

ITAÚSA

Selected quarterly information

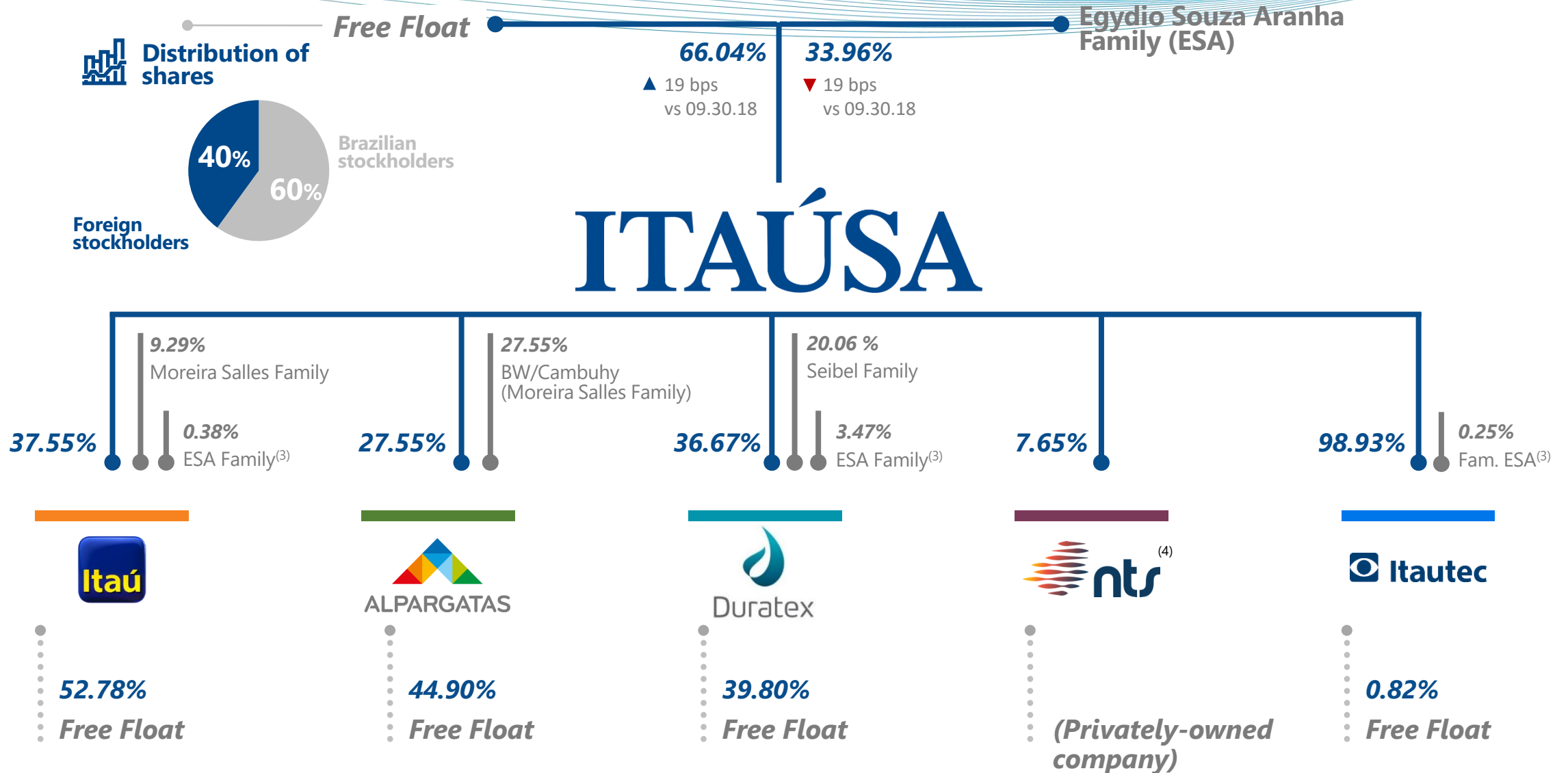
4th quarter 2018



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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 and the rules set forth by the Brazilian Securities and Exchange Commission (CVM).

For better comparability, the 2017 information was adjusted to the effects arising from the adoption of CPC 47 (revenue from contracts with clients) and CPC 48 (financial instruments).



(1) Interest shown exclude treasury shares.

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

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

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

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Highlights of the Period

Dividends and Interest on Capital

Itaúsa's Board of Directors resolved on to pay, on 03.07.2019, R\$0.724520 per share, net of income tax, as follows:

- Interest on capital declared on 12.12.2018 of R\$0.006885/share, net of income tax;
- Interest on capital and additional dividends declared on 02.18.2019 of R\$0.717635/share, net of income tax.

Net proceeds paid/declared in 2018 totaled R\$8,427 million, up 28% from 2017.

CDP (Carbon Disclosure Project)

In January 2019, Itaúsa and Itaú Unibanco were recognized by CDP Latin America as "Leaders in Transparency", as they have reached the score A- in the annual edition on their climate change related practices. Duratex was also recognized by its efficient water management.

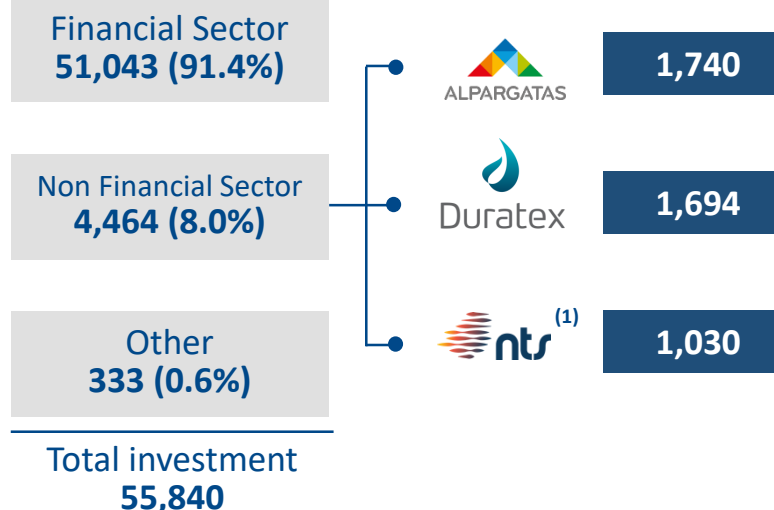
Business Sustainability Index (ISE)

For the 12th year, together with Itaú Unibanco, for the 14th consecutive year, and Duratex, for the 11th consecutive year, Itaúsa is included in this distinguished Brazilian sustainability index promoted by B3, which is made up of 30 companies only.

Investments by Sector (accountance)

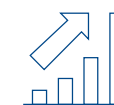
12/31/2018

(R\$ million)

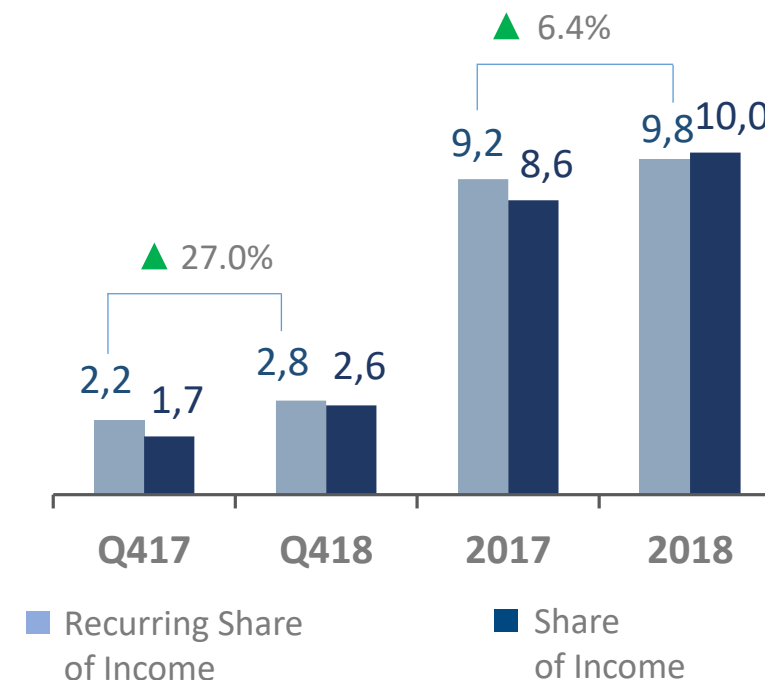


(1) Includes the investments in NTS classified in the Financial Assets group in the Individual Balance Sheet.

(2) Managerial vision that 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..



NTS's Recurring Share of Income + Dividends/Interest on Capital and Debentures⁽²⁾ (R\$ billion)






Highlights of the Period

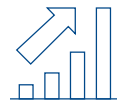
10th anniversary of the merger

2018 witnessed the celebrations of the 10th anniversary of the Itaú and Unibanco merger, which resulted in a company now ranking as the number one private bank in Latin America. Before joining their journeys, both institutions already counted on strong histories, going back to the first half of the 20th century.

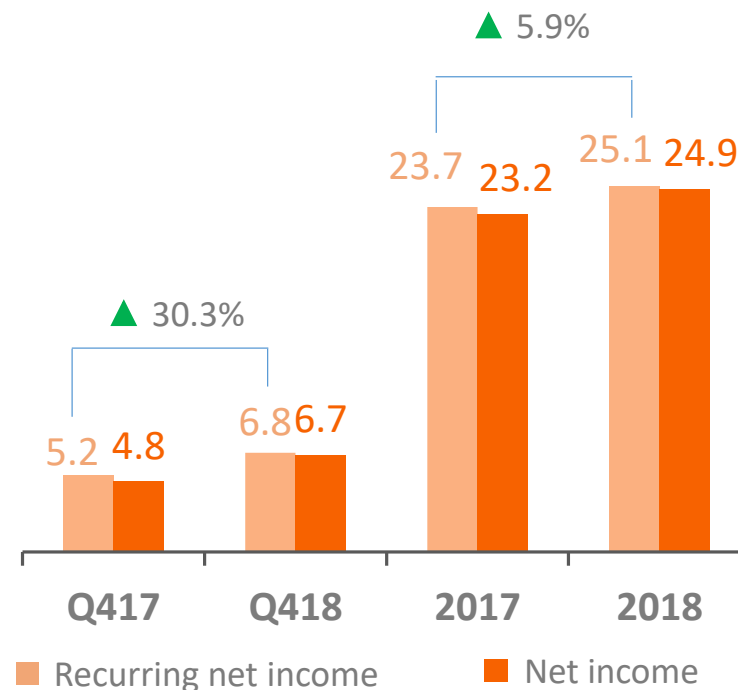
Acquisition of minority interest in XP Investimentos concluded

In August 2018, Itaú Unibanco concluded the acquisition of a 49.9% minority interest in XP Investimentos through a R\$600 million capital contribution and the acquisition of R\$5.7 billion¹ in shares. The contract also provides for a one-off additional transaction in 2022, subject to future approval from the Central Bank, which, if approved, will enable Itaú Unibanco to hold up to 62.4% of the total equity of XP (equal to 40.0% of common shares).

1 . Amounts on the contract execution date, as subsequently adjusted up to the financial settlement date.



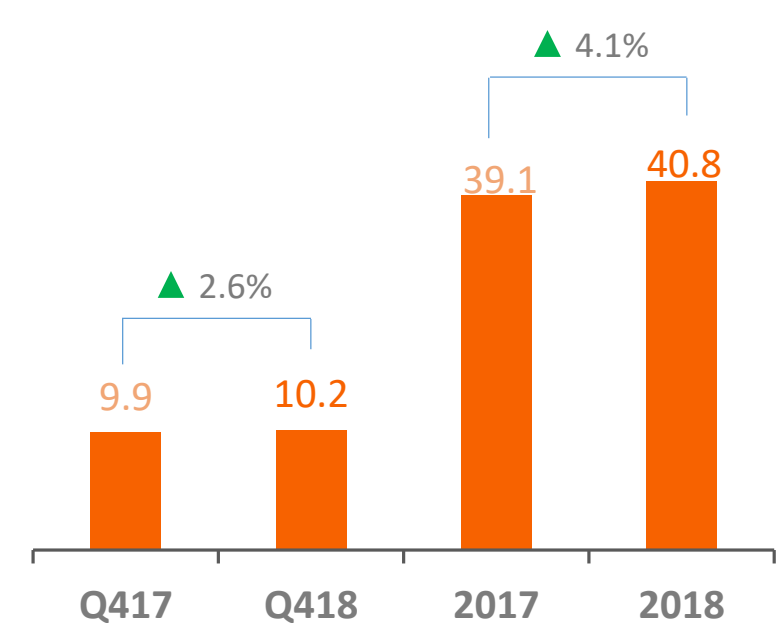
Net Income (R\$ billion) – IFRS*



* Attributable to controlling stockholders



Commissions and Fees and Result from Insurance, Pension Plans¹ (R\$ billion) - IFRS



(1) Before claims and selling expenses



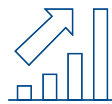
Highlights of the Period

- Strategic plan and prioritized operations revised**

The Company's strategic plan was revised over the year, highlighting the brands and operations to be given priority in the coming years, which led to the divestiture of the Topper brand, with a 21.8% disposal completed.

- Joint venture set up in India**

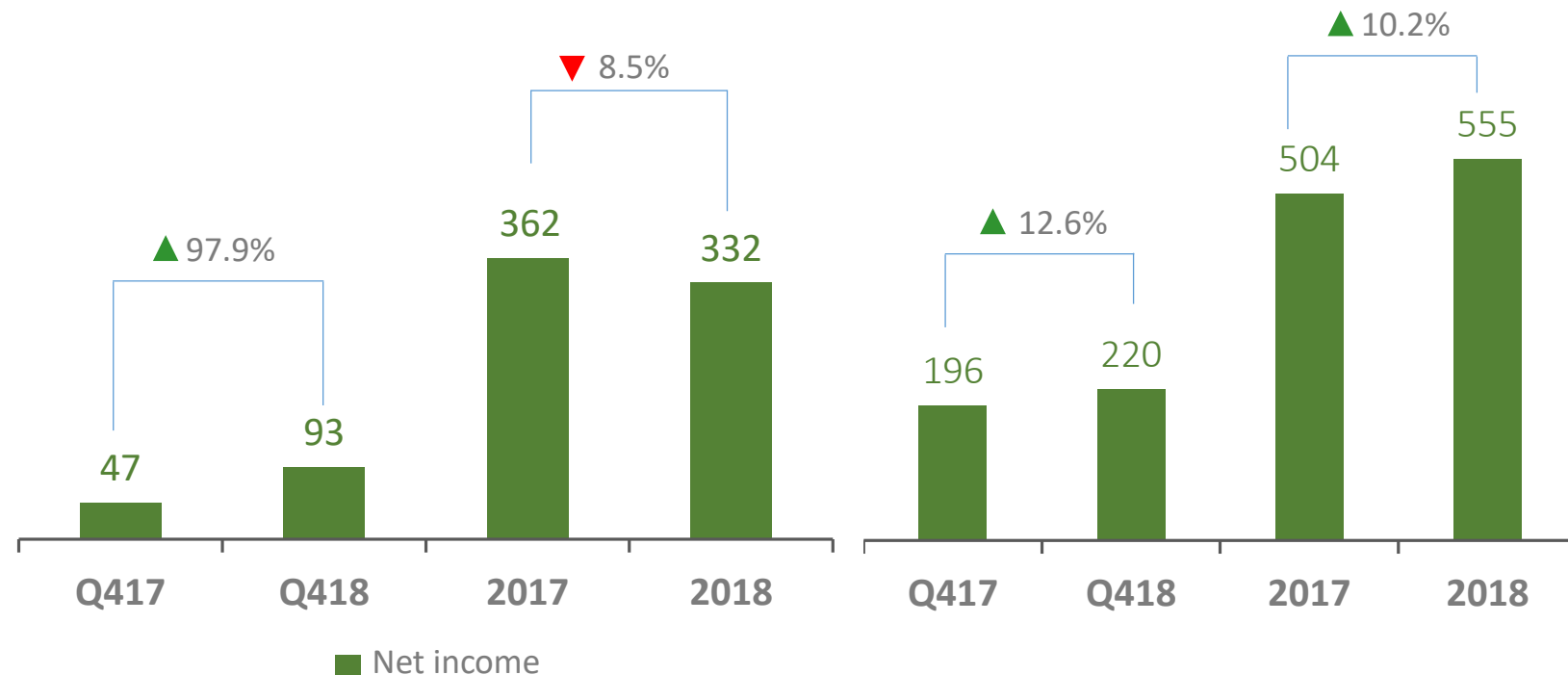
On December 11, 2018, negotiations with Indian company Periwinkle Fashions Private Limited were completed to set up a joint venture in India to develop the Havaianas business in that country, which will provide for greater share and exposure of the Havaianas brand in large footwear consumer markets and in geographical areas with accelerated growth in the sector.



Net Income (R\$ million)*



Recurring EBITDA (R\$ million)



* Attributable to controlling stockholders



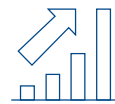
Highlights of the Period

Adjustment to the use of assets

In 2018, Duratex implemented certain initiatives to adjust the use of assets by revaluating both idle and low-return assets. Accordingly, it sold the thin wood fiberboard business and significant forest assets surplus, which helped speed up financial deleveraging.

Announce of joint venture

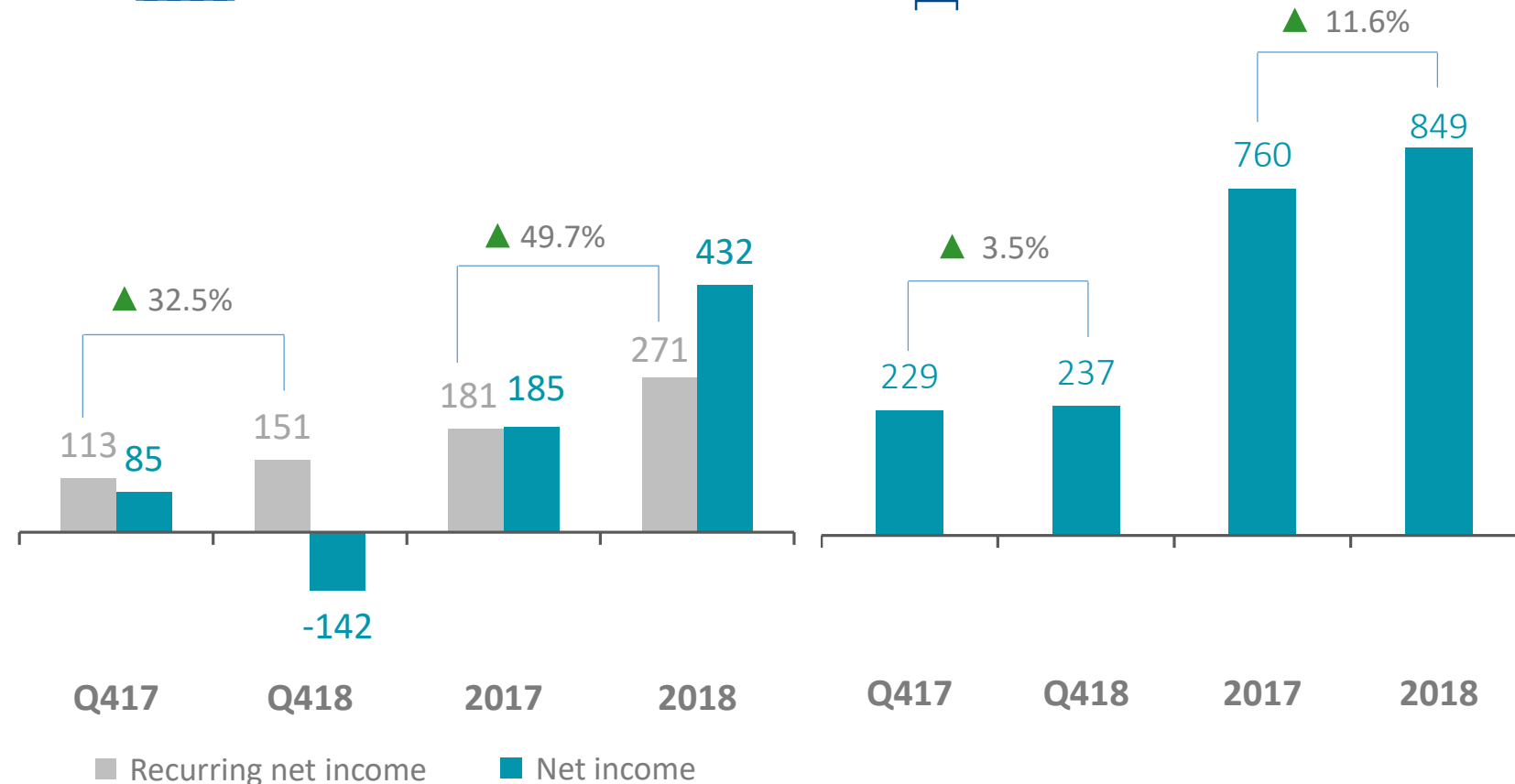
In 2018, Duratex carried out an association with Austrian group Lenzing AG, announcing the set-up of a joint venture to produce dissolving wood pulp ('DWP') at a forest area owned by the Company in the Triângulo Mineiro region, with total approximate investment of USD 1 billion.



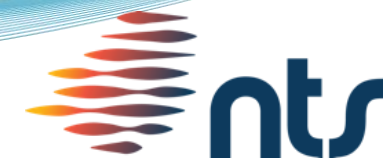
Net Income (R\$ million)*



Recurring EBITDA (R\$ million)



* Attributable to controlling stockholders



Highlights of the Period

Performance

In 4Q18, net revenue totaled R\$1,032 million and EBITDA R\$921 million.

Capital decrease

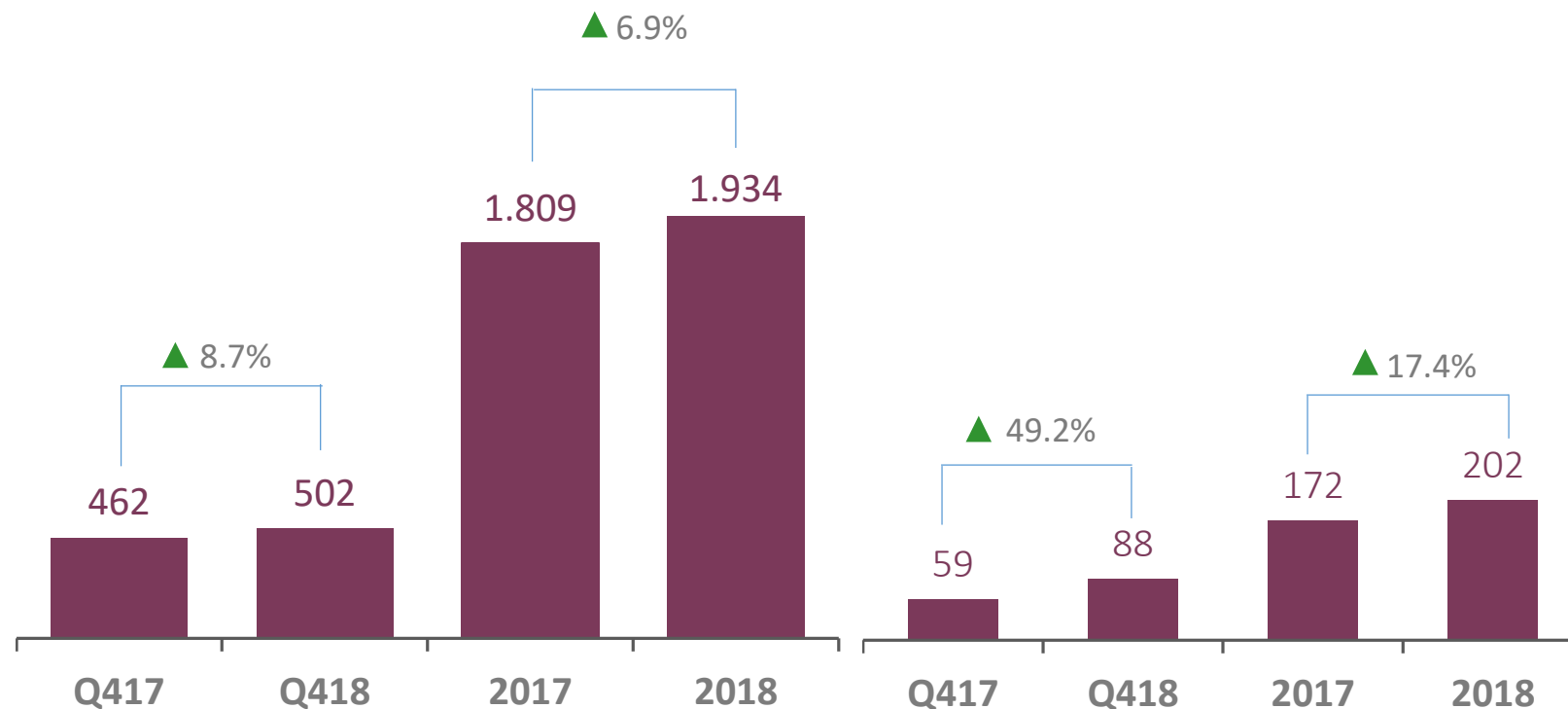
On August 6, 2018, a NTS's capital decrease, in the amount of R\$694 million, was approved. Itaúsa received R\$53 million in December 2018.

Debenture redemption

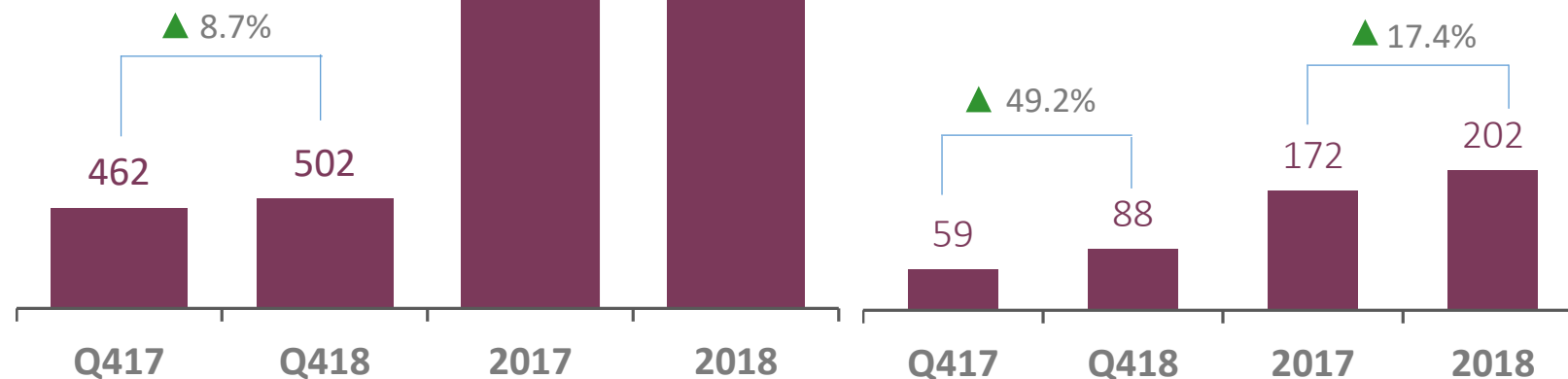
On May 15, 2018, NTS redeemed debentures. From January to May 2018, revenue from interest on debentures totaled R\$19 million.






Net Income (R\$ million)



Flow received by Itaúsa (R\$ million) | Dividends e Interest on Capital



Main Indicators of the Parent Company's Income and Balance Sheet











		R\$ million			R\$ per share		
		2018	2017	Actual change	12/31/2018	12/31/2017	Actual change
 Profitability	Net income	9,436	8,144	15.9%	1.13	0.99	13.7%
	Recurring net income	9,366	8,861	5.7%	1.12	1.08	3.8%
 Balance Sheet	Total assets	58,420	56,494	3.4%	-	-	-
	Stockholders' equity	55,143	51,926	6.2%	6.56	6.32	3.8%
 ROE (%)	Return on Equity (annualized)	18.2%	16.6%	160 bps			
	Recurring Return on Equity (annualized)	18.1%	18.1%	0 bps			

Performance Analysis

ITAÚSA

Itaúsa's results are basically derived from its share of income, determined based on the results of its subsidiaries. We present below the Share of Income calculated by company for fiscal year 2018.

R\$ million

Calculation of Share of Income ⁽¹⁾	Financial Sector		Non Financial Sector						Holding			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
												
 Recurring net income	25,082	23,689	275	173	271	181	(7)	(23)	35	34		
(x) Direct/Indirect interest	37.55%	37.64%	27.55%	27.55%	36.67%	36.68%	98.93%	98.93%				
 (=) Share of recurring net income	9,418	8,917	76	48	99	66	(7)	(23)	34	33	9,620	9,041
(+/-) Share of income not arising from net income	(24)	(49)	(65)	-	-	-	-	-	-	-	(89)	(49)
 Recurring share of income	9,394	8,868	11	48	99	66	(7)	(23)	34	33	9,531	8,992
Non-recurring results	118	(589)	16	(29)	59	2	-	-	-	7	193	(609)
 Share of income	9,512	8,279	27	19	158	68	(7)	(23)	34	40	9,724	8,383
	97.8%	98.8%	0.3%	0.2%	1.6%	0.8%	-0.1%	-0.3%	0.3%	0.5%	100.0%	100.0%

(1) Investment in NTS is not accounted for under the equity method.

(2) Results of Elekeiroz (up to May 2018), Itaúsa Empreendimentos and ITH Zux Cayman.

Performance Analysis

ITAÚSA

Statement of income ⁽¹⁾

R\$ million

	Q418	Q417	Actual change	2018	2017	Actual change
FINANCIAL SECTOR	2,555	1,990	28.4%	9,394	8,868	5.9%
NON FINANCIAL SECTOR	194	166	16.6%	362	304	18.9%
ALPARGATAS	1	48	-97.9%	11	48	-77.1%
DURATEX	55	52	5.0%	99	66	49.1%
ITAUTEC	(4)	(6)	33.3%	(7)	(23)	69.6%
NTS ⁽²⁾	142	72	97.2%	259	213	21.6%
OTHER AREAS	3	11	-72.7%	34	33	3.0%
RECURRING SHARE OF INCOME	2,752	2,167	27.0%	9,790	9,205	6.4%
FINANCIAL INCOME / EXPENSES	(19)	(42)	54.8%	(88)	(68)	-29.4%
ADMINISTRATIVE EXPENSES	(23)	(11)	-109.1%	(80)	(53)	-50.9%
TAX EXPENSES	(15)	(5)	-200.0%	(308)	(308)	0.0%
OTHER OPERATING REVENUES	1	4	-75.0%	6	11	-45.5%
RESULTS OF ITAÚSA	(56)	(54)	-3.7%	(470)	(418)	-12.4%
INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION	2,696	2,113	27.6%	9,320	8,787	6.1%
INCOME TAX / SOCIAL CONTRIBUTION	(7)	151	-104.6%	46	74	-37.8%
RECURRING INDIVIDUAL NET INCOME	2,689	2,264	18.8%	9,366	8,861	5.7%
NON-RECURRING RESULTS	(182)	(569)	68.0%	70	(717)	109.8%
ITAÚSA'S RESULTS	(38)	(108)	64.8%	(123)	(108)	-13.9%
FINANCIAL SECTOR	(24)	(429)	94.4%	118	(589)	120.0%
NON FINANCIAL SECTOR	(120)	(32)	-275.0%	75	(20)	475.0%
INDIVIDUAL NET INCOME	2,507	1,695	47.9%	9,436	8,144	15.9%

(1) Attributed to controlling stockholders.

(2) 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 NTSI. In 2018, NTS also decreased capital, which impacted positively Itaúsa's inflow of cash by R\$53 million.

Reconciliation of Parent Company's Recurring Net Income



	Q418	Q417	2018	2017
Net income	2,507	1,695	9,436	8,144
Inclusion/(Exclusion) of non-recurring effects D= (A + B + C)	182	569	(70)	717
Itaúsa (A)	38	108	123	108
Results of sale of all total shares issued by Elekeiroz	38	-	123	-
Provision for Tax Contingencies	-	108	-	108
Arising from stockholding interest in Financial Sector (B)	24	429	(118)	589
Change in Treasury Shares	(36)	271	(181)	403
Provision for Contingencies	-	69	(34)	123
Provision for Citibank Integration Costs	-	103	-	103
Realization of Assets and Impairment	6	3	44	57
Liability Adequacy Test	54	(17)	54	(17)
Sale of IRB Shares	-	-	-	(58)
Other	-	-	(1)	(22)
Arising from stockholding interest in Non Financial Sector (C)	120	32	(75)	20
Alpargatas	13	29	(16)	29
Duratex	107	10	(59)	(2)
Other Areas	-	(7)	-	(7)
Recurring net income	2,689	2,264	9,366	8,861

Profitability












Parent Company's Balance Sheet

R\$ million

ASSETS	12/31/2018	09/30/2018	12/31/2017	LIABILITIES AND STOCKHOLDERS' EQUITY	12/31/2018	09/30/2018	12/31/2017
Financial assets	2,236	1,926	2,166	Current and non-current	3,277	3,136	4,568
Cash and cash equivalents	936	904	71	Debentures	1,208	1,228	1,208
Financial assets - FVTPL	-	-	52	Dividends / Interest on capital payable	408	305	1,334
Financial assets - FVTPL (NTS)	1,030	986	943	Loans and financing	-	-	501
Financial assets - amortised cost	-	-	444	Other payables	296	304	245
Dividends / Interest on capital receivable	270	36	656	Tax liabilities	67	27	30
				Provisions	1,285	1,263	1,244
Tax assets	1,215	1,206	1,078	Other liabilities	13	9	6
Income tax and social contribution - current	295	278	256				
Income tax and social contribution - deferred	920	928	822	TOTAL LIABILITIES	3,277	3,136	4,568
Investments	54,814	52,529	53,123	Stockholders' equity	55,143	52,691	51,926
Investments in Controlled Entities	54,810	52,524	53,119	Capital	43,515	43,515	37,145
Other investments	4	5	4	Reserves	13,339	10,702	16,404
				Carrying Value Adjustment	(1,711)	(1,494)	(1,623)
Intangible assets	99	93	88	(-) Treasury shares	-	(32)	-
Other non-financial assets	56	73	39				
				TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	58,420	55,827	56,494
TOTAL ASSETS	58,420	55,827	56,494				

Main financial indicators of Itaúsa portfolio companies ⁽¹⁾

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






		January to December		Financial Sector	Non-financial Sector	
						
Results	 Operating revenues	2018		171,838	3,905	4,949
		2017		190,103	3,722	3,991
	 Net income	2018		24,907	332	432
		2017		23,193	362	185
Balance sheet	 Total assets	2018		1,552,797	3,980	9,622
		2017		1,436,239	3,846	9,465
	 Stockholders' equity	2018		136,782	2,381	4,634
		2017		131,378	2,186	4,715
Returns (%)	 ROE on average equity (%)	2018		20.4%	14.9%	8.8%
		2017		19.6%	17.0%	4.0%
Cash generation	 Internal fund generation ⁽²⁾	2018		55,841	495	1,208
		2017		60,431	553	1,014


(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.

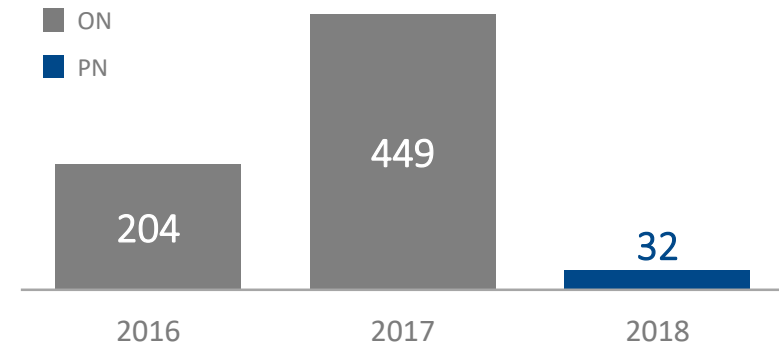
(2) Refers to amounts from operations as disclosed in the Statements of Cash Flows.

Itaúsa Portfolio – Market value ¹ on 12/28/2018 (R\$ million)

Share Buybacks Carried Out (R\$ million)

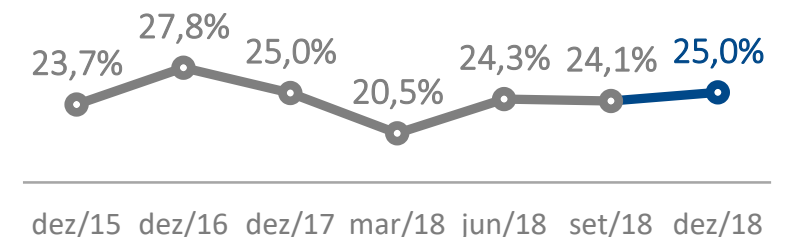
	Market value of companies ⁽²⁾ (a)	Interest of Itaúsa in companies (%) (b)	Market value of interests (c) = (a) x (b)	Market value of the Itaúsa interests (d)	Market value of Itaúsa ⁽²⁾ (e)
 Itaú	345,078	37.55%	129,576	+ 135,544	<div style="background-color: #004a87; color: white; padding: 10px; text-align: center;"> ITAÚSA 101,601 </div>
 ALPARGATAS	7,881	27.55%	2,172		
 Duratex	8,156	36.67%	2,991		
 Itautec	167	98.93%	165		
 nts ⁽³⁾	-	-	1,030		
Other assets and liabilities ⁽⁴⁾	-	-	(389)		

 **Discount (e/d)-1**
25.0%



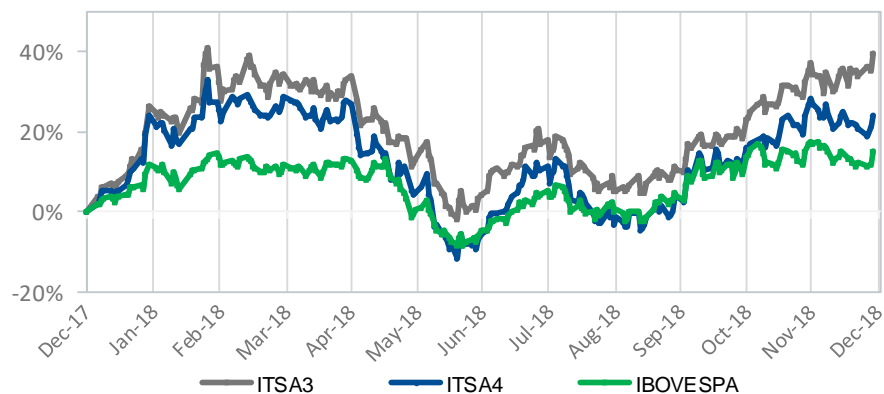
Shares repurchased in 2016 and 2017 were cancelled. Shares repurchased in 2018 were cancelled by decision of the Board of Directors' meeting held on 11.12.18.

History of discount (%)

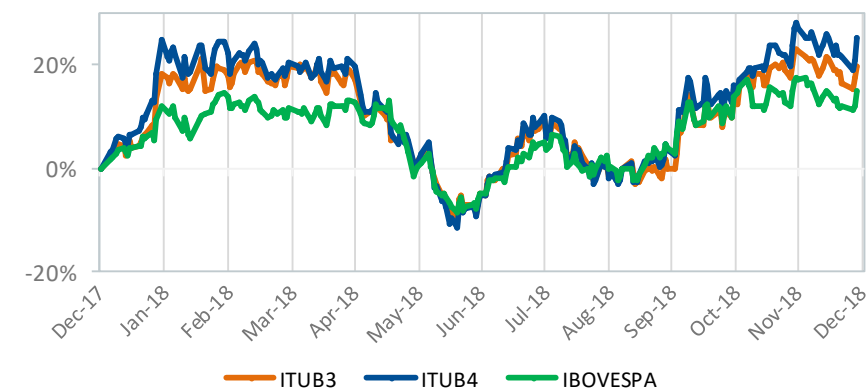


(1) Calculated based on the price of preferred shares.
 (2) Calculated based on the number of shares issued, less treasury shares, multiplied by the closing price of the most liquid shares in the last day of the period.
 (3) Investment amount recorded in Itaúsa's Balance Sheet in Financial Assets on 12.31.2018.
 (4) Other Assets and Liabilities recorded in the Balance Sheet.

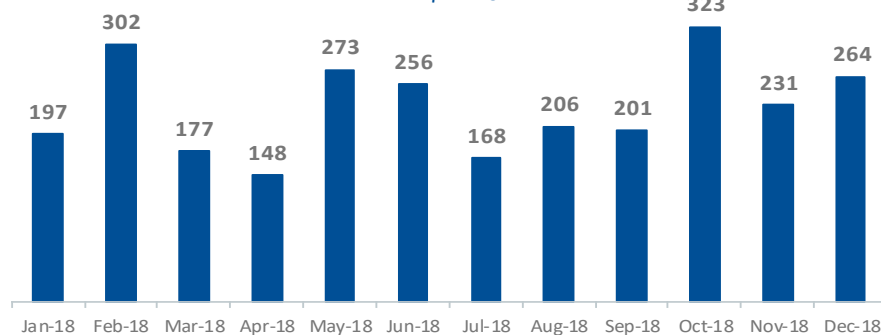
Itaúsa



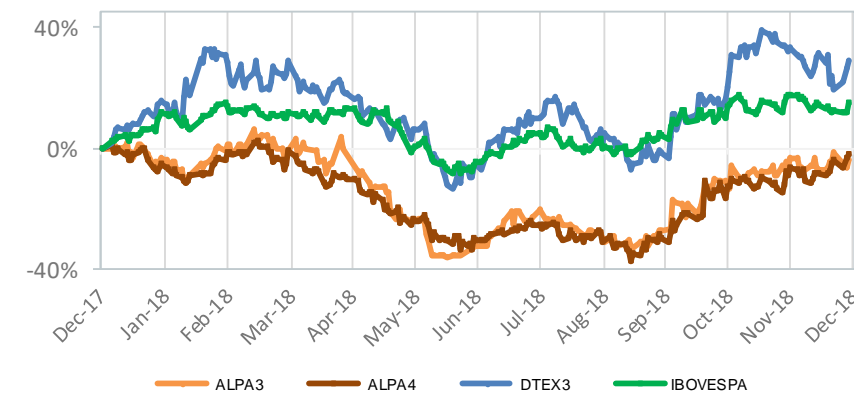
Financial Sector



Average daily traded financial volume - Itaúsa PN



Non-financial Sector



Source: Economática
 Period: 12/28/2017 to 12/28/2018
 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^{1,2}

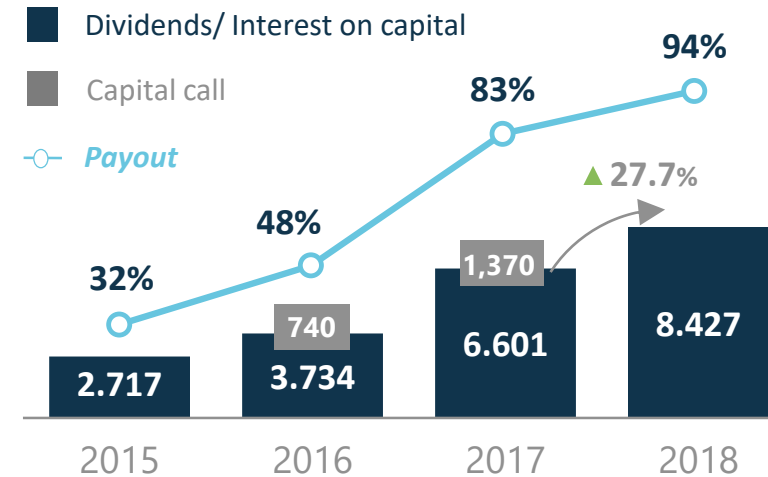
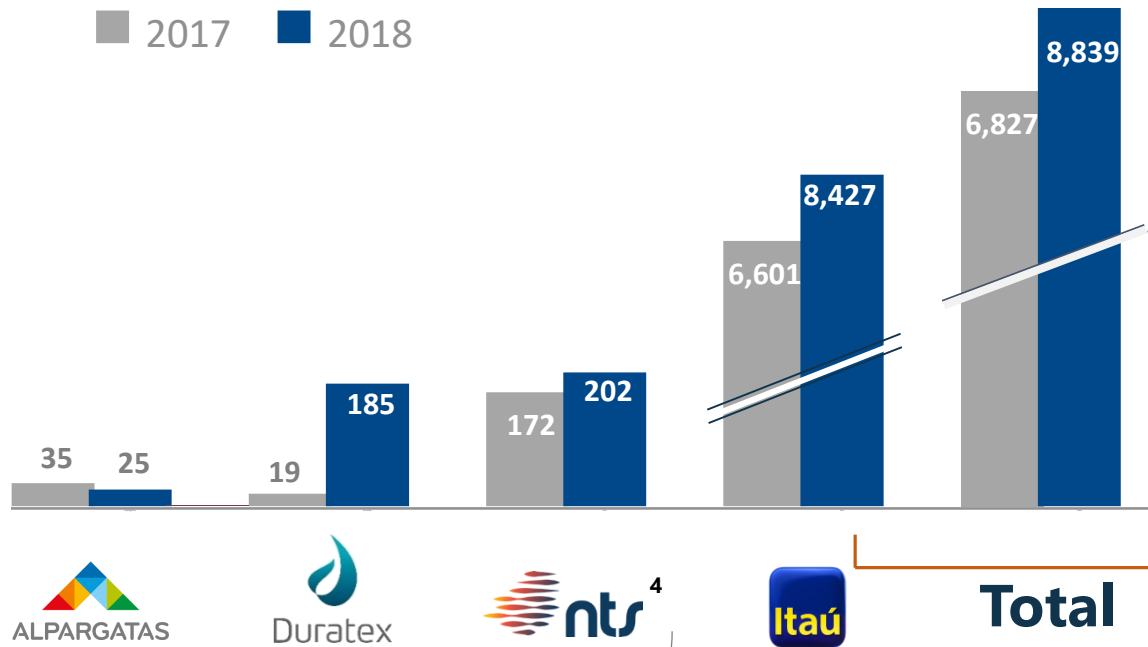
ITAÚSA

R\$ million

Received and to be received Base period

Paid and to be paid Base period

■ 2017 ■ 2018

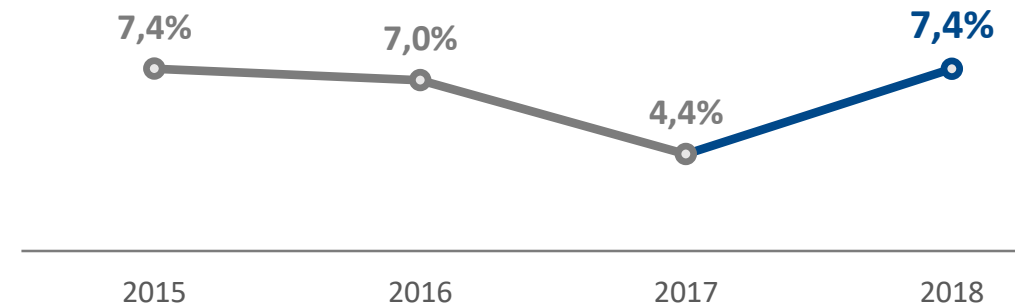


Cash balance of **R\$936 million**
(December 2018)

Capital call is not expected for 2019.

Non-financial Sector
2017: R\$226 million
2018: R\$412 million

Dividend Yield³ (%)



(1) Refers to the Individual Balance Sheet.

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

(3) Dividend Yield includes dividends/ interest on capital gross paid in the last 12 months divided by the closing price.

(4) Includes capital decrease approved at the stockholders' meeting of NTS held on August 6, 2018. Does not include the redemption of debentures in advance, which has generated inflow of cash of R\$442 million to Itaúsa.