

# ITAÚSA

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**Selected Quarterly Information**  
2<sup>nd</sup> quarter of 2019



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- Simplified Ownership Structure
- Itaúsa and Investees Highlights
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We present the information and financial indicators of Itaúsa – Investimentos Itaú S.A. (Itaúsa) in accordance with the International Financial Reporting Standards (IFRS) and the rules set forth by the Brazilian Securities and Exchange Commission (CVM).

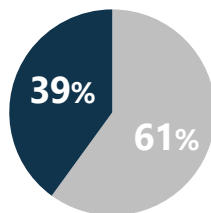
# Simplified Ownership Structure<sup>(1,2)</sup>

ITAÚSA

06.30.19



Distribution of shares



Free Float

66.06%

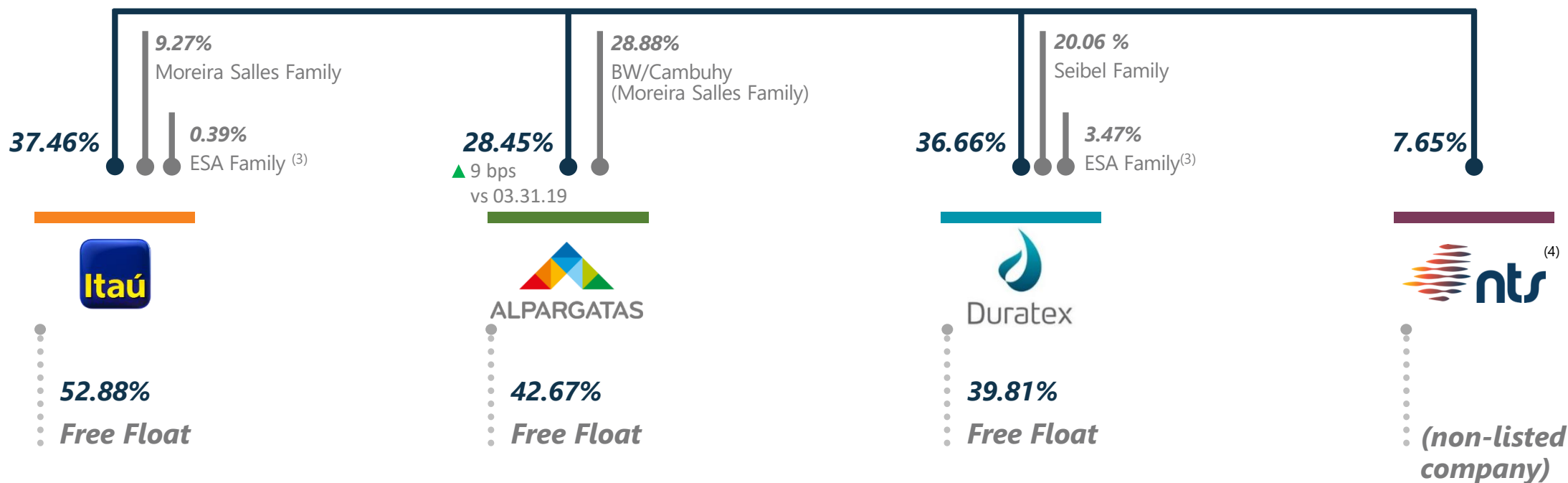
▲ 3 bps  
vs 03.31.19

33.94%

▼ 3 bps  
vs 03.31.19

Egydio Souza Aranha Family (ESA)

# ITAÚSA



(1) Interests shown exclude treasury shares.

(3) Shares directly held by individuals or members of the ESA Family.

(2) Corresponds to direct and indirect interest in companies.

(4) Investment not accounted for under the equity method.

# ITAÚSA



## Highlights of the Period

### Return to stockholders

R\$ 2.9 billion (R\$ 0.3405 per share) will be distributed as dividends to Itaúsa's stockholders with stockholding position of 08.15.2019, to be credited on 08.23.19. In 1H19 total earnings reached R\$ 3.2 billion, up 60.3% from 1H18.

### Increased interest in Alpargatas

On 05.21.19, Itaúsa acquired, at auction on B3, 5.2 million preferred shares in Alpargatas at R\$ 18.25 each by taking advantage of a market opportunity. Itaúsa's interest in Alpargatas reached 28.45%, excluding treasury shares. This move strengthens Itaúsa's belief in the long-term value creation.

### Merger of Itautec's shares completed

The merger of Itautec's shares into Itaúsa was completed on 06.14.19. This transaction was approved by the stockholders of both companies at the respective General Stockholders' Meetings held on 04.30.19. Itautec's stockholders now hold the same number of preferred shares issued by Itaúsa.

1. Includes the investments in NTS classified in the Financial Assets group in the Individual Balance Sheet.

2. Managerial vision that includes share of income and the results of the amount invested in NTS (investment not stated under the equity method).

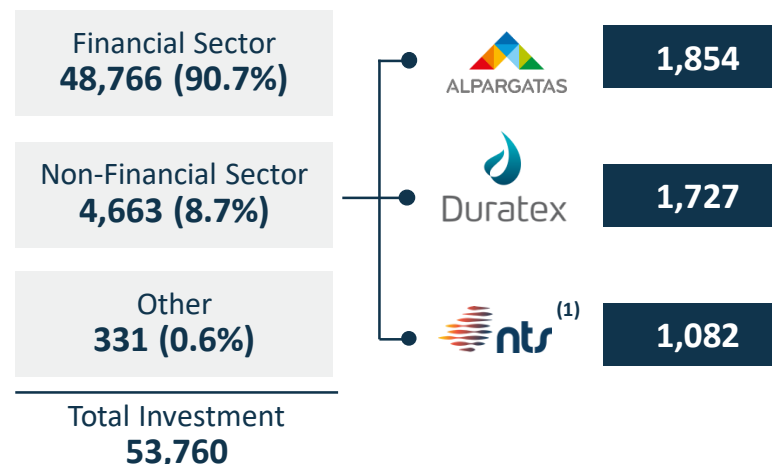
### Sustainability and Governance

With the purpose of strengthening and sparking the sustainability debate, on 06.12.19, the Social Impact Committee was set up to operate as an advisory body to the Board of Directors to drive and identify opportunities to improve the performance of the Committees, Foundations, and Institutes of the investees.



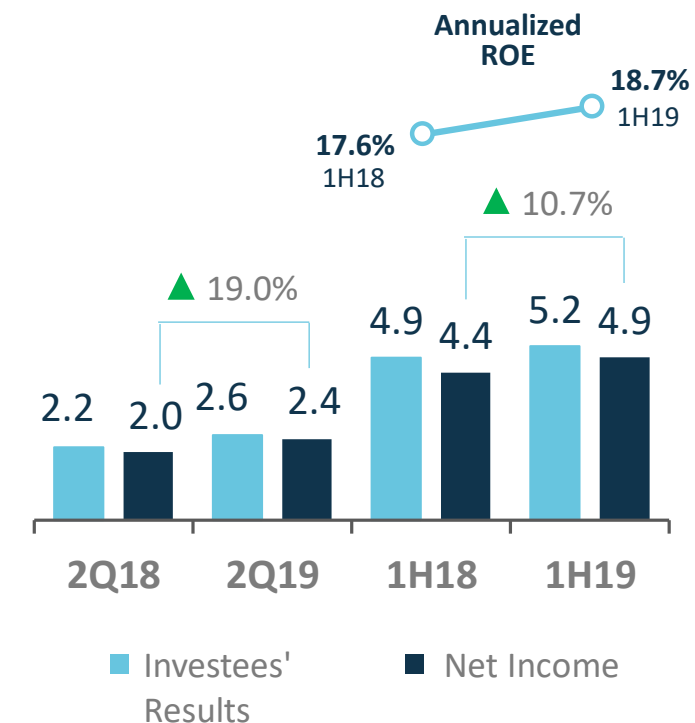
## Investments by Sector on 06.30.2019

Book value in R\$ million



## Investees' Results <sup>(2)</sup> and Itaúsa's Net Income

(R\$ billion)\*



\* Attributable to controlling stockholders

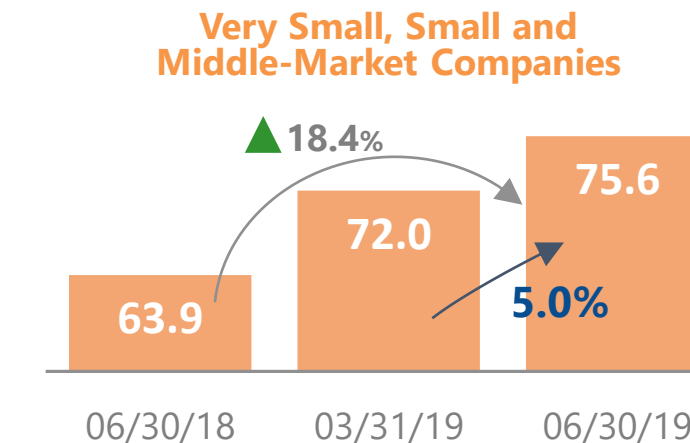
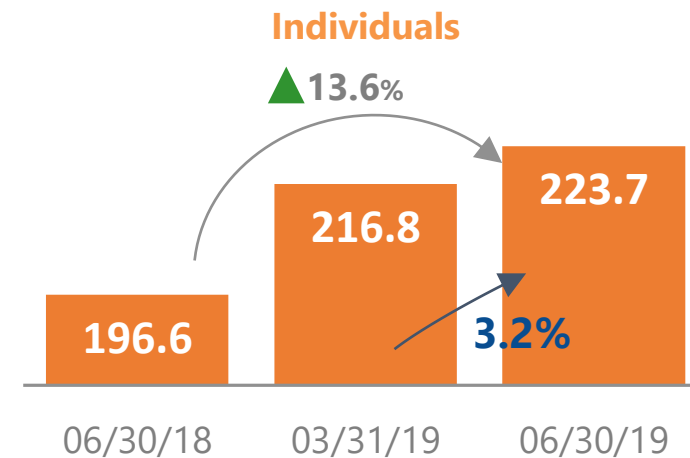


## Highlights of the Period

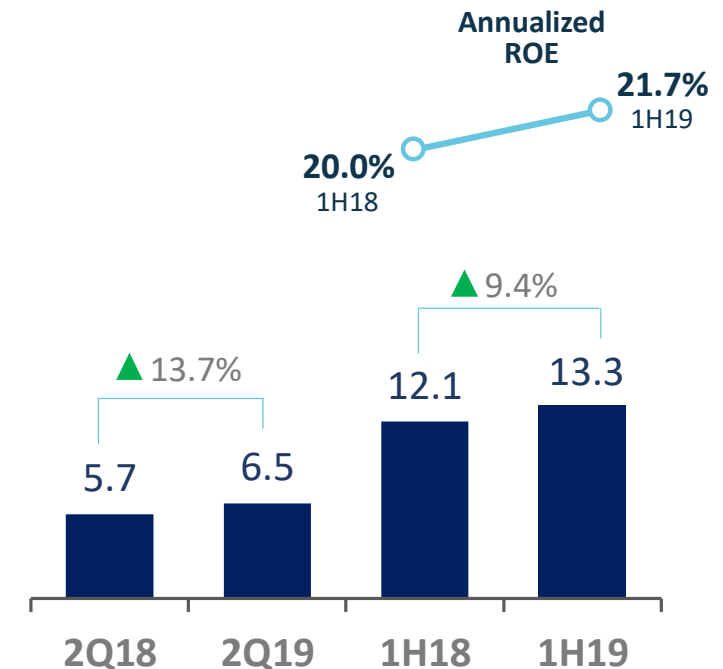
- Rede:** a new commercial proposal establishing that clients with annual revenues of up to R\$ 30 million that receive their payments at Itaú Unibanco will receive the proceeds of their single-installment credit card sales with zero cost on advances.
- Dividends:** Dividends paid, provided for or registered in Stockholders' Equity in 1H19 totaled R\$ 8.5 billion, up 60.8% year-on-year. On 08.23.19, R\$ 7.7 billion will be paid out as dividends (equivalent to R\$ 0.7869 per share).
- Digital Transformation:** main initiatives
  - Iti pilot project, a platform that waives the need for card machines or physical cards to make payments;
  - possibility to purchase US dollars and Euros on the apps, free of charge, and make fully digital international transfers; and
  - cost-free international credit card launched, in partnership with Mercado Livre and Visa.



## Loan Portfolio for Individuals, Very Small, Small and Middle-Market Companies (R\$ billion) - IFRS



## Net Income (R\$ billion)\* - IFRS



\* Attributable to controlling stockholders



## Highlights of the Period

### ● Optimizing assets and leaving the textile segment in Argentina

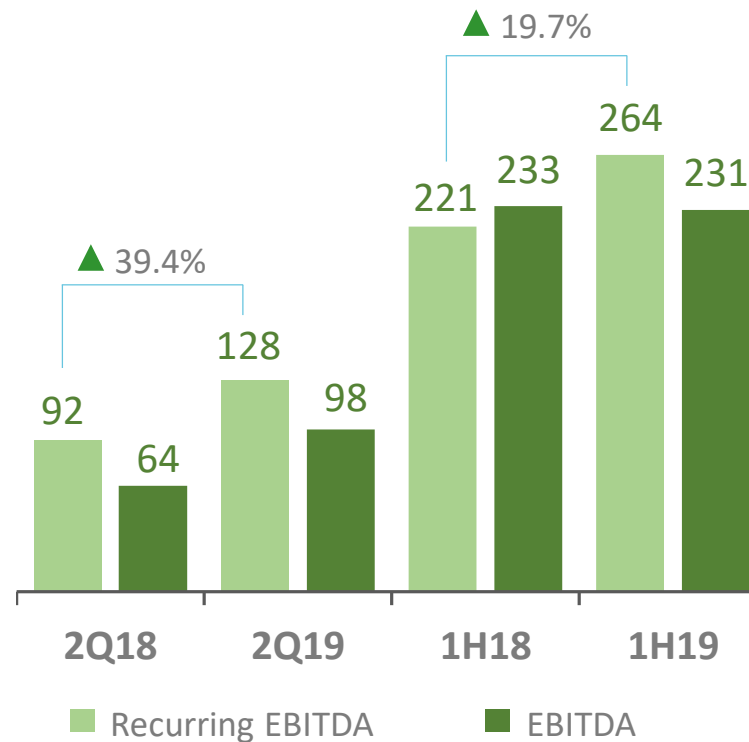
In June, the Company concluded negotiations to sell its textile segment assets in Argentina, which will result in it receiving approximately US\$ 14.4 million. The transfers of these assets to their respective buyers are subject to certain conditions precedent. With completion of this transaction, which is scheduled for up to 10.01.19, the Company will no longer operate in the textile segment.

### ● Business growing in Brazil

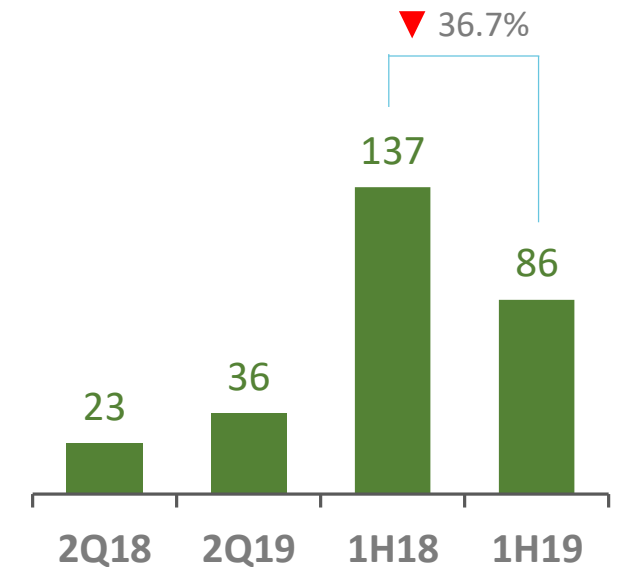
Net revenue increased by 11.6% in 2Q19 year-on-year, driven by the double-digit growth in all business in Brazil (Havaianas Brazil, Mizuno, and Osklen) and by the 14.4% increase in international Havaianas operations, despite the 8.1% decrease in Argentina in Brazilian reais.



## EBITDA (R\$ million)



## Net Income (R\$ million)\*



\* Attributable to controlling stockholders



## Highlights of the Period

### ● Acquisition of Cecrisa

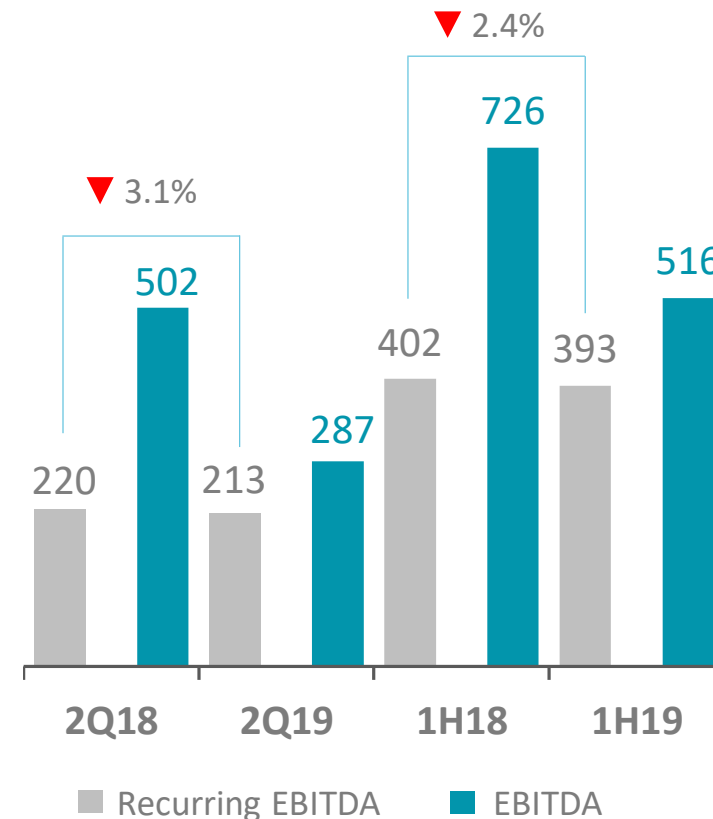
In July, Duratex completed the purchase of 100% of shares in Cecrisa. This transaction is worth approximately R\$ 539 million, subject to variation in working capital and net debt. With this transaction, the Company expects to steadily capture operational and administrative synergies of over R\$ 250 million.

### ● New investments and adjusting assets to further value creation

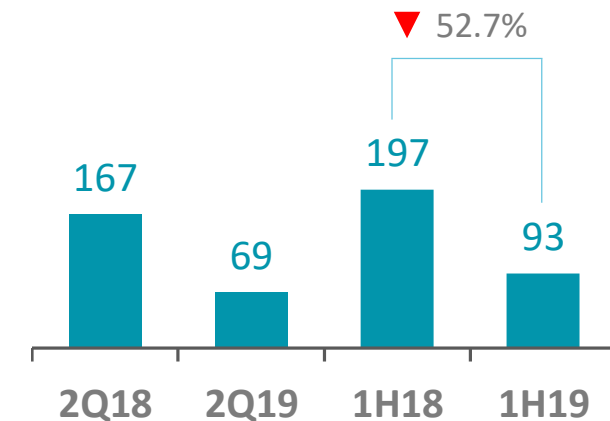
Developments in a number of fronts in connection with asset management:

- The joint venture set up to produce dissolving wood pulp ('DWP') has obtained the required environment pre-construction permit and has already set off the infrastructure work;
- A significant portion of investments in the quarter was allocated to Ceusa unit expansion project, which will double the Company's production capacity of ceramic tiles;
- In July, Duratex decommissioned the bathroom porcelain manufacturing unit in São Leopoldo/RS and transferred operations to other units.

## EBITDA (R\$ million)



## Net Income (R\$ million)\*



\* Attributable to controlling stockholders



## Highlights of the Period

### ● Company's operational results

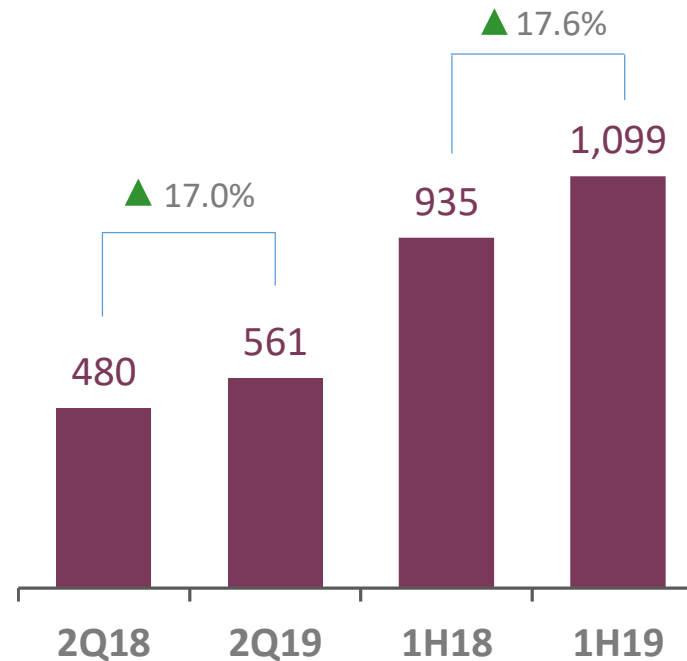
In 2Q19, net revenue totaled R\$ 1,097 million, up 9.4% year-on-year, driven by the annual inflation-adjustment to gas ship-or-pay agreements.

### ● Dividends and interest on capital (2019 base period)

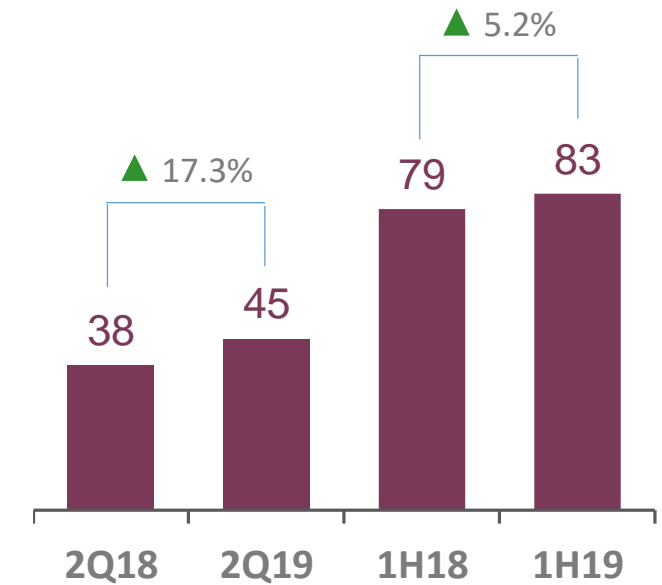
In 2Q19, Itaúsa received dividends and interest on capital, gross, in the amount of R\$ 44.5 million. In 1H19, the amount received totaled R\$ 82.9 million.



## Net Income (R\$ million)



## Gross flow received by Itaúsa (R\$ million) | Dividends and Interest on Capital








# Economic Performance

Main financial indicators of Itaúsa

ITAÚSA

		R\$ million			R\$ per share		
		1H19	1H18	Change	06.30.2019	06.30.2018	Change
<b>Profitability and ROE (%)</b> 	Net Income	4,921	4,447	10.7%	0.59	0.54	9.0%
	Recurring net income	4,695	4,329	8.5%	0.56	0.52	6.8%
	Return on Equity (annualized)	18.7%	17.6%	110 bps			
	Recurring Return on Equity (annualized)	17.8%	17.1%	70 bps			
<b>Balance Sheet</b> 	Total Assets	56,449	55,059	2.5%			
	Net Indebtedness	547	322	69.9%			
	Stockholders' Equity	52,362	51,081	2.5%	6.23	6.07	2.5%
<b>Capital Markets</b> 	Market Value <sup>(1)</sup>	108,415	77,219	40.4%			
	Average daily traded financial volume - Itaúsa PN	319	224	42.5%			

(1) Calculated based on the closing price of preferred shares in the last day of the period.







# Economic Performance

ITAÚSA

R\$ million

## Main financial indicators of Investees (1)

We present below the main financial indicators of Itaúsa Conglomerate companies. Net Income, Stockholders' Equity and ROE correspond to the amounts attributable to controlling stockholders.

		Financial Sector		Non Financial Sector	
		Itaú		ALPARGATAS	Duratex
		january to june			
Results	 Operating revenues	2019	94,674	1,947	2,217
		2018	80,447	1,793	2,173
Balance sheet	 Net income	2019	13,274	86	93
		2018	12,129	137	197
Returns (%)	 Total assets	2019	1,566,311	4,323	10,345
		2018	1,469,095	3,679	9,488
Cash generation	 Stockholders' equity	2019	129,914	2,457	4,728
		2018	126,336	2,130	4,996
Returns (%)	 ROE on average equity (%) (annualized)	2019	21.7%	7.1%	4.0%
		2018	20.0%	12.7%	8.2%
Cash generation	 Internal fund generation <sup>(2)</sup>	2019	29,332	274	468
		2018	26,158	237	765

(1) Itaúsa's investment in NTS is recorded in "Financial assets measured at fair value through profit or loss". As Itaúsa's interest in NTS is below 20% of capital, it does not record this investment under the equity method.

(2) Refers to amounts from operations as disclosed in the Statements of Cash Flows.

# Performance Analysis

## Investees' Results

ITAÚSA

R\$ million

Itaúsa's results are basically derived from its share of income, determined based on the results of its investees, and the revenues from investments in financial assets.

### Financial Sector

### Non Financial Sector

### Holding

#### Calculation of Investees' Results

	Itaú		ALPARGATAS		Duratex		nts		OTHER <sup>(1)(2)</sup> COMPANIES		ITAÚSA	
	2Q19	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q18
 <b>Net Income of Investees</b>	6,534	5,757	75	23	69	27	n.a	n.a	-	23		
(x) Direct/Indirect interest	37.46%	37.58%	28.45%	27.55%	36.66%	36.67%	7.65%	7.65%				
<b>(=) Share in recurring net income</b>	<b>2,448</b>	<b>2,168</b>	<b>22</b>	<b>6</b>	<b>25</b>	<b>10</b>	<b>n.a</b>	<b>n.a</b>	<b>-</b>	<b>23</b>	<b>2,495</b>	<b>2,207</b>
(+/-) Share of income not arising from net income	(2)	(4)	4	(17)	-	-	-	-	-	-	2	(21)
 <b>(=) Recurring share of income</b>	<b>2,446</b>	<b>2,164</b>	<b>26</b>	<b>(11)</b>	<b>25</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>2,497</b>	<b>2,186</b>
(+/-) Non-recurring income	-	(95)	(12)	-	-	51	-	-	-	-	(12)	(44)
<b>(=) Share of income</b>	<b>2,446</b>	<b>2,069</b>	<b>14</b>	<b>(11)</b>	<b>25</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>2,485</b>	<b>2,142</b>
<b>(+) Revenues from Investments in Financial Assets - FVTPL <sup>(3)(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>48</b>
 <b>(=) Investees' Results in Itaúsa</b>	<b>2,446</b>	<b>2,069</b>	<b>14</b>	<b>(11)</b>	<b>25</b>	<b>61</b>	<b>76</b>	<b>48</b>	<b>-</b>	<b>23</b>	<b>2,561</b>	<b>2,190</b>
	95.5%	94.5%	0.5%	-0.5%	1.0%	2.8%	3.0%	2.2%	0.0%	1.1%	100.0%	100.0%

(1) Result from investees Elekeiroz (up to May 2018), Itautec, Itaúsa Empreendimentos, and ITH Zux Cayman.

(2) For better comparability, some administrative expenses in 2Q18 with the administrative structure dedicated to the holding company's activities, recorded in Itaúsa Empreendimentos (a wholly-owned subsidiary of Itaúsa), in the amount of approximately R\$ 2 million, were reclassified to "Administrative expenses" of Itaúsa (Itaúsa's statement of income).

(3) Includes dividends/interest on capital, adjustment to fair value of shares, interest on debentures convertible into shares, and expenses on time installment of the amount invested in NTS.

(4) FVTPL– Fair value through profit or loss.

# Performance Analysis

## Investees' Results

ITAÚSA

R\$ million

Itaúsa's results are basically derived from its share of income, determined based on the results of its investees, and the revenues from investments in financial assets.

### Financial Sector

### Non Financial Sector

### Holding

#### Calculation of Investees' Results



OTHER <sup>(1)(2)</sup>  
COMPANIES

ITAÚSA

	Itaú		ALPARGATAS		Duratex		nts		OTHER <sup>(1)(2)</sup> COMPANIES		ITAÚSA	
	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18
<b>Net Income of Investees</b>	13,281	12,139	127	96	89	58	n.a	n.a	(4)	33		
(x) Direct/Indirect interest	37.46%	37.58%	28.45%	27.55%	36.66%	36.67%	7.65%	7.65%				
<b>(=) Share in recurring net income</b>	<b>4,975</b>	<b>4,562</b>	<b>36</b>	<b>26</b>	<b>33</b>	<b>21</b>	<b>n.a</b>	<b>n.a</b>	<b>(4)</b>	<b>32</b>	<b>5,040</b>	<b>4,641</b>
(+/-) Share of income not arising from net income	(123)	(24)	(1)	(25)	-	-	-	-	-	-	(124)	(49)
<b>(=) Recurring share of income</b>	<b>4,852</b>	<b>4,538</b>	<b>35</b>	<b>1</b>	<b>33</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>32</b>	<b>4,916</b>	<b>4,592</b>
(+/-) Non-recurring income	209	141	(12)	11	1	51	-	-	-	-	198	203
<b>(=) Share of income</b>	<b>5,061</b>	<b>4,679</b>	<b>23</b>	<b>12</b>	<b>34</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>32</b>	<b>5,114</b>	<b>4,795</b>
<b>(+) Revenues from Investments in Financial Assets - FVTPL <sup>(3)(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>134</b>	<b>104</b>
<b>(=) Investees' Results in Itaúsa</b>	<b>5,061</b>	<b>4,679</b>	<b>23</b>	<b>12</b>	<b>34</b>	<b>72</b>	<b>134</b>	<b>104</b>	<b>(4)</b>	<b>32</b>	<b>5,248</b>	<b>4,899</b>
	96.4%	95.5%	0.4%	0.2%	0.6%	1.5%	2.6%	2.1%	-0.1%	0.7%	100.0%	100.0%

(1) Result from investees Elekeiroz (up to May 2018), Itautec, Itaúsa Empreendimentos, and ITH Zux Cayman.

(2) For better comparability, some administrative expenses in 1H18 with the administrative structure dedicated to the holding company's activities, recorded in Itaúsa Empreendimentos (a wholly-owned subsidiary of Itaúsa), in the amount of approximately R\$ 4 million, were reclassified to "Administrative expenses" of Itaúsa (Itaúsa's statement of income).

(3) Includes dividends/interest on capital, adjustment to fair value of shares, interest on debentures convertible into shares, and expenses on time installment of the amount invested in NTS.


(4) FVTPL– Fair value through profit or loss.

# Performance Analysis

## Statement of Income of Itaúsa<sup>(1)</sup>

ITAÚSA

R\$ million

	2Q19		2Q18		△%	1H19		1H18		△%
 <b>INVESTEES' RECURRING RESULTS IN ITAÚSA</b>	<b>2,573</b>	<b>100%</b>	<b>2,234</b>	<b>100%</b>	<b>15%</b>	<b>5,050</b>	<b>100%</b>	<b>4,696</b>	<b>100%</b>	<b>8%</b>
FINANCIAL SECTOR	2,446	95%	2,164	97%	13%	4,852	96%	4,538	97%	7%
NON FINANCIAL SECTOR	127	5%	47	2%	170%	202	4%	126	3%	61%
OTHER COMPANIES <sup>(2)(3)</sup>	-	0%	23	1%	-100%	(4)	0%	32	1%	-112%
<b>RESULTS OF ITAÚSA</b>	<b>(47)</b>		<b>(49)</b>		<b>4%</b>	<b>(336)</b>		<b>(376)</b>		<b>11%</b>
FINANCIAL INCOME / EXPENSES	(20)		(21)		5%	(35)		(51)		31%
ADMINISTRATIVE EXPENSES <sup>(3)</sup>	(26)		(23)		-13%	(58)		(38)		-53%
TAX EXPENSES	(2)		(7)		71%	(246)		(291)		15%
OTHER OPERATING REVENUES	1		2		-50%	3		4		-25%
<b>INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION</b>	<b>2,526</b>		<b>2,185</b>		<b>16%</b>	<b>4,714</b>		<b>4,320</b>		<b>9%</b>
INCOME TAX / SOCIAL CONTRIBUTION	(107)		(9)		-1089%	(19)		9		-311%
<b>RECURRING NET INCOME</b>	<b>2,419</b>		<b>2,176</b>		<b>11%</b>	<b>4,695</b>		<b>4,329</b>		<b>8%</b>
<b>NON-RECURRING RESULTS</b>	<b>16</b>		<b>(129)</b>		<b>112%</b>	<b>226</b>		<b>118</b>		<b>92%</b>
<b>NET INCOME</b>	<b>2,435</b>		<b>2,047</b>		<b>19%</b>	<b>4,921</b>		<b>4,447</b>		<b>11%</b>

(1) Attributable to controlling stockholders

(2) Result from investees Elekeiroz (up to May 2018), Itaotec, Itaúsa Empreendimentos, and ITH Zux Cayman.

(3) For better comparability, some administrative expenses in 1H18 with the administrative structure dedicated to the holding company's activities, recorded in Itaúsa Empreendimentos (a wholly-owned subsidiary of Itaúsa), in the amount of approximately R\$4 million, were reclassified to "Administrative expenses" of Itaúsa (Itaúsa's statement of income).



# Performance Analysis

ITAÚSA

R\$ million

## Reconciliation of the Parent Company's Recurring Net Income

### Profitability

	2Q19	2Q18	1H19	1H18
 <b>Recurring Net income</b>	<b>2,419</b>	<b>2,176</b>	<b>4,695</b>	<b>4,329</b>
<b>Addition/(Exclusion) of Non-Recurring Effects D= (A + B + C)</b>	<b>16</b>	<b>(129)</b>	<b>226</b>	<b>118</b>
<b>Own (A)</b>	<b>28</b>	<b>(85)</b>	<b>28</b>	<b>(85)</b>
Disposal of shares in Elekeiroz	-	(85)	-	(85)
Disposal of interest in Itaú Unibanco Centro Empresarial	28	-	28	-
<b>Arising from Ownership Interest in the Financial Sector (B)</b>	<b>-</b>	<b>(95)</b>	<b>209</b>	<b>141</b>
Changes in treasury shares	2	(90)	211	144
Provision for civil contingencies – Economic plans	-	(2)	-	34
Realization of assets and Impairment	-	(3)	-	(38)
Other	(2)	-	(2)	1
<b>Arising from Ownership Interest in the Non-Financial Sector (C)</b>	<b>(12)</b>	<b>51</b>	<b>(11)</b>	<b>62</b>
Alpargatas	(12)	-	(12)	11
Duratex	-	51	1	51
 <b>Net Income</b>	<b>2,435</b>	<b>2,047</b>	<b>4,921</b>	<b>4,447</b>

# Performance Analysis

## Balance Sheet of Itaúsa <sup>(1)</sup>






ITAÚSA

R\$ million

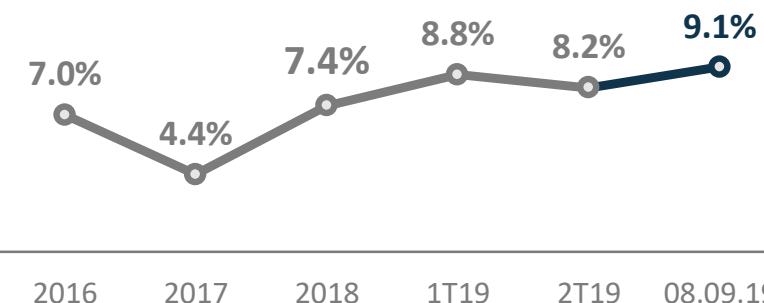
ASSETS	06.30.2019	12.31.2018	LIABILITIES AND STOCKHOLDERS' EQUITY	06.30.2019	12.31.2018
<b>Financial assets</b>	<b>2,358</b>	<b>2,236</b>	<b>Current and non-current</b>	<b>4,087</b>	<b>3,277</b>
Cash and cash equivalents	661	936	Debentures	1,208	1,208
Financial Assets - FVTPL (NTS)	1,082	1,030	Dividends / Interest on Capital Payable	1,183	408
Dividends / Interest on Capital Receivable	615	270	Liabilities payable	298	296
			Tax liabilities	77	75
			Tax contingencies	1,302	1,277
			Other Liabilities	19	13
<b>Tax assets</b>	<b>1,212</b>	<b>1,215</b>			
Income tax and social contribution - Current	296	295	<b>TOTAL LIABILITIES</b>	<b>4,087</b>	<b>3,277</b>
Income tax and social contribution - Deferred	916	920			
			<b>Stockholders' equity</b>	<b>52,362</b>	<b>55,143</b>
<b>Investments</b>	<b>52,683</b>	<b>54,814</b>	Capital	43,515	43,515
Investments in controlled companies	52,678	54,810	Reserves	10,531	13,339
Other	5	4	Carrying Value Adjustment	(1,684)	(1,711)
<b>Fixed Assets, Net</b>	<b>98</b>	<b>99</b>			
			<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>56,449</b>	<b>58,420</b>
<b>Other Assets</b>	<b>98</b>	<b>56</b>			
<b>TOTAL ASSETS</b>	<b>56,449</b>	<b>58,420</b>			

(1) Attributable to controlling stockholders.

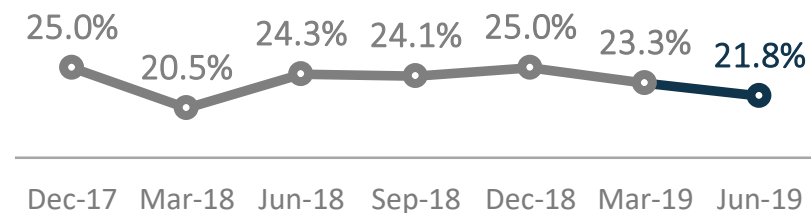
## Itaúsa's Portfolio – Market Value<sup>1</sup> on 06.28.2019

	Market value of companies <sup>(2)</sup> (a)	Interest of Itaúsa in companies (%) (b)	Market value of interests (c) = (a) x (b)	Market value of the Itaúsa interests (d)	Market value of Itaúsa <sup>(2)</sup> (e)
	353,290	37.46%	132,350	+ 138,714	<b>ITAÚSA</b>  <b>108,415</b>   <b>Discount (e/d)-1</b> <b>21.8%</b>
	11,814	28.45%	3,361		
	8,151	36.66%	2,988		
	-	-	1,082		
<b>Other assets and liabilities<sup>(4)</sup></b>	-	-	(1,067)		

### Dividend Yield<sup>5</sup> (%)



### History of Discount (%)



(1) Calculated based on the price of preferred shares.

(2) Calculated based on the number of shares issued, less treasury shares, multiplied by the closing price of the most liquid shares in the last day of the period.

(3) Investment amount recorded in Itaúsa's Balance Sheet in Financial Assets on 06.30.2019.

(4) Other Assets and Liabilities recorded in the Balance Sheet on 06.30.2019.

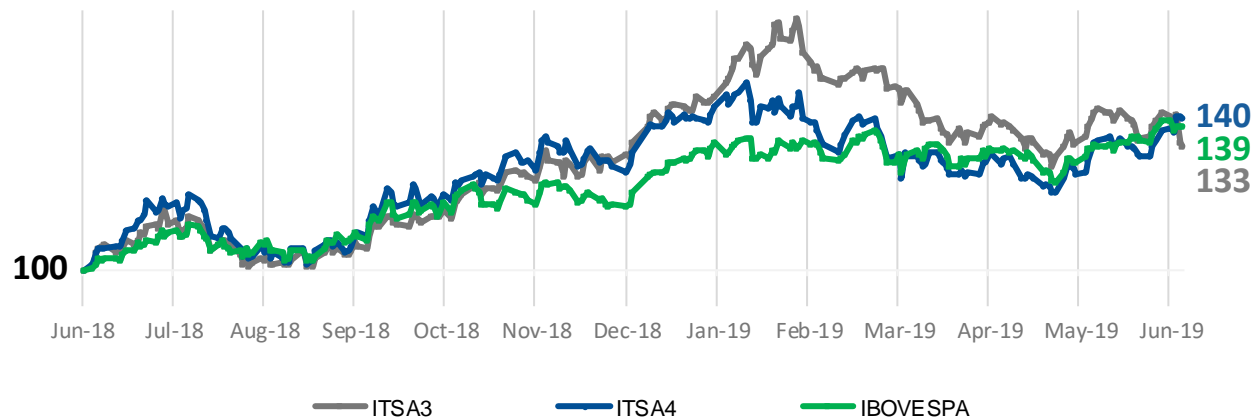
(5) Dividend Yield consider dividends and interest on capital, gross, paid in the last 12 months, including dividends declared in 08.12.19, divided by the closing price.



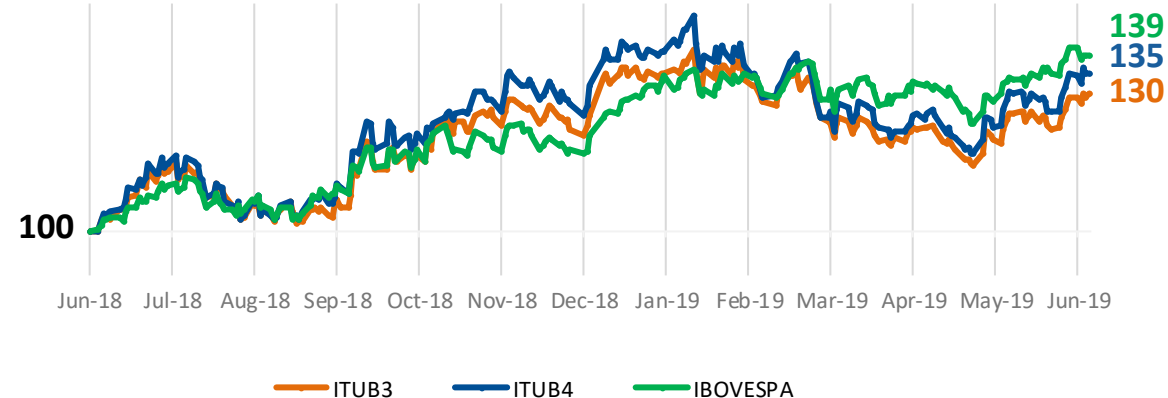
# Capital Markets

Share prices performance on B3<sup>1</sup> – Data base 06.29.2018

## Itaúsa

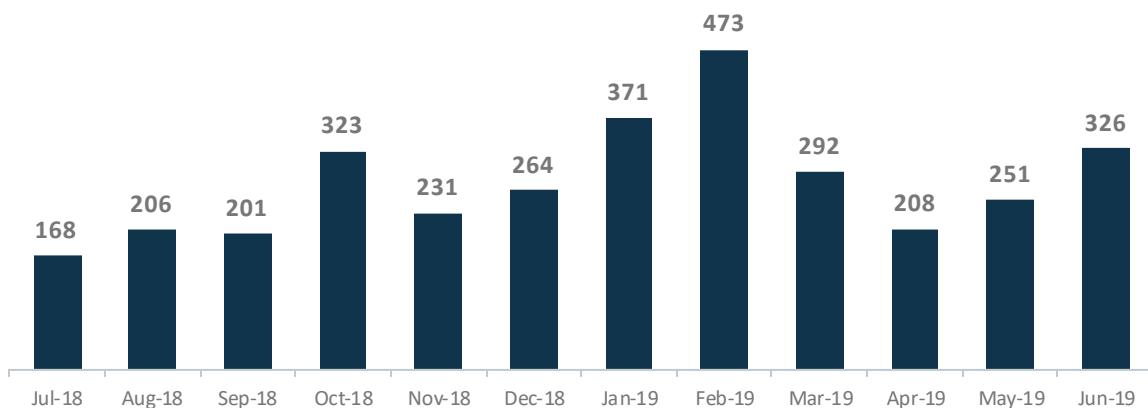


## Financial Sector

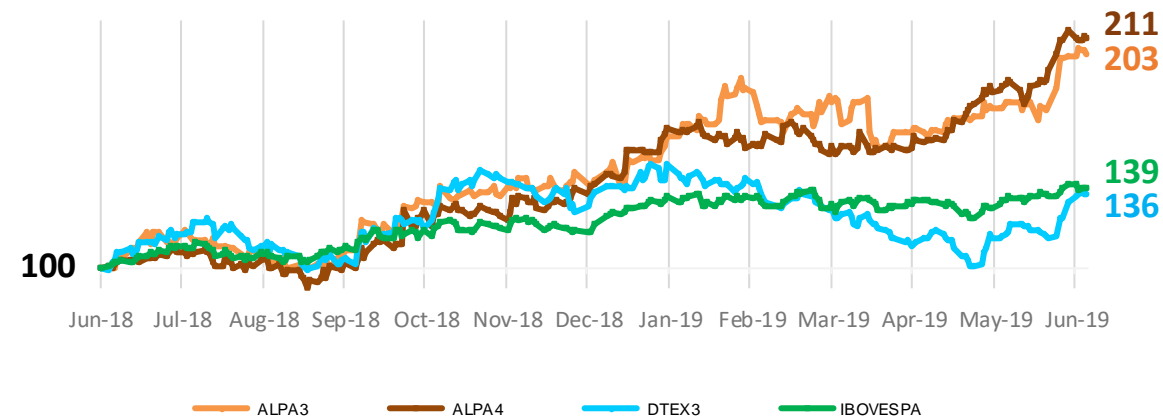


## Average daily traded financial volume - Itaúsa PN

R\$ Million



## Non financial Sector



Source: Economática  
 Period: 06.29.2018 a 06.28.2019  
 Prices adjusted by events, such as stock split, reverse split and bonus shares.  
 (1) B3 S.A. – Brasil, Bolsa, Balcão.

# Flow of Dividends and Interest on Capital <sup>1,2</sup>

ITAÚSA

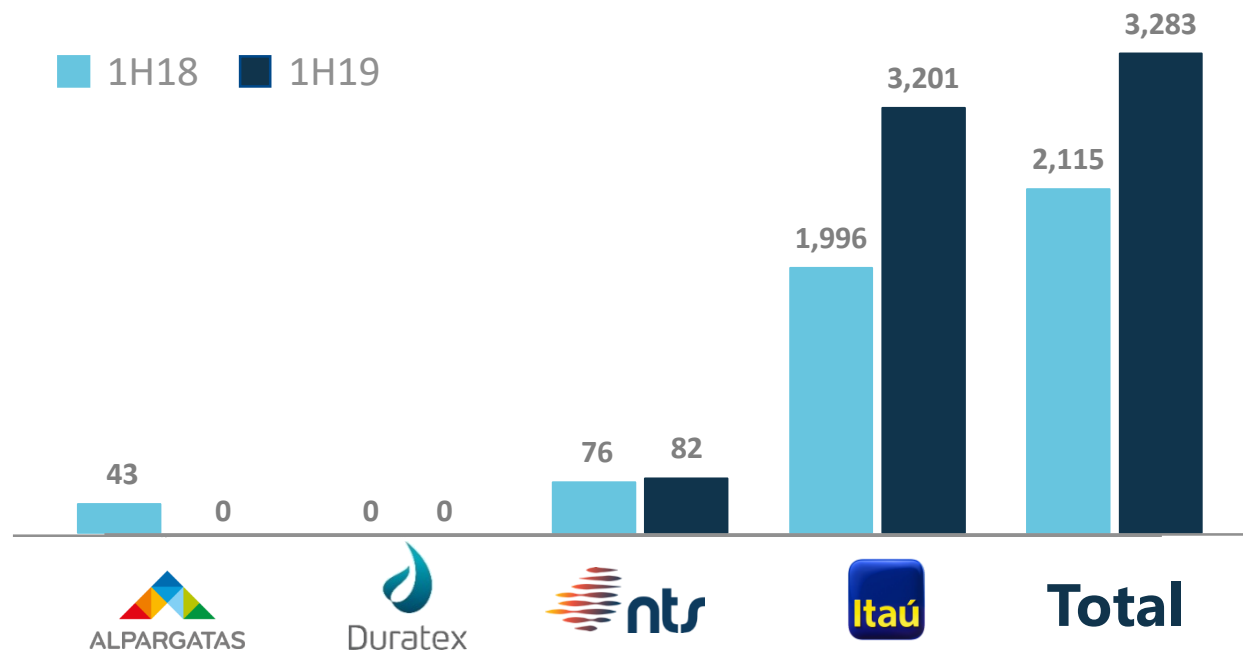
R\$ million

Base Period



## Received and to be received <sup>(3)</sup>

1H18 1H19



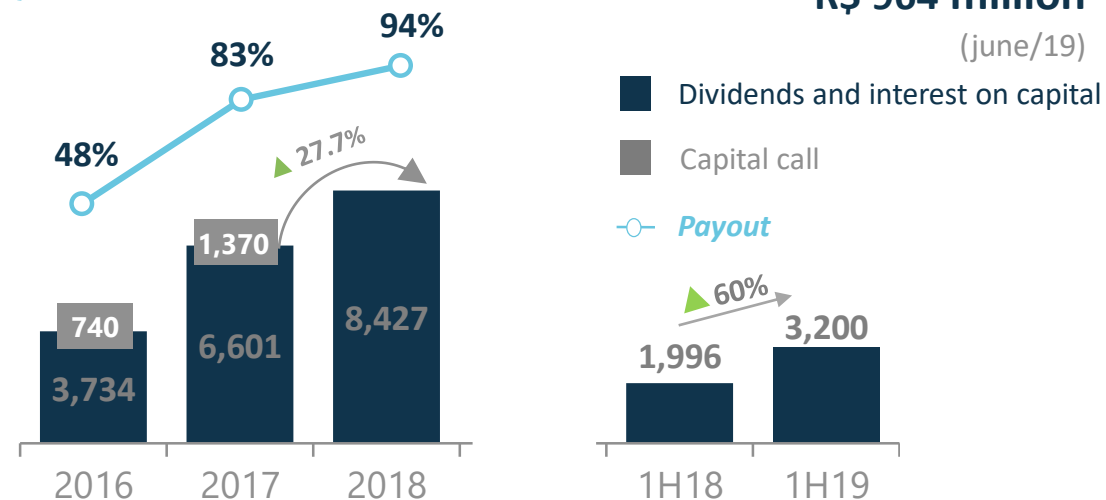
**Non Financial Sector**  
 2018: R\$ 119 million  
 2019: R\$ 82 million



## Paid and to be paid

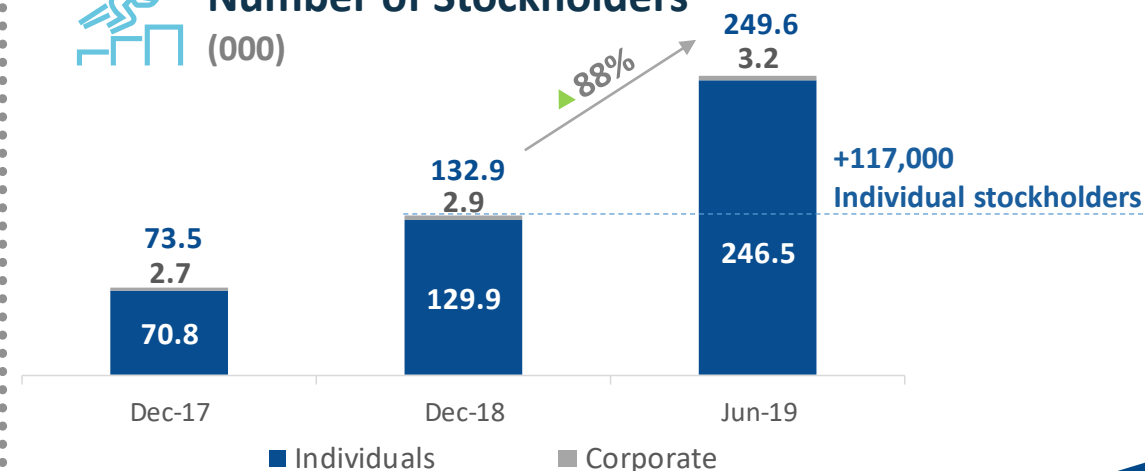
Cash balance <sup>(4)</sup> of R\$ 964 million

(june/19)



## Number of Stockholders

(000)



(1) Refers to Individual Balance Sheet.

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

(3) Includes dividends registered in revenue reserve.

(4) Includes cash balance and cash and cash equivalents of wholly-owned subsidiary Itaúsa Empreendimentos.