

ITAÚSA

Institutional Presentation

May/2019



■ Disclaimer

This presentation may contain certain statements expressing beliefs and trends related to Itaúsa- Investimentos Itaú S.A. ("Itaúsa" or "Company") and its subsidiaries, which reflect the current views and/or expectations of Itaúsa and its management regarding its business and future events that, although considered reasonable by the Company based on public information, might be incorrect or inaccurate or may not occur.

This is because a number of material factors might cause actual results to differ materially from the plans, objectives and expectations expressed or implied herein, many of which are beyond Itaúsa's control.

This presentation is updated to this present date and the Company undertakes no obligation to update or revise it,

whether as a result of new information, future events or any other reasons whatsoever. The Company will not be liable for any transactions or investment decisions made in reliance on the information contained herein, which may contain pro forma information that may not have been audited.

Any statements and information on the trends reported herein are no guarantee of performance. This presentation is not intended as an offering material for subscription or purchase of the Company's securities.

The accounting information included herein is under IFRS.

Macroeconomic Scenario

Business Environment in 2019



Outlook:

- Expectations of recovery and greater economic stability may favor business environment of our subsidiaries
- Credit-granting increase; consumption resumed
- Possible opportunities arising from privatizations

Issues to be followed up:

- Jobs and income recovery
- Tax changes
- Approval of tax and social security reforms
- Infrastructure investments

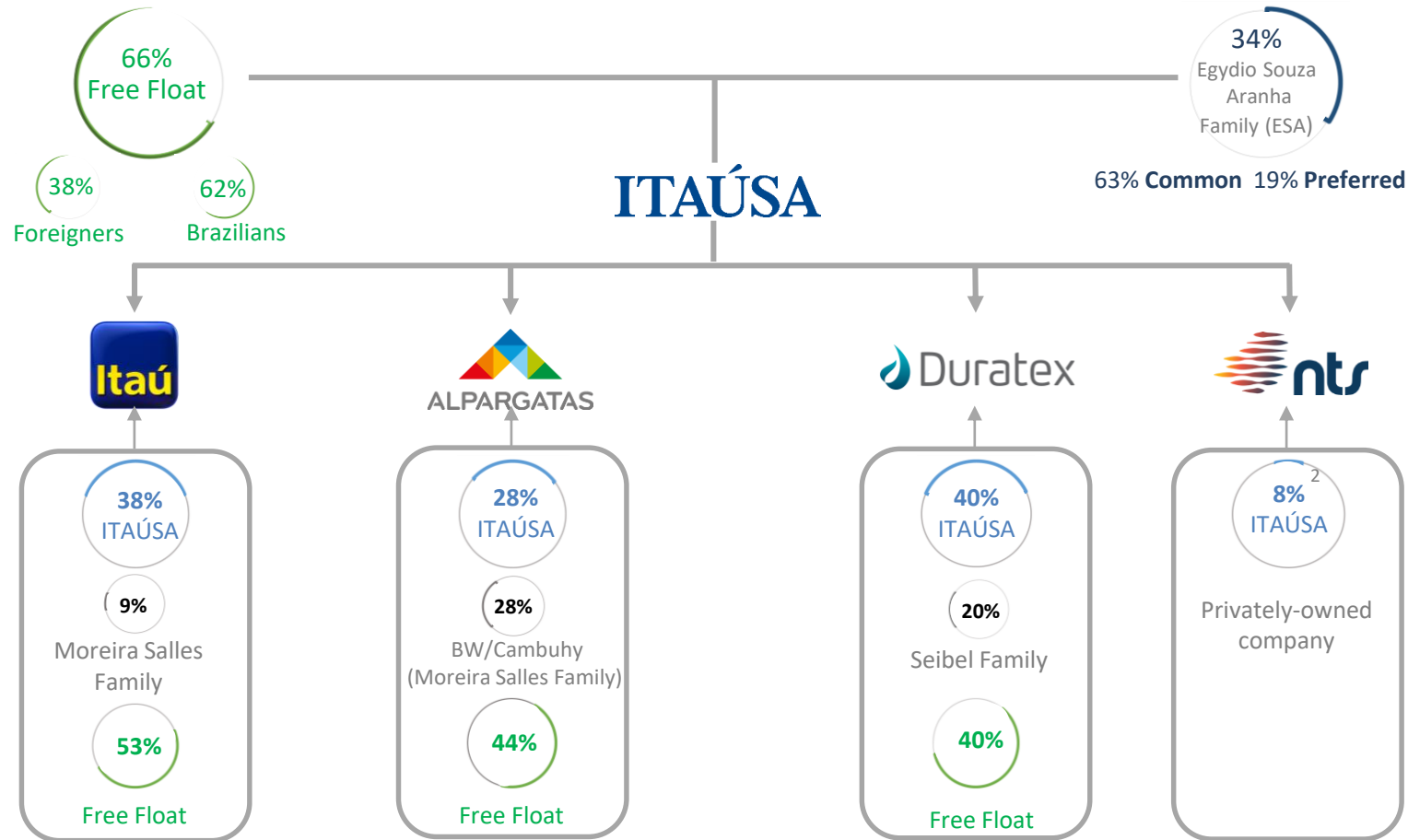


Essential to support the economic growth in the coming years

| | 2017 | 2018 | 2019e | 2020e |
|----------------|------|------|-------|-------|
| GDP growth | 1.1% | 1.1% | 1.0% | 2.0% |
| IPCA | 2.9% | 3.7% | 3.6% | 3.6% |
| Selic year-end | 7.0% | 6.5% | 5.75% | 5.5% |

Caption: Actual | **Forecast** Source: Itaú BBA – May 13, 2019 (<https://www.itaubba.com.br/itaubba-en/economic-analysis/forecasts/brazil-long-run-scenario-may-2019>)

Ownership structure as of March 31st 2019¹

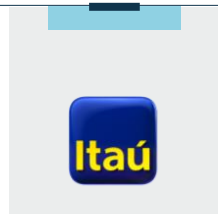


(1) Simplified and illustrative ownership structure, considers the sum of direct and indirect holdings in total capital.

(2) Comprise the controlling group with Brookfield, GIC, CIC and BCIMC.

Highlights of subsidiaries

Results | 1Q19



Highlights

- Banking Product increased by 3.2% in the 1Q19, mainly driven by revenues from credit operations due to the growth in credit portfolios of individuals and micro, small and medium-sized enterprises
- Payout in 2018 reached 89.2% of recurring net income (BRGAAP), including share buyback. Net dividends and interest on capital totaled R\$ 22.4 billion
- Digital transformation, in 2018 76% of payment transactions are carried out through digital channels
- Fiscal Council now operates on a permanent basis

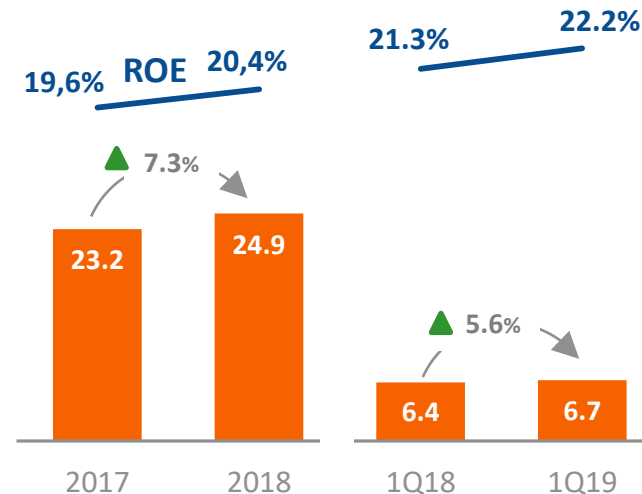


- Rede: sales on the credit card will be deposited in two days with zero cost of anticipation



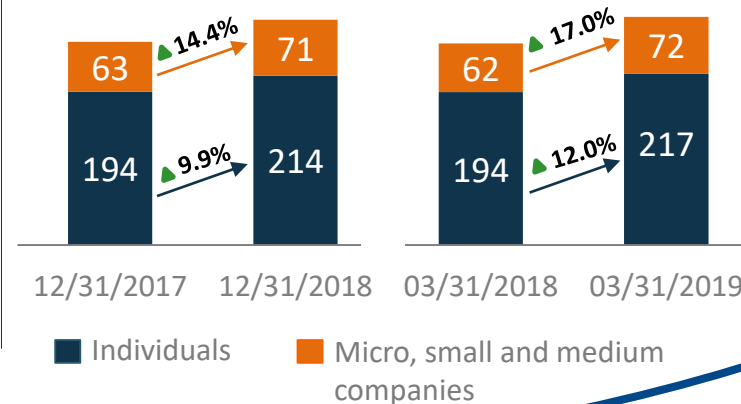
Net income and ROE¹
R\$ billion - IFRS

Attributable to controlling stockholders



Loan Portfolio: Individuals and Micro, Small and Medium Companies²

R\$ billion - IFRS



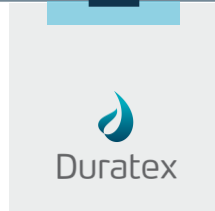
■ Individuals

■ Micro, small and medium companies

(1) Annualized ROE
 (2) Operating Revenues are the sum of Managerial Financial Margin, Commissions and Fees and Result from Insurance, Pension Plan and Premium Bonds Operations before Retained Claims and Selling Expenses

Highlights of subsidiaries

Results | 1Q19

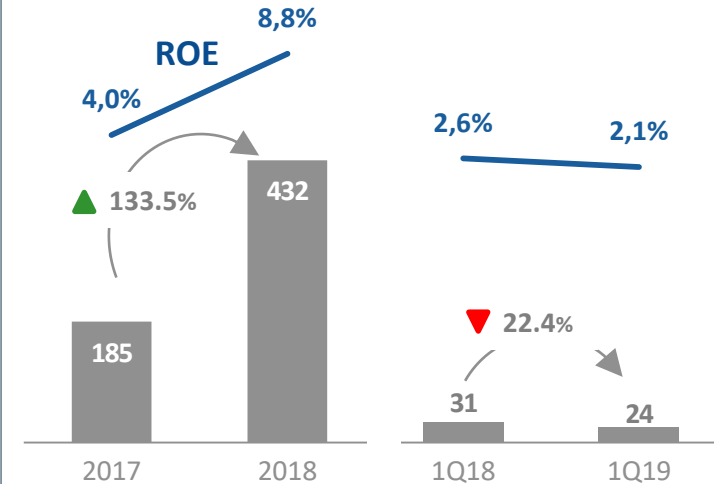


Highlights

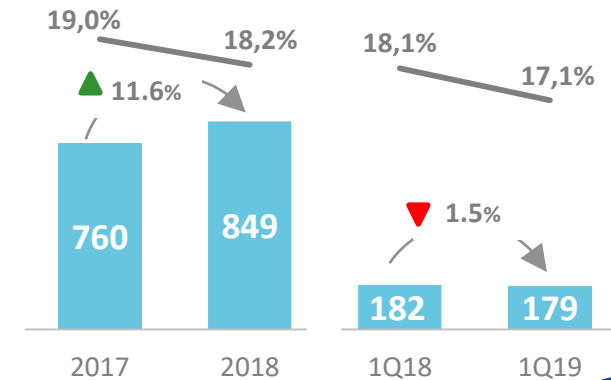
- JV set up with Lenzing in 2018, to build up a dissolving wood pulp ('DWP') plant, with total investment of US\$ 1 bi. Duratex will have a 49% ownership interest
- Sale in 2018 of land and forest to Suzano Papel e Celulose, with impact of R\$ 460 million on net income
- Panel and Deca/Hydra business restructured, impairment of intangible assets and other non-recurring effects, with negative effect, in 2018, of R\$ 300 million on net income
- CEUSA plant expansion was approved, to raise production capacity by 83%, with a R\$ 94 million investment (R\$ 80 million in 2019)
- In the 1Q19 made R\$ 80.1 million in investments, of which R\$ 37.5 million in fixed and intangible assets and R\$ 42.5 million in biological assets.



Net income and ROE¹
R\$ million
Attributable to controlling stockholders



Recurring EBITDA
R\$ million
Recurring EBITDA margin



(1) Annualized ROE

Highlights of subsidiaries

Results | 1Q19

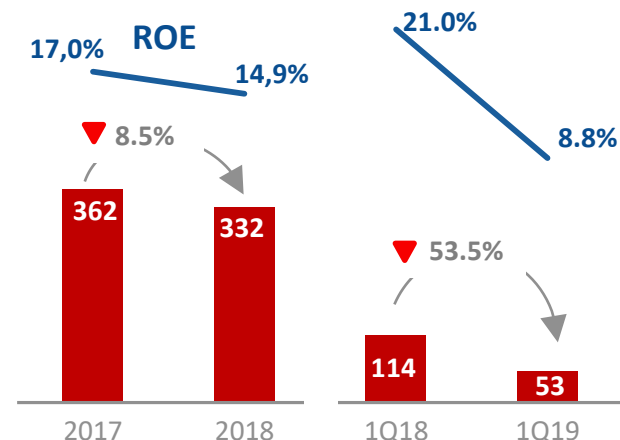


Highlights

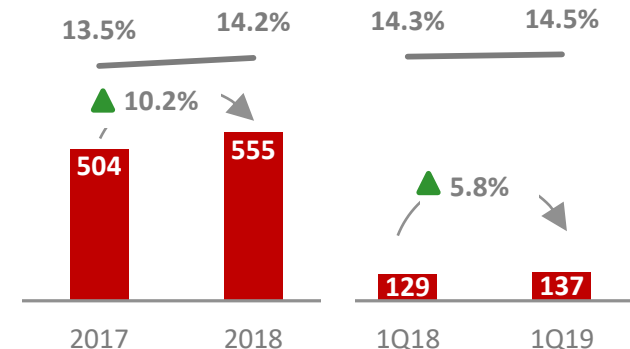
- Revision of strategic and operation plans supported by external consulting firms
- Redesigning the organizational structure of Havaianas: geographical division into dedicated units, supported by global areas
- Alpargatas India JV to develop the Havaianas business
- Sale in 2018 of 21.8% interest in ASAIC (Topper brand in Argentina and in the world) completed for R\$ 100 million
- Line of professional boots (Sete Léguas) sold for R\$ 5.1 million in the 1Q19
- Changes in the Management in the 1Q19: new CEO with the election of Mr. Roberto Funari, and also new director of Digital Channels, Human Resources and new Osklen CEO



Net income and ROE¹
R\$ million
Attributable to controlling stockholders



Recurring EBITDA
R\$ million
Recurring EBITDA margin



(1) Annualized ROE

Highlights of subsidiaries

Results | 1Q19

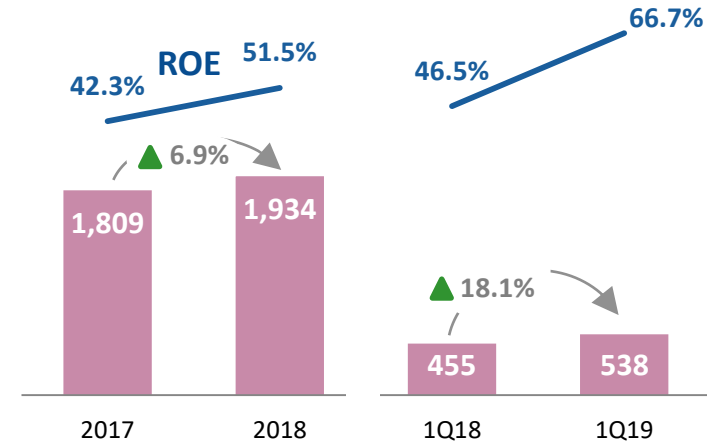


Highlights

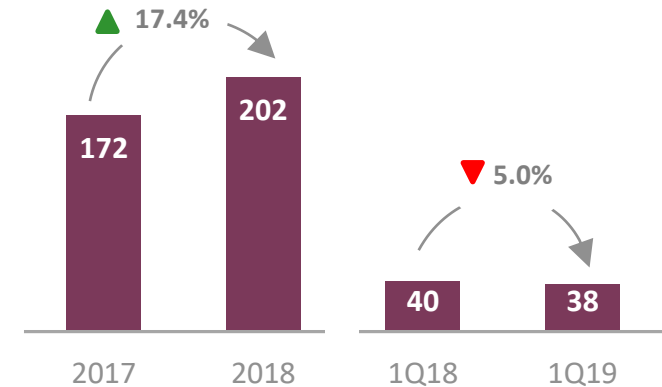
- Debt restructuring in 2018, getting more attractive financing to the company. Debentures redeemed in advance, of which Itaúsa was creditor, has generated cash inflow of R\$ 442 million to Itaúsa
- On August 6, 2018, capital decrease of NTS was approved, in the amount of R\$ 694 million. Itaúsa received cash inflow of about R\$ 53 million
- In 2018 net revenue totaled R\$ 4,041 million and EBITDA R\$ 3,618 million
- On April 18, 2019, NTS obtained CVM's authorization for its registration as a securities issuer, "B" category.



Net income and ROE¹
R\$ million



Proceeds paid to Itaúsa²
R\$ million
Dividends, Interest on capital and Capital decrease



(1) Annualized ROE

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

Parent Company's Results



M&A Assumptions



Efficient capital allocation



Alternatives to allocate capital among new business, share buyback and dividend distribution;



Discipline when evaluating opportunities;



Invested capital management aimed at **long-term value creation**;



Carrying out rationally in **M&A moves**, including review of possible divestitures.



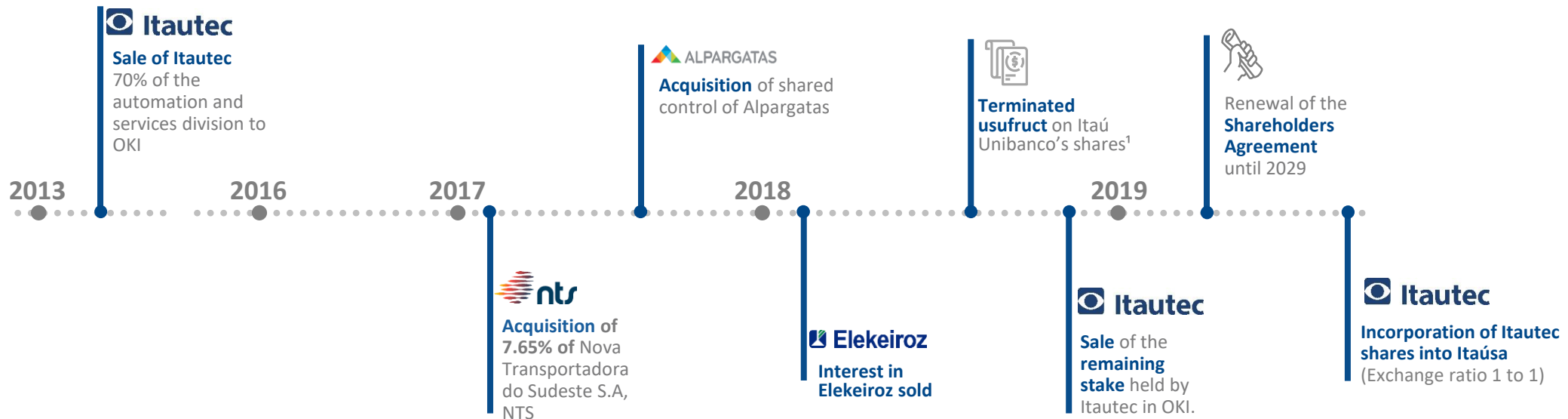
Conservative management of capital structure, with **low indebtedness** and resulting easy access to capital (leverage)



Assumptions

| | | | |
|---------------------------------|--|--|-------------------------------------|
| Companies | Solid and consistent history of results | Leading companies and strong brands | Return above cost of capital |
| Partners | Adequate partners for each business | Expertise in the respective industry | Excellent reputation |
| Control | Participate in the controlling group | Contribution of management and governance practices | |
| Significant Transactions | Investment of ~R\$1.5 billion | | |

Evolution of Itaúsa in the last 5 years



(1) As of November 2019, the usufruct on part of Itaú Unibanco' shares terminated. Thus, it is expected an increase in the PIS/COFINS' payment by IUPAR of ~R\$ 120 million/year.

Main indicators of income and balance sheet

Parent Company: under IFRS

| | R\$ million (IFRS) | | | | | | R\$ per share | |
|------------------------|--------------------|-------|---------|-------|-------|---------|---------------|----------|
| | 2017 | 2018 | Change | 1Q18 | 1Q19 | Change | 03/31/18 | 03/31/19 |
| Profitability | | | | | | | | |
| Net Income | 8,144 | 9,436 | +15.9% | 2,400 | 2,486 | +3.6% | 0.29 | 0.30 |
| ROE¹ | | | | | | | | |
| Return on equity | 16.6% | 18.2% | +160bps | 19.1% | 18.8% | -30bps | | |
| Dividends/IOC | | | | | | | | |
| Dividend yield | 4.4% | 7.4% | +300bps | 7.1% | 8.8% | +170bps | | |

(1) Annualized ROE

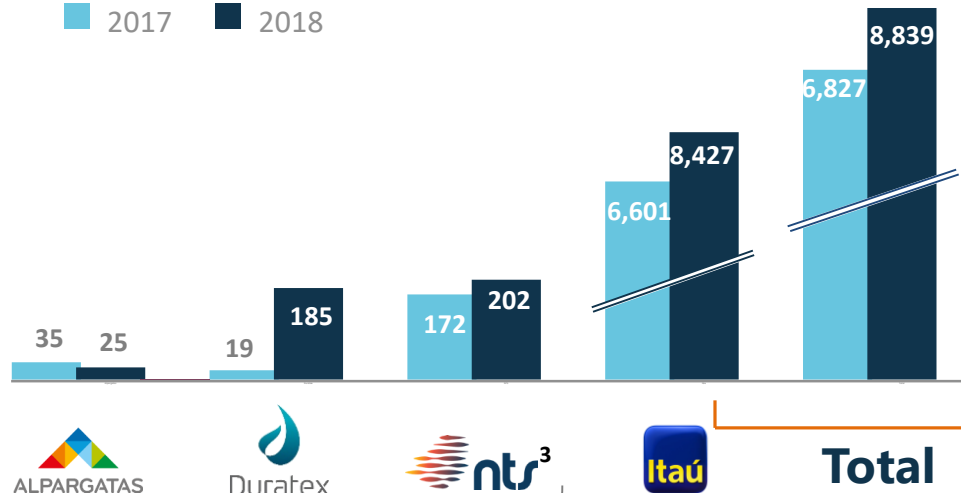
Flow of Dividends^{1,2}

Includes Interest on Capital, in R\$ million



Received | accrual basis

■ 2017 ■ 2018



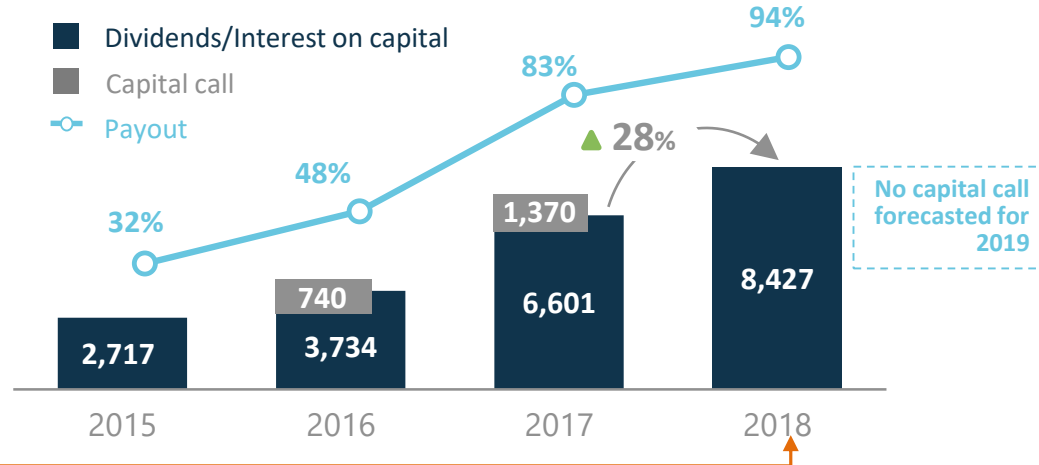
Non-financial sector
2017: R\$226 million
2018: R\$412 million

Used to cover holding expenses



Paid and to be paid | accrual basis

■ Dividends/Interest on capital
 ■ Capital call
 ○ Payout



Holding costs | Main expenses, approximate values per year

| | | |
|---------------------|-----|-------------|
| PIS/COFINS over IOC | --- | 420 |
| Debentures interest | --- | 80 |
| Operating Expenses | --- | 90 |
| Total | | ~590 |

(1) Refers to individual balance sheet.

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

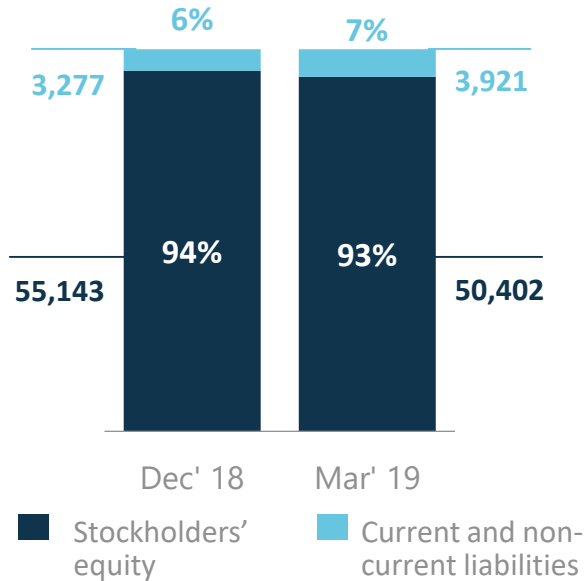
(3) Includes capital decrease approved at NTS stockholders' meeting of August 6, 2018. Does not include redemption in advance of debentures, which generated cash inflow of R\$ 442 million to Itaúsa

Debt¹

In R\$ million



Capital composition



Third-party funds

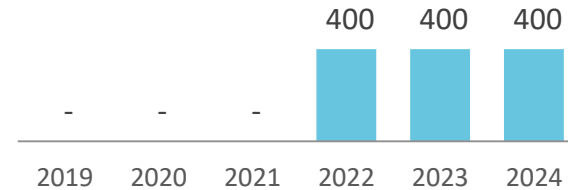
Mar'19

| | |
|---------------------------------------|--------------|
| Total liabilities | 3,921 |
| Dividends/interest on capital payable | 774 |
| Debentures | 1,227 |
| Provisions/Other obligations | 1,920 |
| (-) Cash | 921 |
| Net liabilities | 3,000 |



Debentures detailed

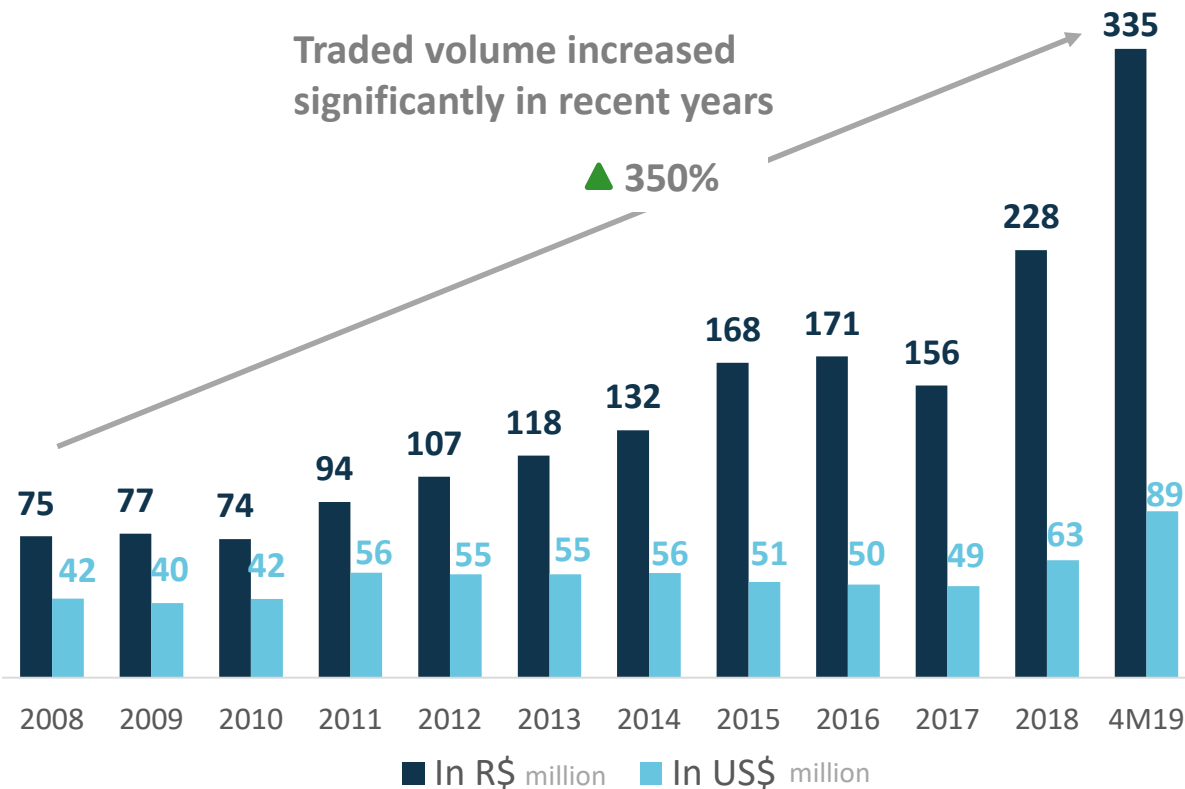
- **Issued:** May 2017
- **Amount:** R\$1.2 billion
- **Rate:** 106.9% of DI rate
- **Interest:** semi-annual
- **Amortization schedule**



(1) Refers to Individual Balance Sheet.

Liquidity and Capital Markets

Traded volume increased significantly in recent years



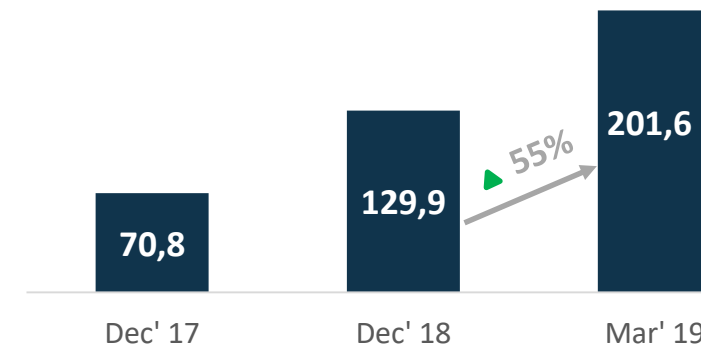
Participation in the Ibovespa¹

ITSA4 has the **9th largest** participation in the **IBOVESPA** , representing 3.4% of the index.



Evolution of individual stockholders

Thousands of stockholders

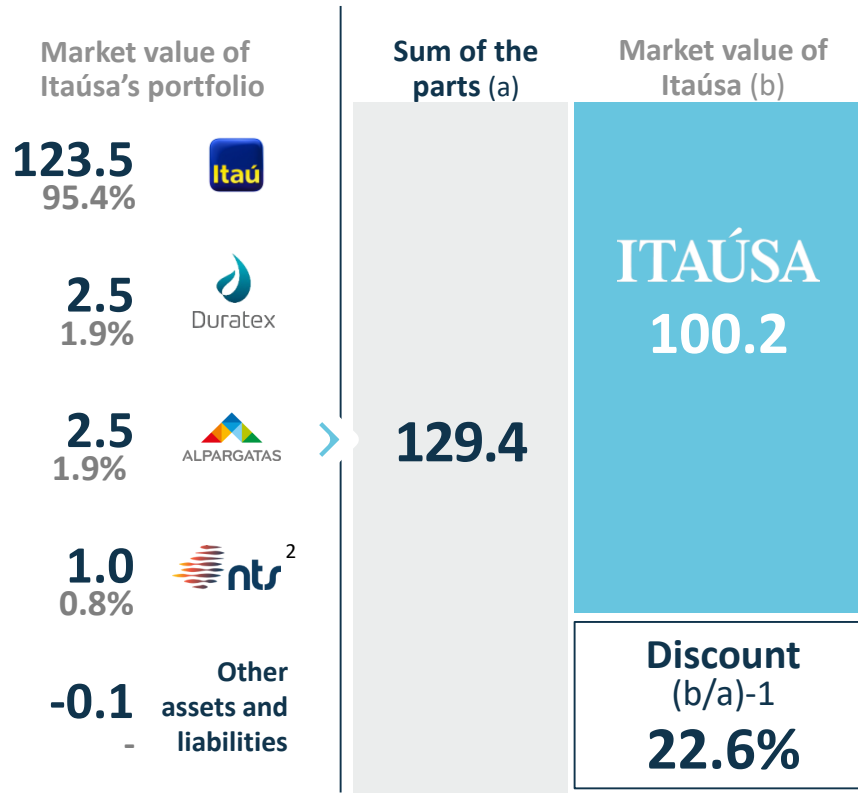


(1) Ibovespa is the main performance indicator of the stocks traded in B3

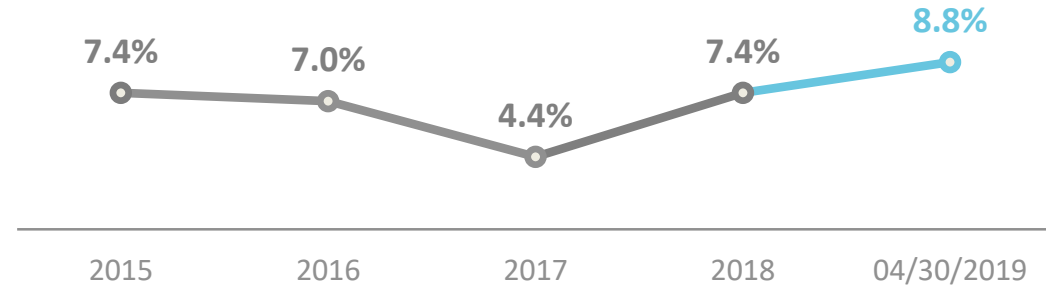
Capital Markets

Itaúsa's Portfolio – market value¹

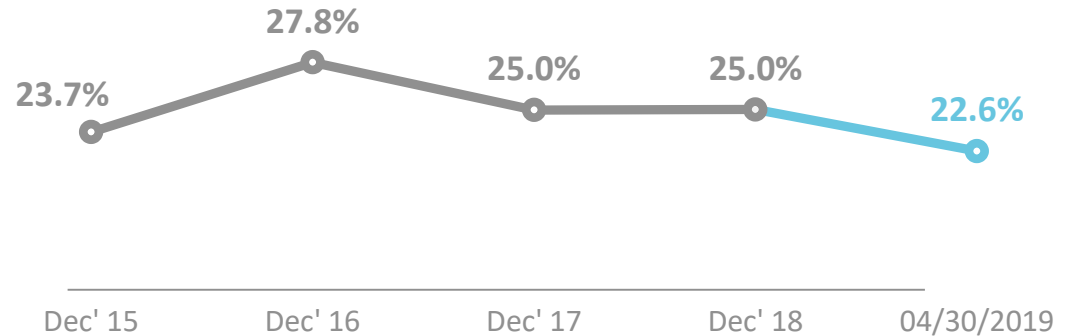
R\$ billion – on 04/30/19



Dividend Yield³ (%)



Discount history



(1) Calculated based on price of preferred shares.

(2) Effects of fair value of asset on 03/31/19 on Itaúsa's balance sheet

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

Sustainability and Corporate Governance

Recent developments in ITAÚSA



Ongoing corporate governance improvements through ethical values, caring for transparency and good international practices.

Sustainability

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Selected for the 15th year, ranked among the world's top10 companies in the sector



Leader in transparency, with score A-

ISEB3
2019

Selected for the 12th year

Corporate Governance

- **Permanent Fiscal Council**
- **New Policies**, with highlights going to *Transactions with Related Parties and Relationship with Private Entities and Public Agents and for Corruption Prevention*
- **Code of Conduct** relaunched and an **independent reporting channel**

Itaúsa in Capital Markets

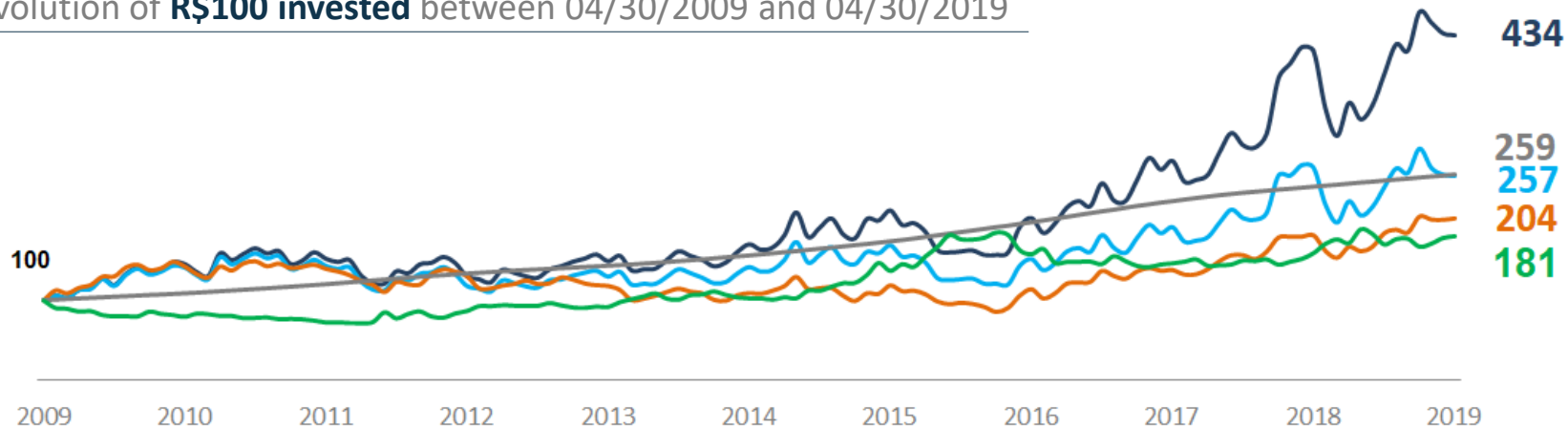


CAGR (in Reais)

| | Itaúsa total return - TRS | Itaúsa without reinvestment | Ibov. | CDI interbank deposit rate | Dollar |
|------------------|------------------------------|--------------------------------|-------|-------------------------------|--------|
| 10 years | 15.8% | 9.9% | 7.4% | 10.0% | 6.1% |
| 5 years | 20.5% | 12.6% | 13.3% | 10.6% | 12.0% |
| 12 months | 4.9% | -3.7% | 11.9% | 6.3% | 13.3% |



Evolution of **R\$100 invested** between 04/30/2009 and 04/30/2019



Integrated Report

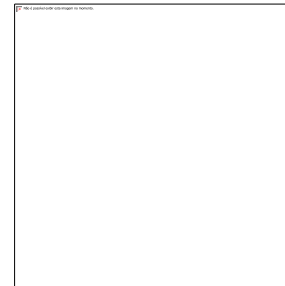
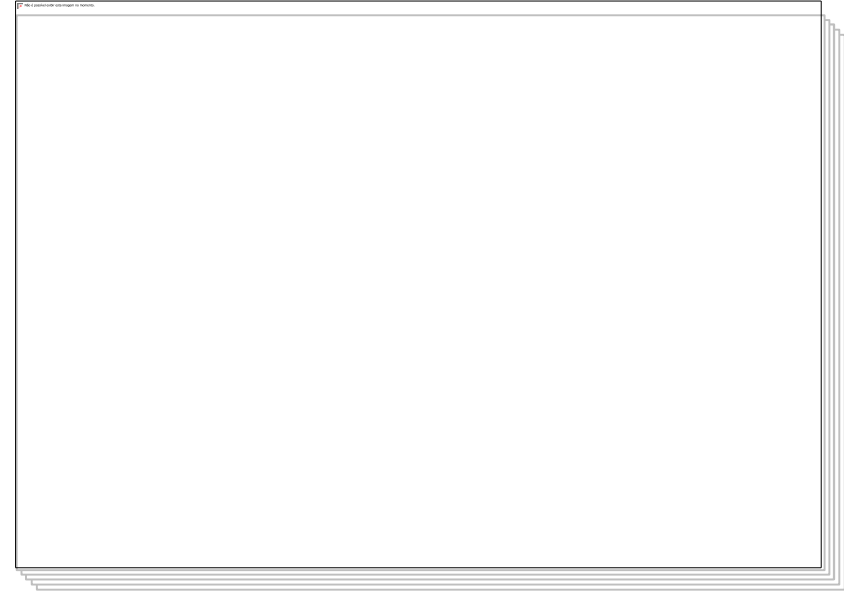
Itaúsa published in March 2019 its 1st Integrated Report, a pioneering publication among Latin American holdings.

The document addresses:

- Business Model and value creation process to stakeholders through the Financial, Human, Reputational and Intellectual Capitals
- Company's strategy and leadership vision
- Sustainability and ESG practices (Environmental, Social and Governance)

The document is available at:

<http://www.itausa.com.br/en/financial-information/integrated-and-annual-report>



Investor Relations

Phone

+55 11 3543 4177

E-mail

relacoes.investidores@itausa.com.br
investor.relations@itausa.com.br

Website

www.itausa.com.br/en