilities	85	2	-	-	85	2
Provision Expenses for Citibank Integration	104	-	-	-	104	-
Goodwill Amortization	57	68	-	-	57	68
Liability Adequacy Test	(28)	-	-	-	(28)	-
Other	(12)	(6)	-	-	(12)	(6)
<b>Arising from stockholding interest in other Itaúsa group companies (C)</b>	<b>20</b>	<b>262</b>	<b>73</b>	<b>(14)</b>	<b>93</b>	<b>248</b>
Alpargatas	29	-	76	-	105	-
Duratex	(2)	(13)	(3)	(24)	(5)	(37)
Elekeiroz	(7)	283	(0)	10	(7)	293
Itautec	-	(7)	-	(0)	-	(7)
Itaúsa Empreendimentos	-	(1)	-	-	-	(1)
<b>Recurring net income</b>	<b>9,120</b>	<b>8,643</b>	<b>192</b>	<b>(9)</b>	<b>9,312</b>	<b>8,634</b>

## Main financial indicators of Itaúsa portfolio companies

We present below the main indicators of the Itaúsa portfolio companies, extracted from their financial statements. Net income, stockholders' equity and ROE correspond to results attributable to controlling stockholders.

	January to December	Financial Sector	Non Financial Sector				R\$ million
							ITAÚSA
Total assets	2017	1,434,969	3,853	9,465	10,024	458	65,580
	2016	1,353,241	3,782	9,341	n.d	434	59,020
Operating revenues	2017	189,625	3,722	3,991	4,112	979	13,532
	2016	208,274	4,054	3,910	n.d	771	13,266
Net income	2017	23,903	362	185	1,809	48	8,403
	2016	23,263	362	24	n.d	(344)	8,211
Stockholders' equity	2017	134,840	2,186	4,715	3,943	151	53,229
	2016	122,582	1,976	4,570	n.d	111	47,729
Annualized return on average equity (%)	2017	19.7%	17.1%	4.0%	45.1%	38.0%	16.8%
	2016	20.1%	18.9%	0.5%	n.d	-93.0%	17.7%
Internal fund generation <sup>(1)</sup>	2017	83,366	478	1,014	2,781	86	1,187
	2016	97,507	515	932	n.d	(24)	891

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

## Statement of income

R\$ million

	4th quarter 2017		3rd quarter 2017		4th quarter 2016		jan-dec 2017		jan-dec 2016		4thQ17 / 3rdQ17		4thQ17 / 4thQ16		jan-dec 17 / jan-dec 16	
<b>FINANCIAL SECTOR</b>	<b>2,245</b>	<b>94.1%</b>	<b>2,276</b>	<b>97.1%</b>	<b>2,284</b>	<b>100.5%</b>	<b>9,135</b>	<b>97.3%</b>	<b>8,754</b>	<b>100.9%</b>	<b>(31)</b>	<b>-1.4%</b>	<b>(39)</b>	<b>-1.7%</b>	<b>381</b>	<b>4.4%</b>
<b>NON FINANCIAL SECTOR</b>	<b>142</b>	<b>5.9%</b>	<b>68</b>	<b>2.9%</b>	<b>(11)</b>	<b>-0.5%</b>	<b>257</b>	<b>2.7%</b>	<b>(76)</b>	<b>-0.9%</b>	<b>74</b>	<b>108.8%</b>	<b>153</b>	<b>-1390.9%</b>	<b>333</b>	<b>-438.2%</b>
ALPARGATAS	48	2.0%	-	0.0%	-	0.0%	48	0.5%	-	0.0%	48	n.a.	48	n.a.	48	n.a.
DURATEX	52	2.2%	13	0.6%	3	0.1%	66	0.7%	(4)	0.0%	39	300.0%	49	1633.3%	70	-1750.0%
ELEKEIROZ	16	0.7%	15	0.6%	(12)	-0.5%	39	0.4%	(49)	-0.6%	1	6.7%	28	-233.3%	88	-179.6%
ITAUTEC	(6)	-0.3%	(10)	-0.4%	(4)	-0.2%	(23)	-0.2%	(27)	-0.3%	4	-40.0%	(2)	50.0%	4	-14.8%
NTS <sup>(1)</sup>	37	1.6%	52	2.2%	-	0.0%	133	1.4%	-	0.0%	(15)	-28.8%	37	n.a.	133	n.a.
OTHER COMPANIES	(5)	-0.2%	(2)	-0.1%	2	0.1%	(6)	-0.1%	4	0.0%	(3)	150.0%	(7)	-350.0%	(10)	-250.0%
<b>RECURRING SHARE OF INCOME + DIVIDENDS AND INTEREST ON DEBENTURES</b>	<b>2,387</b>	<b>100.0%</b>	<b>2,344</b>	<b>100.0%</b>	<b>2,273</b>	<b>100.0%</b>	<b>9,392</b>	<b>100.0%</b>	<b>8,678</b>	<b>100.0%</b>	<b>43</b>	<b>1.8%</b>	<b>114</b>	<b>5.0%</b>	<b>714</b>	<b>8.2%</b>
FINANCIAL INCOME	(19)		2		17		-		67		(21)	-1050.0%	(36)	-211.8%	(67)	-100.0%
ADMINISTRATIVE EXPENSES	(11)		(19)		(14)		(53)		(43)		8	-42.1%	3	-21.4%	(10)	23.3%
TAX EXPENSES	(5)		(45)		(88)		(308)		(288)		40	-88.9%	83	-94.3%	(20)	6.9%
OTHER OPERATING REVENUES	4		2		8		11		24		2	100.0%	(4)	-50.0%	(13)	-54.2%
<b>RESULTS OF ITAÚSA</b>	<b>(31)</b>		<b>(60)</b>		<b>(77)</b>		<b>(350)</b>		<b>(240)</b>		<b>29</b>	<b>-48.3%</b>	<b>46</b>	<b>-59.7%</b>	<b>(110)</b>	<b>45.8%</b>
<b>INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION</b>	<b>2,356</b>		<b>2,284</b>		<b>2,196</b>		<b>9,042</b>		<b>8,438</b>		<b>72</b>	<b>3.2%</b>	<b>160</b>	<b>7.3%</b>	<b>604</b>	<b>7.2%</b>
INCOME TAX / SOCIAL CONTRIBUTION	155		39		138		78		205		116	297.4%	17	12.3%	(127)	-62.0%
<b>RECURRING INDIVIDUAL NET INCOME</b>	<b>2,511</b>		<b>2,323</b>		<b>2,334</b>		<b>9,120</b>		<b>8,643</b>		<b>188</b>	<b>8.1%</b>	<b>177</b>	<b>7.6%</b>	<b>477</b>	<b>5.5%</b>
<b>NON-RECURRING RESULTS</b>	<b>(569)</b>		<b>27</b>		<b>(436)</b>		<b>(717)</b>		<b>(432)</b>		<b>(596)</b>	<b>-2207.4%</b>	<b>(133)</b>	<b>30.5%</b>	<b>(285)</b>	<b>66.0%</b>
ITAÚSA'S RESULTS	(108)		-		-		(108)		-							
FINANCIAL SECTOR	(429)		16		(161)		(589)		(170)							
NON FINANCIAL SECTOR	(32)		11		(275)		(20)		(262)							
ALPARGATAS	(29)		-		-		(29)		-							
DURATEX	(10)		11		6		2		13							
ELEKEIROZ	7		-		(281)		7		(283)							
ITAUTEC	-		-		-		-		7							
OTHER COMPANIES	-		-		-		-		1							
<b>INDIVIDUAL NET INCOME</b>	<b>1,942</b>		<b>2,350</b>		<b>1,898</b>		<b>8,403</b>		<b>8,211</b>		<b>(408)</b>	<b>-17.4%</b>	<b>44</b>	<b>2.3%</b>	<b>192</b>	<b>2.3%</b>
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	55		53		5		119		5		2	3.8%	50	1000.0%	114	2280.0%
<b>CONSOLIDATED NET INCOME</b>	<b>1,997</b>		<b>2,403</b>		<b>1,903</b>		<b>8,522</b>		<b>8,216</b>		<b>(406)</b>	<b>-16.9%</b>	<b>94</b>	<b>4.9%</b>	<b>306</b>	<b>3.7%</b>

(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 - October to December 2017

R\$ million

	ITAÚ UNIBANCO		ALPARGATAS		DURATEX		ELEKEIROZ		ITAUTEC		OTHER AREAS		TOTAL	
	4thQ17	4thQ16	4thQ17	4thQ16	4thQ17	4thQ16	4thQ17	4thQ16	4thQ17	4thQ16	4thQ17	4thQ16	4thQ17	4thQ16
<b>Recurring net income</b>	<b>5,909</b>	<b>6,104</b>	<b>173</b>	<b>-</b>	<b>114</b>	<b>6</b>	<b>17</b>	<b>(13)</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>2</b>		
(x) Direct/Indirect interest	37.64%	37.36%	27.55%	n.a.	36.68%	35.57%	96.60%	96.60%	98.93%	98.93%	100.00%	100.00%		
<b>(=) Share of recurring net income</b>	<b>2,267</b>	<b>2,299</b>	<b>48</b>	<b>-</b>	<b>41</b>	<b>3</b>	<b>16</b>	<b>(12)</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>2</b>	<b>2,361</b>	<b>2,288</b>
(+/-) Share of income not arising from net income	(22)	(15)	-	-	11	-	-	-	-	-	-	-	(11)	(15)
<b>Recurring share of income</b>	<b>2,245</b>	<b>2,284</b>	<b>48</b>	<b>-</b>	<b>52</b>	<b>3</b>	<b>16</b>	<b>(12)</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>2</b>	<b>2,350</b>	<b>2,273</b>
<b>Non-recurring results</b>	<b>(429)</b>	<b>(161)</b>	<b>(29)</b>	<b>-</b>	<b>(10)</b>	<b>6</b>	<b>7</b>	<b>(281)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(461)</b>	<b>(436)</b>
Change in Treasury Shares	(271)	(119)	-	-	-	-	-	-	-	-	-	-	(271)	(119)
Pension Fund	-	49	-	-	-	-	-	-	-	-	-	-	-	49
Impairment and other accounting adjustments	-	-	-	-	-	-	-	(267)	-	-	-	-	-	(267)
Program for the Settlement or Installment Payment of Taxes	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Civil Lawsuits - Economic Plans	-	(33)	-	-	-	-	-	-	-	-	-	-	-	(33)
Tax Contingencies and Legal Liabilities	(69)	-	-	-	-	-	-	-	-	-	-	-	(69)	-
Provision Expenses for Citibank Integration	(104)	-	-	-	-	-	-	-	-	-	-	-	(104)	-
Goodwill Amortization	(3)	(65)	-	-	-	-	-	-	-	-	-	-	(3)	(65)
Liability Adequacy Test	28	-	-	-	-	-	-	-	-	-	-	-	28	-
Other	(10)	6	(29)	-	(10)	6	7	(14)	-	-	-	-	(42)	(2)
<b>Share of income</b>	<b>1,816</b>	<b>2,123</b>	<b>19</b>	<b>-</b>	<b>42</b>	<b>9</b>	<b>23</b>	<b>(293)</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>2</b>	<b>1,889</b>	<b>1,837</b>
	<b>96.1%</b>	<b>115.6%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>2.2%</b>	<b>0.5%</b>	<b>1.2%</b>	<b>-15.9%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>0.1%</b>	<b>100.0%</b>	<b>100.0%</b>

In the fourth quarter of 2017, the Recurring Share of Income amounted to R\$ 2,350 million, a 3.4% increase in relation to the same period of the previous year. The Recurring Share of Income from the Financial Sector amounted to R\$ 2,245 million, showing a small retraction of 1.7% in relation to the same period of the previous year.

## Determination of Share of Income - January to December 2017

R\$ million

	ITAÚ UNIBANCO		ALPARGATAS		DURATEX		ELEKEIROZ		ITAUTEC		OTHER AREAS		TOTAL	
	2017	2016	2017 <sup>(1)</sup>	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Recurring net income</b>	<b>24,399</b>	<b>23,514</b>	<b>173</b>	-	<b>181</b>	<b>(15)</b>	<b>40</b>	<b>(51)</b>	<b>(23)</b>	<b>(22)</b>	<b>(6)</b>	<b>4</b>		
(x) Direct/Indirect interest	37.64%	37.36%	27.55%	n.a.	36.68%	35.57%	96.60%	96.60%	98.93%	98.93%	100.00%	100.00%		
<b>(=) Share of recurring net income</b>	<b>9,184</b>	<b>8,786</b>	<b>48</b>	-	<b>66</b>	<b>(5)</b>	<b>39</b>	<b>(49)</b>	<b>(23)</b>	<b>(22)</b>	<b>(6)</b>	<b>4</b>	<b>9,308</b>	<b>8,714</b>
(+/-) Share of income not arising from net income	(49)	(32)	-	-	-	1	-	-	-	(5)	-	-	(49)	(36)
<b>Recurring share of income</b>	<b>9,135</b>	<b>8,754</b>	<b>48</b>	-	<b>66</b>	<b>(4)</b>	<b>39</b>	<b>(49)</b>	<b>(23)</b>	<b>(27)</b>	<b>(6)</b>	<b>4</b>	<b>9,259</b>	<b>8,678</b>
<b>Non-recurring results</b>	<b>(589)</b>	<b>(170)</b>	<b>(29)</b>	-	<b>2</b>	<b>13</b>	<b>7</b>	<b>(283)</b>	-	<b>7</b>	-	<b>1</b>	<b>(609)</b>	<b>(432)</b>
Change in Treasury Shares	(403)	(76)	-	-	-	-	-	-	-	-	-	-	(403)	(76)
Disposal of IRB shares	58	-	-	-	-	-	-	-	-	-	-	-	58	-
Pension Fund	-	49	-	-	-	-	-	-	-	-	-	-	-	49
Impairment and other accounting adjustments	-	-	-	-	-	-	-	(267)	-	-	-	-	-	(267)
Program for the Settlement or Installment Payment of Taxes	-	5	-	-	-	-	-	-	-	-	-	-	-	5
Civil Lawsuits - Economic Plans	(38)	(84)	-	-	-	-	-	-	-	-	-	-	(38)	(84)
Tax Contingencies and Legal Liabilities	(85)	(2)	-	-	-	-	-	-	-	-	-	-	(85)	(2)
Provision Expenses for Citibank Integration	(104)	-	-	-	-	-	-	-	-	-	-	-	(104)	-
Goodwill Amortization	(57)	(68)	-	-	-	-	-	-	-	-	-	-	(57)	(68)
Liability Adequacy Test	28	-	-	-	-	-	-	-	-	-	-	-	28	-
Other	12	6	(29)	-	2	13	7	(16)	-	7	-	1	(8)	11
<b>Share of income</b>	<b>8,546</b>	<b>8,584</b>	<b>19</b>	-	<b>68</b>	<b>9</b>	<b>46</b>	<b>(332)</b>	<b>(23)</b>	<b>(20)</b>	<b>(6)</b>	<b>5</b>	<b>8,650</b>	<b>8,246</b>
	<b>98.8%</b>	<b>104.1%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.1%</b>	<b>0.5%</b>	<b>-4.0%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Share of Income of Alpargatas, was considered the Net Income from september to december of 2017.

In the period from January to December of 2017, the Recurring Share of Income amounted to R\$ 9,259 million, a 6.7% increase in relation to the same period of the previous year, arising basically from the 4.4% raise in the result from the Financial Sector.

## Market value of subsidiaries x Discount in the price of Itaúsa

On December 28, 2017

Public companies	Total shares (thousand)	Average quotation <sup>(1)</sup> 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.	6,464,631	42.62	275,523	37.64%	103,709
Alpargatas S.A.	463,116	17.42	8,067	27.55%	2,223
Duratex S.A.	689,306	9.13	6,293	36.68%	2,308
Elekeiroz S.A.	31,485	8.20	258	96.60%	249
Itautec S.A.	11,072	15.61	173	98.93%	171
Nova Transportadora do Sudeste S.A - NTS <sup>(2)</sup>					1,387
Other assets and liabilities, net (F)					-2,273
Market value of the Itaúsa interests (G)					107,774
Market value of Itaúsa (H)	7,473,630	10.82	80,865		80,865
<b>Discount (%) (I) = (H)/(G)-1</b>					<b>-24.97%</b>

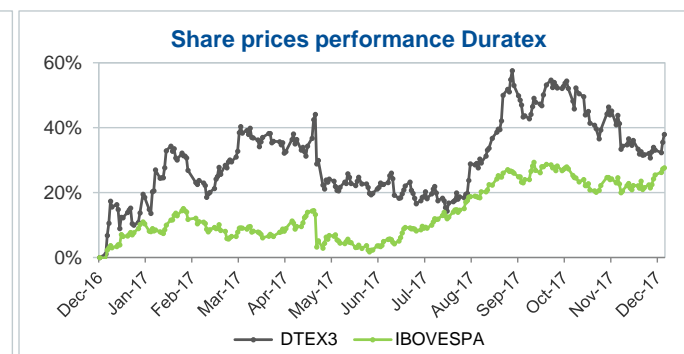
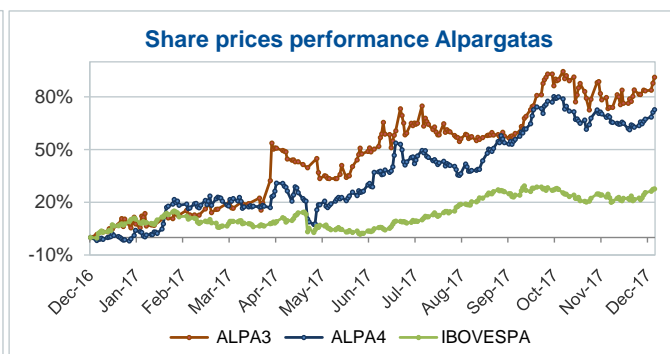
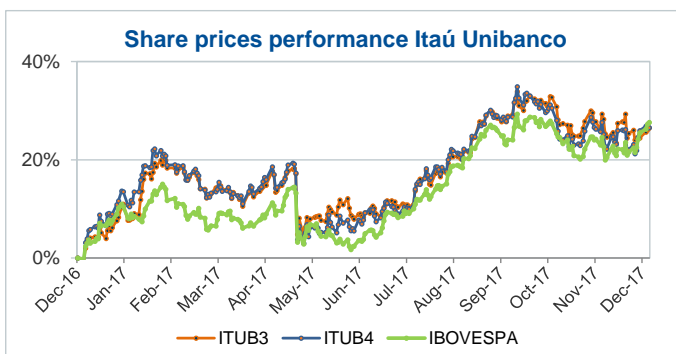
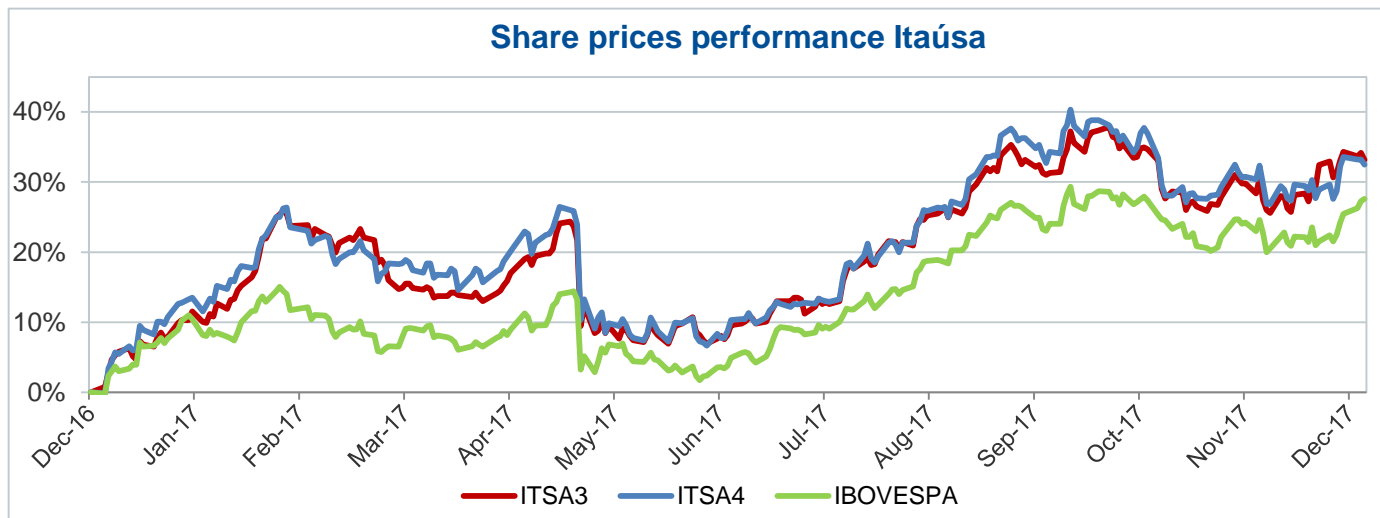


(1) Average quotation of the most liquid share on the last day of the period.

(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 December 29, 2016



Source: Economática

Period: Dec 29, 2016 to Dec 28, 2017

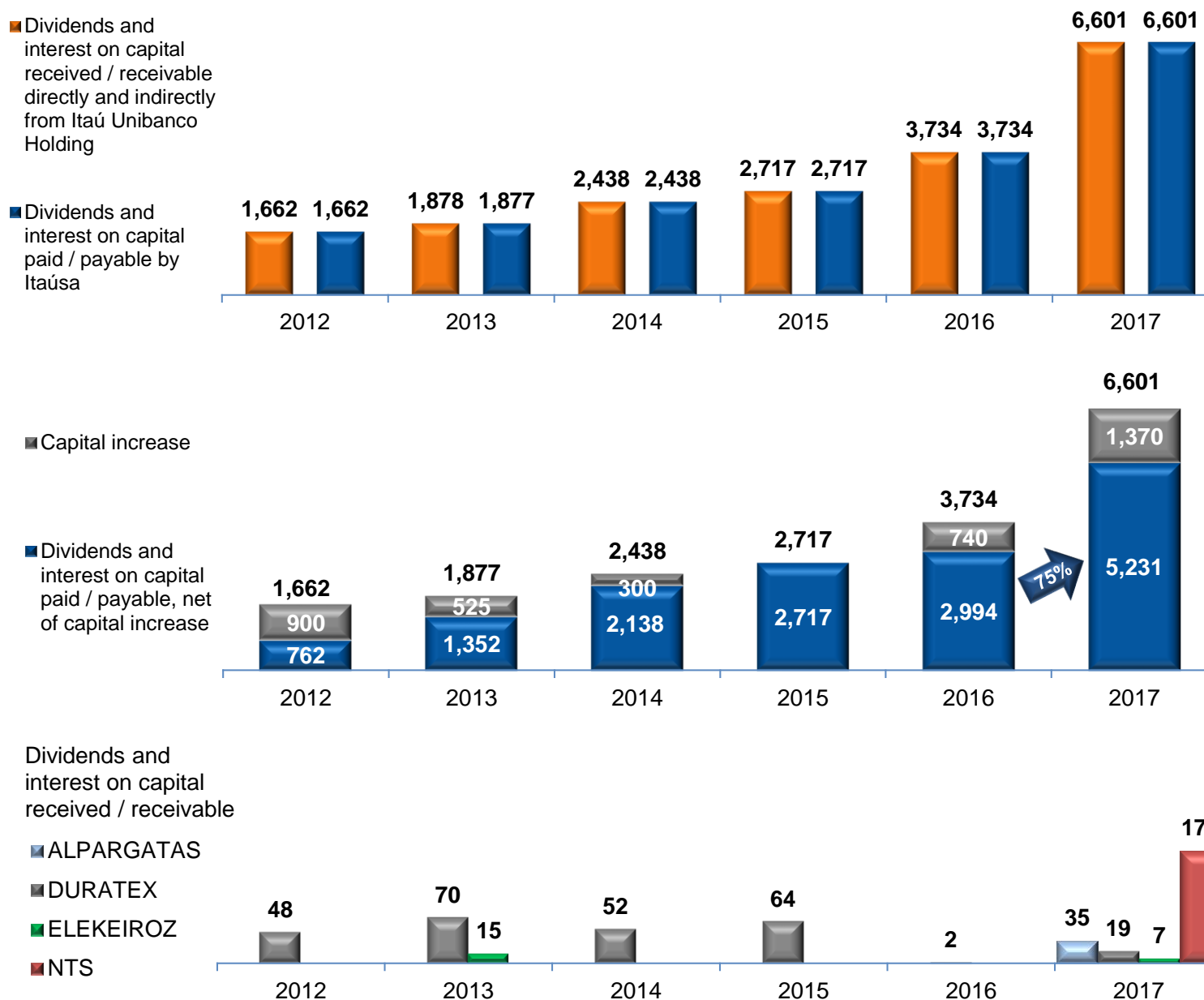
Average quotations adjusted by events such as reverse split, split and bonus of shares.

(\*) B3.S.A. – Brasil, Bolsa, Balcão.



# Flow of dividends / Interest on capital<sup>(1)</sup>

R\$ million



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

# Financial statements

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

<b>ASSETS</b>	<b>12/31/2017</b>	<b>9/30/2017</b>	<b>12/31/2016</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>12/31/2017</b>	<b>9/30/2017</b>	<b>12/31/2016</b>
<b>Financial assets</b>	<b>2,166</b>	<b>1,938</b>	<b>1,982</b>	<b>Current and non-current</b>	<b>4,568</b>	<b>4,126</b>	<b>3,144</b>
Cash and cash equivalents	71	77	666	Debentures	1,208	1,242	-
Financial assets held for trading	52	76	310	Dividends / Interest on capital payable	1,334	1,049	2,028
Financial assets available for sale	943	931	-	Loans and financing	501	501	-
Financial assets held to maturity	444	445	-	Other payables	245	238	-
Dividends / Interest on capital receivable	656	409	1,006	Tax liabilities	30	40	290
				Provisions	1,244	1,044	821
				Other liabilities	6	12	5
<b>Tax assets</b>	<b>1,078</b>	<b>952</b>	<b>1,168</b>				
Income tax and social contribution - current	256	119	485				
Income tax and social contribution - deferred	822	833	683				
<b>Investments</b>	<b>53,969</b>	<b>52,316</b>	<b>47,142</b>	<b>TOTAL LIABILITIES</b>	<b>4,568</b>	<b>4,126</b>	<b>3,144</b>
Investments in Associates and Jointly Controlled Entities	53,962	52,311	47,138				
Other investments	7	5	4	<b>Stockholders' equity</b>	<b>53,229</b>	<b>51,662</b>	<b>47,729</b>
<b>Fixed assets, net</b>	<b>88</b>	<b>86</b>	<b>85</b>	Capital	37,145	37,145	36,405
<b>Intangible assets</b>	<b>460</b>	<b>460</b>	<b>460</b>	Reserves	17,275	15,674	13,077
				Carrying Value Adjustment	(1,191)	(1,157)	(1,549)
<b>Other non-financial assets</b>	<b>36</b>	<b>36</b>	<b>36</b>	(-) Treasury shares	-	-	(204)
<b>TOTAL ASSETS</b>	<b>57,797</b>	<b>55,788</b>	<b>50,873</b>	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>57,797</b>	<b>55,788</b>	<b>50,873</b>

# Financial statements

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

Periods ended December 31, 2017 and 2016

(In millions of Reais, except for share information)

	10/1 to 12/31/2017	1/1 to 12/31/2017	10/1 to 12/31/2016	1/1 to 12/31/2016
<b>OPERATING INCOME (net)</b>	<b>1,969</b>	<b>8,969</b>	<b>1,881</b>	<b>8,416</b>
Gain from financial assets	16	133	36	146
Share of income	1,889	8,650	1,837	8,246
Dividends / Interest on capital	60	175	-	-
Other operating income	4	11	8	24
<b>OPERATING EXPENSES</b>	<b>(237)</b>	<b>(699)</b>	<b>(121)</b>	<b>(410)</b>
General and administrative expenses	(11)	(53)	(14)	(43)
Tax Expenses	(5)	(308)	(88)	(288)
Financial expenses	(58)	(175)	(19)	(79)
Other operating expenses	(163)	(163)	-	-
<b>NET INCOME BEFORE INCOME TAX</b>	<b>1,732</b>	<b>8,270</b>	<b>1,760</b>	<b>8,006</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>210</b>	<b>133</b>	<b>138</b>	<b>205</b>
Current income tax and social contribution	220	(5)	143	6
Deferred Income tax and social contribution	(10)	138	(5)	199
<b>NET INCOME</b>	<b>1,942</b>	<b>8,403</b>	<b>1,898</b>	<b>8,211</b>
<b>EARNINGS PER SHARE - BASIC / DILUTED</b>				
Common	0.26	1.13	0.26	1.11
Preferred	0.26	1.13	0.26	1.11