

1Q16

Management Discussion & Analysis and Complete Financial Statements

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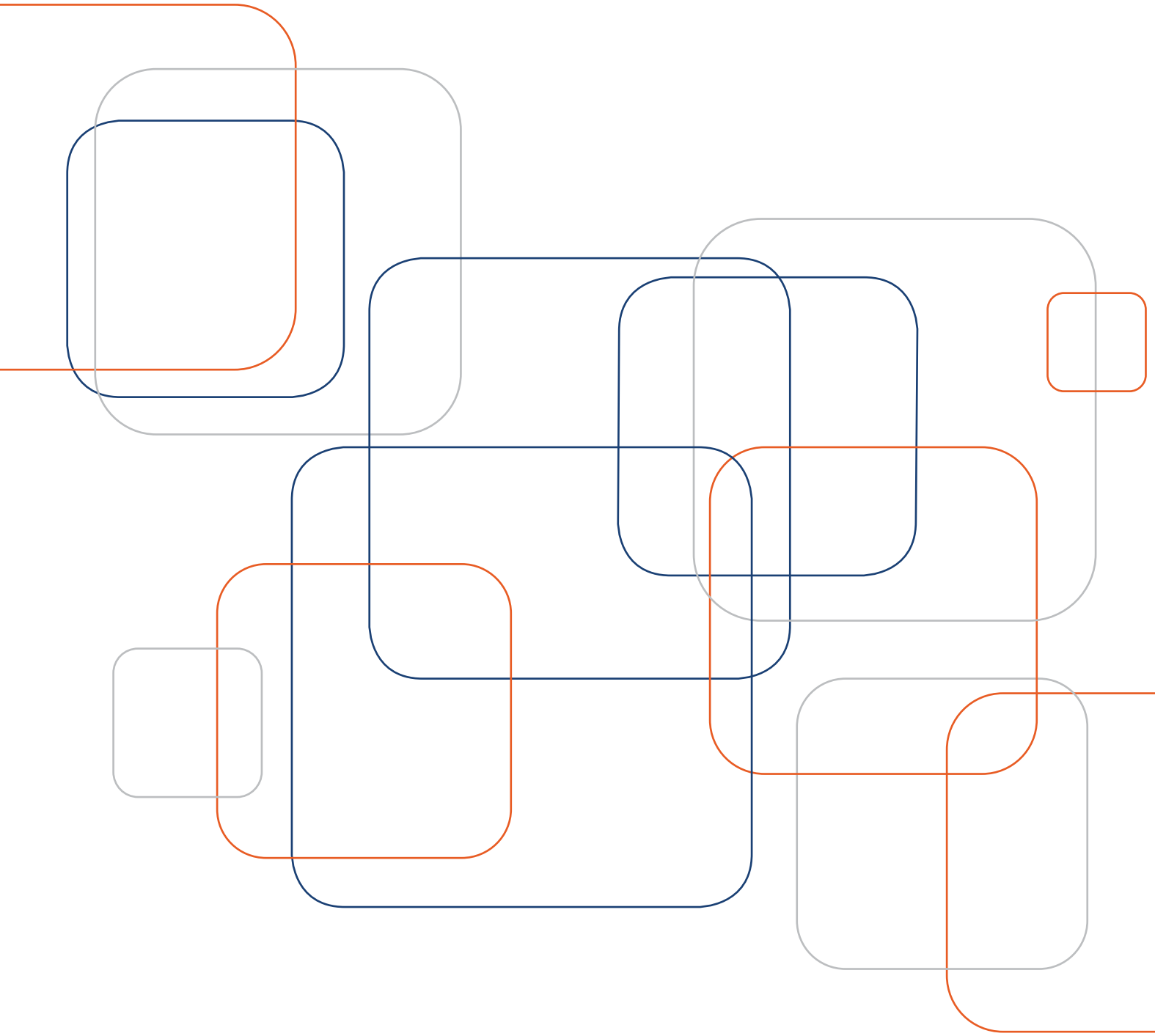
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It should be noted that the managerial financial statements relating to prior periods may have been reclassified for comparison purposes.

The tables in this report show the figures in millions. Variations and totals, however, are calculated in units. Therefore, there may be differences due to rounding.

Future expectations arising from the reading of this analysis should take into consideration the risks and uncertainties that involve any activities and that are outside the control of the companies of the conglomerate (political and economic changes, volatility in interest and foreign exchange rates, technological changes, inflation, financial disintermediation, competitive pressures on products, prices and changes in tax legislation, among others).



1st quarter of 2016

Management Discussion & Analysis

Itaú Unibanco Holding S.A.

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Itaú Unibanco Holding S.A. (Itaú Unibanco) information and financial indicators are presented below.

Highlights

	In R$ millions (except where indicated), end of period	1Q16	4Q15	1Q15
Results	Recurring Net Income	5,235	5,773	5,808
	Net Income	5,184	5,698	5,733
	Operating Revenues [1]	25,867	26,680	24,946
	Managerial Financial Margin [2]	16,557	16,764	15,963
Shares	Recurring Net Income per share (R$)[3]	0.88	0.97	0.97
	Net Income per share (R$) [3]	0.88	0.96	0.95
	Number of Outstanding Shares at the end of period – in thousands [4]	5,928,684	5,921,351	6,015,886
	Average price of non-voting share on the last trading day of the period (R$) [4]	31.27	26.30	32.03
	Book Value per Share (R$)	17.99	17.98	16.12
	Dividends and Interest on Own Capital net of taxes [5]	1,012	3,429	1,319
	Dividends and Interest on Own Capital net of taxes [5] per share (R$) [*]	0.17	0.58	0.22
	Market Capitalization [6]	185,390	155,732	192,672
	Market Capitalization [6] (US$ millions)	52,092	39,882	60,060
Performance	Recurring Return on Average Equity – Annualized [7]	19.9%	22.3%	24.5%
	Return on Average Equity – Annualized [7]	19.7%	22.0%	24.2%
	Recurring Return on Average Assets – Annualized [8]	1.6%	1.7%	1.9%
	Return on Average Assets – Annualized [8]	1.6%	1.7%	1.8%
	Solvency Ratio - Prudential Conglomerate (BIS Ratio)	17.7%	17.8%	15.3%
	Common Equity Tier I	14.3%	14.0%	11.6%
	Estimated BIS III (Common Equity Tier I) - Full Implementation of BIS III [9]	12.6%	13.6%	11.4%
	Annualized Net Interest Margin of Spread-Sensitive Operations [10]	11.1%	11.0%	10.6%
	Annualized Net Interest Margin with Clients [10]	10.9%	10.9%	10.5%
	Annualized Net Interest Margin of Spread-Sensitive Operations after Provision for Credit Risk [10]	5.5%	7.1%	6.7%
	Annualized Net Interest Margin with Clients after Provision for Credit Risk [10]	6.1%	7.5%	7.0%
	Nonperforming Loans Index (NPL over 90 days)	3.9%	3.5%	3.0%
	Nonperforming Loans Index (NPL 15 to 90 days)	3.1%	2.6%	2.9%
	Coverage Ratio (Provision for Loan Losses/NPL over 90 days)	210%	208%	200%
	Efficiency Ratio (ER) [11]	43.0%	45.5%	43.2%
	Risk-Adjusted Efficiency Ratio (RAER) [11]	69.9%	64.5%	62.7%
Balance Sheet	Total Assets	1,283,071	1,359,172	1,294,613
	Total Credit Portfolio, including Sureties and Endorsements	517,484	548,073	543,394
	Loan Portfolio (A)	445,467	473,829	468,105
	Sureties, Endorsements and Guarantees	72,017	74,244	75,289
	Deposits + Debentures + Securities + Borrowings and Onlending (B) [12]	610,234	648,664	584,649
	Loan Portfolio/Funding (A/B)	73.0%	73.0%	80.1%
	Stockholders' Equity	106,647	106,462	96,954
Other	Assets Under Administration	807,267	765,102	694,824
	Total Number of Employees	89,627	90,320	92,757
	Brazil	82,871	83,481	85,773
	Abroad	6,756	6,839	6,984
	Branches and CSBs – Client Service Branches	4,921	4,985	5,032
	ATM – Automated Teller Machines [13]	26,145	26,412	27,458
Indicators	EMBI Brazil Risk	409	517	319
	CDI rate – In the Period (%)	3.2%	3.4%	2.8%
	Dollar Exchange Rate – Quotation in R$	3.5589	3.9048	3.2080
	Dollar Exchange Rate – Change in the Period (%)	-8.9%	-1.7%	20.8%
	Euro Exchange Rate – Quotation in R$	4.0539	4.2504	3.4457
	Euro Exchange Rate – Change in the Period (%)	-4.6%	-4.2%	6.8%
	IGP-M – In the Period (%)	3.0%	3.9%	2.0%

(*) The number of outstanding shares was adjusted to reflect the share bonus of 10% granted on June 05, 2014 and July 17, 2015.

Note: (1) Operating Revenues are the sum of Managerial Financial Margin, Commissions and Fees, Other Operating Income and Result from Insurance, Pension Plan and Premium Bonds Operations Before Retained Claims and Selling Expenses; **(2)** Described on pages 16 to 17; **(3)** Calculated based on the weighted average number of outstanding shares; **(4)** The number of outstanding shares was adjusted to reflect the share bonus of 10% granted on June 05, 2014 and July 17, 2015; **(5)** IOC – Interest on Capital. Declared amounts paid/accrued; **(6)** Total number of outstanding shares (common and non-voting shares) multiplied by the average price of non-voting share on the last trading day in the period; **(7)** Annualized Return was calculated by dividing Net Income by Average Stockholders' Equity. The quotient of this division was multiplied by the number of periods in the year to derive the annualized rate. The calculation bases of returns were adjusted by the amount of dividends that has not yet been approved at shareholders' or Board meetings, proposed after the balance sheet closing date; **(8)** Return was calculated by dividing Net Income by Average Assets. The quotient of this division was multiplied by the number of periods in the year to derive the annualized rate; **(9)** Takes into consideration the use of tax credit; **(10)** Does not include financial margin with the market. See details on page 17; **(11)** For further details on the calculation methodology of both Efficiency and Risk-Adjusted Efficiency ratios, please refer to page 34; **(12)** As described on page 38; **(13)** Includes ESBs (electronic service branches) and service points at third parties' establishments.

Net Income and Recurring Net Income

Our recurring net income totaled R$5,235 million in the first quarter of 2016 as a result of the elimination of non-recurring events, which are presented in the table below, from net income of R$5,184 million for the period.

Non-Recurring Events Net of Tax Effects

In R$ millions	1Q16	4Q15	1Q15
Recurring Net Income	**5,235**	**5,773**	**5,808**
Non-Recurring Events	**(51)**	**(75)**	**(75)**
Contingencies Provision (a)	(25)	(28)	(42)
Goodwill Amortization (b)	(32)	(32)	(60)
Program for Settlement or Installment Payment of Taxes (c)	12	(4)	27
Impairment (d)	-	(7)	-
Porto Seguro (e)	-	17	-
Other	(6)	(20)	-
Net Income	**5,184**	**5,698**	**5,733**

Note: The impacts of the non-recurring events, described above, are net of tax effects – further details are presented in Note 22-K of the Financial Statements.

Non-Recurring Events

(a) Contingencies Provision: Recognition of provisions for tax and social security lawsuits and losses arising from economic plans in effect in Brazil during the 1980's.

(b) Goodwill Amortization: Effect of the goodwill amortization generated by acquisitions made by the Conglomerate.

(c) Program for the Settlement or Installment Payment of Taxes: Effects of our adherence to the Program for the Settlement or Installment Payment of Federal and Municipal Taxes.

(d) Impairment: Adjustment in the carrying amount of assets in order to reflect its fair value.

(e) Porto Seguro: Effect on the balance of the social contribution tax credit resulting from the rate increase in proportion to our stake in the company.

Managerial Income Statement

We apply consolidation criteria for the managerial results that affect only the breakdown of accounts and, therefore, do not affect net income. These effects are shown in the table on the following page ("Accounting and Managerial Statements Reconciliation"). Additionally, we adjusted the tax effects of the hedges of investments abroad - originally accounted for as tax expenses (PIS and COFINS) and income tax and social contribution on net income and then reclassified to the financial margin - and non-recurring events.

Our strategy for the foreign exchange risk management of the capital invested abroad is aimed at mitigating, through financial instruments, the effects resulting from foreign exchange variations and takes into consideration the impact of all tax effects. In the first quarter of 2016, the Brazilian real appreciated 8.9% against the U.S. dollar and 4.6% against the Euro, compared with appreciations of 1.7% and 4.2%, respectively, in the previous quarter.

Highlights

On April 1st, 2016, pursuant the agreement disclosed to the market as material information on January 29, 2014, we announced the consummation of the merger of operations between Banco Itaú Chile and CorpBanca, after obtaining all the corporate and regulatory approvals required. Accordingly, we now hold the control of the resulting bank (Itaú CorpBanca) with a 33.58% stake in its capital.

The completion of the merger represents an important step in our internationalization process and in our purpose of being a leading bank in Latin America.

Accounting and Managerial Income Statements reconciliation for the past two quarters is presented below.

Accounting and Managerial Statements Reconciliation | 1st Quarter of 2016

In R$ millions	Accounting	Non-recurring Events	Tax Effect of Hedge	Managerial Reclassifications	Managerial
Operating Revenues	**29,234**	**53**	**(3,093)**	**(326)**	**25,867**
Managerial Financial Margin	19,573	64	(3,093)	14	16,557
Financial Margin with Clients	14,743	64	-	14	14,820
Financial Margin with the Market	4,830	-	(3,093)	-	1,737
Commissions and Fees	7,729	-	-	(560)	7,169
Result from Insurance, Pension Plan and Premium Bonds Operations Before Retained Claims and Selling Expenses	1,584	-	-	557	2,141
Other Operating Income	200	(11)	-	(189)	-
Equity in Earnings of Affiliates and Other Investments	132	-	-	(132)	-
Non-operating Income	16	-	-	(16)	-
Result from Loan Losses	**(6,364)**	**-**	**-**	**(38)**	**(6,402)**
Provision for Loan Losses	(7,193)	-	-	(38)	(7,231)
Recovery of Loans Written Off as Losses	829	-	-	0	829
Retained Claims	**(394)**	**-**	**-**	**-**	**(394)**
Other Operating Income/(Expenses)	**(12,660)**	**52**	**370**	**312**	**(11,926)**
Non-interest Expenses	(10,607)	52	-	340	(10,215)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,857)	-	370	(28)	(1,515)
Insurance Selling Expenses	(196)	-	-	-	(196)
Income before Tax and Profit Sharing	**9,816**	**105**	**(2,722)**	**(53)**	**7,145**
Income Tax and Social Contribution	**(4,529)**	**(53)**	**2,722**	**14**	**(1,846)**
Profit Sharing	**(39)**	**-**	**-**	**39**	**-**
Minority Interests	**(64)**	**-**	**-**	**-**	**(64)**
Net Income	**5,184**	**51**	**-**	**-**	**5,235**

Accounting and Managerial Statements Reconciliation | 4th Quarter of 2015

In R$ millions	Accounting	Non-recurring Events	Tax Effect of Hedge	Managerial Reclassifications	Managerial
Operating Revenues	**27,543**	**(202)**	**(499)**	**(162)**	**26,680**
Managerial Financial Margin	17,051	23	(499)	189	16,764
Financial Margin with Clients	15,283	23	-	189	15,495
Financial Margin with the Market	1,768	-	(499)	-	1,269
Commissions and Fees	8,201	-	-	(556)	7,645
Result from Insurance, Pension Plan and Premium Bonds Operations Before Retained Claims and Selling Expenses	1,849	(205)	-	627	2,271
Other Operating Income	277	(3)	-	(274)	-
Equity in Earnings of Affiliates and Other Investments	194	(17)	-	(177)	-
Non-operating Income	(30)	-	-	30	-
Result from Loan Losses	**(4,384)**	**-**	**-**	**(250)**	**(4,634)**
Provision for Loan Losses	(5,866)	-	-	(250)	(6,116)
Recovery of Loans Written Off as Losses	1,482	-	-	-	1,482
Retained Claims	**(406)**	**-**	**-**	**-**	**(406)**
Other Operating Income/(Expenses)	**(13,699)**	**312**	**80**	**349**	**(12,959)**
Non-interest Expenses	(11,782)	302	-	361	(11,119)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,660)	10	80	(13)	(1,582)
Insurance Selling Expenses	(258)	-	-	-	(258)
Income before Tax and Profit Sharing	**9,053**	**110**	**(419)**	**(64)**	**8,680**
Income Tax and Social Contribution	**(3,191)**	**(35)**	**419**	**(8)**	**(2,815)**
Profit Sharing	**(72)**	**-**	**-**	**72**	**-**
Minority Interests	**(92)**	**-**	**-**	**-**	**(92)**
Net Income	**5,698**	**75**	**-**	**-**	**5,773**

We present below the income statement from a standpoint that highlights Operating Revenues, which is composed by the sum of the main accounts in which revenues from banking, insurance, pension plan and premium bonds operations are recorded.

Income Statement | Operating Revenues Perspective

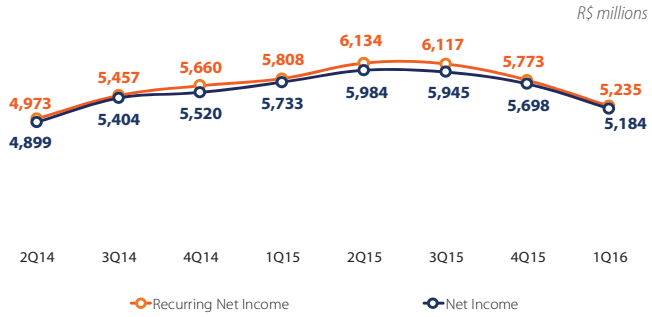
In R$ millions	1Q16	4Q15	change		1Q15	change	
Operating Revenues	**25,867**	**26,680**	**(812)**	**-3.0%**	**24,946**	**921**	**3.7%**
Managerial Financial Margin	16,557	16,764	(207)	-1.2%	15,963	594	3.7%
Financial Margin with Clients	14,820	15,495	(675)	-4.4%	14,092	728	5.2%
Financial Margin with the Market	1,737	1,269	468	36.9%	1,871	(134)	-7.1%
Commissions and Fees	7,169	7,645	(476)	-6.2%	6,867	303	4.4%
Result from Insurance, Pension Plan and Premium Bonds Operations Before Retained Claims and Selling Expenses	2,141	2,271	(130)	-5.7%	2,117	25	1.2%
Result from Loan Losses	**(6,402)**	**(4,634)**	**(1,768)**	**38.1%**	**(4,455)**	**(1,947)**	**43.7%**
Provision for Loan Losses	(7,231)	(6,116)	(1,115)	18.2%	(5,515)	(1,716)	31.1%
Recovery of Loans Written Off as Losses	829	1,482	(652)	-44.0%	1,060	(231)	-21.8%
Retained Claims	**(394)**	**(406)**	**12**	**-3.0%**	**(368)**	**(26)**	**7.0%**
Operating Margin	**19,071**	**21,639**	**(2,568)**	**-11.9%**	**20,123**	**(1,052)**	**-5.2%**
Other Operating Income/(Expenses)	**(11,926)**	**(12,959)**	**1,033**	**-8.0%**	**(11,602)**	**(324)**	**2.8%**
Non-interest Expenses	(10,215)	(11,119)	904	-8.1%	(9,881)	(334)	3.4%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,515)	(1,582)	67	-4.2%	(1,455)	(60)	4.1%
Insurance Selling Expenses	(196)	(258)	62	-24.1%	(266)	70	-26.4%
Income before Tax and Minority Interests	**7,145**	**8,680**	**(1,535)**	**-17.7%**	**8,520**	**(1,375)**	**-16.1%**
Income Tax and Social Contribution	**(1,846)**	**(2,815)**	**969**	**-34.4%**	**(2,607)**	**761**	**-29.2%**
Minority Interests in Subsidiaries	**(64)**	**(92)**	**28**	**-30.4%**	**(105)**	**41**	**-39.2%**
Recurring Net Income	**5,235**	**5,773**	**(538)**	**-9.3%**	**5,808**	**(573)**	**-9.9%**

We present below the income statement from the standpoint that highlights the Managerial Financial Margin.

Income Statement | Managerial Financial Margin Perspective

In R$ millions	1Q16	4Q15	change		1Q15	change	
Managerial Financial Margin	**16,557**	**16,764**	**(207)**	**-1.2%**	**15,963**	**594**	**3.7%**
Financial Margin with Clients	14,820	15,495	(675)	-4.4%	14,092	728	5.2%
Financial Margin with the Market	1,737	1,269	468	36.9%	1,871	(134)	-7.1%
Result from Loan Losses	**(6,402)**	**(4,634)**	**(1,768)**	**38.1%**	**(4,455)**	**(1,947)**	**43.7%**
Provision for Loan Losses	(7,231)	(6,116)	(1,115)	18.2%	(5,515)	(1,716)	31.1%
Recovery of Loans Written Off as Losses	829	1,482	(652)	-44.0%	1,060	(231)	-21.8%
Net Result from Financial Operations	**10,155**	**12,130**	**(1,975)**	**-16.3%**	**11,508**	**(1,353)**	**-11.8%**
Other Operating Income/(Expenses)	**(3,010)**	**(3,450)**	**439**	**-12.7%**	**(2,988)**	**(22)**	**0.7%**
Commissions and Fees	7,169	7,645	(476)	-6.2%	6,867	303	4.4%
Result from Insurance, Pension Plan and Premium Bonds Operations	1,551	1,607	(55)	-3.5%	1,482	69	4.7%
Non-interest Expenses	(10,215)	(11,119)	904	-8.1%	(9,881)	(334)	3.4%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,515)	(1,582)	67	-4.2%	(1,455)	(60)	4.1%
Income before Tax and Minority Interests	**7,145**	**8,680**	**(1,535)**	**-17.7%**	**8,520**	**(1,375)**	**-16.1%**
Income Tax and Social Contribution	**(1,846)**	**(2,815)**	**969**	**-34.4%**	**(2,607)**	**761**	**-29.2%**
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Net Income

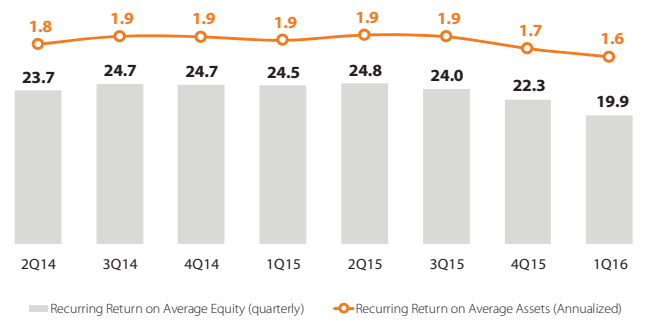


The recurring net income for the first quarter of 2016 amounted to R$5,235 million, representing a decrease of 9.3% from the previous quarter and of 9.9% from the same period of the previous year.

The main positive highlights in the quarter when compared to the previous quarter were the 36.9% increase in our financial margin with the market and the 8.1% decrease in non-interest expenses.

These positive highlights were more than offset by the 18.2% increase in provision for loan losses and by the 44.0% decrease in income from recovery of loans written off as losses.

Return on Average Equity

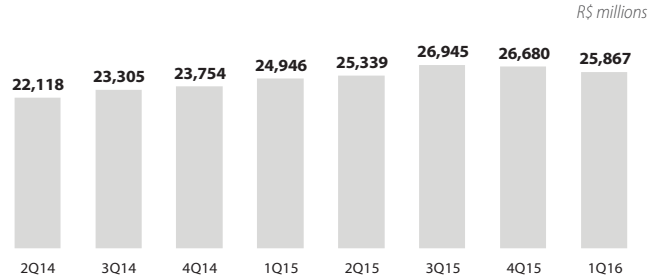


The annualized recurring return on average equity reached 19.9% in the first quarter of 2016. Stockholders' equity reached R$106.6 billion, a 0.2% increase from the previous quarter. In this quarter, stockholders' equity was impacted by the payment of additional interest on capital in the amount of R$2,697 million.

Annualized recurring return on average assets reached 1.6% in the first quarter of 2016, decreasing 10 basis points from the previous quarter.

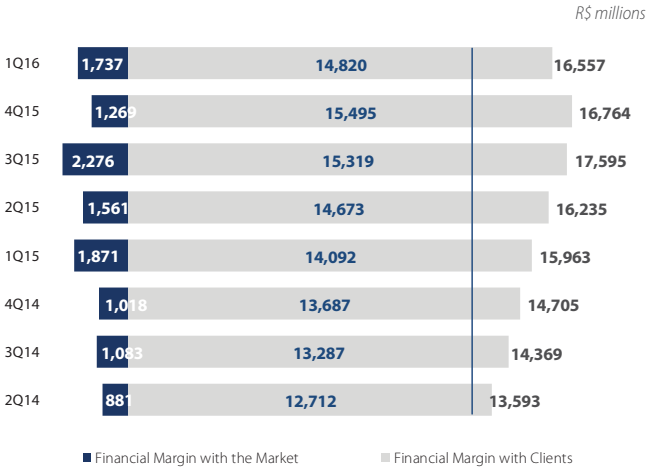
Operating Revenues

In the first quarter of 2016, operating revenues, representing revenues from banking, and insurance, pension plan and premium bonds operations, totaled R$25,867 million, a 3.0% decrease from the previous quarter and a 3.7% increase from the same period of the previous year. The main components of operating revenues and other items of income statement are presented ahead.



Managerial Financial Margin

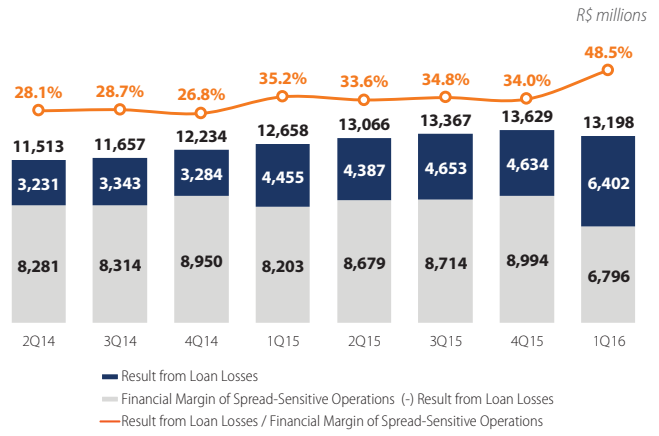
The managerial financial margin for the first quarter of 2016 totaled R$16,557 million, a decrease of R$207 million compared to the previous quarter, mainly due to the decrease of R$675 million in our financial margin with clients, basically as a result of lower volumes and lower number of calendar days. Our financial margin with the market increased R$468 million in the quarter.



Compared to the first quarter of 2015, our managerial financial margin increased 3.7%. This growth was due to the increase of R$728 million in financial margin with clients and to the reduction of R$134 million in financial margin with the market.

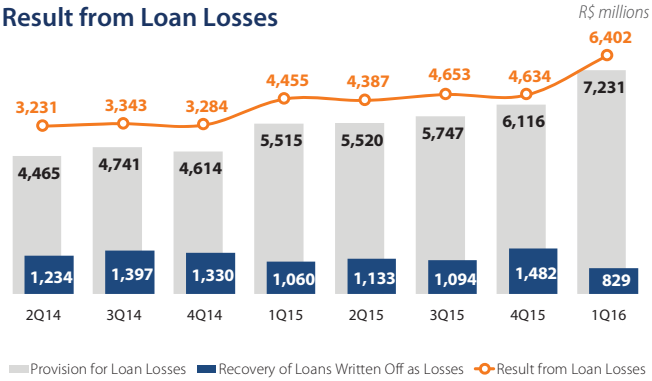
Financial Margin of Spread-Sensitive Operations, net of the Provision from Loan Losses

Our financial margin of spread-sensitive operations, net of provision for loan losses and recovery of loans written off as losses, decreased 24.4% from the previous quarter. The ratio of the provision for loan losses, net of recovery of loans written off as losses, to the spread-sensitive operations financial margin reached 48.5% this quarter, increasing 1,450 basis points compared to the previous quarter.



Result from Loan Losses

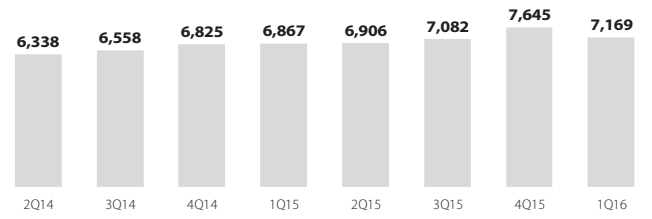
R$ millions



The result from loan losses, net of recovery of credits, grew 38.1% compared to the previous quarter, totaling R$6,402 million in the quarter. This increase was due to the 18.2% (R$1,115 million) increase in provision for loan losses, partially due to provisions for non-overdue operations (generic allowance), as a result of a more challenging economic scenario. Furthermore, our income from recovery of loans written off as losses decreased 44.0% (R$652 million), due to the positive effect in the previous quarter related to the restructuring of one operation of a specific group in the corporate segment which had been written off as a loss.

Commissions and Fees

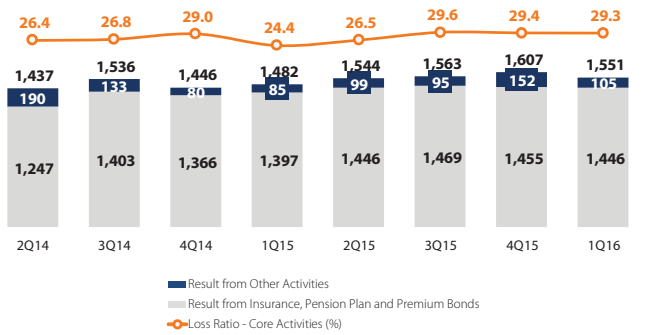
R$ millions



Commissions and fees increased 4.4% when compared to the same quarter of the previous year, mainly driven by higher revenues from credit card and current account services. The reduction in the first quarter of 2016 compared to the prior quarter was mainly due to the typical seasonality of the period.

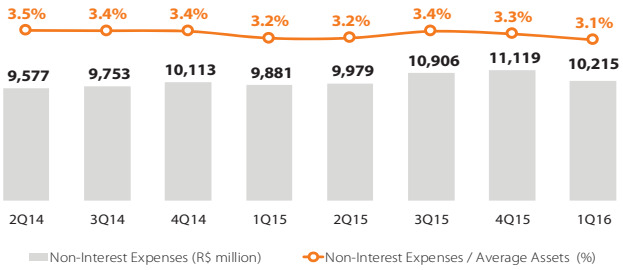
Result from Insurance, Pension Plan and Premium Bonds

R$ millions



In the first quarter of 2016, the result from insurance, pension plan and premium bonds from core activities, which consist of mass-market products related to life, property, credit, pension plan and premium bonds reached R$1,446 million, practically stable when compared to the previous quarter and an increase of 3.5% when compared to the first quarter of 2015. The loss ratio of core activities reached 29.3% this quarter.

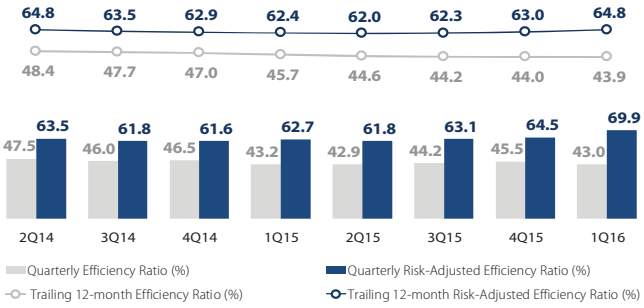
Non-Interest Expenses



In the first quarter of 2016, non-interest expenses decreased 8.1% when compared to the fourth quarter of 2015. Personnel expenses were 3.0% lower, mainly driven by the larger number of employees in vacations in the first quarter of 2016, which reduces compensation expenses, whereas administrative expenses were 11.1% lower than in the previous quarter, mainly due to expenses related to third-party services, data processing and telecommunications.

Compared to the first quarter of 2015, non-interest expenses increased 3.4%. Excluding operations abroad expenses, this increase would have been 1.9% in the period.

Efficiency Ratio and Risk-Adjusted Efficiency Ratio (*)



(*) Calculation criteria are detailed on page 34.

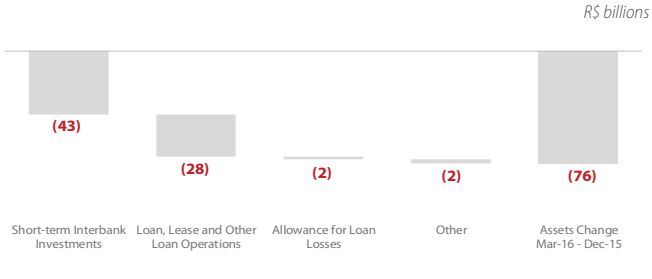
In the first quarter of 2016, the efficiency ratio, according to the criteria that include all expenses except result from loan losses, reached 43.0%, an improvement of 250 basis points from the previous quarter, mainly driven by the decrease in non-interest expenses (8.1%). In the 12-month period, efficiency ratio reached 43.9%, improving 10 basis points from the previous quarter and 180 basis points from the same period of the previous year.

In the first quarter of 2016, the risk-adjusted efficiency ratio, which also includes the result from loan losses, reached 69.9%, an increase of 540 basis points from the previous quarter, as a result of a higher result from loan losses (38.1%). In the 12-month period, risk-adjusted efficiency ratio reached 64.8%.

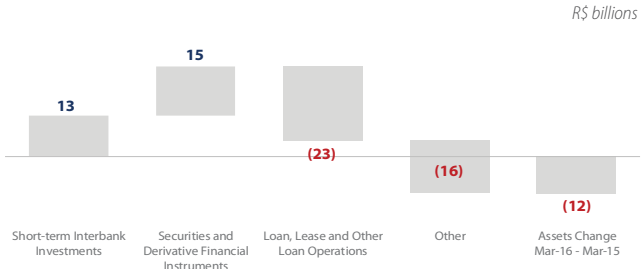
Balance Sheet | Assets

In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Current and Long-term Assets	**1,263,779**	**1,340,483**	**-5.7%**	**1,274,667**	**-0.9%**
Cash and Cash Equivalents	18,384	18,544	-0.9%	18,687	-1.6%
Short-term Interbank Investments	237,642	280,944	-15.4%	225,076	5.6%
Securities and Derivative Financial Instruments	338,997	338,391	0.2%	324,060	4.6%
Interbank and Interbranch Accounts	70,858	67,373	5.2%	67,001	5.8%
Loan, Lease and Other Loan Operations	445,467	473,829	-6.0%	468,105	-4.8%
(Allowance for Loan Losses)	(36,036)	(34,078)	5.7%	(28,354)	27.1%
Other Assets	188,467	195,480	-3.6%	200,092	-5.8%
Foreign Exchange Portfolio	63,795	68,909	-7.4%	83,050	-23.2%
Other	124,672	126,571	-1.5%	117,042	6.5%
Permanent Assets	**19,292**	**18,689**	**3.2%**	**19,947**	**-3.3%**
Investments	4,342	3,939	10.2%	3,539	22.7%
Real Estate in Use	6,756	7,055	-4.2%	7,521	-10.2%
Intangible Assets and Goodwill	8,194	7,695	6.5%	8,887	-7.8%
Total Assets	**1,283,071**	**1,359,172**	**-5.6%**	**1,294,613**	**-0.9%**

At the end of the first quarter of 2016, our assets totaled R$1.28 trillion, a decrease of 5.6% (R$76.1 billion) from the previous quarter. The main changes are presented below:



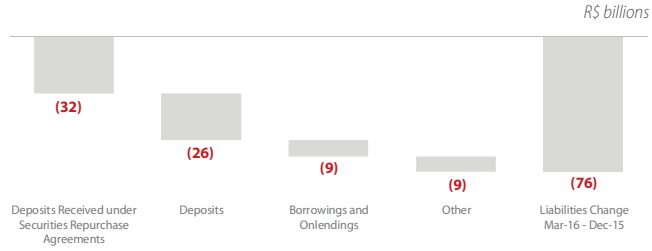
Compared to the previous year, the decrease of 0.9% (R$11.5 billion) was mainly driven by a reduction in our loan operations.



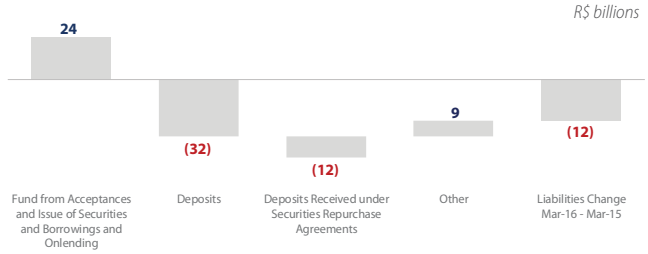
Balance Sheet | Liabilities and Equity

In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Current and Long-Term Liabilities	**1,172,779**	**1,248,995**	**-6.1%**	**1,194,447**	**-1.8%**
Deposits	266,318	292,610	-9.0%	298,652	-10.8%
Demand Deposits	58,557	61,092	-4.1%	56,660	3.3%
Savings Deposits	107,292	111,319	-3.6%	117,357	-8.6%
Interbank Deposits	8,552	14,949	-42.8%	28,135	-69.6%
Time Deposits	91,916	105,250	-12.7%	96,500	-4.8%
Deposits Received under Securities Repurchase Agreements	318,964	350,954	-9.1%	330,858	-3.6%
Fund from Acceptances and Issue of Securities	74,352	75,590	-1.6%	50,753	46.5%
Interbank and Interbranch Accounts	9,823	6,926	41.8%	9,365	4.9%
Borrowings and Onlendings	95,352	104,589	-8.8%	96,265	-0.9%
Derivative Financial Instruments	28,917	31,116	-7.1%	30,997	-6.7%
Technical Provisions for Insurance, Pension Plans and Premium Bonds	137,677	132,053	4.3%	116,737	17.9%
Other Liabilities	241,377	255,155	-5.4%	260,819	-7.5%
Subordinated Debt	57,919	65,785	-12.0%	59,527	-2.7%
Foreign Exchange Portfolio	64,240	68,466	-6.2%	84,030	-23.6%
Other	119,218	120,905	-1.4%	117,262	1.7%
Deferred Income	**1,847**	**1,960**	**-5.8%**	**1,513**	**22.1%**
Minority Interest in Subsidiaries	**1,799**	**1,755**	**2.5%**	**1,700**	**5.8%**
Stockholders' Equity	**106,647**	**106,462**	**0.2%**	**96,954**	**10.0%**
Total Liabilities and Equity	**1,283,071**	**1,359,172**	**-5.6%**	**1,294,613**	**-0.9%**

The main changes in liabilities at the end of the first quarter of 2016, compared to the previous quarter, are presented in the chart below:



Compared to the previous year, the main changes are highlighted as follows:



Credit Portfolio with Endorsements, Sureties and Private Securities

At the end of the first quarter of 2016, our total credit portfolio (including sureties, endorsements and private securities) reached R$554,252 million, reducing 5.3% from the previous quarter and 4.2% from the same period of the previous year. Excluding the effect of the foreign exchange variation, our loan portfolio would have decreased 3.5% in the quarter and 5.5% in the 12-month period.

In the individuals segment, the highlight was the growth of the low -risk loan portfolios: payroll loans, with a 2.9% increase in the quarter and 4.8% in 12 months (mainly driven by INSS beneficiaries), and mortgage loans, with increases of 2.1% and 17.1%, respectively, whereas the vehicles portfolio decreased 9.4% in the quarter and 31.2% in 12 months, due to a lower volume of credit origination.

The companies segment, excluding private securities, decreased 8.1% in the quarter and 9.9% in the 12-month period. The corporate portfolio decreased 9.2% from the previous quarter and 9.8% in the 12-month period, whereas the very small, small and middle-market companies portfolio decreased 4.9% in the quarter and 9.9% in 12 months. Excluding the effect of the foreign exchange variation, the corporate portfolio would have decreased 6.8% from the previous quarter and 12.5% in the 12-month period.

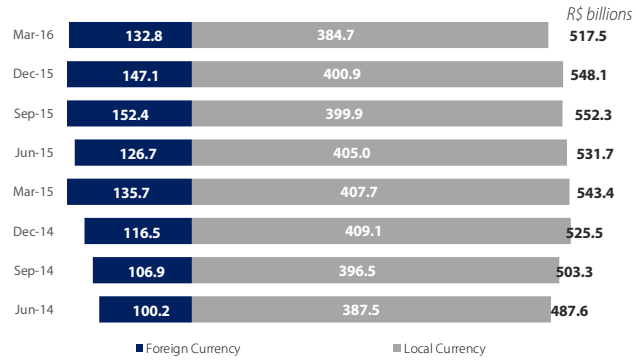
Our operations in Latin America decreased 5.2% in the quarter, but increased 9.8% in the 12-month period. Excluding the effect of the foreign exchange variation, the growth of this portfolio would have been 1.4% compared to the previous quarter and the same 9.8% when compared to the previous year.

The balance of endorsements and sureties reached R$72,017 million at the end of the first quarter of 2016, with decreases of 3.0% from the previous quarter and of 4.3% in the past 12 months, mainly driven by changes in the corporate portfolio, which decreased 3.1% from the previous quarter and 4.8% in the 12-month period.

In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Individuals	**184,226**	**187,556**	**-1.8%**	**187,286**	**-1.6%**
Credit Card Loans	54,867	58,542	-6.3%	56,331	-2.6%
Personal Loans	29,159	28,961	0.7%	29,822	-2.2%
Payroll Loans [1]	46,742	45,437	2.9%	44,608	4.8%
Vehicle Loans	18,105	19,984	-9.4%	26,331	-31.2%
Mortgage Loans	35,353	34,631	2.1%	30,194	17.1%
Companies	**264,896**	**288,393**	**-8.1%**	**293,862**	**-9.9%**
Corporate Loans [2]	199,273	219,418	-9.2%	221,026	-9.8%
Very Small, Small and Middle Market Loans [2][3]	65,622	68,974	-4.9%	72,836	-9.9%
Latin America [4]	**68,362**	**72,125**	**-5.2%**	**62,246**	**9.8%**
Total with Endorsements and Sureties	**517,484**	**548,073**	**-5.6%**	**543,394**	**-4.8%**
Corporate - Private Securities [5]	36,768	37,431	-1.8%	35,202	4.4%
Total with Endorsements, Sureties and Private Securities	**554,252**	**585,504**	**-5.3%**	**578,596**	**-4.2%**
Total with Endorsements, Sureties and Private Securities [6] (ex-foreign exchange rate variation)	**554,252**	**574,163**	**-3.5%**	**586,654**	**-5.5%**
Endorsements and Sureties	**72,017**	**74,244**	**-3.0%**	**75,289**	**-4.3%**
Individuals	514	550	-6.6%	478	7.5%
Corporate	65,095	67,152	-3.1%	68,407	-4.8%
Very Small, Small and Middle Market	3,210	2,891	11.1%	3,249	-1.2%
Latin America [4]	3,198	3,650	-12.4%	3,156	1.3%

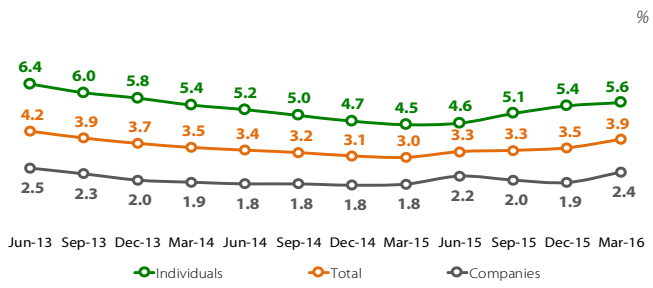
(1) Includes operations originated by the institution and acquired operations. (2) In the 1Q16, the Very Small, Small and Middle-Market companies segment started to include clients with sales up to R$200 million (previously up to R$300 million). For this reason, certain clients (those with sales above R$200 million) were reclassified to the Corporate segment and, for comparison purposes, previous periods were also reclassified. (3) Includes Rural Loans to Individuals. (4) Includes Argentina, Chile, Colombia, Paraguay and Uruguay. (5) Includes Debentures, CRI and Commercial Papers. (6) Calculated based on the conversion of the foreign currency portfolio (U.S. dollar and currencies of Latin America). Note: Mortgage and Rural Loan portfolios from the companies segment are allocated according to the client's size. For further details, please refer to page 18.

Credit Portfolio – Currency Breakdown



On March 31, 2016, R$132.8 billion of our total credit assets were denominated in or indexed to foreign currencies. This portion decreased 9.7% in the quarter, mainly due to the appreciation of the Brazilian real against the U.S. dollar and the currencies of the Latin American countries.

NPL Ratio (90 days overdue)



At the end of the first quarter of 2016, the NPL ratio for operations overdue for more than 90 days (NPL 90) increased 40 basis points from the previous quarter and 90 basis points from the same period of 2015. Excluding the effect of the foreign exchange variation, the NPL 90 days increase would have been 30 basis points in the quarter.

2016 Forecast (*)

Below, we reiterate our 2016 forecast:

	Consolidated	Brazil [3]
Total Credit Portfolio [1]	**from -0.5% to 4.5%**	**from -1.0% to 3.0%**
Financial Margin with Clients	**Growth of 2.0% to 5.0%**	**Growth of 1.0% to 4.0%**
Provision for Loan Losses Net of Recovery of Loans	**Between R$22 billion and R$25 billion**	**Between R$21 billion and R$24 billion**
Commissions and Fees and Result from Insurance Operations [2]	**Growth of 6.0% to 9.0%**	**Growth of 4.5% to 7.5%**
Non-Interest Expenses	**Growth of 5.0% to 7.5%**	**Growth of 4.0% to 6.5%**

(1) Includes endorsements, sureties and private securities;

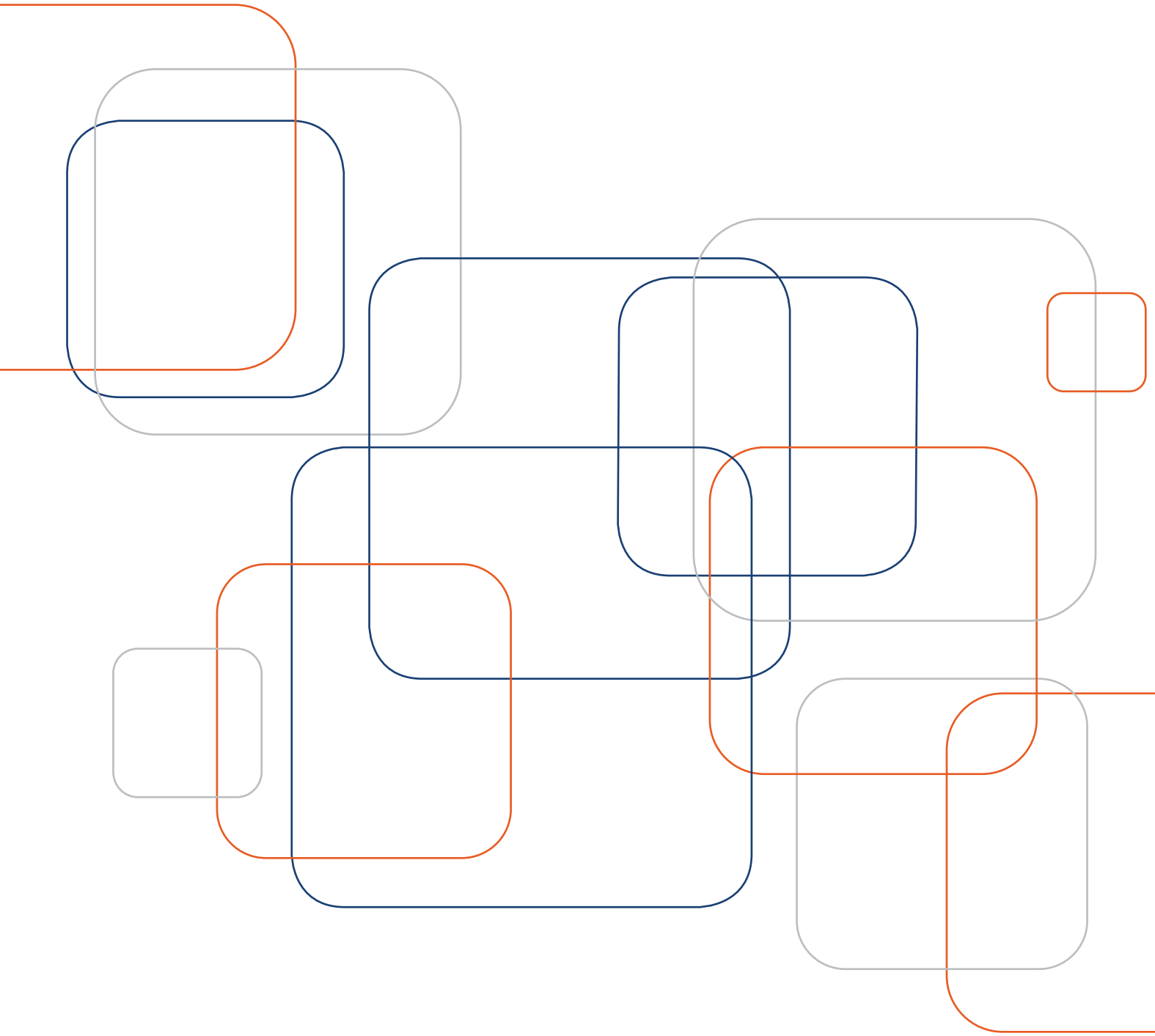
(2) Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Expenses for Claims (-) Insurance, Pension Plan and Premium Bonds Selling Expenses;

(3) Includes units abroad ex-Latin America.

(*) Does not include the effect of CorpBanca´s transaction.

Although the growth plans and projections of results presented above are based on management assumptions and information available in the market to date, these expectations involve inaccuracies and risks that are difficult to anticipate and there may be, therefore, results or consequences that differ from those anticipated. This information is not a guarantee of future performance. The use of these expectations should take into consideration the risks and uncertainties that involve any activities and that are beyond our control. These risks and uncertainties include, but are not limited to, our ability to perceive the dimension of the synergies projected and their timing, political and economic changes, volatility in interest and foreign exchange rates, technological changes, inflation, financial disintermediation, competitive pressures on products, prices and changes in tax legislation, among others.

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1st quarter of 2016

Management Discussion & Analysis

Income Statement Analysis

Itaú Unibanco Holding S.A.

Managerial Financial Margin

In the first quarter of 2016, the managerial financial margin totaled R$16,557 million, a 1.2% decrease compared to the previous quarter.

Compared to the same period of the previous year, the managerial financial margin increased 3.7%.

The main drivers of these variations are presented below:

In R$ millions	1Q16	4Q15	change		1Q15	change	
Financial Margin with Clients	**14,820**	**15,495**	**(675)**	**-4.4%**	**14,092**	**728**	**5.2%**
Spread-Sensitive Operations	13,198	13,629	(431)	-3.2%	12,658	539	4.3%
Working Capital and Other	1,622	1,866	(244)	-13.1%	1,434	189	13.2%
Financial Margin with the Market	**1,737**	**1,269**	**468**	**36.9%**	**1,871**	**(134)**	**-7.1%**
Total	**16,557**	**16,764**	**(207)**	**-1.2%**	**15,963**	**594**	**3.7%**

Managerial Financial Margin with Clients

The managerial financial margin with clients consists of revenues generated by the use of financial products by clients, including both account and non-account holders.

For clarity purposes, we classify these operations into two different groups: i) financial margin of spread-sensitive operations and ii) working capital and other.

In the first quarter of 2016, the managerial financial margin with clients totaled R$14,820 million, a 4.4% decrease from the previous quarter. Compared to the same period of the previous year, the financial margin with clients increased 5.2% driven by higher margins with spread-sensitive operations and working capital and other.

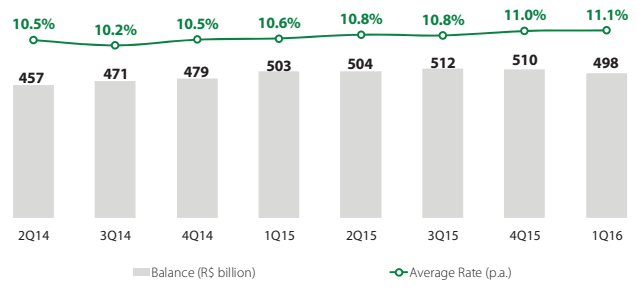
Spread-Sensitive Operations

In the first quarter of 2016, the financial margin of *spread*-sensitive operations, which includes the results from credit assets, non-credit assets and liabilities, totaled R$13,198 million, a decrease of 3.2% or R$431 million from the previous period, mainly driven by lower volumes and lower number of calendar days in this quarter compared to the previous one.

Compared to the first quarter of 2015, the financial margin of spread variation-sensitive operations increased R$539 million, an increase of 4.3% from the previous year.

Annualized Rate of Spread-Sensitive Operations

In R$ millions	1Q16	4Q15	change	
Average Balance	497,892	510,263	(12,371)	-2.4%
Financial Margin	13,198	13,629	(431)	-3.2%
Average Rate (p.a.)	11.1%	11.0%		10bps

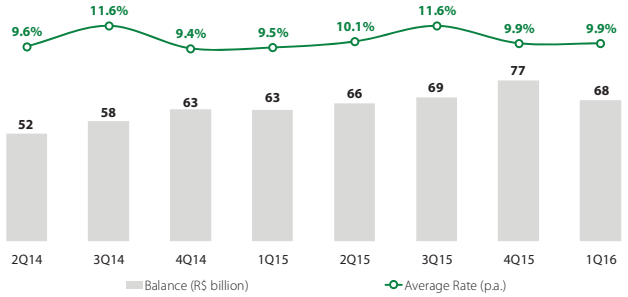


Working Capital and Other

In the first quarter of 2016, our financial margin of working capital and other totaled R$1,622 million, with a 13.1% decrease from the last quarter of 2015, as a result of a 12.0% reduction in the average balance. This reduction was mainly due to the higher allocation of capital to treasury, related to the application of BIS III rules to our managerial capital allocation model.

Annualized Rate of Working Capital and Other

In R$ millions	1Q16	4Q15	change	
Average Balance	68,096	77,412	(9,316)	-12.0%
Financial Margin	1,622	1,866	(244)	-13.1%
Average Rate (p.a.)	9.9%	9.9%		0 bps
CDI - Annualized Quarterly Rate	14.1%	14.1%		0 bps

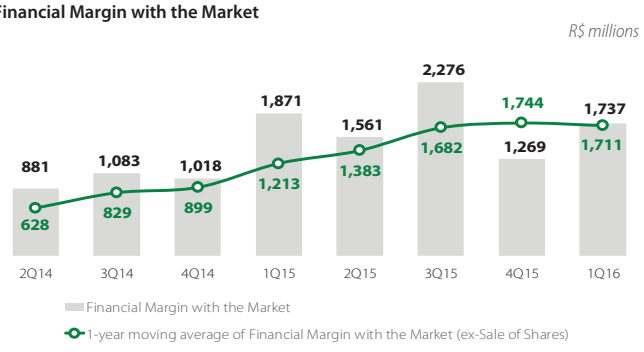


Managerial Financial Margin with the Market

The financial margin with the market consists of treasury transactions that include *Asset and Liability Management* (ALM) and proprietary trading operations.

In the quarter, the financial margin with the market totaled R$1,737 million, mainly driven by the management of proprietary and structural positions in Brazil and abroad.

Financial Margin with the Market



Managerial Financial Margin with Clients

In the first quarter of 2016, as a result of the previously mentioned changes, the annualized rate of managerial financial margin with clients, which excludes the financial margin with the market, reached 10.9%, remaining stable compared to the fourth quarter of 2015.

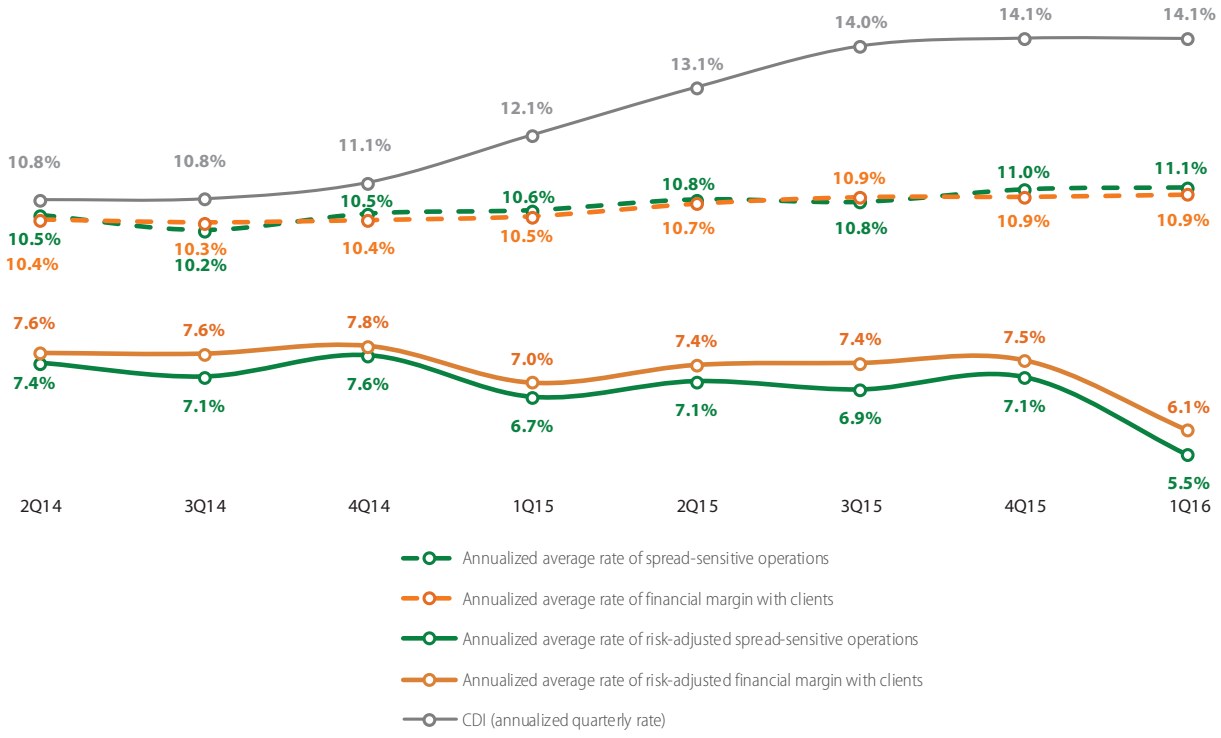
In this quarter, the annualized average rate of the risk-adjusted financial margin with clients reached 6.1%, a reduction of 140 basis points from the fourth quarter of 2015, mainly driven by higher provision for loan losses.

In this quarter, the annualized average rate of the financial margin with spread-sensitive operations reached 11.1%, an increase of 10 basis points from the previous quarter.

In the first quarter of 2016, the annualized average rate of the financial margin with spread-sensitive operations reached 5.5%, a reduction of 160 basis points from the previous quarter, mainly driven by higher provisions for loan losses.

	1Q16			4Q15		
In R$ millions, end of period	Average Balance	Financial Margin	Average Rate (p.a.)	Average Balance	Financial Margin	Average Rate (p.a.)
Spread-Sensitive Operations	**497,892**	**13,198**	**11.1%**	**510,263**	**13,629**	**11.0%**
Working Capital and Other	**68,096**	**1,622**	**9.9%**	**77,412**	**1,866**	**9.9%**
Financial Margin with Clients	**565,988**	**14,820**	**10.9%**	**587,675**	**15,495**	**10.9%**
Provision for Loan Losses		(7,231)			(6,116)	
Recovery of Loans Written Off as Losses		829			1,482	
Financial Margin of Spread-Sensitive Operations after Provisions for Credit Risk	**497,892**	**6,796**	**5.5%**	**510,263**	**8,994**	**7.1%**
Financial Margin with Clients after Provisions for Credit Risk	**565,988**	**8,418**	**6.1%**	**587,675**	**10,861**	**7.5%**

Financial Margin with Clients and Spread-Sensitive Operations before and after Provisions for Credit Risk



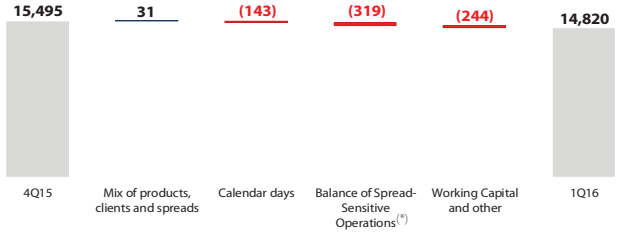
Composition of the Change in the Financial Margin with Clients

For a better understanding of the changes in our financial margin with clients, we segregated effects from changes in the volume of spread-sensitive operations, the mix of products, clients and spread, and working capital and other effects.

In the first quarter of 2016, the 4.4% decrease in our financial margin with clients was mainly driven by lower volumes of spread-sensitive operations, and by the decrease in the financial margin with working capital and other.

Financial Margin with Clients Change

R$ millions



(*) Balances do not include the effects of foreign exchange rate variations.

Credit Portfolio

Credit Portfolio by Product

In the table below, the loan portfolio is split into two groups: individuals and companies. For a better understanding of the performance of these portfolios, the main product groups of each segment are presented below.

In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Individuals	**204,965**	**209,319**	**-2.1%**	**205,850**	**-0.4%**
Credit Card	54,867	58,542	-6.3%	56,331	-2.6%
Personal Loans	28,645	28,411	0.8%	29,344	-2.4%
Payroll Loans (1)	46,742	45,437	2.9%	44,608	4.8%
Vehicles	18,105	19,984	-9.4%	26,331	-31.2%
Mortgage Loans	35,353	34,631	2.1%	30,194	17.1%
Rural Loans	250	258	-3.2%	275	-9.1%
Latin America (2)	21,003	22,055	-4.8%	18,768	11.9%
Companies	**240,501**	**264,511**	**-9.1%**	**262,255**	**-8.3%**
Working Capital (3)	96,087	107,850	-10.9%	110,880	-13.3%
BNDES/Onlending	43,293	48,559	-10.8%	53,490	-19.1%
Export / Import Financing	33,241	37,071	-10.3%	33,835	-1.8%
Vehicles	3,945	4,253	-7.3%	5,595	-29.5%
Mortgage Loans	10,980	10,966	0.1%	10,337	6.2%
Rural Loans	8,796	9,393	-6.4%	7,795	12.8%
Latin America (2)	44,161	46,419	-4.9%	40,322	9.5%
Total without Endorsements and Sureties	**445,467**	**473,829**	**-6.0%**	**468,105**	**-4.8%**
Endorsements and Sureties	72,017	74,244	-3.0%	75,289	-4.3%
Total with Endorsements and Sureties	**517,484**	**548,073**	**-5.6%**	**543,394**	**-4.8%**
Corporate Private Securities (4)	36,768	37,431	-1.8%	35,202	4.4%
Total Risk	**554,252**	**585,504**	**-5.3%**	**578,596**	**-4.2%**

(1) Includes operations originated by the institution and acquired operations. (2) Includes Argentina, Chile, Colombia, Paraguay and Uruguay. (3) Also includes Overdraft, Receivables, Hot Money, Leasing, and other; (4) Includes Debentures, CRI and Commercial Paper.

At the end of the first quarter of 2016, our total credit portfolio (including sureties, endorsements and private securities) reached R$554,252 million, decreasing 5.3% from the previous quarter and 4.2% compared to the first quarter of 2015. Excluding the effect of the foreign exchange variation and corporate private securities, the loan portfolio, without endorsements and sureties, would have decreased 3.8% compared to the previous quarter and 6.3% in the 12-month period.

Individuals loan portfolio reached R$204,965 million at the end of the first quarter of 2016, with a 2.1% decrease from the previous quarter. In the quarter, the highlight was the growth in low-risk loan portfolios: 2.9% in payroll loans (mainly loans to INSS beneficiaries) and 2.1% in mortgage loans. On the other hand, vehicle portfolio decreased 9.4% due to a lower demand, and the credit card portfolio, with more conservative credit standards, decreased 6.3%. The Latin America portfolio decreased 4.8%, and reached R$21,003 million.

The companies loan portfolio decreased 9.1% in the first quarter of 2016, totaling R$240,501 million. The change in this portfolio is mainly driven by the decreases of 10.9% in working capital, of 10.8% in BNDES/Onlending, and of 10.3% in export-import financing. These decreases were due to a lower demand from companies, as a result of a more challenging economic scenario and by the appreciation of the Brazilian real against the U.S. dollar. The companies portfolio – Latin America decreased 4.9%, and reached R$44,161 million.

Credit Portfolio by Business Sector (including endorsements and sureties)

The changes in the companies loans portfolio, including the Latin America portfolio, are listed below:

In R$ millions, end of period	1Q16	4Q15	change	
Public Sector	**4,507**	**4,648**	**(141)**	**-3.0%**
Private Sector | Companies	**303,475**	**329,428**	**(25,953)**	**-7.9%**
Real Estate	21,202	21,124	78	0.4%
Vehicles and auto parts	19,505	21,867	(2,361)	-10.8%
Food and beverage	19,029	20,484	(1,454)	-7.1%
Agribusiness and fertilizers	15,652	16,403	(751)	-4.6%
Transportation	15,267	16,695	(1,428)	-8.6%
Energy and water treatment	12,777	13,750	(973)	-7.1%
Steel and metallurgy	11,887	13,234	(1,347)	-10.2%
Sugar and Alcohol	10,553	11,028	(475)	-4.3%
Telecommunications	9,680	9,614	65	0.7%
Banks and other financial institutions	9,350	10,255	(905)	-8.8%
Petrochemical and chemical	9,010	9,977	(968)	-9.7%
Capital Assets	7,946	9,366	(1,420)	-15.2%
Mining	7,521	8,214	(693)	-8.4%
Construction Material	7,125	7,457	(332)	-4.5%
Infrastructure work	6,301	6,745	(444)	-6.6%
Pharmaceutical and cosmetics	6,272	6,791	(519)	-7.6%
Oil and gas	5,965	6,497	(533)	-8.2%
Electronic and IT	5,952	6,267	(315)	-5.0%
Clothing and footwear	4,643	5,312	(668)	-12.6%
Services - Other	29,096	31,397	(2,301)	-7.3%
Commerce - Other	16,603	19,208	(2,605)	-13.6%
Industry - Other	8,556	9,547	(991)	-10.4%
Other	43,582	48,195	(4,613)	-9.6%
Total	**307,983**	**334,076**	**(26,094)**	**-7.8%**

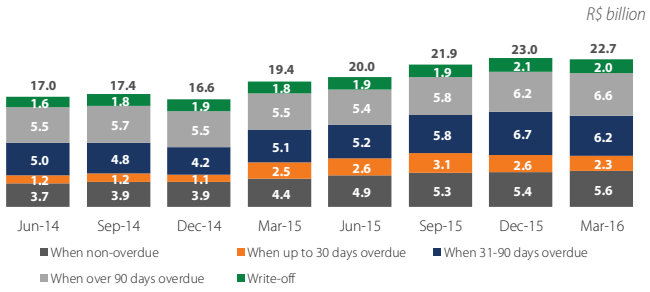
Credit Concentration

Our loan, lease and other credit operations, including endorsements and sureties, are spread over our loan portfolio in a way that only 22.1% of the credit risk was concentrated on the 100 largest debtors at the end of the first quarter of 2016. The credit concentration of the 100 largest debtors (group consolidated) is as follows:

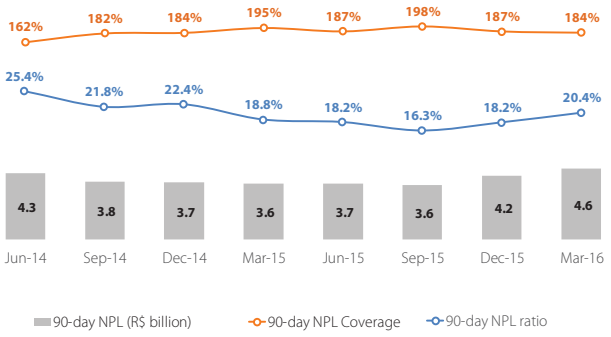
In R$ millions, end of period	Risk	% of total credits	% of total Assets
Largest Debtor	4,155	0.8	0.3
10 Largest Debtors	33,084	6.4	2.4
20 Largest Debtors	50,638	9.8	3.7
50 Largest Debtors	85,397	16.5	6.3
100 Largest Debtors	114,344	22.1	8.4

Renegotiated Loan Operations

According to the rules of CMN Resolution No. 2,682/99, balances of all contracts that have had changes to their original contractual terms should be reported as renegotiated loans. We segregate renegotiated loans, taking into account all types of renegotiation, either non overdue, overdue, or coming from the recovery of loans written off as losses, by overdue period measured at the moment of renegotiation, as shown below:



The NPL 90 days of total renegotiated loans operations reached 20.4% at the end of the first quarter of 2016, and the coverage ratio of these loans overdue for more than 90 days reached 184%. The evolution of these ratios is as follows:



On march 31, 2016, total renegotiated credit reached R$22,708 million, remaining relatively stable compared to the previous quarter.

In R$ millions, end of period	Portfolio	LLP	%
Total Renegotiated Loans Operations	22,708	(8,527)	37.5%
Loan Operations Renegotiated when up to 90 days overdue*	14,098	(3,529)	25.0%
Loan Operations Renegotiated when over 90 days overdue *	8,610	(4,997)	58.0%

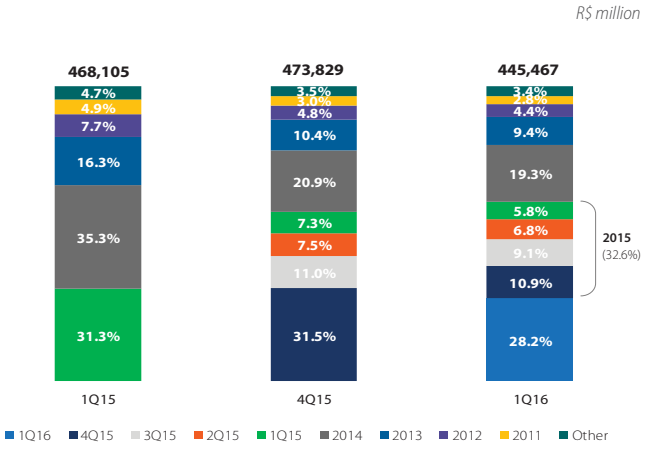
* Measured at the moment of renegotiation.

Further information on Note 8-d to our financial statements.

Loan operations renegotiated when over 90 days overdue reached R$8,610 million, an increase of R$328 million in the quarter. The ratio of allowance for loan losses to the total portfolio for these operations reached 58.0%.

Loan Portfolio by Origination Period

The chart below shows the evolution of our loan portfolio, excluding endorsements and sureties, by origination period (vintages).



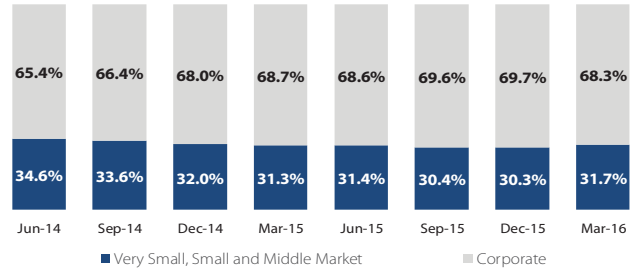
The reduction of 330 basis points in the origination volume in the quarter is driven by a lower credit demand from clients, as a result of a more challenging economic scenario and a seasonally larger volume of credit card products in the last quarter of the year.

Loan Portfolio Mix Evolution in Brazil (excluding endorsements and sureties)

Our loan portfolio mix presented below highlights its major components and their share in past quarters.

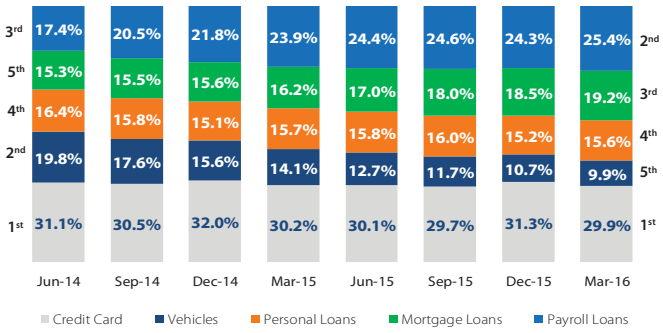
Loan Portfolio Mix - Companies

In the first quarter of 2016, the proportion of credits to very small, small and middle-market companies increased compared to credits to large companies in our loan portfolio mix. This increase was mainly driven by the impact of the appreciation of the Real against the U.S. dollar on the corporate loan portfolio.



Loan Portfolio Mix – Individuals

The evolution of our loan portfolio mix for individuals in past periods shows the growth of the payroll loan and mortgage loan portfolios, which currently represent the second and third largest balances in our individuals portfolio. The decrease in the share of vehicle financing is a result of the nominal balance reduction of this portfolio.



We present below additional information about Payroll Loans, Mortgage Loans and Vehicle Financing.

Payroll Loans

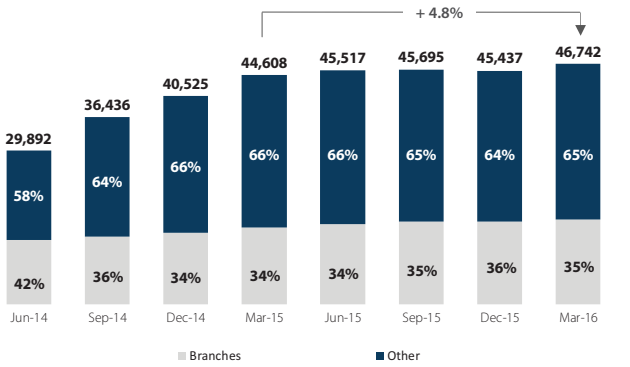
We operate in the payroll loans market through two different distribution channels: directly through our own distribution network (branches, CSBs and electronic channels) and through Banco Itaú BMG Consignado S.A., a financial institution controlled by us aimed at offering, distributing and marketing payroll loans. This operation started in December 2012 and enables us to expand our business in this segment, based on our values and transparency principles, following our good management practices and policies.

Evolution of the Payroll Loan Portfolio and NPL

At the end of March 2016, total payroll loans reached R$46,742 million, a 4.8% increase in twelve months. The highlight is the 16,0% increase in the portfolio of loans to retirees and pensioners of the INSS compared to the end of March 2015.

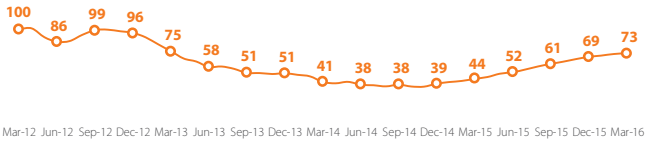
Payroll loans originated by the branch network totaled R$16,554 million on March 31, 2016, a 10.7% increase in twelve months, whereas payroll loans originated by other channels reached R$30,187 million, a 1.8% increase from the same period of the previous year.

Evolution of Payroll Loan Portfolio *R$ millions*



Our strategy of higher growth in the INSS Beneficiaries segment, combined with the credit policies adopted, allowed the portfolio growth to be followed by a low delinquency levels over the last two years. A slower pace of the portfolio growth drove the recent increase in 90-day NPL ratio.

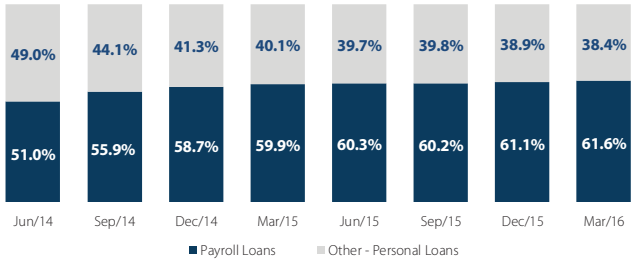
90-day NPL ratio (Mar -12 = 100) | Total Payroll Loan Portfolio



Note: Comparable to the National Financial System information disclosed by the Brazilian Central Bank.

Evolution of the Share of Payroll Loans in Personal Loans

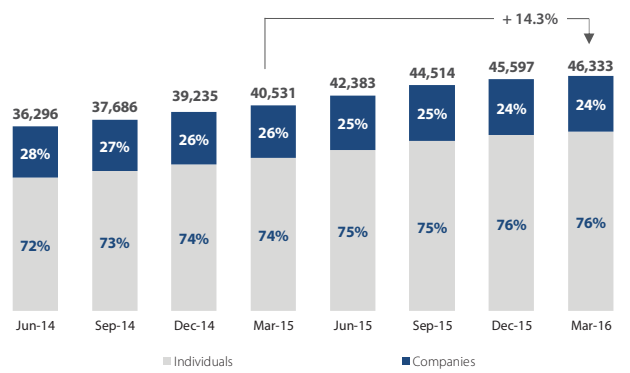
The increase in the payroll loans balance allowed for a higher share of the personal loans, which reached 61.6% in this period from 59.9% in March 2015, a 170 basis point increase in twelve months.



Mortgage Loans

Our mortgage portfolio reached R$46,333 million at the end of March 2016. Our portfolio increased 1.6% in the quarter and 14.3% in the past twelve months. The individuals portfolio, totaling R$35,353 million at the end of this quarter, increased 2.1% from the previous quarter and 17.1% in twelve months. At the end of March 2016, the companies portfolio totaled R$10,980 million, up 0.1% and 6.2%, respectively, from the previous quarter and the past twelve months.

Evolution of the Mortgage Portfolio *R$ millions*



In the first quarter of 2016, the volume of new mortgage loan financing contracts for individuals was R$1,892 million, whereas financing to companies amounted to R$154 million, totaling R$2,046 million.

Origination Volume

In R$ millions	1Q16	4Q15	change	1Q15	change
Individuals	1,892	2,384	-20.6%	2,527	-25.1%
Companies	154	702	-78.0%	614	-74.9%
Total	**2,046**	**3,086**	**-33.7%**	**3,142**	**-34.9%**

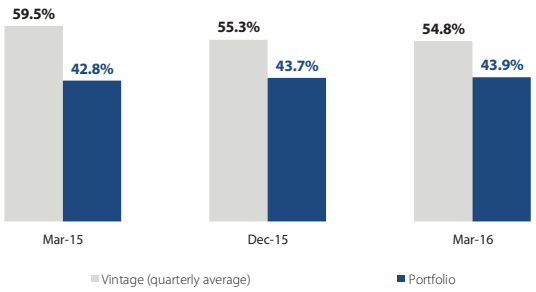
Source: ABECIP.

At the end of the first quarter of 2016, our individual mortgage loan portfolio collaterals, under the legal framework of fiduciary lien (*alienação fiduciária*), accounted for 99.6% of the portfolio. Since 2007, we have been using this framework for 100% of our contracts.

Our new financing contracts use the Equal Amortization System, through which decreasing installments lead to faster balance amortization, reducing the loan-to-value ratio (ratio of the amount of the financing to the value of the real estate property) at a faster pace than other amortization systems.

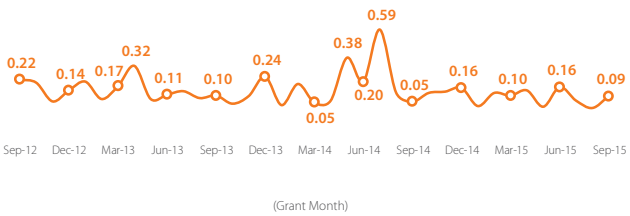
The portfolio loan-to-value (LTV) reached 43.9% at the end of March 2016. The average quarterly LTV of originated vintages reached 54.8%, down 50 basis points from the LTV of vintages originated in the fourth quarter of 2015 and down 470 basis points from the first quarter of 2015.

Loan–to-value | Vintage and Portfolio



In the current period, the 90-day NPL of the vintage originated in September 2015 reached 0.09%, remaining at levels that demonstrate the high quality of the portfolio.

NPL over 90 (%) | Six months after origination



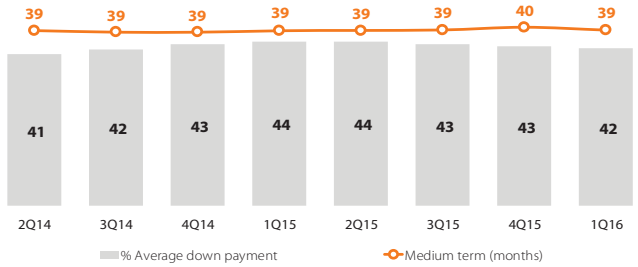
Note: Loan portfolio to individuals.

Vehicle Financing

Our portfolio of vehicle financing to individuals amounted to R$18,105 million and to companies, R$3,945 million, totaling R$22,050 million on March 31, 2016.

This quarter, the average amount of vehicle financing to individuals originated by the branch network, dealerships and car retailers was R$24.7 thousand, with an average term of 39 months and average down payment of 42%. Both the average down payment and the financing term remained relatively stable in the past quarters, continuing at conservative levels.

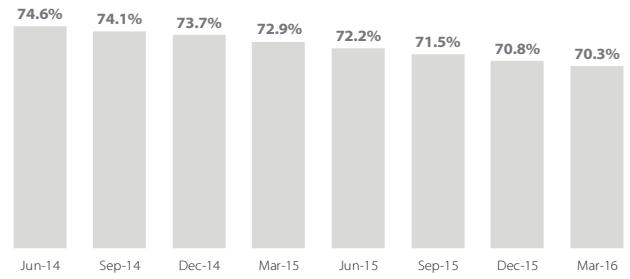
Average Term and Down Payment - Individuals



New loans granted to individuals through our branches, dealerships and car retailers totaled R$1,807 million, whereas new loans granted to companies totaled R$353 million in the first quarter of 2016.

The loan-to-value of our vehicle portfolio reached 70.3% at the end of March 2016, continuing the declining trend of the past few quarters.

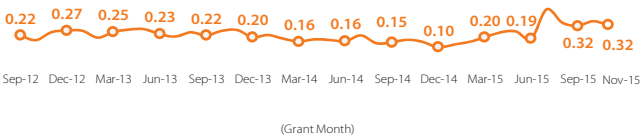
Loan–to-value | Portfolio (*)



(*) Loans originated by dealerships and car retailers to individuals and companies.

The 90-day NPL of vintages originated in November 2015 reached 0.32% in March 2016.

NPL over 90 (%) | Four months after origination



In this quarter, we received a monthly average of 14.8 million visits through iCarros, a classified ads website that facilitates the purchase and sale of new and used vehicles, a 6.4% increase compared to the month average of the previous quarter.

Result from Loan Losses

In R$ millions	1Q16	4Q15	change		1Q15	change	
Provision for Loan Losses	(7,231)	(6,116)	(1,115)	18.2%	(5,515)	(1,716)	31.1%
Recovery of Loans Written Off as Losses	829	1,482	(652)	-44.0%	1,060	(231)	-21.8%
Result from Loan Losses	**(6,402)**	**(4,634)**	**(1,768)**	**38.1%**	**(4,455)**	**(1,947)**	**43.7%**

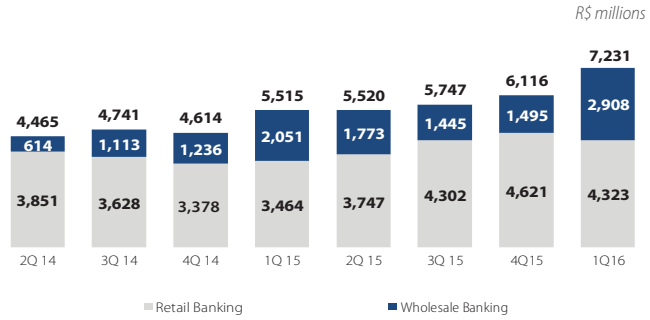
In the first quarter of 2016, the result from loan losses (provision, net of recovery of loans written off as losses) totaled R$6,402 million, a 38.1% increase compared to the previous quarter, mainly due to the increase in provision for loan losses.

Provision for loan losses was up 18.2% compared to the previous quarter, partially driven by the increase in the generic allowance for specific economic groups, as a result of the challenging economic scenario.

Recovery of loans written off as losses decreased 44.0% from the fourth quarter of 2015. This decrease was mainly due to the recovery of loans written off as losses of a specific group of the corporate segment in the amount of R$488 million recognized in the fourth quarter of 2015. Excluding the effect of this operation in the previous quarter, income from recovery of loans written off as losses would have decreased 16.5% compared to the fourth quarter of 2015, due to typical seasonal effects early in the year.

Compared to the first quarter of 2015, result from loan losses recorded a 43.7% increase, mainly driven by a higher provision for loan losses, as a result of the challenging economic scenario. Additionally, income from recovery of loans written off as losses decreased 21.8% from the same period of the previous year.

Provision for Loan Losses by Segment



Note: Retail Banking includes loan loss provisions expenses of Corporation segment.

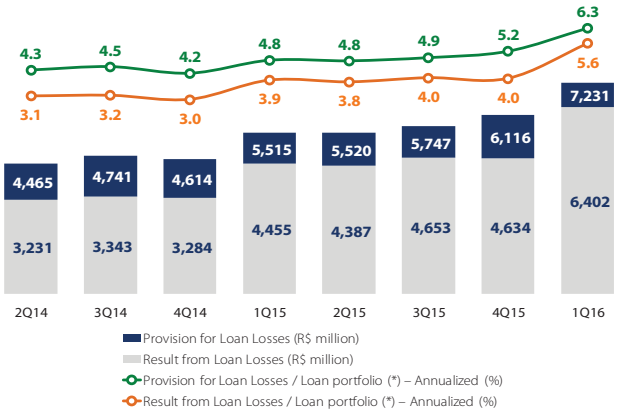
In the first quarter of 2016, provision for loan losses totaled R$4,323 million in the Retail segment, a 6.4% decrease from the previous quarter, and totaled R$2,908 million in the Wholesale segment, a 94.5% increase from the previous quarter. The increase in the Wholesale segment is mainly due to higher provisions for specific economic groups due to the challenging economic scenario.

Provision for Loan Losses and Loan Portfolio

In the first quarter of 2016, the ratio of the provision for loan losses to the loan portfolio reached 6.3%, an increase of 110 basis points from the previous quarter.

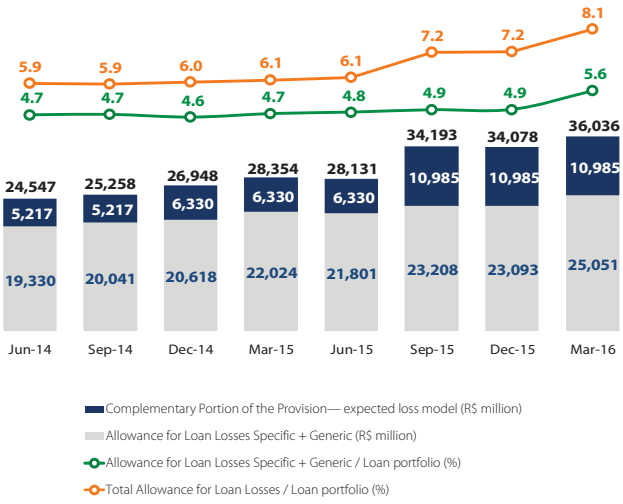
The ratio of the result from loan losses to loan portfolio reached 5.6% in this quarter, an increase of 160 basis points compared to the previous quarter.

Result from Loan Losses and Loan Portfolio



(*) Average balance of the Loan Portfolio of the two previous quarters.

Allowance for Loan Losses and Loan Portfolio



At the end of March 2016, the loan portfolio decreased 6.0% when compared to December 2015, totaling R$445,467 million, whereas the allowance for loan losses increased 5.7% in the quarter. The observed growth in the allowance for loan losses was mainly a result of the increase of 13.0% in the generic allowance. With this increase, related to specific economic groups, the ratio between the total allowance for loan losses to the loan portfolio went from 7.2% at the end of December 2015 to 8.1% at the end of March 2016, an increase of 90 basis points in the period.

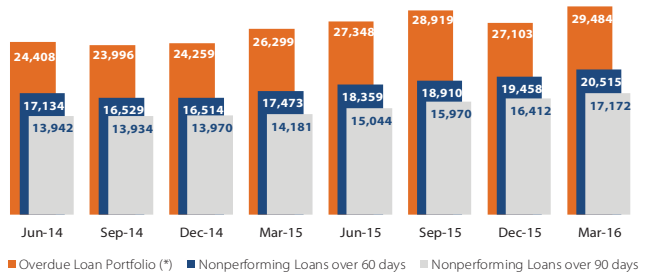
The complementary allowance remained at R$10,985 million at the end of the first quarter of 2016. This amount includes provisions recognized for endorsements and sureties, which totaled R$713 million.

The ratio of the allowance for loan losses without the complementary allowance to the loan portfolio reached 5.6% on March 31, 2016, an increase of 70 basis points from December 2015.

Delinquency Ratios

Nonperforming Loans

R$ millions

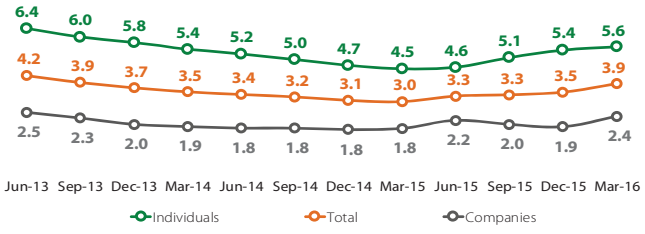


(*) Overdue loans are loan operations having at least one installment more than 14 days overdue, irrespective of collateral provided.

The overdue loan portfolio increased 8.8% from the fourth quarter of 2015 and 12.1% from March 2015. At the end of March 2016, the coverage ratio, which is the ratio of the allowance for loan losses to the total overdue loan portfolio, reached 122%, up 1,400 basis points compared to March 2015, mainly due to the increased complementary allowance for loan losses.

The portfolio of credits overdue for over 90 days increased 4.6% from the previous quarter, practically stable for individuals and up 14.0% for companies. Compared to March 2015, this portfolio increased 21.1%, up 21.7% for individuals and 19.9% for companies.

NPL Ratio (%) | over 90 days



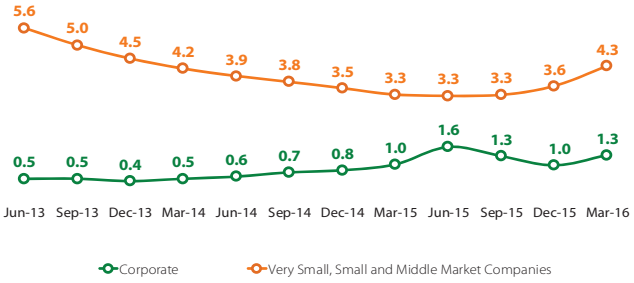
The NPL ratio of credits overdue for over 90 days increased 40 basis points (or 30 basis points excluding the effect of foreign exchange variation) compared to the previous quarter and reached 3.9% in the end of March 2016. Compared to the same period of 2015, it recorded an increase of 90 basis points.

For individuals, this ratio increased 20 basis points (foreign exchange rate variation had no significant impact in the quarter) from the previous quarter, mainly due to the reduction of the credit card portfolio. Compared to March 2015, this ratio grew 110 basis points, mainly due to increased delinquency rates for personal loans and credit card products.

For companies, this ratio increased 50 basis points (or 40 basis points excluding the effect of foreign exchange variation) from December 2015, mainly in the industry and commerce and services.

NPL Ratio (%) | over 90 days

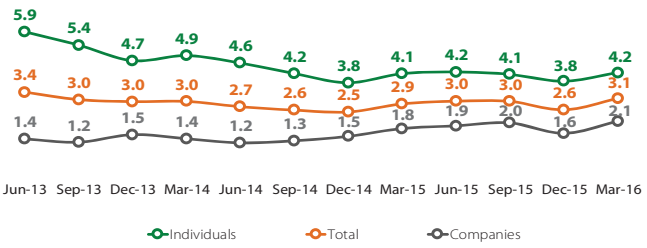
Corporate, Very Small, Small and Middle Market Companies



In this quarter, the 90-day NPL for large companies reached 1.3%, up 30 basis points (foreign exchange rate variation had no significant impact in the quarter) from the previous quarter.

The ratio for very small, small and middle-market companies increased 70 basis points (or 60 basis points excluding the effect of foreign exchange variation) from the previous quarter and reached 4.3% at the end of March 2016.

NPL Ratio (%) | 15 to 90 days



Short-term delinquency, measured based on the balance of operations overdue from 15 to 90 days (NPL 15-90), increased 50 basis points compared to December 2015.

In the quarter, the ratio for individuals increased 40 basis points and the highlight was the increase in personal loans and credit cards, due to the typical seasonal effects of the period.

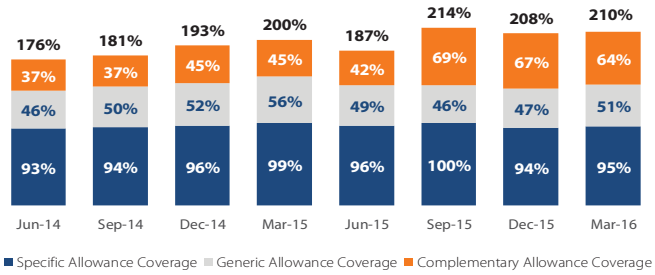
For companies, the ratio increased 50 basis points from the previous quarter, mainly due to the increases in the industry and commerce and services sectors.

NPL Ratio by Activity Sector

In R$ millions, end of March 2016	NPL 15-90 days		NPL Over 90 days	
	1Q16	4Q15	1Q16	4Q15
Public Sector	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private Sector	**3.1%**	**2.6%**	**3.9%**	**3.5%**
Companies	**2.1%**	**1.6%**	**2.4%**	**1.9%**
Industry and Commerce	1.9%	1.5%	2.7%	2.0%
Services	2.5%	1.7%	2.2%	1.7%
Primary Sector	1.7%	1.8%	1.6%	2.5%
Other	0.6%	0.6%	0.6%	0.6%
Individuals	**4.2%**	**3.8%**	**5.6%**	**5.4%**
Total	**3.1%**	**2.6%**	**3.9%**	**3.5%**

Regarding the NPL by activity sector in March 2016, the 90-day NPL for industry and commerce was 2.7%, for services it was 2.2% and for the primary sector it was 1.6%. For further information on NPL Ratios by Activity, please refer to the Risk Management Report required by Circular No. 3,678 of the Brazilian Central Bank, of October 31, 2013, which is available on our Investor Relations website.

Coverage Ratio | 90 days



Note: Coverage ratio is derived from the division of the allowance for loans losses balance by the balance of operations more than 90 days overdue.

On March 31, 2016, the 90-day coverage ratio reached 210%, a 200 basis point increase compared to the previous quarter, mainly driven by the generic allowance, which was increased as a result of the challenging economic scenario.

Compared to March 2015, the 90-day coverage ratio increased 1,000 basis points, mainly due to the increased complementary allowance of R$4,655 million recognized in the third quarter of 2015.

Loan Portfolio Risk Level

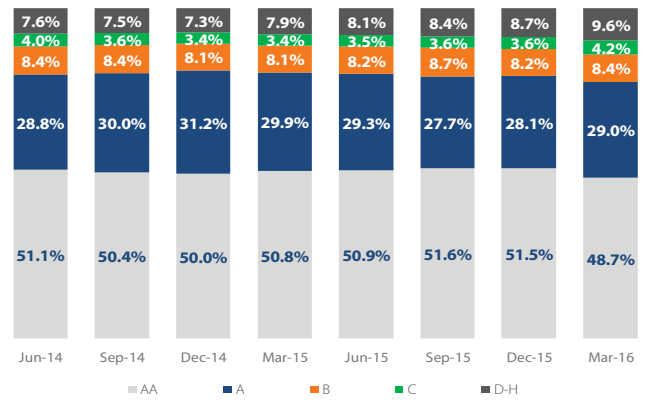
Our credit risk management is aimed at maintaining the quality of the loan portfolio at levels appropriate for each market segment in which we operate.

We improved the guarantee control system to capture the updated market values for these individual operations. Therefore, operations with guarantees where the updated amount exceeds the debt balance are classified at better risk levels. On the other hand, operations with guarantees where the updated amount is insufficient to mitigate the entire risk are classified at worse risk levels.

On March 31, 2016, the portfolios rated "AA" and "A" accounted for 77.8% of the total loan portfolio, compared to 79.6% in December 2015.

Total loans rated from "D" and "H" accounted for 9.6% of total loans, 90 basis points higher than that recorded in the previous quarter.

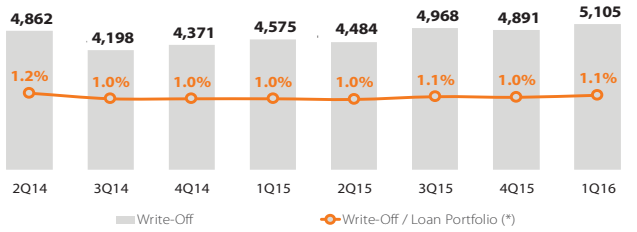
Loan Portfolio Evolution by Risk Level



Note: Does not include endorsements and sureties.

Loan Portfolio Write-Off

R$ millions



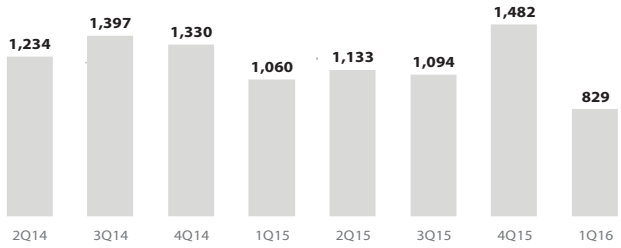
(*) Loan portfolio average balance for the previous two quarters.

In the first quarter of 2016, the loan portfolio write-off totaled R$5,105 million, a 4.4% increase compared to the previous quarter.

The ratio of written-off operations to the average balance of the credit portfolio reached 1.1%, practically unchanged from the fourth quarter of 2015.

Recovery of Loans Written off as Losses

R$ millions



In the first quarter of 2016, income from recovery of loans written off as losses decreased R$652 million, or 44.0%, from the previous quarter, mainly due to the recovery of loans written off as losses of a specific group of the corporate segment, in the amount of R$488 million, recognized in the fourth quarter of 2015.

Compared to the first quarter of 2015, income from recovery of loans written off as losses decreased R$231 million, or 21.8%, mainly due to the challenging economic scenario.

Commissions and Fees and Result from Insurance, Pension Plan and Premium Bonds

In R$ millions	1Q16	4Q15	change		1Q15	change	
Asset Management	725	756	(31)	-4.1%	662	63	9.5%
Current Account Services	1,607	1,623	(16)	-1.0%	1,405	203	14.4%
Credit Operations and Guarantees Provided	766	840	(74)	-8.8%	800	(35)	-4.3%
Collection Services	371	382	(11)	-2.8%	365	6	1.5%
Credit Cards	2,998	3,204	(206)	-6.4%	2,884	114	3.9%
Other	702	840	(138)	-16.4%	750	(48)	-6.4%
Commissions and Fees	**7,169**	**7,645**	**(476)**	**-6.2%**	**6,867**	**303**	**4.4%**
Result from Insurance, Pension Plan and Premium Bonds	1,551	1,607	(55)	-3.5%	1,482	69	4.7%
Total	**8,720**	**9,251**	**(531)**	**-5.7%**	**8,349**	**372**	**4.5%**
(-) Result from Other Insurance Activities(*)	105	152	(47)	-31.1%	85	20	23.8%
Total excluding Other Insurance Activities(*)	**8,616**	**9,099**	**(484)**	**-5.3%**	**8,264**	**352**	**4.3%**

In the first quarter of 2016, commissions and fees amounted to R$7,169 million, a 6.2% decrease compared to the previous quarter. Compared to the first quarter of 2015, these revenues increased 4.4%, mainly driven by higher revenues from current account services and credit card.

In the first quarter of 2016, these revenues, combined with the result from insurance, pension plan and premium bonds, totaled R$8,720 million, a 5.7% decrease from the previous quarter and a 4.5% increase from the same period of the previous year.

Excluding the result from other insurance activities(*), our revenues reached R$8,616 million in the quarter, a decrease of 5.3% from the fourth quarter of 2015 and an increase of 4.3% from the same period of the previous year.

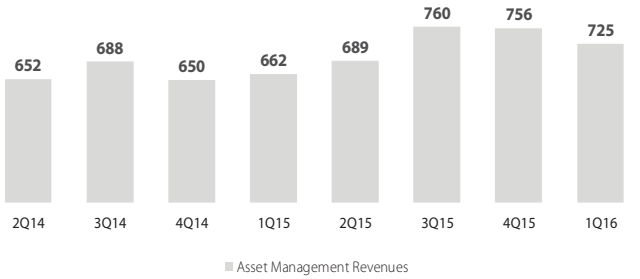
(*) Other insurance activities include extended warranty, health insurance, other products and our stake in IRB.

Asset Management

Asset management revenues totaled R$725 million in the first quarter of 2016, a decrease of 4.1% from the previous quarter, mainly driven by the smaller number of business days in the quarter.

Compared to the first quarter of 2015, these revenues recorded a 9.5% increase mainly driven by the higher volume of consortium and fund management operations.

R$ millions



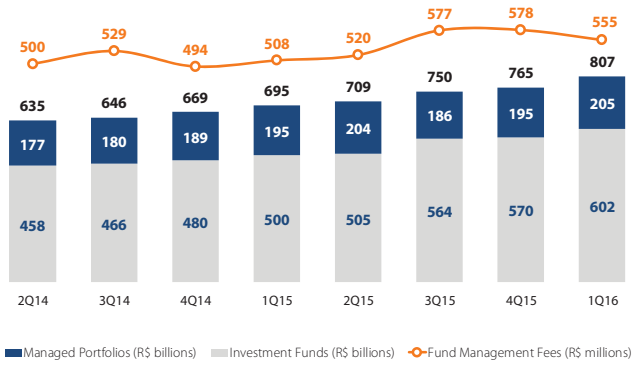
Asset Administration

In the first quarter of 2016, fund management fees amounted to R$555 million, a 4.0% decrease compared to the fourth quarter of 2015, mainly due to the smaller number of business days in the quarter.

In March 2016, assets under administration totaled R$807 billion, with increases of 5.5% from the previous quarter and of 16.2% from the same period of the previous year.

According to the ANBIMA ranking, in March 2016 we were second in the fund management and managed portfolio* ranking, with a 21.5% market share.

* Includes Itaú Unibanco and Intrag.

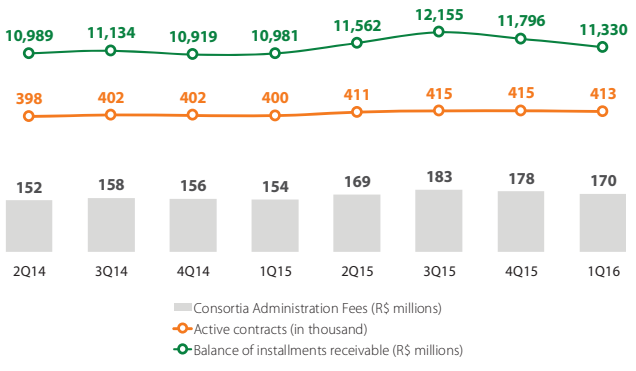


Consortia Administration Fees

Consortia administration fees totaled R$170 million in the first quarter of 2016, decreasing 4.4% from the fourth quarter of 2015. Compared to the same period of the previous year, a 10.6% increase was recorded, mainly driven by the growth in the consortia market and campaigns carried out internally.

In March 2016, we reached approximately 413 thousand active contracts, a 3.2% increase from the same period of the previous year.

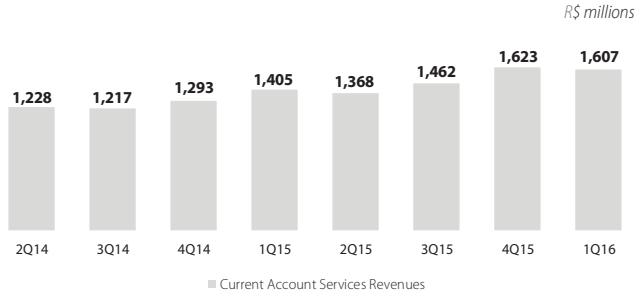
In March 2016, the balance of installments receivable reached R$11.3 billion, a 4.0% decrease from December 2015 and a 3.2% increase from March 2015.



Current Account Services

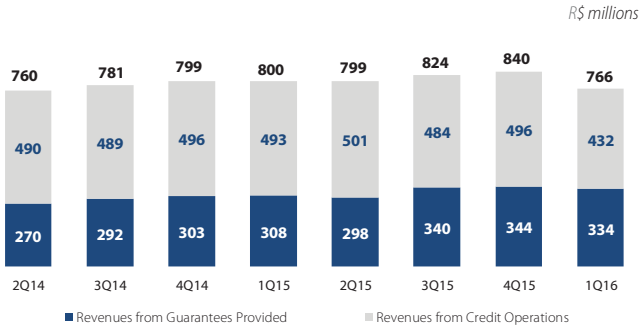
In the first quarter of 2016, revenues from current account services totaled R$1,607 million, remaining relatively stable compared to the previous period.

These fees increased 14.4% compared to the same period of the previous year. This increase in revenues from current account services are mainly due to the offering of differentiated products and services aimed at adding more value to our clients' experience with the bank. These products include differentiated current account service packages for individuals and the convenience and versatility of the "Conta Certa" products offered to companies.



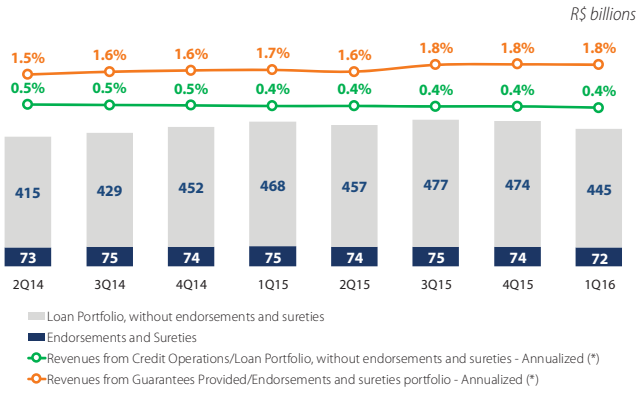
Loan Operations and Guarantees Provided

In the first quarter of 2016, revenues from loan operations and guarantees provided totaled R$766 million, a decrease of 8.8% from the fourth quarter of 2015, mainly due to the lower volume of loan operations, and to the typical seasonality of the period. Compared to the same period of the previous year, the decrease was 4.3%.



In the first quarter of 2016, the ratio of annual revenues from loan operations to the loan portfolio without endorsement and sureties reached 0.4% p.a.

The ratio of annual revenues from guarantees provided to the endorsements and sureties portfolio reached 1.8% p.a.



(*) Loan portfolio average balance from two previous quarters.

Collection Services

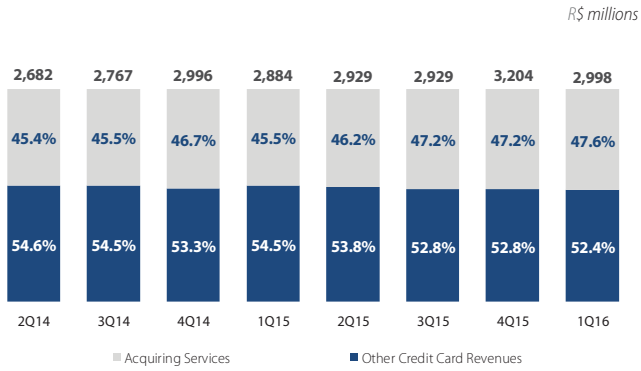
Revenues from collection services reached R$371 million in the first quarter of 2016, decreasing 2.8% from the fourth quarter of 2015, due to the typical seasonality of the period. Compared to the same period of the previous year, these revenues increased 1.5%.

Credit Cards

Credit card revenues totaled R$2,998 million in the first quarter of 2016, a 6.4% decrease from the previous quarter, as a result of the favorable seasonality for the fourth quarter, which is marked by higher interchange revenues from the year-end sales.

Compared to the same period of the previous year, these revenues increased 3.9%, mainly driven by higher transaction volume and higher revenues from equipment rented.

The proportion of credit card revenues related to card issuance corresponds to 52.4% of total revenues.



Transaction Volume and Card Accounts | Credit and Debit Cards

Through proprietary and partnership operations, we offer a wide range of credit and debit cards to approximately 59.1 million current account holders and non-account holders (in number of accounts). In the first quarter of 2016, the volume of transactions amounted to R$82.0 billion, a 4.3% increase from the same period of 2015.

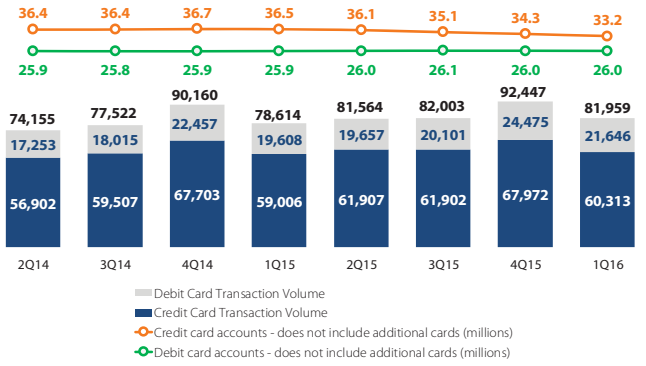
We are the leading player in the Brazilian **credit card** market, through Itaucard, Hipercard, Hiper, Credicard, joint ventures and commercial agreements with leading companies in sectors such as telecom, vehicles, retail and aviation in the Brazilian market, totaling 33.2 million client accounts, including both account and non-account holders.

In the first quarter of 2016, the volume of credit card transactions amounted to R$60.3 billion, a 2.2% increase from the same period of the previous year.

In the **debit card** segment, which includes current account holders only, we have 26.0 million accounts. The volume of debit card transactions amounted to R$21.6 billion in the first quarter of 2016, a 10.4% increase from the same period of the previous year.

Transaction Volume and Card Accounts | Credit and Debit Cards

R$ millions



Acquiring Services

Our merchant acquiring business comprises the process of capturing transactions through the affiliation, management and relationship with commercial establishments through the company REDE.

In the first quarter of 2016, the transaction volume totaled R$92.9 billion, an 11.1% decrease from the previous quarter, mainly due to the favorable seasonality of the fourth quarter. Compared to the same period of the previous year, the increase in volume was 1.9%.

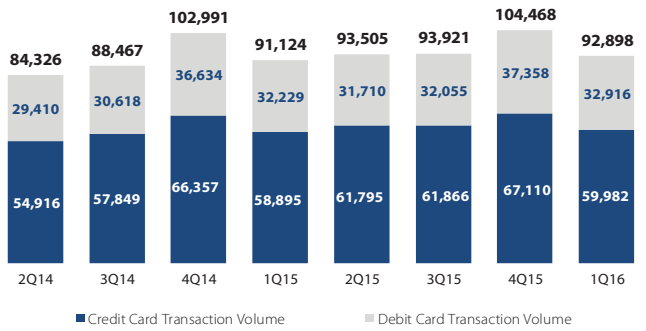
Transaction Volume | Credit and Debit Cards

In the first quarter of 2016, the volume of **credit card** transactions was R$60.0 billion, representing 64.6% of the total volume of transactions generated by the acquiring services, a 10.6% decrease from the fourth quarter of 2015 and a 1.8% increase from the same period of the previous year.

In addition to the transaction volume mentioned above, we captured and processed over R$1.3 billion in transactions within our retail partners and joint ventures in the first quarter of 2016.

In the first quarter of 2016, the volume of **debit card** transactions was R$32.9 billion, accounting for 35.4% of the total transaction volume, an 11.9% decrease from the fourth quarter of 2015 and a 2.1% increase from the same period of the previous year.

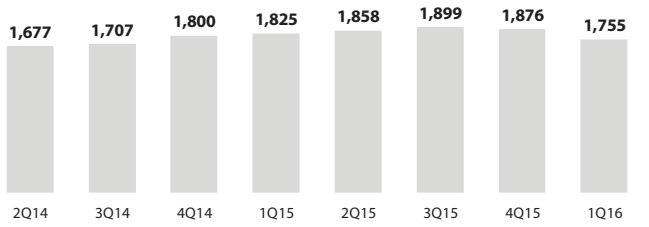
R$ millions



Equipment Base(*)

At the end of the first quarter of 2016, our base of active installed equipment reached 1,755 thousand units, with decreases of 6.4% from the previous quarter and of 3.9% from the first quarter of 2015.

Thousands of units



(*)100% of REDE's equipment base is able to capture Hiper brand transactions.

Other

In R$ millions	1Q16	4Q15	change
Foreign Exchange Services	22	23	(0)
Brokerage and Securities Placement	85	93	(7)
Custody Services and Portfolio Management	83	86	(3)
Economic and Financial Advisory Services	99	198	(99)
Other Services	413	440	(28)
Total	**702**	**840**	**(138)**

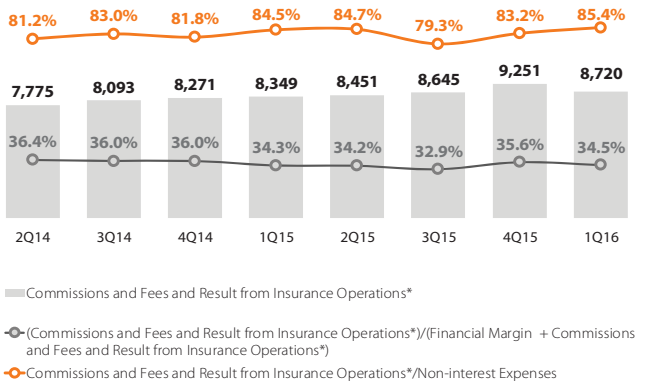
Compared to the previous quarter, revenues from economic and financial advisory services decreased due to lower revenues from investment banking, and revenues from other services reduced, as a result of the foreign exchange rate variation in the foreign units.

Commissions and Fees and Result from Insurance, Pension Plan and Premium Bonds

In the first quarter of 2016, the ratio of total commissions and fees added to the result from insurance, pension plan and premium bonds, divided by these total revenues added to the managerial financial margin, reached 34.5%.

In this quarter, the operational coverage ratio, which represents the extent to which non-interest expenses were covered by commissions and fees added to the result from insurance, pension plans and premium bonds, reached 85.4%, an increase of 220 basis points compared to the previous quarter, mainly driven by lower non-interest expenses.

R$ millions



(*) Insurance Operations include insurance, pension plan and premium bonds.

Itaú Insurance, Pension Plan and Premium Bonds

The *Pro Forma* financial statements below were prepared based on Itaú Unibanco's managerial information and are intended to explain the performance of the insurance-related business.

The disclosure of the results from Itaú Insurance, Pension Plan and Premium Bonds is broken down into Core Activities and Other Activities.

The capital allocation criteria for insurance, pension plan and premium bonds operations used in the managerial model is based on the BACEN regulatory model. As of the first quarter of 2016, we have started to allocate the effect of the of Basel III rules schedule anticipation to the lines of business.

Sales Cost Model

Itaú Unibanco's practice is to allocate the selling costs to all of our products and services based on the corresponding utilization of each channel (full allocation method). For that reason, the selling costs related to insurance, pension plan and premium bonds products in our branch network and other electronic or physical distribution channels are recorded in our income statement for the insurance segment. This practice has both accounting and managerial effects.

Pro Forma Recurring Income Statement of Insurance Operations

	1Q16			4Q15			change		1Q15			change	
In R$ millions	Total	Core Activities	Other Activities	Total	Core Activities	Other Activities	Total	Core Activities	Total	Core Activities	Other Activities	Total	Core Activities
Earned Premiums	1,299	1,000	298	1,359	1,009	350	-4.4%	-0.9%	1,416	1,035	381	-8.3%	-3.3%
Revenues from Pension Plan and Premium Bonds	260	260	-	247	247	-	5.1%	5.1%	202	202	-	28.2%	28.2%
Retained Claims	(394)	(298)	(97)	(406)	(309)	(98)	-3.0%	-3.6%	(368)	(257)	(111)	7.0%	15.7%
Selling Expenses	(196)	(25)	(170)	(258)	(46)	(212)	-24.1%	-45.0%	(266)	(41)	(225)	-26.4%	-38.6%
Result from Insurance, Pension Plan and Premium Bonds	**969**	**937**	**31**	**942**	**901**	**40**	**2.8%**	**4.0%**	**984**	**939**	**45**	**-1.5%**	**-0.2%**
Managerial Financial Margin	290	233	56	270	203	68	7.1%	15.1%	196	156	40	47.7%	49.5%
Commissions and Fees	435	433	3	443	443	(1)	-1.6%	-2.3%	394	393	1	10.6%	10.2%
Earnings of Affiliates	90	62	27	121	70	51	-25.8%	-11.3%	66	61	5	35.8%	2.3%
Non-interest Expenses	(430)	(397)	(33)	(526)	(449)	(77)	-18.2%	-11.4%	(470)	(428)	(42)	-8.5%	-7.2%
Tax Expenses for ISS, PIS and Cofins and other taxes	(83)	(72)	(11)	(85)	(70)	(16)	-2.5%	3.9%	(83)	(69)	(15)	-0.4%	5.0%
Income before Tax and Minority Interests	**1,270**	**1,196**	**74**	**1,165**	**1,100**	**65**	**9.0%**	**8.8%**	**1,086**	**1,052**	**34**	**17.0%**	**13.7%**
Income Tax/Social Contribution and Minority Interests	(493)	(482)	(10)	(498)	(503)	5	-1.2%	-4.1%	(398)	(388)	(10)	23.7%	24.3%
Recurring Net Income	**778**	**714**	**64**	**667**	**597**	**70**	**16.7%**	**19.6%**	**688**	**664**	**24**	**13.1%**	**7.5%**
Allocated Capital	**4,083**	**3,676**	**408**	**1,913**	**1,729**	**184**	**113.4%**	**112.6%**	**2,109**	**1,892**	**217**	**93.6%**	**94.3%**
Recurring Return on Allocated Capital	**103.7%**	**105.6%**	**86.6%**	**142.2%**	**140.5%**	**158.9%**	**-3,850 bps**	**-3,480 bps**	**111.0%**	**131.5%**	**20.9%**	**-730 bps**	**-2,590 bps**
Efficiency Ratio (ER)	**25.3%**	**24.9%**	**30.6%**	**31.1%**	**29.0%**	**54.1%**	**-580 bps**	**-400 bps**	**30.2%**	**28.9%**	**55.3%**	**-490 bps**	**-400 bps**
Combined Ratio	**68.1%**	**57.4%**	**104.0%**	**74.0%**	**59.7%**	**114.9%**	**-590 bps**	**-240 bps**	**68.2%**	**55.4%**	**103.2%**	**-10 bps**	**200 bps**

Note: Combined Ratio for insurance activities. Non-interest Expenses comprise Personnel Expenses, Other Administrative Expenses and Other Operating Expenses.

Our core activities consist of mass-market products related to Life, Property, Credit Life, Pension Plan and Premium Bonds. Other insurance activities correspond to Extended Warranty, Health Insurance, our stake in IRB and other.

We continue to concentrate efforts on distribution through our own channels, giving priority to sales through the most efficient channels, which positively affects our profitability. Sales of insurance products and premium bonds through *bankfone*, bankline/internet, ATMs and teller terminals accounted for 47.3% of sales to account holders in the quarter. Sales of premium bonds through these channels accounted for 72.6% of total sales in the period. In the first quarter of 2016, the amount of sales of insurance products and premium bonds to clients of the Digital Branches accounted for 7.5% of total sales.

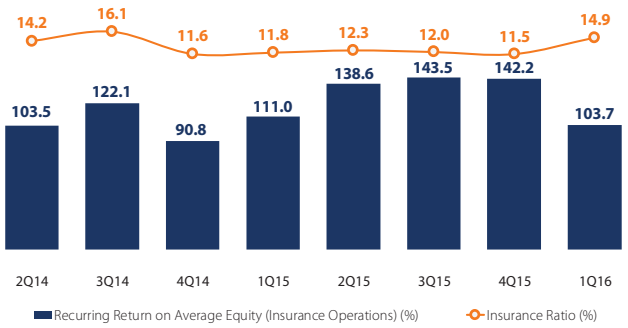
Recurring net income from Insurance Operations reached R$778 million in the first quarter of 2016, increasing 16.7% from the previous quarter and 13.1% from the same period of the previous year.

Recurring net income from core activities was R$714 million in the first quarter of 2016, a 19.6% increase from the fourth quarter of 2015, mainly due to the increase in the managerial financial margin and the decrease in non-interest expenses. Compared to the same period of the previous year, the increase was 7.5%.

Recurring net income for other insurance activities reached R$64 million in the quarter, a decrease of 8.4% from the previous quarter, mainly driven by the lower earnings from affiliates due to our stake in IRB, and the reduction of earned premiums, partially offset by lower selling expenses.

The annualized recurring return for insurance operations reached 103.7% in the period, a decrease of 3,850 basis points compared to the previous quarter, due to the increase in allocated capital(1). The insurance ratio, which represents the ratio of recurring net income from insurance, pension plan and premium bonds operations to Itaú Unibanco's recurring net income, reached 14.9%, a 330 basis points increase from December 2015.

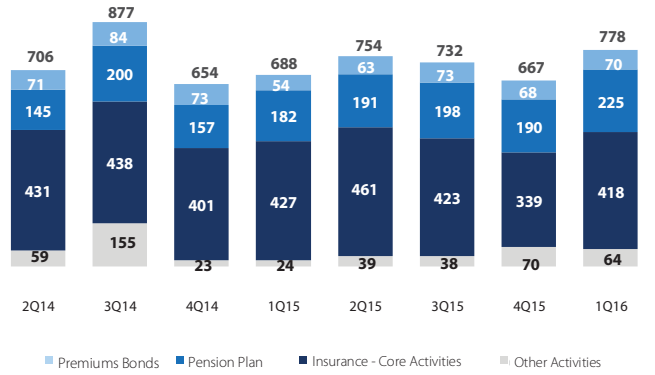
Insurance Ratio(2) and ROE | Insurance Operations

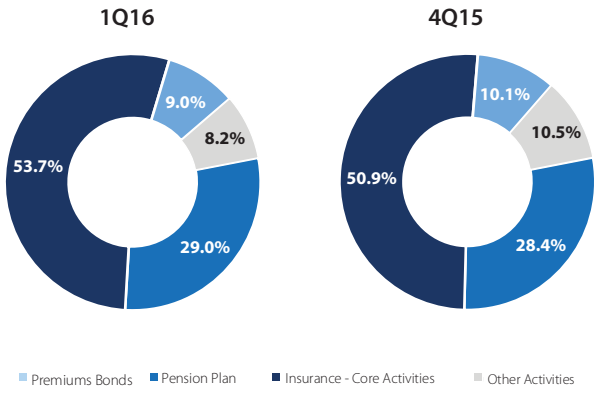


(1) As of the first quarter of 2016, we have started to allocate the effect of the of Basel III rules schedule anticipation to the lines of business.
(2) Insurance Ratio (%) = Recurring net income from Insurance, Pension Plan and Premium Bonds operations / Itaú Unibanco's recurring net income.

Breakdown of Recurring Net Income | Insurance Operations

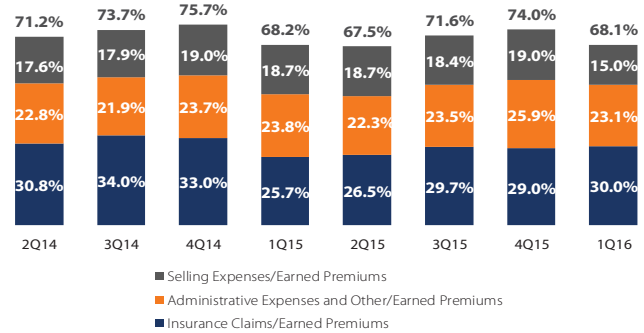
R$ millions





In the first quarter of 2016, the ratio of the result of core activities to the recurring net income from Itaú Insurance, Pension Plan and Premium Bonds reached 91.8%.

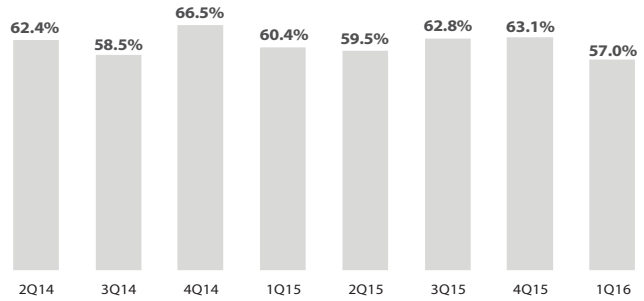
Combined Ratio | Insurance Activities



Note: The combined ratio of insurance activities is the sum of retained claims, selling expenses, administrative expenses, other operating income and expenses, tax expenses for ISS, PIS and Cofins and other taxes on earned premiums.

The combined ratio, which reflects the operating cost as a percentage of income from earned premiums, reached 68.1% in the period, a decrease of 590 basis points from the previous quarter, mainly driven by the decrease in non-interest expenses and selling expenses. Compared to the same period of the previous year, this ratio decreased 10 basis points.

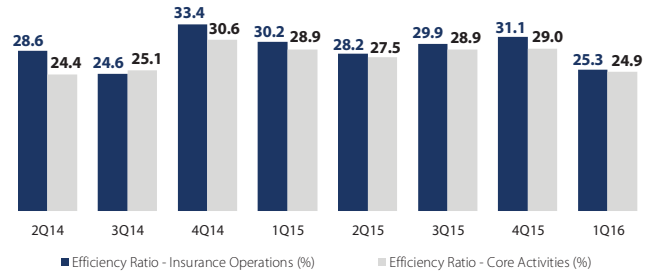
Extended Combined Ratio | Insurance Activities



Note: The extended combined ratio is the sum of retained claims, selling expenses, administrative expenses, other operating income and expenses, tax expenses for ISS, PIS and Cofins and other taxes on the sum of earned premiums, managerial financial margin and commissions and fees.

The extended combined ratio, which reflects the operating cost as a percentage of income from earned premiums, managerial financial margin and commissions and fees, reached 57.0% in the first quarter of 2016, a decrease of 610 basis points from the previous quarter, mainly driven by the decrease in non-interest expenses and selling expenses.

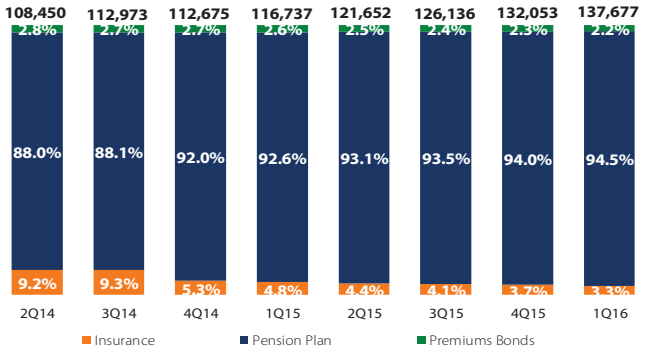
Efficiency Ratio



The efficiency ratio was 25.3% in the first quarter of 2016, a decrease of 580 basis points from the previous quarter. Considering only our core activities, the efficiency ratio reached 24.9% in the period.

Breakdown of Technical Provisions | Insurance Operations

R$ millions



Technical provisions, including insurance, pension plan and premium bonds, totaled R$137.7 billion in the period, representing increases of 4.3% from the previous quarter and of 17.9% from the first quarter of 2015.

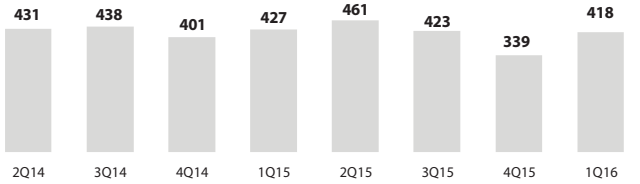
Pro Forma Recurring Income Statement of the Insurance Segment | Core Activities

In R$ millions	1Q16	4Q15	change		1Q15	change	
Earned Premiums	1,000	1,009	(9)	-0.9%	1,035	(35)	-3.3%
Retained Claims	(293)	(296)	4	-1.2%	(253)	(40)	15.8%
Selling Expenses	(25)	(47)	22	-46.9%	(40)	15	-37.8%
Underwriting Margin	**683**	**666**	**17**	**2.5%**	**742**	**(60)**	**-8.0%**
Managerial Financial Margin	95	63	33	52.2%	40	55	136.3%
Commissions and Fees	97	103	(6)	-5.7%	103	(5)	-5.3%
Earnings of Affiliates	62	70	(8)	-11.3%	61	1	2.3%
Non-interest Expenses	(215)	(219)	5	-2.2%	(237)	22	-9.3%
Tax Expenses for ISS, PIS and Cofins and other taxes	(42)	(41)	(1)	3.0%	(44)	2	-4.8%
Income before Tax and Minority Interests	**681**	**642**	**39**	**6.1%**	**666**	**15**	**2.3%**
Income Tax/Social Contribution and Minority Interests	(264)	(303)	39	-12.9%	(239)	(25)	10.3%
Recurring Net Income	**418**	**339**	**78**	**23.0%**	**427**	**(9)**	**-2.2%**
Efficiency Ratio (ER)	**23.9%**	**25.5%**		**-150 bps**	**26.2%**		**-230 bps**

Our insurance core activities consist of mass-market products related to Life, Property and Credit Life. These products are offered in synergy in retail channels - branch network, partnership with retailers, credit card clients, mortgage loans, vehicle financing, personal and payroll loans - and in the wholesale channel. These products have characteristics such as low loss ratio, low volatility in the result and less use of capital, making them strategic and increasingly relevant in the diversification of the conglomerate's revenues.

Net Income | Insurance Core Activities

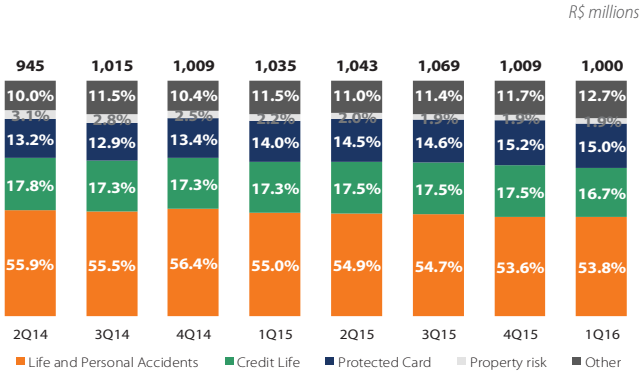
R$ millions



In the first quarter of 2016, recurring net income from core activities was R$418 million, a 23.0% increase from the previous quarter, mainly driven by the increase in the managerial financial margin and the decrease in insurance selling expenses.

Earned Premiums Breakdown | Insurance Core Activities

R$ millions

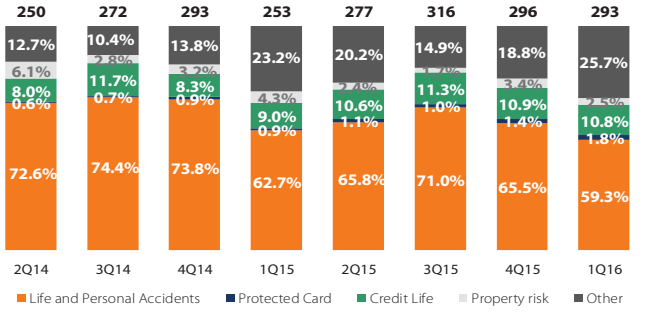


In the first quarter of 2016, earned premiums from core insurance activities reached R$1,000 million, a 0.9% decrease from the previous quarter, partially driven by the credit life product, mainly related to decrease in the credit volume.

Considering only our core activities, which include our 30% stake in Porto Seguro, the earned premiums market share of the total core insurance market reached 13.5% in the 2016 year-to-date(*). Regarding the technical result of insurance core activities, our market share reached 17.7% in the 2016 year-to-date(*).

Retained Claims Breakdown | Insurance Core Activities

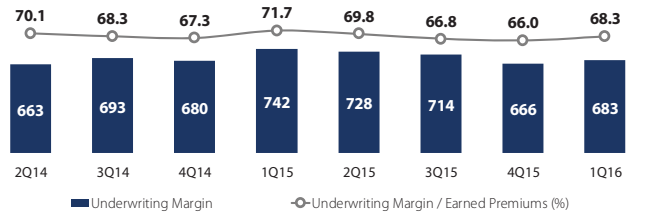
R$ millions



In the first quarter of 2016, retained claims from insurance core activities amounted to R$293 million, a 1.2% decrease from the previous quarter, mainly driven by life products.

Underwriting Margin | Insurance Core Activities

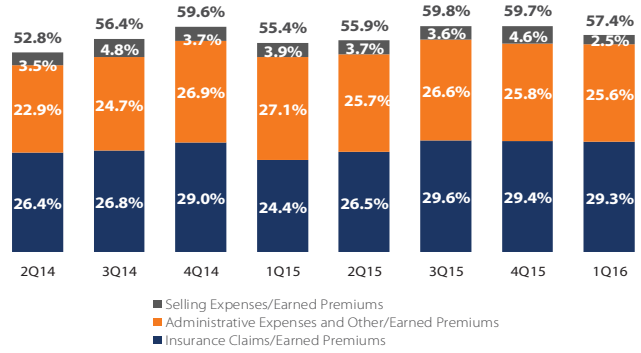
R$ millions



In the first quarter of 2016, the underwriting margin from our insurance core activities amounted to R$683 million, a 2.5% increase from the previous quarter, mainly driven by lower selling expenses. In the first quarter of 2016, the ratio of underwriting margin to earned premiums reached 68.3%, up 230 basis points from the fourth quarter of 2015.

(*) Most recent data available on February 29, 2016, based on information disclosed by SUSEP.

Combined Ratio | Insurance Core Activities

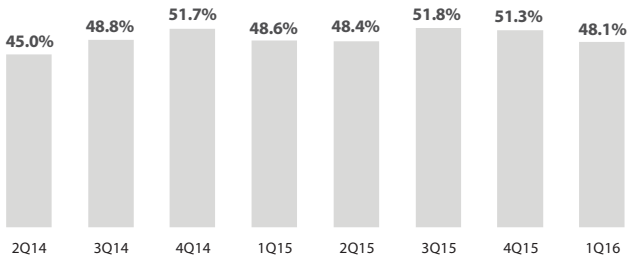


Note: The combined ratio is the sum of retained claims, selling expenses, administrative expenses, other operating income and expenses, tax expenses for ISS, PIS and Cofins and other taxes on earned premiums.

The combined ratio, which reflects the operating cost as a percentage of income from earned premiums, reached 57.4% in the period, a decrease of 240 basis points from the previous quarter, mainly driven by the decrease in insurance selling expenses.

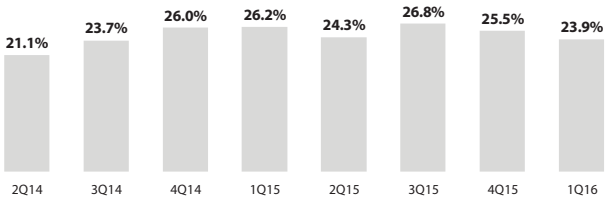
The extended combined ratio, which reflects the operating cost as a percentage of income from earned premiums, managerial financial margin and commissions and fees, reached 48.1% in the first quarter of 2016, a decrease of 320 basis points from the previous quarter, mainly driven by the increase in the managerial financial margin.

Extended Combined Ratio | Insurance Core Activities



Note: The extended combined ratio is the sum of retained claims, selling expenses, administrative expenses, other operating income and expenses, tax expenses for ISS, PIS and Cofins and other taxes on the sum of earned premiums, managerial financial margin and commissions and fees.

Efficiency Ratio | Insurance Core Activities



In the first quarter of 2016, the efficiency ratio reached 23.9%, a decrease of 150 basis points from the previous quarter.

Pro Forma Recurring Income Statement of the Pension Plan Segment

In R$ millions	1Q16	4Q15	change		1Q15	change	
Revenues from Pension Plan	110	88	22	25.3%	76	34	45.3%
Retained Claims	(5)	(12)	7	-60.9%	(4)	(0)	9.9%
Selling Expenses	(1)	(1)	0	-1.8%	(2)	1	-
Result from Pension Plan	**104**	**75**	**30**	**39.5%**	**70**	**35**	**49.8%**
Managerial Financial Margin	78	67	11	16.5%	62	16	25.0%
Commissions and Fees	336	340	(4)	-1.2%	291	45	15.5%
Non-interest Expenses	(108)	(127)	19	-14.6%	(110)	1	-1.4%
Tax Expenses for ISS, PIS and Cofins and other taxes	(23)	(20)	(2)	11.1%	(18)	(4)	24.5%
Income before Tax and Minority Interests	**388**	**335**	**53**	**15.8%**	**295**	**92**	**31.3%**
Income Tax/Social Contribution and Minority Interests	(162)	(145)	(17)	11.6%	(113)	(49)	43.3%
Recurring Net Income	**225**	**190**	**36**	**18.9%**	**182**	**43**	**23.8%**
Efficiency Ratio (ER)	**21.8%**	**27.5%**		**-560 bps**	**27.1%**		**-530 bps**

Product and advisory service innovation has played a significant role in the sustainable growth of our pension plan operations for individuals. For companies, we offer specialized advisory services and develop customized solutions. We establish long-term partnerships with our corporate clients, keeping a close relationship with the human resources departments and adopting a communication strategy designed for the financial education of their employees.

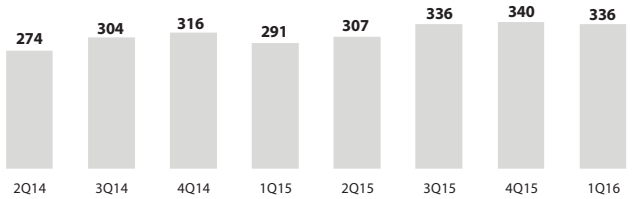
In the first quarter of 2016, the Pension Plan segment's recurring net income reached R$225 million, an increase of 18.9% from the previous quarter, mainly driven by higher net pension plan contribution and lower non-interest expenses.

When compared to the same period of the previous year, it recorded a 23.8% increase, mainly driven by higher net pension plan contributions and revenues from administration fees.

Revenues from Administration Fees

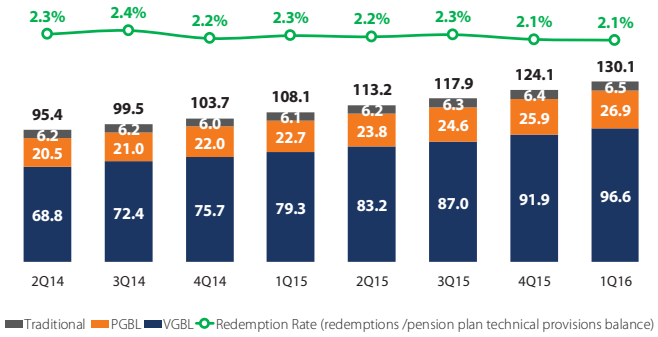
In the first quarter of 2016, revenues from administration fees totaled R$336 million, which represented a 1.2% decrease from the previous quarter and a 15.5% increase from the first quarter of 2015.

R$ millions



Pension Plan Technical Provisions and Redemption Rate

R$ billions



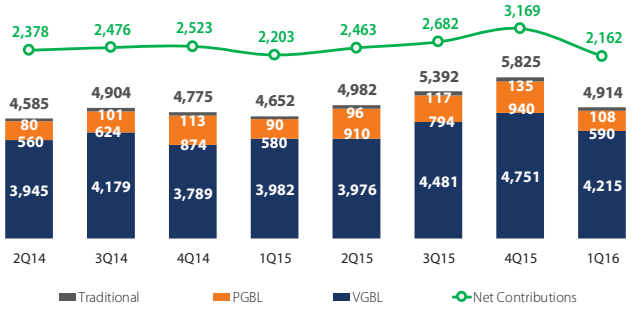
On March 31, 2016, technical provisions for pension plan totaled R$130.1 billion, with increases of 4.8% from December 31, 2015 and of 20.3% compared to the same period of the previous year.

According to the National Federation of Pension and Life Insurance (FENAPREVI), in February 2016 our market share in total technical provisions was 23.5%, whereas our market share in plans for individuals was 23.7%, decreasing 40 and 50 basis points, respectively, from the same period of the previous year.

The redemption rate, which represents the ratio of redemptions to the balance of technical provisions for pension plans, reached 2.1%, remaining stable compared to the fourth quarter of 2015.

Total and Net Pension Plan Contributions(1)

R$ millions



In the quarter, total pension plan contributions reached R$4,914 million, decreasing 15.6% from the previous quarter, mainly driven by typically seasonable effects of the period. Compared to the same period of the previous year, there was an increase of 5.6%. In the first quarter of 2016, net pension plan contributions reached R$2,162 million, a 31.8% decrease from the fourth quarter of 2015.

(1) Total pension plan contributions = Contributions (+) Portability requests accepted. Net pension plan contributions = Contributions (+) Portability requests accepted (-) Redemptions (-) Portability requests assigned.

Pro Forma Recurring Income Statement of the Premium Bonds Segment

In R$ millions	1Q16	4Q15	change		1Q15	change	
Revenues from Premium Bonds	**150**	**159**	**(10)**	**-6.0%**	**127**	**23**	**18.0%**
Managerial Financial Margin	60	73	(13)	-17.9%	54	7	12.6%
Non-interest Expenses	(74)	(102)	28	-27.2%	(82)	7	-8.9%
Tax Expenses for ISS, PIS and Cofins and other taxes	(8)	(9)	1	-9.2%	(7)	(1)	16.3%
Income before Tax and Minority Interests	**127**	**122**	**5**	**3.7%**	**91**	**36**	**40.2%**
Income Tax/Social Contribution and Minority Interests	(57)	(55)	(2)	3.1%	(36)	(21)	56.9%
Recurring Net Income	**70**	**68**	**3**	**4.2%**	**54**	**16**	**29.2%**
Efficiency Ratio (ER)	**37.0%**	**45.5%**		**-850 bps**	**47.5%**		**-1,050 bps**

The PIC Premium Bonds product is targeted at clients who are interested in competing for prizes. This product can be purchased through single payment or monthly payment modality, in accordance with the profile and segment of each client. The premium bonds business serves a large public demand and, at the end of the first quarter of 2016, had issued 13.7 million certificates.

In line with our sustainability principles, we have a partnership with Ayrton Senna Institute, a non-profit organization that works to improve the quality of education at public schools in Brazil. Part of the revenues from the monthly payments for premium bonds certificates is transferred to projects of this Institute.

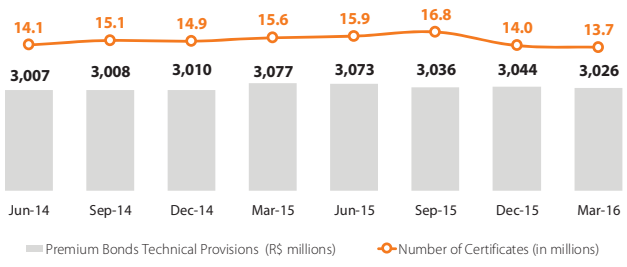
In the first quarter of 2016, 605 clients received prizes in the aggregate amount of R$15.7 million. Total sales of premium bonds under the traditional mode to account holders decreased 28.8% from the previous quarter, mainly driven by fewer campaigns in the period. Compared to the same period of the previous year, there was an increase of 44.0%. Total sales of premium bonds to clients of Digital Branches accounted for 5.4% of total sales to account holders in the first quarter of 2016, with increases of 120 basis points from the fourth quarter of 2015 and of 500 basis points from the same period of the previous year.

In the first quarter of 2016, the Premium Bonds segment's recurring net income reached R$70 million, a 4.2% increase from the previous quarter, mainly driven by lower non-interest expenses. Compared to the same period of the previous year, it recorded a 29.2% increase, mainly driven by higher net revenues from premium bonds.

Our business model helps us to retain the leadership in terms of technical result(*), including the total premium bonds market, with a market share of 30.8% in the year, based on information disclosed by SUSEP.

Premium Bonds Technical Provisions

On March 31, 2016, technical provisions for premium bonds reached R$3,026 million, with decreases of 0.6% from the previous quarter and of 1.7% from the first quarter of 2015.



(*) Most recent data available on February 29, 2016. Technical Result = Net Collection from Cancellation Fees (-) Variation of Provision for Redemption and Deferred Income (+) Income from Raffles (-) Acquisition Costs (+) Revenues from Redemptions of Securities.

Non-interest Expenses

In R$ millions	1Q16	4Q15	change		1Q15	change	
Personnel Expenses	(4,751)	(4,899)	148	-3.0%	(4,514)	(237)	5.2%
Administrative Expenses	(4,051)	(4,558)	507	-11.1%	(3,927)	(124)	3.2%
Operating Expenses	(1,285)	(1,530)	245	-16.0%	(1,274)	(11)	0.8%
Other Tax Expenses (*)	(128)	(131)	3	-2.6%	(165)	37	-22.5%
Total	**(10,215)**	**(11,119)**	**904**	**-8.1%**	**(9,881)**	**(334)**	**3.4%**
(-) Operations Abroad	(1,180)	(1,239)	59	-4.8%	(1,016)	(164)	16.2%
Total (ex-operations abroad)	**(9,035)**	**(9,880)**	**844**	**-8.5%**	**(8,865)**	**(170)**	**1.9%**

(*) Does not include ISS, PIS and Cofins.

Non-interest expenses totaled R$10,215 million in the first quarter of 2016, decreasing 8.1% from the fourth quarter of 2015. This decrease was basically driven by the reductions of 11.1% in administrative expenses, 16.0% in operating expenses, and 3.0% in personnel expenses.

When compared to the first quarter of 2015, non-interest expenses increased 3.4%. Excluding operations abroad, non-interest expenses would have increased 1.9%.

Personnel Expenses

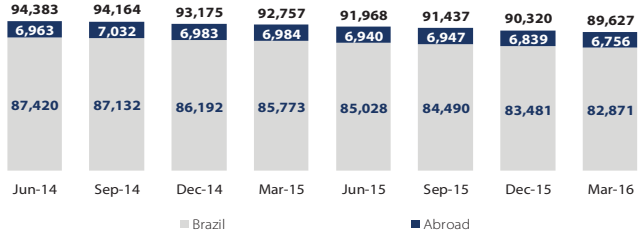
In R$ millions	1Q16	4Q15	change
Compensation, Charges and Social Benefits	(3,151)	(3,280)	130
Profit Sharing (*)	(918)	(869)	(49)
Employee Terminations and Labor Claims	(646)	(687)	41
Training	(36)	(62)	26
Total	**(4,751)**	**(4,899)**	**148**

(*) Includes variable compensation, stock option plans and shares.

Personnel expenses totaled R$4,751 million in the first quarter of 2016, a 3.0% decrease when compared to the previous period. This decrease was mainly due to the larger number of employees in vacation in the first quarter of 2016, which results in lower expenses on compensation, social benefits and charges by 4.0%. This decrease was also caused by lower expenses on terminations and labor claims.

Number of Employees

The total number of employees decreased to 89,627 at the end of the first quarter of 2016, from 90,320 in the previous quarter.



Note: For companies under our control, 100% of the total number of employees is considered. No employees are considered for companies not controlled by us.

Administrative Expenses

In R$ millions	1Q16	4Q15	change
Third-Party Services	(951)	(1,130)	180
Data Processing and Telecommunications	(933)	(1,088)	155
Facilities	(708)	(721)	12
Depreciation and Amortization	(519)	(523)	4
Advertising, Promotions and Publications	(208)	(294)	86
Security	(177)	(168)	(8)
Financial System Services	(163)	(145)	(18)
Transportation	(99)	(111)	12
Materials	(63)	(75)	12
Travel	(39)	(53)	14
Other	(192)	(251)	59
Total	**(4,051)**	**(4,558)**	**507**

Administrative expenses totaled R$4,051 million, an 11.1% decrease from the fourth quarter of 2015. The reduction in expenses on third-party services was mainly driven by a decrease in expenses on advisory and consulting services and lower legal fees. Lower expenses on data processing are mainly due to decreased development and maintenance expenses and lower expenses on rental and maintenance of softwares. The decrease in advertising, promotion and publication expenses were also a highlight.

Operating Expenses

In R$ millions	1Q16	4Q15	change
Provision for Contingencies	(337)	(399)	62
Selling - Credit Cards	(450)	(682)	232
Claims	(65)	(48)	(18)
Other	(433)	(402)	(32)
Total	**(1,285)**	**(1,530)**	**245**

Operating expenses decreased R$245 million in the first quarter of 2016 from the previous quarter, basically due to lower selling expenses related to credit cards and lower provisions for contingencies.

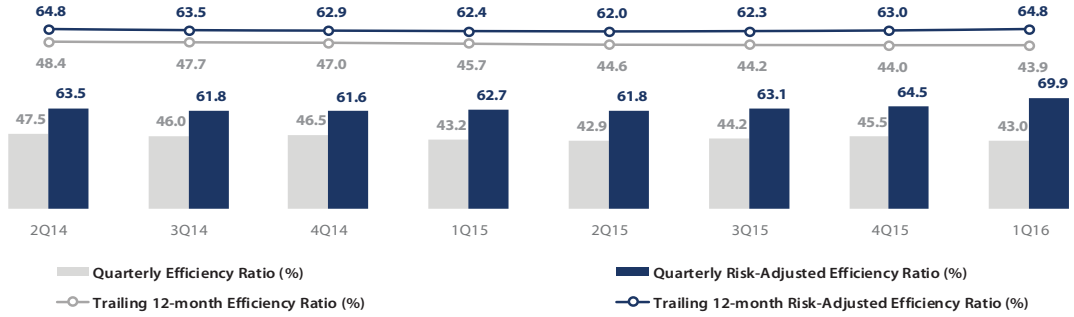
Other Tax Expenses (*)

Other tax expenses totaled R$128 million in the first quarter of 2016, practically stable compared to the fourth quarter of 2015.

(*) Does not include ISS, PIS or Cofins.

Efficiency Ratio and Risk-Adjusted Efficiency Ratio

We present the efficiency ratio and the risk-adjusted efficiency ratio, which includes the risk portions associated with banking transactions (result from loan losses).



$$\text{Risk-Adjusted Efficiency Ratio} = \frac{\text{Non-Interest Expenses (Personnel Expenses + Administrative Expenses + Operating Expenses + Other Expenses) + Result from Loan Losses}}{\text{(Managerial Financial Margin + Commissions and Fees + Result of Insurance, Pension Plan and Premium Bonds - Tax Expenses for ISS, PIS, Cofins and Other Taxes)}}$$

Efficiency Ratio

In the first quarter of 2016, efficiency ratio reached 43.0%, a decrease of 250 basis points compared to the fourth quarter of 2015. This decrease was mainly due to the decrease in non-interest expenses by 8.1%.

In the 12-month period, the efficiency ratio reached 43.9%, an improvement of 10 basis points from the previous quarter. When compared to the first quarter of 2015, this ratio improved 180 basis points.

Risk-Adjusted Efficiency Ratio

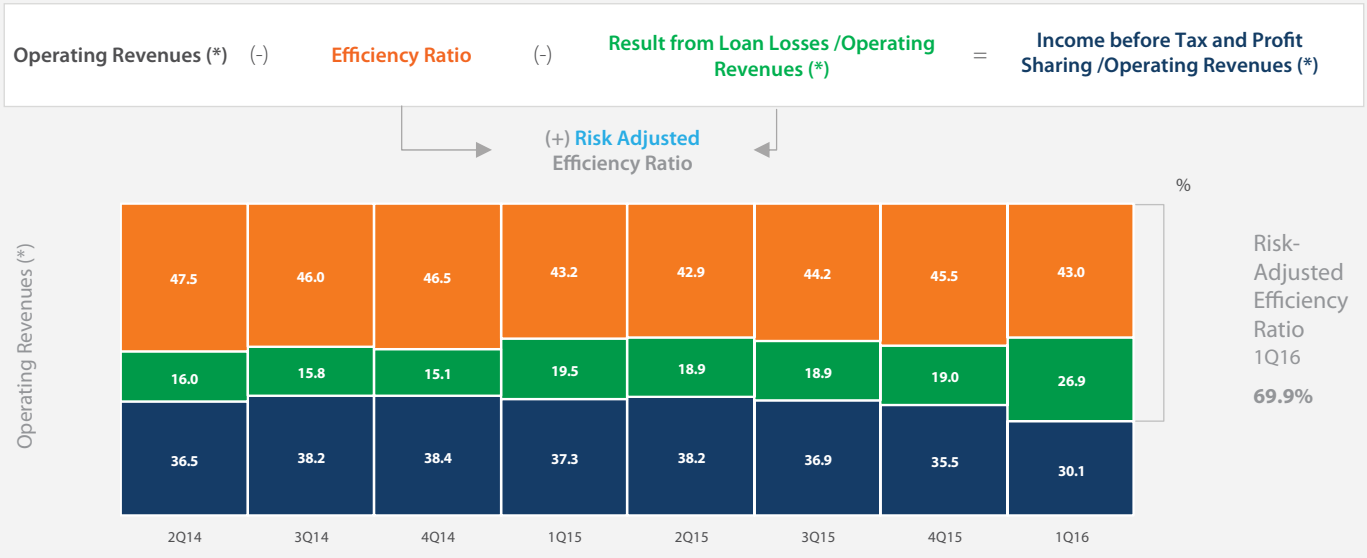
The risk-adjusted efficiency ratio, in the criteria including all expenses and also the result from loan losses, reached 69.9% in the first quarter of 2016, an increase of 540 basis points compared to the previous quarter, mainly as a result of the increase in provision for loan losses and the 3.0% decrease in operating revenues.

When compared to the first quarter of 2015, the risk-adjusted efficiency ratio increased 720 basis points mainly due to the increase of 31.1% in allowance for loan losses.

In the 12-month period, the risk-adjusted efficiency ratio reached 64.8%, an increase of 240 basis points from the same period of 2015.

Operating Revenues Distribution

The chart below shows the portions of operating revenues used to cover non-interest expenses and result from loan losses.

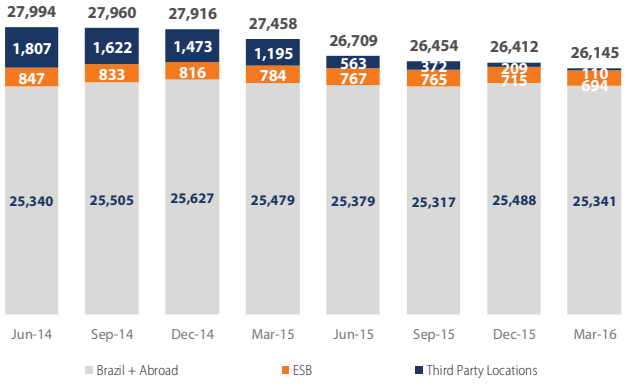


(*) Net of Tax Expenses for ISS, PIS, Cofins and Other (taxes on revenues), Claims and Insurance Selling Expenses.

Points of Service

Automated Teller Machines (ATMs) | Brazil and Abroad

At the end of the first quarter of 2016, the number of ATMs totaled 26,145, a decrease of 267 units compared to the fourth quarter of 2015. This decrease is mainly a result of the shareholders' agreement with Tecban and its shareholders, announced on July 18, 2014, which provides for the substitution of part of the external ATMs network for Banco24Horas ATMs.

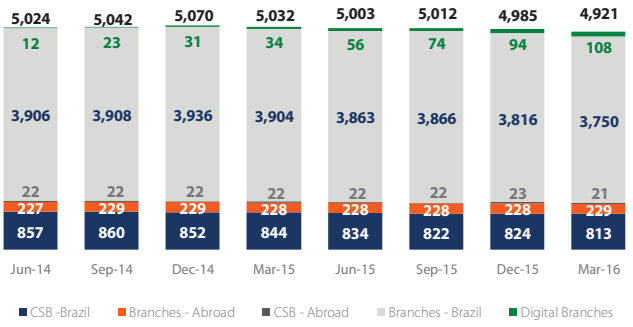


Note: (i) Includes Banco Itaú Argentina and companies in Chile, Uruguay and Paraguay.
(ii) Includes ESBs (Electronic Service Branches) and points of service in third-parties' establishments.
(iii) Does not include points of sale and ATMs of Banco 24h.

Branches and Client Service Branches (CSB)[(i)] | Brazil and Abroad

We ended the first quarter of 2016 with 4,921 branches and client service branches (CSBs), including Brazil and abroad.

In Brazil, the movement observed in the number of branches is related to the profile of our clients, which has been increasingly demanding services through digital channels.

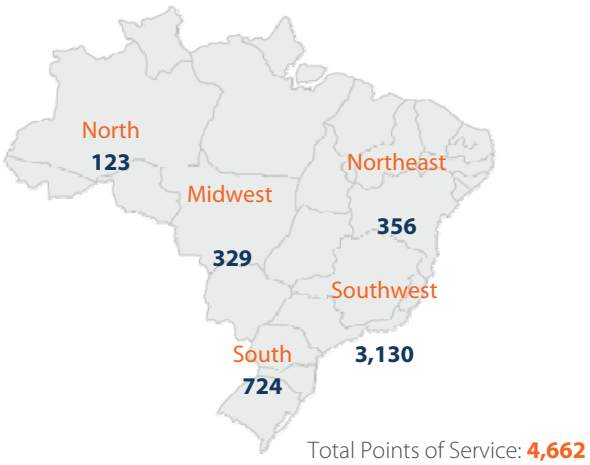


(i) Points of service include only Client Service Branches (CSBs).

Note: Includes Banco Itaú BBA, Banco Itaú Argentina and companies in Chile, Uruguay and Paraguay.

Our service network covers the entire Brazilian territory and adopts a segmentation strategy including structures, products and services developed to meet the specific needs of our many different clients. Our segments are: Itaú, Itaú Uniclass, Itaú Personnalité and Itaú Private Bank.

Geographical Distribution of Service Network (*)
Number of Branches and Client Service Branches (CSBs)



(1) Does not include branches and points of service abroad and Itaú BBA.

Tax Expenses for ISS, PIS, Cofins and Other

Tax expenses amounted to R$1,515 million in the first quarter of 2016, a 4.2% decrease from the previous quarter and a 4.1% increase from the same period of 2015.

Income Tax and Social Contribution on Net Income

In the first quarter of 2016, income tax and social contribution on net income (CSLL) expenses totaled R$1,846 million and the effective tax rate reached 25.8%.

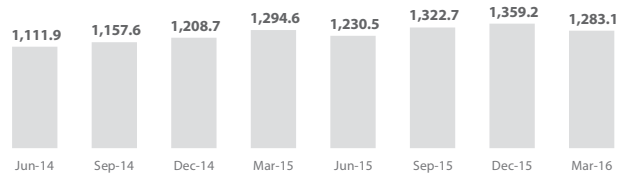
Assets

On March 31, 2016, total assets amounted to R$1.3 trillion, a decrease of 5.6% compared to the end of the previous quarter and a 0.9% decrease in 12 months.

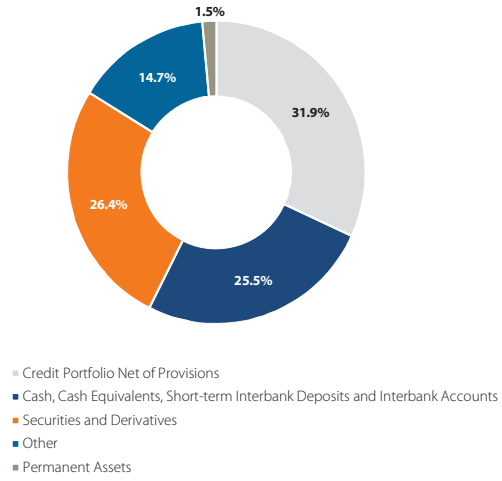
The breakdown of our assets and details on their main components are presented below:

Total Assets

R$ billions



Asset Breakdown | March 31, 2016



Short-term Interbank Investments and Securities Portfolio

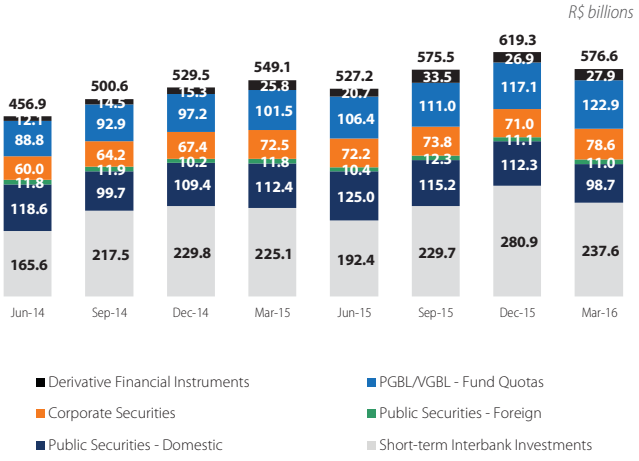
On March 31, 2016, the balance of our short-term interbank investments and securities portfolio, including derivative financial instruments, totaled R$576.6 billion, a 6.9% decrease when compared to the previous quarter, mainly due to the decrease in short-term interbank investments.

In R$ millions, end of period	1Q16	%	4Q15	%	change	1Q15	%	change
Short-term Interbank Investments	**237,642**	**41.2%**	**280,944**	**45.4%**	**-15.4%**	**225,076**	**41.0%**	**5.6%**
Total Public Securities	**109,671**	**19.0%**	**123,360**	**19.9%**	**-11.1%**	**124,222**	**22.6%**	**-11.7%**
Public Securities - Domestic	98,671	17.1%	112,272	18.1%	-12.1%	112,397	20.5%	-12.2%
Public Securities - Foreign	11,000	1.9%	11,087	1.8%	-0.8%	11,825	2.2%	-7.0%
Denmark	2,548	0.4%	2,548	0.4%	0.0%	2,835	0.5%	-10.1%
United States	1,880	0.3%	2,154	0.3%	-12.7%	945	0.2%	99.0%
Korea	2,172	0.4%	1,626	0.3%	33.6%	2,953	0.5%	-26.5%
Paraguay	780	0.1%	980	0.2%	-20.4%	976	0.2%	-20.1%
Chile	1,766	0.3%	1,442	0.2%	22.5%	1,300	0.2%	35.8%
Spain	753	0.1%	1,060	0.2%	-29.0%	1,089	0.2%	-30.8%
Argentina	592	0.1%	701	0.1%	-15.6%	810	0.1%	-26.9%
Uruguay	249	0.0%	233	0.0%	6.7%	339	0.1%	-26.6%
Other	261	0.0%	343	0.1%	-24.0%	578	0.1%	-54.8%
Corporate Securities	**78,563**	**13.6%**	**71,038**	**11.5%**	**10.6%**	**72,481**	**13.2%**	**8.4%**
PGBL/VGBL - Fund Quotas	**122,899**	**21.3%**	**117,128**	**18.9%**	**4.9%**	**101,508**	**18.5%**	**21.1%**
Derivative Financial Instruments	**27,864**	**4.8%**	**26,865**	**4.3%**	**3.7%**	**25,849**	**4.7%**	**7.8%**
Total	**576,639**	**100.0%**	**619,335**	**100.0%**	**-6.9%**	**549,136**	**100.0%**	**5.0%**

Evolution of Short-Term Interbank Investments and Securities Portfolio

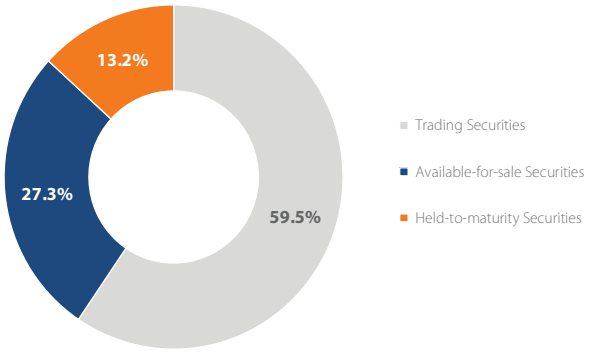
The breakdown of short-term interbank investments and securities in the past few quarters is presented below:

R$ billions



Securities by Category

Our securities portfolio is classified into three categories: trading, available-for-sale and held-to-maturity. On March 31, 2016, the securities portfolio totaled R$311,133 million. The distribution of the securities portfolio remained relatively stable when compared to the previous quarter.



Funding

In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Demand Deposits	58,557	61,092	-4.1%	56,660	3.3%
Savings Deposits	107,292	111,319	-3.6%	117,357	-8.6%
Time Deposits	91,916	105,250	-12.7%	96,500	-4.8%
Debentures (Linked to Repurchase Agreements and Third Parties' Operations)	148,139	152,215	-2.7%	136,714	8.4%
Funds from Bills [1] and Structured Operations Certificates	51,921	50,808	2.2%	32,743	58.6%
(1) Total - Funding from Account Holders and Institutional Clients (*)	**457,827**	**480,684**	**-4.8%**	**439,975**	**4.1%**
Onlending	35,336	38,804	-8.9%	44,082	-19.8%
(2) Total – Funding from Clients	**493,162**	**519,488**	**-5.1%**	**484,057**	**1.9%**
Assets Under Administration	807,267	765,102	5.5%	694,824	16.2%
Technical Provisions for Insurance, Pension Plan and Premium Bonds	137,677	132,053	4.3%	116,737	17.9%
(3) Total – Clients	**1,438,107**	**1,416,643**	**1.5%**	**1,295,618**	**11.0%**
Interbank deposits	8,552	14,949	-42.8%	28,135	-69.6%
Funds from Acceptance and Issuance of Securities	22,431	24,782	-9.5%	18,010	24.5%
Total Funds from Clients + Interbank Deposits	**1,469,089**	**1,456,374**	**0.9%**	**1,341,762**	**9.5%**
Repurchase Agreements [2]	170,825	198,739	-14.0%	194,144	-12.0%
Borrowings	60,016	65,786	-8.8%	52,183	15.0%
Foreign Exchange Portfolio	64,240	68,466	-6.2%	84,030	-23.6%
Subordinated Debt	57,919	65,785	-12.0%	59,527	-2.7%
Collection and Payment of Taxes and Contributions	4,227	239	-	4,661	-9.3%
Working Capital [3]	89,153	89,529	-0.4%	78,707	13.3%
Working Capital and Other	**446,379**	**488,543**	**-8.6%**	**473,252**	**-5.7%**
Total Funds (Working Capital, Raised and Managed Assets)	**1,915,468**	**1,944,917**	**-1.5%**	**1,815,014**	**5.5%**

(*) Funds from Institutional Clients totaled R$39,024 million, which corresponds to 8.5% of the total raised with Account Holders and Institutional Clients.
(1) Includes funds from Real Estate, Mortgage, Financial, Credit and Similar Notes. (2) Does not include own issued debentures classified as funding. (3) Equity + Non-Controlling Interest – Permanent Assets.

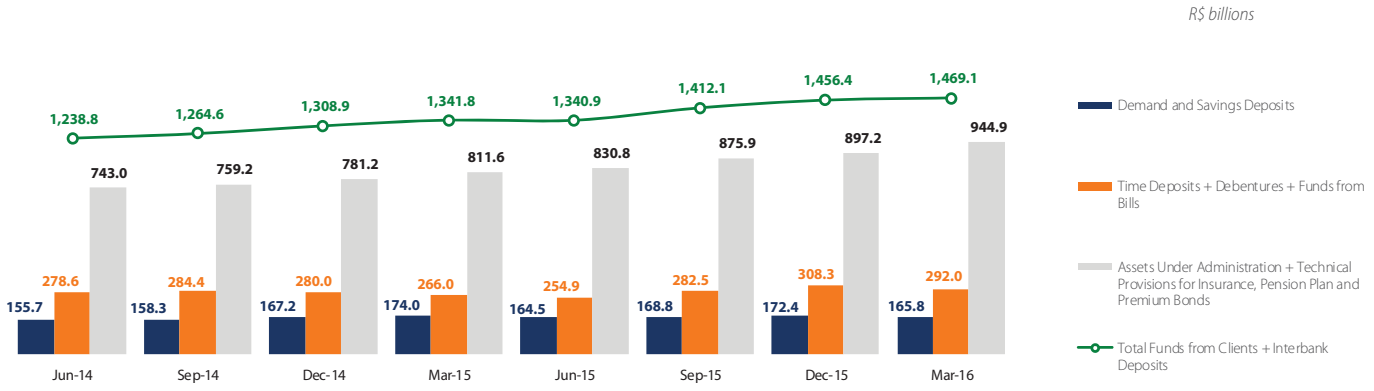
At the end of the first quarter of 2016, total funds from clients, including interbank deposits, amounted to R$1.5 trillion, corresponding to an increase of R$12,715 million compared to the fourth quarter of 2015. This increase was mainly determined by the 5.5% growth in assets under administration, which more than offset the loss in other funding products. Contributed to this movement the increase in market interest rates, which led to migration of savings deposits to funds in search for better remuneration.

On the other hand, there was a 12.7% reduction in time deposits, mainly because of the exchange rate effect in deposits in our foreign units.

Debentures issued by leasing companies of the conglomerate, after being purchased by the bank (the Conglomerate's parent company), are negotiated with similar characteristics as those of CDBs and other time deposits, although they are classified as deposits received under securities repurchase agreements. Therefore, these deposits are reclassified in the table above as deposits from account holders. At the end of the first quarter of 2016, this type of funding totaled R$148,139 million.

Total funds (working capital, raised and managed assets) amounted to R$1.9 trillion at the end of the first quarter of 2016, a decrease of R$29,449 million compared to the end of the fourth quarter of 2015, mainly driven by the non-renewal of the maturities of the subordinated debt and by the exchange rate effect.

Funds from clients [1]



[1] Includes institutional clients in the proportion of each type of product invested in by them.

Loans to Funding Ratio

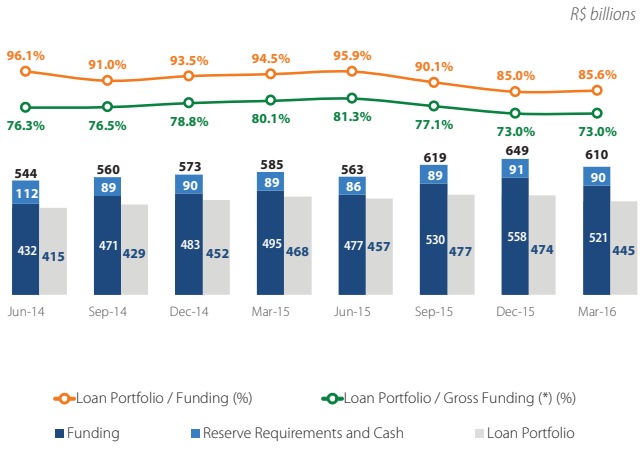
In R$ millions, end of period	1Q16	4Q15	change	1Q15	change
Funding from Clients	493,162	519,488	-5.1%	484,057	1.9%
Funds from Acceptance and Issuance of Securities Abroad	22,431	24,782	-9.5%	18,010	24.5%
Borrowings	60,016	65,786	-8.8%	52,183	15.0%
Other [1]	34,624	38,608	-10.3%	30,400	13.9%
Total (A)	**610,234**	**648,664**	**-5.9%**	**584,649**	**4.4%**
(-) Reserve Required by Brazilian Central Bank	(71,312)	(72,412)	-1.5%	(70,593)	1.0%
(-) Cash (Currency) [2]	(18,384)	(18,544)	-0.9%	(18,687)	-1.6%
Total (B)	**520,538**	**557,708**	**-6.7%**	**495,369**	**5.1%**
Loan Portfolio (C) [3]	**445,467**	**473,829**	**-6.0%**	**468,105**	**-4.8%**
C/A	**73.0%**	**73.0%**	**0 bps**	**80.1%**	**-710 bps**
C/B	**85.6%**	**85.0%**	**60 bps**	**94.5%**	**-890 bps**

(1) Includes installments of subordinated debt that are not included in the Tier II Referential Equity.
(2) Includes cash, bank deposits of institutions without reserve requirements, foreign currency deposits in Brazil, foreign currency deposits abroad, and cash and cash equivalents in foreign currency.
(3) The loan portfolio balance does not include endorsements and sureties.

The loans to funding ratio before deduction of compulsory deposits and cash and cash equivalents reached 73.0% at the end of the first quarter of 2016, the same level as the previous quarter.

Excluding reserve requirements and cash and cash equivalents, this ratio reached 85.6% at the end of the first quarter of 2016 compared to 85.0% at the end of the fourth quarter of 2015.

Loan to Funding Ratio



(*) Gross funding, ex-deductions of reserve requirements and cash and cash equivalents.

External Funding - Securities [1]

The table below highlights the main securities issued by Itaú Unibanco abroad in effect on March 31, 2016.

In US$ millions

Instrument	Issuer	Balance at Dec 31,15	Issuances	Amortization	Exchange Variation	Balance at Mar 31,16	Issue Date	Maturity Date	Coupon % p.a.
Fixed Rate Notes [2]	Itaú Chile	97				97	7/24/2007	7/24/2017	UF[4]+3.79%
Fixed Rate Notes [3]	Itaú Chile	98				98	10/30/2007	10/30/2017	UF[4]+3.44%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,000				1,000	4/15/2010	4/15/2020	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,000				1,000	9/23/2010	1/22/2021	5.75%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	250				250	1/24/2011	1/22/2021	5.75%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	500				500	6/15/2011	12/21/2021	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	550				550	1/24/2012	12/21/2021	6.20%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,250				1,250	3/19/2012	3/19/2022	5.65%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,375				1,375	8/6/2012	8/6/2022	5.50%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,870				1,870	11/13/2012	5/13/2023	5.13%
Medium Term Notes	Itaú Unibanco Holding S.A., Grand Cayman Branch	1,050				1,050	5/26/2015	5/26/2018	2.85%
Structured Notes [5]		2,335		(212)		2,123			
Total		**11,375**	**-**	**(212)**	**-**	**11,163**			

(1) The balances refer to principal amounts; (2) and (3) Amounts in US$ equivalent on the issuance dates to CHP 46.9 billion and CHP 48.5 billion, respectively; (4) Development Financial Unit; (5) Structured Notes.

On March 31, 2016, funds obtained abroad totaled US$11,163 million, corresponding to a decrease of US$212 million compared to the fourth quarter of 2015 (presented in the "Funding" table in the previous section as Foreign Borrowings through Securities and Subordinated Debt).

We adopted a management policy for foreign exchange risk associated with our asset and liability positions primarily intended to mitigate impacts from fluctuations in foreign exchange rates on consolidated results.

Brazilian tax legislation determines that gains and losses from exchange rate variation on permanent foreign investments must not be included in the tax basis. On the other hand, gains and losses arising from financial instruments used to hedge such asset positions are affected by tax effects. Therefore, in order not to expose net income to exchange rate variations, a liability position must be built at a higher volume than the hedged assets. The Balance Sheet by Currency shows our assets and liabilities denominated in local and foreign currencies. On March 31, 2016, the net exchange position was a liability of US$10,842 million.

Assets | March 31, 2016

In R$ millions, end of period	Consolidated	Business in Brazil	Local Currency	Foreign Currency	Business Abroad
Cash and Cash Equivalents	**18,384**	**7,419**	**6,191**	**1,228**	**11,001**
Short - Term Interbank Investments	**237,642**	**212,261**	**212,261**	**0**	**25,538**
Securities and Derivative Instruments	**338,997**	**275,487**	**271,544**	**3,943**	**102,089**
Loans, Leases and Other Loan Operations	**409,431**	**300,798**	**286,518**	**14,280**	**161,751**
Loans	445,467	334,916	320,636	14,280	163,668
(Allowance for Loan Losses)	(36,036)	(34,118)	(34,118)	0	(1,917)
Other Assets	**259,324**	**208,041**	**190,397**	**17,644**	**76,586**
Foreign Exchange Portfolio	63,795	33,552	16,068	17,484	55,341
Other	195,530	174,489	174,329	160	21,245
Permanent Assets	**19,292**	**83,608**	**18,185**	**65,424**	**1,108**
Total Assets	**1,283,071**	**1,087,614**	**985,095**	**102,519**	**378,073**
Derivatives - Purchased Positions				**335,656**	
Total Assets After Adjustments (a)				**438,175**	

Liabilities | March 31, 2016

In R$ millions, end of period	Consolidated	Business in Brazil	Local Currency	Foreign Currency	Business Abroad
Deposits	**266,318**	**170,385**	**169,896**	**489**	**96,117**
Funds Received under Securities Repurchase Agreements	**318,964**	**294,841**	**294,841**	**0**	**24,123**
Funds from Acceptances and Issue of Securities	**74,352**	**90,868**	**53,635**	**37,233**	**20,593**
Borrowings and Onlendings	**95,352**	**91,251**	**36,470**	**54,780**	**57,219**
Interbank and Interbranch Accounts	**9,823**	**9,440**	**5,783**	**3,657**	**383**
Derivative Financial Instruments	**28,917**	**18,096**	**18,084**	**12**	**10,822**
Other Liabilities	**241,377**	**165,081**	**145,249**	**19,832**	**103,078**
Foreign Exchange Portfolio	64,240	33,811	14,050	19,761	55,527
Other	177,137	131,270	131,199	71	47,551
Technical Provisions of Insurance, Pension Plan and Premium Bonds	**137,677**	**137,595**	**137,593**	**2**	**82**
Deferred Income	**1,847**	**1,613**	**1,009**	**605**	**233**
Minority Interest in Subsidiaries	**1,799**	**1,798**	**1,798**	**-**	**0**
Stockholders' Equity of Parent Company	**106,647**	**106,647**	**106,647**	**-**	**65,424**
Capital Stock and Reserves	101,463	101,778	101,778	-	65,063
Net Income	5,184	4,869	4,869	-	360
Total Liabilities and Equity	**1,283,071**	**1,087,614**	**971,005**	**116,609**	**378,073**
Derivatives - Sold Positions				**360,152**	
Total Liabilities and Equity After Adjustments (b)				**476,760**	
Net Foreign Exchange Sold Position Itaú Unibanco (c = a - b)				**(38,585)**	
Net Foreign Exchange Sold Position Itaú Unibanco (c) in US$				**(10,842)**	

Note: Does not include eliminations of operations between local and foreign units.

Assets and liabilities denominated in foreign currencies

We present below the net exchange position, a liability position at a higher volume than the balance of hedged assets, which, when including the tax effects on the net balance of other assets and liabilities denominated in foreign currency, reflects the mitigation of the exposure to foreign exchange variations.

In R$ millions, end of period	1Q16	4Q15	change	
Investments Abroad	65,424	67,297	(1,873)	-2.8%
Net Foreign Exchange Position (Except Investments Abroad)	(104,009)	(110,506)	6,497	-5.9%
Total	**(38,585)**	**(43,209)**	**4,624**	**-10.7%**
Total in US$	**(10,842)**	**(11,066)**	**224**	**-2.0%**

Solvency Ratios | Prudential Conglomerate(*)

In R$ millions, end of period	1Q16	4Q15	1Q15
Stockholders' equity of the parent company	**106,647**	**106,462**	**96,954**
Consolidated stockholders' equity (BACEN)	**110,962**	**111,061**	**102,393**
Deductions from core capital	(11,742)	(10,107)	(10,942)
Core Capital	**99,220**	**100,955**	**91,451**
Additional capital	**70**	**46**	**50**
Tier I	**99,290**	**101,001**	**91,501**
Tier II	**23,582**	**27,464**	**29,402**
Referential Equity (Tier I and Tier II)	**122,872**	**128,465**	**120,903**
Required Referential Equity	**68,621**	**79,471**	**86,773**
Risk-weighted Assets (RWA)	**694,899**	**722,468**	**788,844**
Excess Capital	54,250	48,994	34,130
Amount Required for Additional Common Equity Tier I Capital ($ACP_{Required}$)	4,343	-	-
Ratios (%) Tier I	14.3	14.0	11.6
Tier II	3.4	3.8	3.7
BIS (Referential Equity / Total Risk-weighted Exposure)	**17.7**	**17.8**	**15.3**

Our minimum capital requirements follow the set of rules disclosed by the Brazilian Central Bank, which implement the Basel III global capital requirements standards in Brazil. These requirements are expressed as ratios of available capital - stated by the Referential Equity, or of Total Capital, composed of Tier I Capital and Tier II Capital - and the risk-weighted assets, or RWA.

Minimum Total Capital requirement corresponds to 9.875% from January to December 2016, decreasing gradually to 8% in January 2019. To counteract this, the Brazilian Central Bank rules established the Additional Common Equity Tier I Capital (ACP), comprised of the sum of $ACP_{Conservation}$, $ACP_{Countercyclical}$ and $ACP_{Sistemic}$, which, combined with minimum Total Capital, increase capital requirements over time. Any insufficiency in connection with these ACP requirements will result in restrictions detailed in CMN Resolution No. 4,193.

In conformity with CMN Resolution No. 4,193, the sum of the amounts $ACP_{Conservation}$ and $ACP_{Countercyclical}$ will gradually increase, from 0.625% as of January 2016 to 2.5% as of January 2019. In conformity with BACEN Circular No. 3,769, however, at present the amount calculated for the $ACP_{Countercyclical}$ is equivalent to zero, and in the case of increases in this amount, the new percentage will become effective 12 months after it is disclosed. According to Circular No. 3,768 of the Brazilian Central Bank, the $ACP_{Sistemic}$ currently applicable to Itaú Unibanco is 0%, and will gradually increase from 0.25% as of January 2017 to 1% as of January 2019.

On March 31, 2016, ACP amounted to R$4,343 million, which did not result in restrictions to Itaú Unibanco in connection with any insufficient Additional Common Equity Tier I Capital.

Referential Equity | Prudential Conglomerate

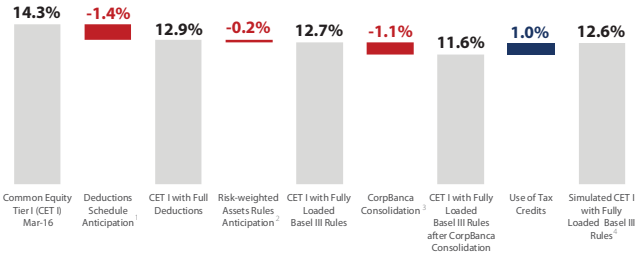
On March 31, 2016, our Referential Equity reached R$122,872 million, a decrease of R$5,594 million compared to December 31, 2015 mainly driven by a lower Tier II Capital, which reached R$23,582 million at the end of the first quarter of 2016, R$3,883 million less compared to December 31, 2015, due to the Basel III schedule. At the end of the first quarter of 2016, Tier I Capital totaled R$99,290 million, a decrease of R$1,711 million from December 31, 2015.

(*) Includes not only the financial institutions, but also consortium managers, payment institutions, companies that acquire operations or directly or indirectly assume credit risk, and investment funds in which the conglomerate substantially retains risks and benefits.

Taking into consideration our current capital base, if we immediately fully applied the Basel III rules established by the Brazilian Central Bank, our core capital (Common Equity Tier I) would be 12.6% on March 31, 2016, including the consolidation of CorpBanca (estimated impact based on preliminary information) and use of tax credits. This scenario is presented in the following chart.

Estimated Core Capital Ratio according to Full Basel III Rules

(Common Equity Tier I)



[1] Includes deductions of Goodwill, Intangible Assets (generated before and after October 2013), Tax Credits from Temporary Differences and Tax Loss, Pension Fund Assets, Equity Investments in Financial Institutions, Insurance and similar companies. [2] Includes the increase of the multiplier of the amounts of market risk, operational risk and certain credit risk accounts. This multiplier, which is at 10.1 nowadays, will be 12.5 in 2019. [3] Estimated impact based on preliminary information. [4] Does not include any reversal of the complementary allowance for loan losses.

Solvency Ratios | Prudential Conglomerate

On March 31, 2016, the BIS ratio reached 17.7%, a decrease of 10 basis points from December 31, 2015. Contributed to this result the impact of Basel III schedule applied to Tier II instruments and to deductions capital, and also the distribution of interest on capital and dividends in the period.

Our BIS ratio exceeds by 720 basis points the sum of the minimum requirements of the Reference Equity and the Additional Common Equity Tier I Capital established by the Brazilian Central Bank for 2016 (equivalent to 10.5%).

In addition to the minimum capital requirements, Circular No. 3,748 of the Brazilian Central Bank added a Leverage Ratio to the Basel III framework, which is defined as the ratio of Tier I Capital to Total Exposure (calculated based on this Circular). On March 31, 2016, the Leverage Ratio reached 8.3%.

Risk Exposure

In R$ millions, end of period	1Q16	4Q15	1Q15
Credit Risk-weighted Assets (RWA_{CPAD})	**637,179**	**679,593**	**728,559**
FPR at 2%	149	179	136
FPR at 20%	6,484	7,000	6,291
FPR at 35%	11,888	11,695	8,579
FPR at 50%	46,622	46,025	46,681
FPR at 75%	129,244	136,104	145,250
FPR at 85%	117,929	129,884	147,950
FPR at 100%	267,515	288,057	305,875
FPR at 250%	36,973	37,858	34,294
FPR at 300%	9,066	10,751	18,002
FPR up to 1250% [1]	1,305	1,990	1,688
Derivatives – future potential gain and variation of the counterparty credit quality	10,005	10,050	13,812
Operational Risk-weighted Assets (RWA_{OPAD})	**37,364**	**28,623**	**35,509**
Market Risk-weighted Assets (RWA_{MPAD})	**20,356**	**14,252**	**24,776**
Gold, foreign currency and operations subject to exchange rate variation (RWA_{CAM})	3,040	1,536	11,198
Operations subject to interest rate variation (RWA_{JUR})	15,779	11,291	12,046
Operations subject to commodity price variations (RWA_{COM})	624	473	921
Operations subject to stock price variation (RWA_{ACS})	913	952	610
Total Risk-weighted Exposure (RWA) [RWA_{CPAD}+ RWA_{OPAD}+RWA_{MPAD}]	**694,899**	**722,468**	**788,844**

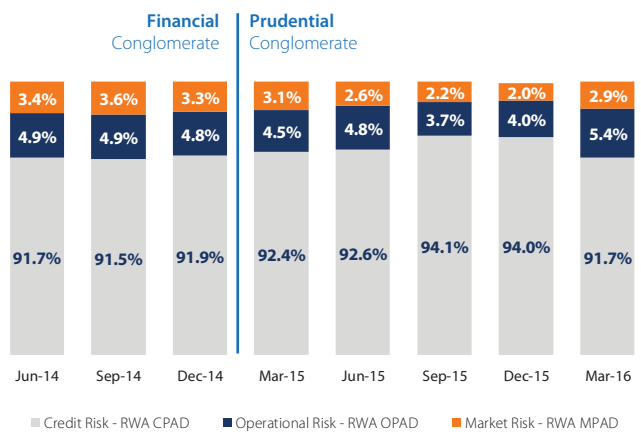
Note: FPR - Risk Weighting Factor.
[1] Includes the application of the "F" factor, as required by Article 29 of Circular No. 3,644/13.

On March 31, 2016, total risk-weighted exposure amounted to R$694,899 million, a decrease of R$27,569 million compared to December 31, 2015, driven by the reduction of the credit risk-weighted assets (RWA_{CPAD}), which reached R$637,179 million on March 31, 2016. This change was mainly due to the decrease in the balance of loan operations.

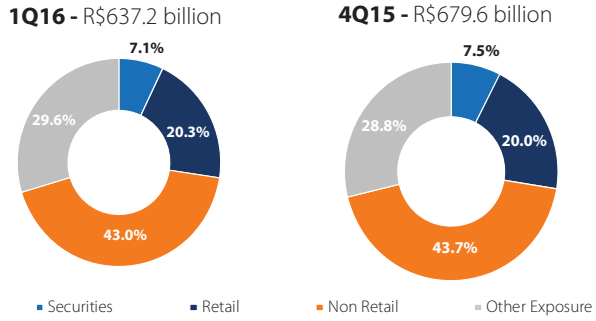
In the first quarter of 2016, the operational risk-weighted assets (RWA_{OPAD}) reached R$37,364 million, an increase of R$8,741 million compared to December 31, 2015. The RWA_{OPAD} is calculated every six months, according to Circulars Nos. 3,640, 3,675, and 3,739 of the Brazilian Central Bank.

On March 31, 2016, market risk-weighted assets (RWA_{MPAD}) totaled R$20,356 million, an increase of R$6,105 million compared to December 31, 2015, mainly due to the higher amount required for operations subject to interest rate variation (RWA_{JUR}).

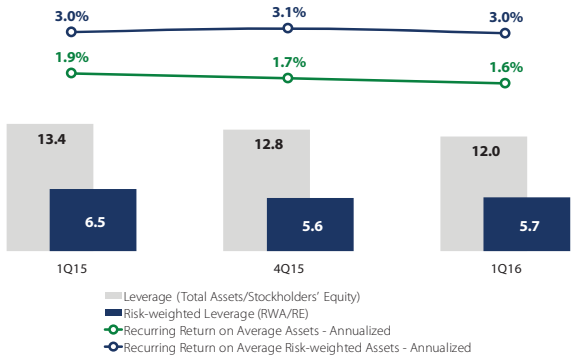
Evolution of the Composition of the Risk-weighted Exposure



Credit Risk-weighted Exposure



Risk-weighted ROA



In the first quarter of 2016, annualized recurring return on average assets reached 1.6%, a decrease of 30 basis points compared to the first quarter of 2015.

The annualized recurring return on risk-weighted assets reached 3.0% in the quarter, remaining stable compared to the same period of the previous year.

In this period, the risk-weighted leverage was 5.7, remaining relatively stable compared to the previous quarter.

Corporate Principles of Risk and Capital Management

We regard risk and capital management as essential instruments for optimizing the use of resources and selecting the best business opportunities in order to create value for our shareholders.

Risk management covers the entire institution and is in line with the guidelines of the Board of Directors and Senior Management, which, through Superior Committees, determine the overall goals, expressed as targets and limits for the risk management business units. Meanwhile, the control and capital management units support Itaú Unibanco's management through monitoring processes and risk and capital analysis.

In order to strengthen our values and align our employee's behavior to the guidelines established by our risk management, we have several initiatives aimed at encouraging compliance with our risk culture. In addition to policies, procedures and processes, the risk culture strengthens the individual and collective responsibility of our employees in connection with management of risks inherent in activities carried out on an individual basis, complying with our ethical business management.

We adopt a prospective approach regarding capital management, and, through the internal Capital Adequacy Assessment Process (ICAAP), we assess the sufficiency of regulatory capital to cover our risks, represented by the regulatory capital for credit, market and operational risks, as well as the capital required to cover other risks. The ICAAP process comprises the following phases: identification of material risks, definition of additional capital requirement to material risks and of internal methodologies for capital quantification; preparation of the capital plan, for normal and stress situations, and structuring the capital contingency plan. The result of the last ICAAP – conducted at the December 2015 base date – indicated that, in addition to capital to face all material risks, we have significant capital surplus, thus assuring the institution's equity soundness.

For further information on the risk and capital management structure, please refer to the Investor Relations website at www.itau.com.br/investor-relations Corporate Governance >> Risk and Capital Management – Pillar 3.

Credit Risk

Our credit risk management is aimed at keeping the level of the loan portfolio quality consistent with our risk appetite for each market segment in which we operate.

The credit risk control is centralized and carried out by a department independent from the business units and responsible for risk control. The main responsibilities include monitoring and controlling the performance of loan portfolios, and managing the process of development, review and approval of institutional credit risk policies. Our centralized process for approving policies and validating models ensures the synchronization of credit actions.

Operational Risk

Our operational risk management structure is composed of operational risk management and control activities aimed at supporting the organization of decision-making processes, always aiming at the proper identification and evaluation of risks, the creation of value for shareholders, as well as the protection of our assets and image.

Liquidity Risk

The liquidity risk measurement comprises all financial operations of our companies, as well as possible contingent or unexpected exposures, such as those arising from settlement services, provision for endorsements and sureties and lines of credit raised but not used. Liquidity risk management and control is carried out on a daily basis, through a governance approved in Superior Committees, that establishes, among others, the adoption of minimum liquidity limits, sufficient to absorb possible cash losses in stress scenarios, measured by internal and also regulatory methodologies.

Market Risk

Our market risk is controlled by a department which is independent of the business units and responsible for carrying out, on a daily basis: (i) risk measurement and assessment, (ii) monitoring of stress scenarios, limits and alerts, (iii) applying, analyzing and testing of stress scenarios, (iv) reporting of risk results to those accountable for in the business units, in accordance with our governance, (v) monitoring of the actions required to adjust positions and/or risk levels to make them feasible, and (vi) supporting the safe launch of new financial products. To this end, Itaú Unibanco has a structured communication and information process that provides feedback for the monitoring of Superior Committees and compliance with the requirements of Brazilian and foreign regulatory bodies.

VaR of Itaú Unibanco Holding

The Consolidated VaR of Itaú Unibanco is calculated based on the Historical Simulation methodology, which fully reprices all its positions based on historical series of asset prices. During the first quarter of 2016, we choose to incorporate the exposures of each external unit to calculate our consolidated VaR, in order to also include the risk of these units, thereby improving the methodology used.

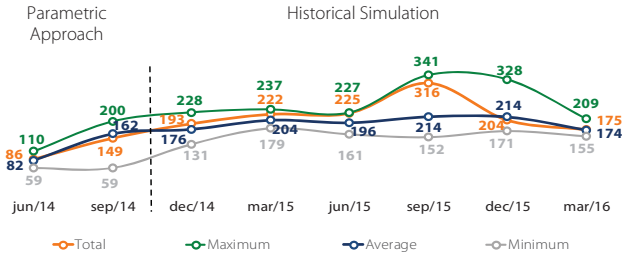
Maintaining our conservative management and portfolio diversification, we follow our policy of operating within low limits in connection with our capital in the period. The Average VaR in the quarter remained lower than 1% of our stockholders' equity.

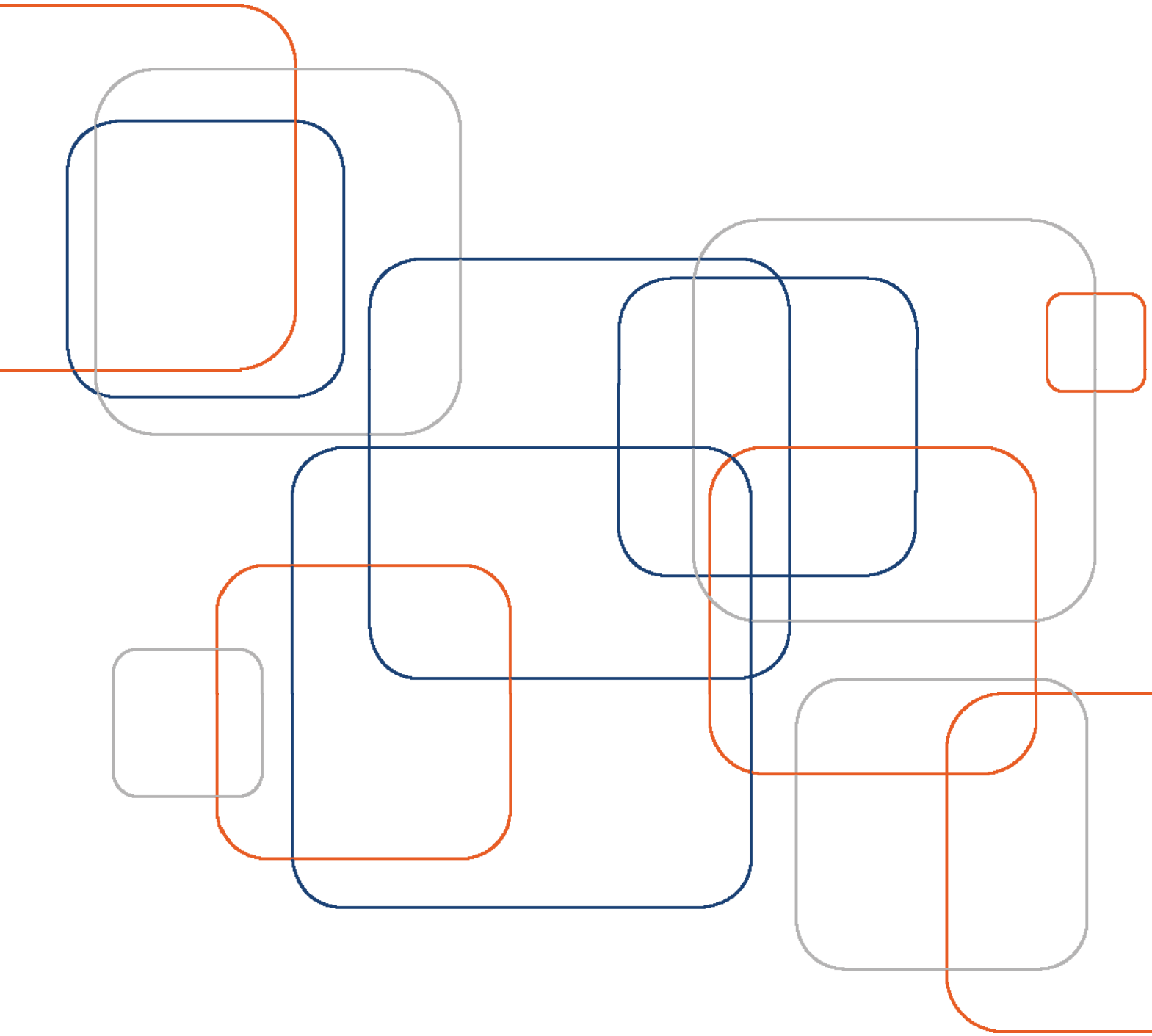
VaR by Risk Factor [1]

In R$ millions, end of period		1Q16[2]	1Q16[3]	4Q15[3]
Itaú Unibanco	Brazilian Interest rates	165.4	160.1	121.2
	Other Foreign Interest rates	102.0	101.7	108.6
	FX rates	20.7	18.0	13.1
	Brazilian Inflation Indexes	140.2	139.0	108.9
	Equities and Commodities	62.5	62.5	59.3
	Diversification Effect	**(315.8)**	**(309.0)**	**(233.3)**
	Total VaR	**174.9**	**200.9**	**204.0**
	Maximum VaR in the Quarter	**208.5**	**230.3**	**327.6**
	Average VaR in the Quarter	**174.1**	**197.2**	**213.6**
	Minimum VaR in the Quarter	**155.1**	**174.6**	**170.8**

(1) The Values represented above consider 1 day as time horizon and 99% confidence. (2) The VaR by risk factors includes foreign units. (3) The VaR by risk factors does not include foreign units.

Evolution of Itaú Unibanco's VaR





1st quarter of 2016

Management Discussion & Analysis

Business Analysis

Itaú Unibanco Holding S.A.

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Pro Forma Adjustments

Adjustments made to the balance sheet and income statement for the year are based on managerial information from the business units.

The financial statements were adjusted in order to replace the accounting stockholders' equity with funding at market prices. Subsequently, the financial statements were adjusted to include revenues linked to allocated capital at each segment. The cost of subordinated debt and the respective remuneration at market prices were allocated to segments on a pro rata basis, in accordance with the economic allocated capital.

As of the first quarter of 2015, we changed the presentation of our segments in order to reflect the bank's current organizational structure. We report on the following segments: (a) **Retail Banking**, (b) **Wholesale Banking** and (d) **Activities with the Market + Corporation**. Retail Banking include the previous Commercial Banking – Retail and Consumer Credit – Retail segments, with the transfer of the Private Bank and Latam operations to the Wholesale Banking.

The Activities with the Market + Corporation column presents the result from excess capital, excess subordinated debt and the net balance of tax assets and liabilities. It also shows the financial margin with the market, costs of Treasury operations, the equity pickup of companies not linked to each segment and our stake in Porto Seguro.

Allocated Capital

Impacts related to capital allocation are included in the *Pro Forma* financial statements. To this end, adjustments were made to the financial statements, using a proprietary model.

The economic allocated capital model (EAC) was adopted for the *Pro Forma* financial statements by segment and, as of 2015, we changed our calculation methodology. In addition to the Tier I allocated capital, the EAC model includes the effects of the calculated expected loan losses, complementary to that required by the Brazilian Central Bank through CMN Circular No. 2,682/99.

Accordingly, the allocated capital includes the following components: credit risk (including expected losses), operational risk, market risk, and insurance underwriting risk.

Based on Tier I capital measure we determined the Return on Allocated Capital, which corresponds to an operational performance ratio consistently adjusted to the required capital needed to support the risks of the financial positions assumed in accordance with our risk appetite.

As of the first quarter of 2016, we have adopted the Basel III rules in our managerial capital allocation model.

Income Tax Rate

We adopt the full income tax rate, net of the tax effect of payment of interest on capital, for the Retail Banking, Wholesale Banking and Activities with the Market + Corporation segments. The difference between the income tax amount determined for each segment and the effective income tax amount, as stated in the consolidated financial statements, is stated in the column Activities with the Market + Corporation.

The *Pro Forma* financial statements of Retail Banking, Wholesale Banking and Activities with the Market + Corporation presented below are based on managerial information derived from internal models to more accurately reflect the activities of the business units.

***Pro Forma* Balance Sheet by Segment** | On March 31, 2016

In R$ millions	Retail Banking	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Assets				
Current and Long-Term Assets	**827,012**	**503,144**	**109,403**	**1,263,779**
Cash and Cash Equivalents	13,088	5,302	-	18,384
Short-term Interbank Investments	296,895	90,281	-	237,642
Securities and Derivative Financial Instruments	181,478	146,949	28,748	338,997
Interbank and Interbranch Accounts	67,058	5,193	-	70,858
Loan, Lease and Other Credit Operations	218,337	227,129	-	445,467
(Allowance for Loan Losses)	(17,303)	(7,748)	-	(25,051)
(Complementary Expected Loss Provisions)	-	-	(10,985)	(10,985)
Other Assets	67,458	36,037	91,639	188,467
Foreign Exchange Portfolio	8,093	17,458	43,960	63,795
Others	59,366	18,579	47,679	124,672
Permanent Assets	**15,116**	**2,313**	**1,863**	**19,292**
Total Assets	**842,128**	**505,457**	**111,266**	**1,283,071**
Liabilities and Equity				
Current and Long-Term Liabilities	**805,621**	**457,140**	**85,798**	**1,172,779**
Deposits	221,115	145,086	-	266,318
Deposits Received under Securities Repurchase Agreements	288,772	59,527	-	318,964
Funds from Acceptances and Issue of Securities	66,240	46,063	-	74,352
Interbank and Interbranch Accounts	5,000	4,825	-	9,823
Borrowings and Onlendings	9,003	86,349	-	95,352
Derivative Financial Instruments	20	31,317	-	28,917
Other Liabilities	108,648	53,119	85,798	241,377
Foreign Exchange Portfolio	8,483	17,332	44,142	64,240
Others	100,165	35,787	41,656	177,137
Technical Provisions for Insurance, Pension Plans and Premium Bonds	106,823	30,854	-	137,677
Deferred Income	**1,519**	**328**	**-**	**1,847**
Minority Interest in Subsidiaries	**1,694**	**-**	**105**	**1,799**
Economic Allocated Capital - Tier I (*)	**33,294**	**47,990**	**25,363**	**106,647**
Total Liabilities and Equity	**842,128**	**505,457**	**111,266**	**1,283,071**

(*) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution in order to arrive at the accounting net equity.

***Pro Forma* Income Statement by Segment** | 1st quarter of 2016

In R$ millions	Retail Banking	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**17,074**	**6,822**	**1,971**	**25,867**
Managerial Financial Margin	9,646	4,947	1,964	16,557
Financial Margin with Clients	9,646	4,947	227	14,820
Financial Margin with the Market	-	-	1,737	1,737
Commissions and Fees	5,422	1,744	2	7,169
Result from Insurance, Pension Plans and Premium Bonds Operations before Retained Claims and Selling Expenses	2,006	130	5	2,141
Result from Loan Losses	**(3,633)**	**(2,859)**	**90**	**(6,402)**
Provision for Loan Losses	(4,413)	(2,908)	90	(7,231)
Recovery of Loans Written Off as Losses	780	49	-	829
Retained Claims	**(379)**	**(15)**	**-**	**(394)**
Operating Margin	**13,062**	**3,948**	**2,061**	**19,071**
Other Operating Income/(Expenses)	**(8,652)**	**(2,763)**	**(511)**	**(11,926)**
Non-interest Expenses	(7,394)	(2,459)	(362)	(10,215)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,065)	(303)	(147)	(1,515)
Insurance Selling Expenses	(193)	(0)	(2)	(196)
Income before Tax and Minority Interests	**4,410**	**1,185**	**1,550**	**7,145**
Income Tax and Social Contribution	**(1,580)**	**(144)**	**(123)**	**(1,846)**
Minority Interests in Subsidiaries	**(58)**	**-**	**(6)**	**(64)**
Recurring Net Income	**2,772**	**1,042**	**1,421**	**5,235**
Recurring Return on Average Allocated Capital	**34.2%**	**9.0%**	**21.3%**	**19.9%**
Efficiency Ratio (ER)	**47.9%**	**37.8%**	**19.9%**	**43.0%**
Risk-Adjusted Efficiency Ratio (RAER)	**71.4%**	**81.8%**	**14.9%**	**69.9%**

Note: Non-interest Expenses considers Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.

Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

The *Pro Forma* financial statements of Retail Banking, Wholesale Banking and Activities with the Market + Corporation presented below are based on managerial information derived from internal models to more accurately reflect the activities of the business units.

***Pro Forma* Balance Sheet by Segment** | On December 31, 2015

In R$ millions	Retail Banking	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Assets				
Current and Long-Term Assets	**858,630**	**544,908**	**125,927**	**1,340,483**
Cash and Cash Equivalents	13,884	4,678	-	18,544
Short-term Interbank Investments	323,182	110,480	-	280,944
Securities and Derivative Financial Instruments	180,287	147,553	38,334	338,391
Interbank and Interbranch Accounts	63,760	4,938	-	67,373
Loan, Lease and Other Credit Operations	222,774	251,056	-	473,829
(Allowance for Loan Losses)	(16,852)	(6,241)	-	(23,093)
(Complementary Expected Loss Provisions)	-	-	(10,985)	(10,985)
Other Assets	71,596	32,445	98,578	195,480
Foreign Exchange Portfolio	8,742	18,858	47,485	68,909
Others	62,855	13,588	51,093	126,571
Permanent Assets	**14,571**	**2,328**	**1,790**	**18,689**
Total Assets	**873,202**	**547,236**	**127,716**	**1,359,172**
Liabilities and Equity				
Current and Long-Term Liabilities	**838,508**	**502,452**	**97,017**	**1,248,995**
Deposits	235,282	172,998	-	292,610
Deposits Received under Securities Repurchase Agreements	301,607	72,503	-	350,954
Funds from Acceptances and Issue of Securities	73,610	42,906	-	75,590
Interbank and Interbranch Accounts	2,127	4,802	-	6,926
Borrowings and Onlendings	10,529	94,060	-	104,589
Derivative Financial Instruments	25	33,737	-	31,116
Other Liabilities	113,087	51,634	97,017	255,155
Foreign Exchange Portfolio	9,041	18,472	47,128	68,466
Others	104,046	33,162	49,889	186,690
Technical Provisions for Insurance, Pension Plans and Premium Bonds	102,241	29,813	-	132,053
Deferred Income	**1,525**	**435**	**-**	**1,960**
Minority Interest in Subsidiaries	**1,663**	**-**	**92**	**1,755**
Economic Allocated Capital - Tier I (*)	**31,506**	**44,350**	**30,607**	**106,462**
Total Liabilities and Equity	**873,202**	**547,236**	**127,716**	**1,359,172**

(*) The Economic Capital allocated to the Activities with the Market + Corporation column contains all the excess capital of the institution in order to arrive at the accounting net equity.

***Pro Forma* Income Statement by Segment** | 4th quarter of 2015

In R$ millions	Retail Banking	Wholesale Banking	Activities with the Market + Corporation	Itaú Unibanco
Operating Revenues	**17,972**	**7,143**	**1,565**	**26,680**
Managerial Financial Margin	10,138	5,082	1,544	16,764
Financial Margin with Clients	10,138	5,082	275	15,495
Financial Margin with the Market	-	-	1,269	1,269
Commissions and Fees	5,699	1,935	11	7,645
Result from Insurance, Pension Plans and Premium Bonds Operations before Retained Claims and Selling Expenses	2,135	126	10	2,271
Result from Loan Losses	**(3,770)**	**(902)**	**38**	**(4,634)**
Provision for Loan Losses	(4,659)	(1,495)	38	(6,116)
Recovery of Loans Written Off as Losses	889	593	-	1,482
Retained Claims	**(391)**	**(15)**	**-**	**(406)**
Operating Margin	**13,811**	**6,225**	**1,603**	**21,639**
Other Operating Income/(Expenses)	**(9,518)**	**(3,005)**	**(436)**	**(12,959)**
Non-interest Expenses	(8,059)	(2,635)	(425)	(11,119)
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1,202)	(371)	(9)	(1,582)
Insurance Selling Expenses	(257)	1	(2)	(258)
Income before Tax and Minority Interests	**4,293**	**3,220**	**1,168**	**8,680**
Income Tax and Social Contribution	**(1,562)**	**(1,157)**	**(97)**	**(2,815)**
Minority Interests in Subsidiaries	**(85)**	**-**	**(7)**	**(92)**
Recurring Net Income	**2,646**	**2,063**	**1,064**	**5,773**
Recurring Return on Average Allocated Capital	32.4%	19.4%	15.0%	22.3%
Efficiency Ratio (ER)	50.0%	39.0%	27.3%	45.5%
Risk-Adjusted Efficiency Ratio (RAER)	73.4%	52.3%	24.9%	64.5%

Note: Non-interest Expenses considers Personnel Expenses, Administrative Expenses, Other Tax Expenses and Operating Expenses.

Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

Retail Banking

The revenues from Retail Banking come from the offer of banking products and services to retail and high-income clients and very small and small companies, in addition to financial products and services offered to our non-account holder clients, including vehicle financing and credit cards offered outside the branch network, and Itaú BMG Consignado operations.

In the first quarter of 2016, recurring net income for the segment totaled R$2,772 million, a 4.8% increase from the previous quarter.

The increase in net income for the quarter was mainly due to reductions of 8.3% in non-interest expenses and of 5.3% in provision for loan losses, which were partially offset by the 5.0% decrease in operating revenues.

The decrease in operating revenues was due to decreases of 4.9% in the financial margin with clients, 4.8% in commissions and fees and 6.0% in the result from insurance, pension plans and premium bond operations before retained claims and selling expenses.

The Retail Banking annualized return on allocated capital reached 34.2% in the first quarter of 2016. The efficiency ratio was 47.9% and the risk-adjusted efficiency ratio reached 71.4%.

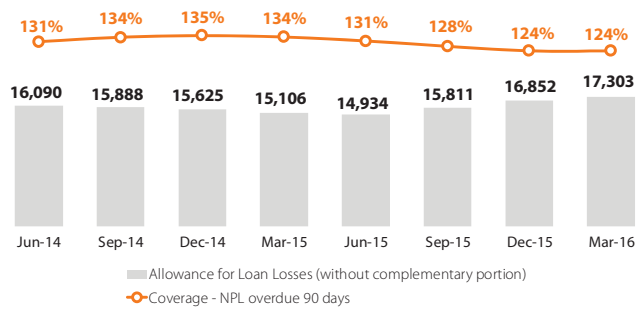
Loan Portfolio – Retail Banking

At the end of March 2016, loan portfolio reached R$218,337 million, a 2.0% decrease from December 31, 2015.

Coverage ratio for NPL over 90 days (without complementary allowance) was 124% on March 31, 2016, remaining stable compared to December 31, 2015.

Allowance for Loan Losses and Coverage Ratio

R$ millions



Wholesale Banking

The revenues from the Wholesale Banking segment come from: i) activities of Itaú BBA, the unit responsible for commercial operations with large companies and for investment banking services, ii) the result from our units abroad, and iii) products and services offered to middle market companies, high-net worth clients (Private Banking) and institutional clients.

In the first quarter of 2016, operating revenues amounted to R$6,822 million, a decrease of 4.5%, or R$320 million, from the previous quarter, mainly due to the decrease of 9.8% in commissions and fees and of 2.7% in financial margin with clients.

Result from loan losses totaled R$2,859 million in the first quarter of 2016, a 216.8% increase from the previous quarter, mainly due to higher provisions for loan losses for specific economic groups due to the challenging economic scenario.

Non-interest expenses decreased 6.7% from the fourth quarter of 2015 and totaled R$2,459 million in the current period.

Net income of the Wholesale Banking segment decreased 49.5% from the previous quarter, totaling R$1,042 million in the first quarter of 2016.

In the first quarter of 2016, return on allocated capital reached 9.0% per year, the efficiency ratio was 37.8%, and the risk-adjusted efficiency ratio reached 81.8%.

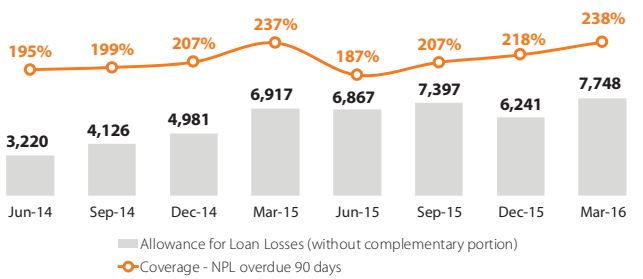
Loan Portfolio – Wholesale Banking

The loans portfolio reached R$227,129 million at March 31, 2016, down 9.5% compared to December 31, 2015.

Coverage ratio for NPL over 90 days (without complementary allowance) reached 238% at the end of the first quarter of 2016, 2,000 basis points higher than the previous quarter. In the quarter, the 24.1% increase in the allowance for loan losses was due to higher provisions for loan losses mentioned before.

Allowance for Loan Losses and Coverage Ratio

R$ millions



Middle Market

This sub-segment serves approximately 29 thousand clients (economic groups) with sales between R$30 million and R$200 million.

Our result is well balanced between earnings from loans and services. Our risk appetite continues to focus on high-rating clients, and 69% of loans are granted to B2 and higher ratings (internal rating).

Our credit portfolio (including sureties and endorsements) decreased 4.9% from the fourth quarter of 2015.

Large Companies

Our clients are approximately 5,800 large corporate groups, 187 financial institutions and 723 institutional clients. We offer them a broad portfolio of banking products and services, from cash management to structured operations and transactions in capital markets.

The credit portfolio (including endorsements and sureties) decreased 9.2% from the fourth quarter of 2015, and the highlight is the decrease in foreign currency products. In our loan portfolio, 86% of credits are rated "AA", "A" and "B", according to criteria set forth in Resolution No. 2,682 of the National Monetary Council.

For derivatives, we maintained our relevant position in CETIP (Clearing House for the Custody and Financial Settlement of Securities). We focused on operations that hedge our clients' exposures to foreign currencies, interest rates and commodities.

Investment Banking

Fixed Income: we took part in local operations with debentures, promissory notes and securitization, which totaled R$1,519 million up to March 2016.

Mergers and Acquisitions: in the period from January to March 2016, our Merger and Acquisition operation provided financial advisory on 7 transactions in Latin America, totaling US$516 million, and reached the leadership in the Thomson Reuters ranking.

Project Finance: We were the exclusive financial advisor to the financing operations of the project related to the wind power plant of the energy utility company CPFL Renováveis (*Projeto Eólico Campo dos Ventos da CPFL Renováveis*) with 231 MW installed capacity, the largest power generation project of the company. The energy is sold in the free market and the wind parks are located in the State of Rio Grande do Norte. It was the first time that CPFL Renováveis managed to be funded by Project Finance for projects contracted in the free market. The project is expected to start commercial operation in April 2016 and to be fully operational in December 2016. Total long-term financing from BNDES was R$764.1 million.

Wealth Management and Services

Asset Management

In March 2016, we reached R$489.7 billion(*) in managed assets, accounting for 15.8% of the market. In the last 12 months, the volume of managed assets grew 18.8% in the aggregate, and noteworthy were fixed income and pension plan funds. In addition to a strong local presence, we are present in the world's major financial centers, with strategically allocated professionals, searching for opportunities and investment solutions appropriate for different customer profiles.

(*)Source: ANBIMA (Brazilian Financial and Capital Markets Association) – March 2016. Considers Itaú Unibanco and Intrag.

Securities Services

With four lines of business, the Securities Services area serves both publicly and closely-held companies, pension funds, asset management and international investors, totaling 3,418 clients in 22 countries. We closed March with a custody market share of 23.6% and a total of R$1,125 billion in assets under custody, an 11.7% increase from the same period of 2015. Our business lines are:

Local Custody and Fiduciary Administration: we offer custody and accounting services for portfolios, investment, mutual and pension funds, services of fund administration, rebalancing fund services and contracting of service providers. We ended March with a total of R$975 billion under custody, 15.9% up from the same period of 2015.

International Custody: we offer services of custody and representation to investors outside Brazil, custody of ADR programs and depositary services for Brazilian Depositary Receipts (BDR) programs. We closed March with R$150 billion under custody, a decrease of 9.4% from the volume under custody in the same period of 2015.

Corporate Solutions: we offer many solutions for capital markets, such as control of stock option programs, bookkeeping of shares, debentures, settlement and custody of promissory notes and bank credit notes. We also work as guarantee agents in operations of Project Finance, Escrow Accounts, and loan and financing contracts. We are leaders in the bookkeeping of shares, providing services to 221 companies listed on the BM&F Bovespa, representing 61.7% of the total, and we are also the leaders in the bookkeeping of debentures, acting as bookkeeper of 460 issues as of March 2016.

Source: Itaú Unibanco, ANBIMA (Brazilian Financial and Capital Markets Association) and BM&F Bovespa – March 2016.

Private Bank

With a full global wealth management platform, we are market leaders in Brazil and one of the main players in Latin America. Our multidisciplinary team, which comprises private bankers, investment advisers and product experts, serves our clients from our seven offices in Brazil and in our offices located in Zurich, Miami, New York, Santiago, Asuncion and Nassau.

Activities Abroad

Our activities abroad include business with retail clients and large companies, and investment banking activities in eighteen countries outside Brazil.

Additional information is available on the next pages.

International Presence



We are a Brazilian company operating in 18 countries, seven of which are in Latin America.

In Argentina, Chile, Paraguay and Uruguay, we serve the retail banking, companies, corporate and treasury segments, with commercial banking as our main focus. In Peru, we have an Itaú BBA representation office.

On April 1st, 2016, after obtaining all the corporate and regulatory approvals required, the merger of operations between Banco Itaú Chile and CorpBanca was completed. Accordingly, we now hold the control of the resulting bank (Itaú CorpBanca) with a 33.58% stake in its capital. From the second quarter of 2016 on, we will consolidate the financial statements from Itaú CorpBanca.

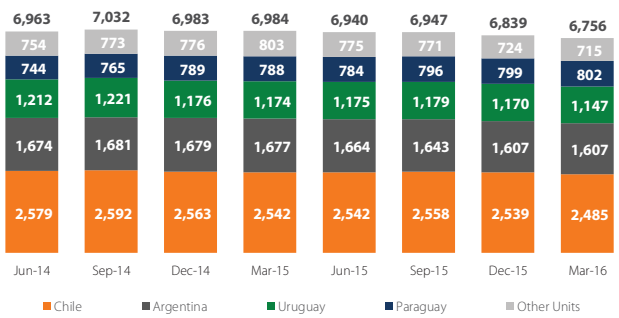
With this operation, we now rank 4th, from a previous 7th place, among the largest private banks in Chile in terms of loans and we have entered the financial retail market in Colombia through Banco CorpBanca Colombia S.A., the 5th largest bank in terms of loans, which will also operate under the "Itaú" brand.

We consider this operation an important step in our internationalization process, with the creation of this platform aiming at the development of and search for new business opportunities in the financial sector.

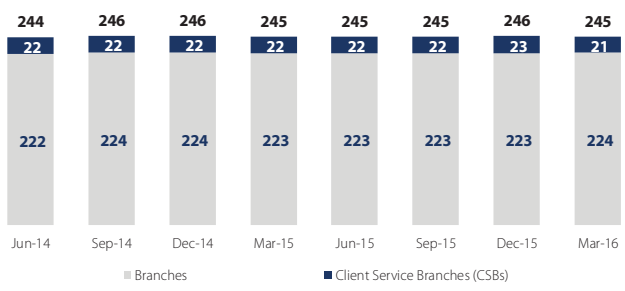
Additionally, we have operations in Europe (Portugal, United Kingdom, Spain, France, Germany and Switzerland), in the United States (Miami and New York), in the Caribbean (Cayman Islands and Bahamas), in the Middle East (Dubai), and in Asia (Hong Kong, Shanghai and Tokyo), mainly serving institutional, investment banking, corporate and private banking clients.

Information about the number of employees abroad and the international service network is presented below:

Employees Abroad



International Service Network



Latin America

Our operations in Latin America are mainly focused on commercial banking and are concentrated in the Southern Cone (Argentina, Chile, Paraguay and Uruguay). Besides these operations we also operate in Colombia in the investment banking and corporate segments. In Peru, we operate in the corporate segment through a representation office.

Latin America is a priority for our international expansion due to the geographic and cultural proximity to Brazil. Our purpose is to be recognized as the "Latin American Bank", becoming a reference in the region for all financial services provided to individuals or companies.

We have expanded our business in the region in a sustainable way over the past years and, our priority now is to gain economies of scale, to maintain a strong presence in the local retail markets and to strengthen our relationships with local companies.

Operations

R$ billion



We are presenting the consolidated results for Latin America as well as for its respective countries in constant currency[1] and, using the managerial concept, which includes the allocation of costs from the structure in Brazil and the impact of Brazilian income tax.

Income Statement | Latin America [2]

In R$ millions	1Q16 Nominal Currency	1Q16 Exchange Rate Effect [1]	1Q16 Constant Currency	4Q15 Nominal Currency	4Q15 Exchange Rate Effect [1]	4Q15 Constant Currency	Change in Constant Currency
Operating Revenues	**1,397**	**(89)**	**1,308**	**1,580**	**(149)**	**1,431**	**-8.6%**
Managerial Financial Margin	932	(63)	869	1,048	(82)	966	-10.1%
Financial Margin with Clients	810	(40)	770	935	(107)	828	-7.0%
Financial Margin with the Market	122	(23)	98	113	25	138	-28.7%
Commissions and Fees	426	(25)	402	501	(66)	434	-7.5%
Insurance, Pension Plan and Premium Bonds	38	(1)	37	31	(0)	31	20.5%
Result from Loan Losses	**(165)**	**5**	**(159)**	**(112)**	**9**	**(103)**	**54.5%**
Provision for Loan Losses	(180)	6	(174)	(133)	10	(123)	41.6%
Recovery of Loans Written Off as Losses	15	(1)	15	21	(1)	20	-25.7%
Retained Claims	**(11)**	**0**	**(10)**	**(11)**	**0**	**(10)**	**-1.4%**
Other Operating Expenses	**(944)**	**38**	**(906)**	**(1,006)**	**129**	**(877)**	**3.3%**
Non-Interest Expenses	(921)	42	(879)	(966)	120	(846)	3.9%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(23)	(4)	(27)	(40)	9	(31)	-12.3%
Insurance Selling Expenses	0	(0)	0	0	(0)	0	-98.1%
Income before Tax and Minority Interests	**277**	**(45)**	**232**	**452**	**(11)**	**441**	**-47.3%**
Income Tax and Social Contribution	(71)	18	(52)	(155)	1	(154)	-66.0%
Recurring Net Income	**207**	**(27)**	**180**	**296**	**(9)**	**287**	**-37.3%**
Return on Average Equity - Annualized	**11.8%**		**11.3%**	**17.2%**		**17.9%**	**- 660 bps**
Efficiency Ratio	**67.6%**		**69.2%**	**63.2%**		**60.9%**	**830 bps**

(1) Consists of the elimination of foreign exchange variation, which is obtained by the application of the average foreign exchange rate of March 2016 to all periods analyzed and hedge adjustments.
(2) Includes our operations in Argentina, Chile, Paraguay, Uruguay, Colombia, Peru and Mexico.

Net income for the first quarter of 2016 totaled R$180 million, a 37.3% reduction from the fourth quarter of 2015. The financial margin decreased 10.1% in the period, mainly because of the sale of the student loan portfolio in Chile in the previous quarter (impact of R$79 million). Commissions and fees decreased 7.5% mainly due to commissions in the corporate segment (investment structuring) in Chile.

Provision for loan losses increased 41.6% in the first quarter, mainly due to higher provisions in the companies segments in Chile as a result of client ratings review. Non-interest expenses increased 3.9%, in line with the previous quarter.

Argentina

Net income in Argentina reached R$47 million in the first quarter of 2016. The financial margin decreased 8.2% in the quarter, mainly due to higher treasury results of the last quarter of 2015 (higher market volatility).

Commissions and fees totaled R$90 million, a 10.6% increase compared to the previous quarter, mainly due to better results from fees related to current accounts and foreign trade.

The provision for loan losses reached R$16 million in the quarter due to the higher default levels in corporate and companies segments. Non-interest expenses reached R$197 million, an increase of 10.7% from the previous quarter, mainly due to marketing, promotion and personnel expenses.

Income Statement | Argentina

In R$ millions	1Q16	4Q15	change
Operating Revenues	**312**	**324**	**-3.5%**
Managerial Financial Margin	223	243	-8.2%
Financial Margin with Clients	189	169	11.8%
Financial Margin with the Market	34	74	-53.8%
Commissions and Fees	90	81	10.6%
Result from Loan Losses	**(15)**	**(4)**	**225.9%**
Provision for Loan Losses	(16)	(6)	159.3%
Recovery of Loans Written Off as Losses	1	2	-24.0%
Other Operating Expenses	**(223)**	**(207)**	**7.5%**
Non-Interest Expenses	(197)	(178)	10.7%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(26)	(29)	-11.9%
Income before Tax and Minority Interests	**75**	**112**	**-33.1%**
Income Tax and Social Contribution	(28)	(46)	-39.5%
Recurring Net Income	**47**	**66**	**-28.6%**
Return on Average Equity - Annualized	**30.1%**	**51.6%**	**-2150 bps**
Efficiency Ratio	**68.8%**	**60.4%**	**830 bps**

Chile

In Chile, we operate in the commercial bank (retail), including high-income clients segments, in addition to operations in the companies and corporate segments.

Net income was R$18 million this quarter. The financial margin decreased 25.9%, mainly due to the sale of the student loan portfolio, with a positive impact of R$79 million in the previous quarter, associated with lower results with treasury (commercial operation and derivatives).

Commissions and fees decreased 14.6% in the quarter due to lower commissions in the corporate segment (investment structuring).

The provision for loan losses reached R$122 million, up 63.3% compared to the previous quarter, mainly due to the ratings review of corporate clients.

Non-interest expenses grew 5.9%, mainly driven by expenses with CorpBanca integration and technology expenses.

Income Statement | Chile

In R$ millions	1Q16	4Q15	change
Operating Revenues	**434**	**548**	**-20.9%**
Managerial Financial Margin	296	400	-25.9%
Financial Margin with Clients	300	379	-21.0%
Financial Margin with the Market	(3)	21	-116.6%
Commissions and Fees	100	117	-14.6%
Insurance, Pension Plan and Premium Bonds	37	31	20.5%
Result from Loan Losses	**(110)**	**(62)**	**77.1%**
Provision for Loan Losses	(122)	(74)	63.3%
Recovery of Loans Written Off as Losses	11	12	-6.9%
Retained Claims	**(10)**	**(10)**	**-1.4%**
Other Operating Expenses	**(335)**	**(317)**	**5.6%**
Non-Interest Expenses	(334)	(315)	5.9%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(0)	(0)	-6.6%
Insurance Selling Expenses	(1)	(2)	-52.2%
Income before Tax and Minority Interests	**(22)**	**158**	**-113.8%**
Income Tax and Social Contribution	40	(46)	-187.8%
Recurring Net Income	**18**	**113**	**-83.9%**
Return on Average Equity - Annualized	**4.0%**	**12.3%**	**-830 bps**
Efficiency Ratio	**79.1%**	**58.8%**	**2020 bps**

Paraguay

Our strategy for the commercial (retail) and companies segments over the past few years, allowed the consolidation of our position in the market. We hold the leading position among banks in Paraguay in terms of results and deposits (data provided by the Central Bank of Paraguay, December 2015).

Net income in Paraguay totaled R$47 million this quarter, a 12.5% decrease from the previous quarter, mainly due to the increase in marketing and personnel expenses.

Income Statement | Paraguay

In R$ millions	1Q16	4Q15	change
Operating Revenues	**191**	**195**	**-2.0%**
Managerial Financial Margin	138	137	0.3%
Financial Margin with Clients	108	118	-8.5%
Financial Margin with the Market	30	20	53.3%
Commissions and Fees	54	58	-7.5%
Result from Loan Losses	**(14)**	**(14)**	**0.4%**
Provision for Loan Losses	(16)	(15)	0.9%
Recovery of Loans Written Off as Losses	1	1	6.7%
Other Operating Expenses	**(102)**	**(94)**	**8.5%**
Non-Interest Expenses	(102)	(94)	8.5%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	0	0	37.4%
Income before Tax and Minority Interests	**75**	**87**	**-13.6%**
Income Tax and Social Contribution	(29)	(34)	-15.5%
Recurring Net Income	**47**	**54**	**-12.5%**
Return on Average Equity - Annualized	**20.9%**	**23.6%**	**-280 bps**
Efficiency Ratio	**53.2%**	**48.0%**	**510 bps**

Uruguay

We are the third largest private bank in Uruguay in terms of loan portfolio (data provided by the Central Bank of Uruguay - BCU, December 2015) and in 2015 we were recognized as the best bank in Uruguay by Euromoney magazine. We are also the leading player in the credit card segment through our credit card operator OCA.

Net income of our operations in Uruguay was R$58 million, an increase of 59.8% compared to the previous quarter. The financial margin increased 11.6% due to better results from treasury operations. The provision for loan losses reduced 38.5% this quarter, mainly because of the lower default rate in the retail segment.

Non-Interest Expenses decreased 5.1% during the period, mainly due to the decrease in marketing and personnel expenses.

Income Statement | Uruguay

In R$ millions	1Q16	4Q15	change
Operating Revenues	**318**	**301**	**5.7%**
Managerial Financial Margin	164	147	11.6%
Financial Margin with Clients	132	126	4.7%
Financial Margin with the Market	32	21	52.5%
Commissions and Fees	154	154	0.0%
Result from Loan Losses	**(15)**	**(25)**	**-39.0%**
Provision for Loan Losses	(16)	(25)	-38.5%
Recovery of Loans Written Off as Losses	1	1	-25.0%
Other Operating Expenses	**(209)**	**(220)**	**-5.0%**
Non-Interest Expenses	(209)	(220)	-5.1%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(1)	(0)	26.7%
Income before Tax and Minority Interests	**94**	**56**	**66.6%**
Income Tax and Social Contribution	(36)	(20)	**79.2%**
Recurring Net Income	**58**	**37**	**59.8%**
Return on Average Equity - Annualized	**23.6%**	**17.8%**	**580 bps**
Efficiency Ratio	**65.7%**	**73.1%**	**-740 bps**

Colombia

Our presence in Colombia will be expanded with the merger with CorpBanca.

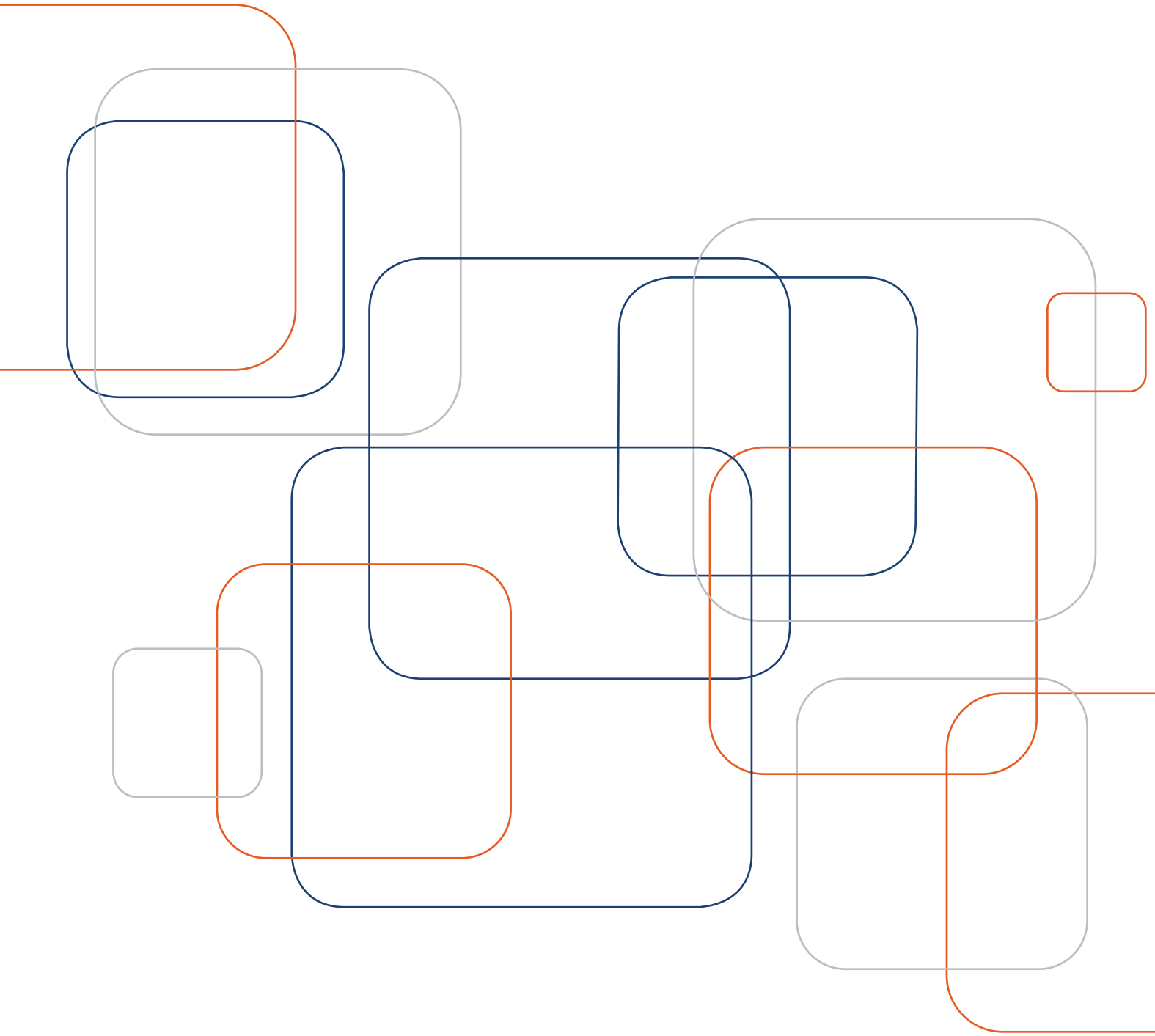
Peru

In Peru, we have a representation office and we are considering increasing our activities in corporate and investment banking segments, following the same strategy as in Colombia, in order to take advantage of the country's strong growth.

Mexico

As part of the restructuring of our activities in Latin America, Itau BBA is resizing its presence in the country.

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1st quarter of 2016

Management Discussion & Analysis

Additional Information

Itaú Unibanco Holding S.A.

Itaú Unibanco Holding's capital stock is comprised of common shares (ITUB3) and non-voting shares (ITUB4), both traded on the BM&FBOVESPA. The non-voting shares are also traded as depositary receipts on the NYSE (New York) and BCBA (Argentina) as ADRs and CEDEARs, respectively.

ITUB LISTED NYSE	ITUB BM&FBOVESPA A Nova Bolsa	ITUB BCBA
ADR: ITUB Non-voting	Common: ITUB3 Non-voting: ITUB4	CEDEAR: ITUB4 Non-voting

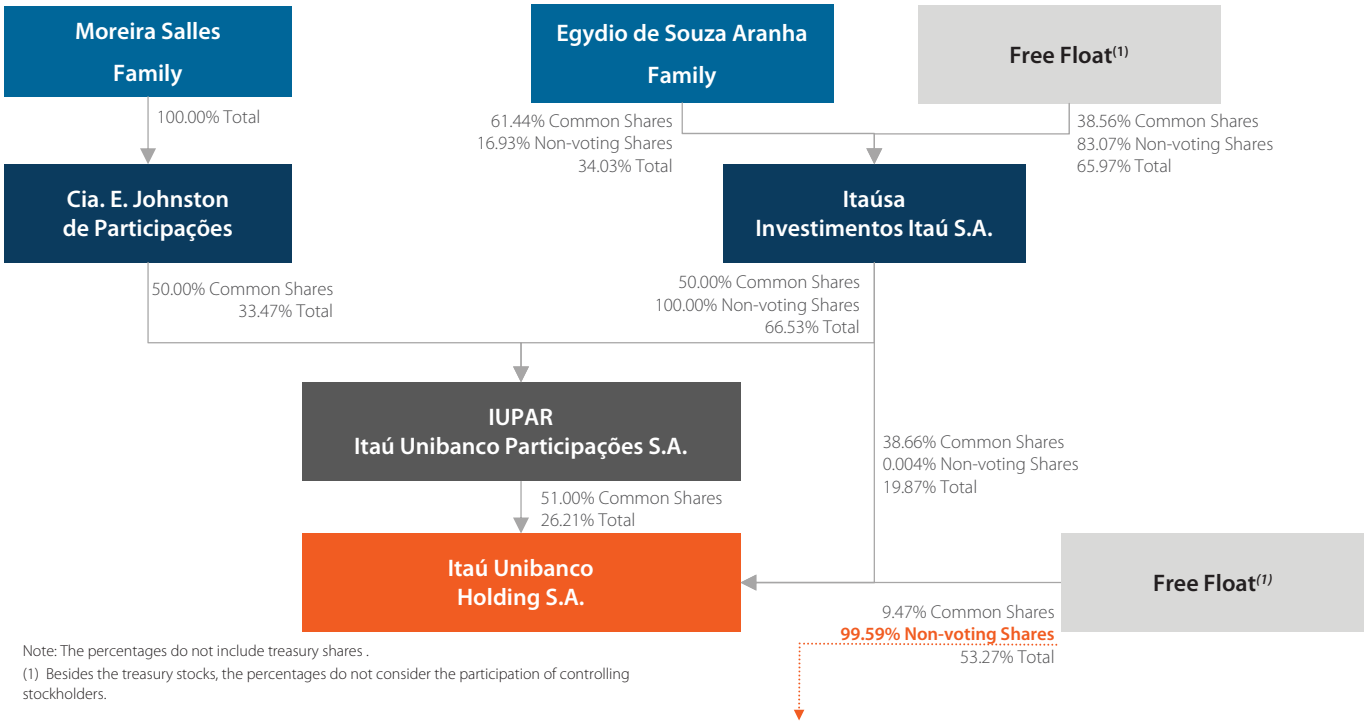
Outstanding Shares | Itaú Unibanco Holding S.A.

In thousands	Common Shares	Non-voting Shares	Total
Number of Shares [1]	3,047,040	2,936,876	5,983,916
Treasury Shares			
On 12/31/2015	2.8	162,563	162,565
Purchases of treasury shares	-	7,990	7,990
Exercised options - Granting of stock options	-	(7,840)	(7,840)
Disposals - Stock option plan	-	(7,484)	(7,484)
On 03/31/2016 [2]	2.8	155,229	155,232
Cancellation of Shares (approved in the Stockholders' Meeting on 04/27/2016) [1]	-	(100,000)	(100,000)
After Cancellation of Shares	2.8	55,229	55,232
Total Shares (-) Treasury Shares [1]	**3,047,037**	**2,881,647**	**5,928,684**

(1) Considering the effect of the cancellation of shares, which is still pending approval of the Central Bank. (2) The average cost of non-voting treasury shares was R$26.70 and of the common treasury shares was R$7.25. For further information, including information on the "Stock Option Plan", see Note 16 to the financial statements.

Our ownership structure aims to optimize capital allocation among the many segments that compose the conglomerate. Itaú Unibanco Holding is controlled by IUPAR, which is jointly controlled by Itaúsa and Cia. E. Johnston. Itaúsa is controlled by the members of the Egydio de Souza Aranha family while Cia. E. Johnston is controlled by the members of the Moreira Salles family.

The organizational chart below summarizes the current ownership structure as at March 31, 2016:



Note: The percentages do not include treasury shares .

(1) Besides the treasury stocks, the percentages do not consider the participation of controlling stockholders.

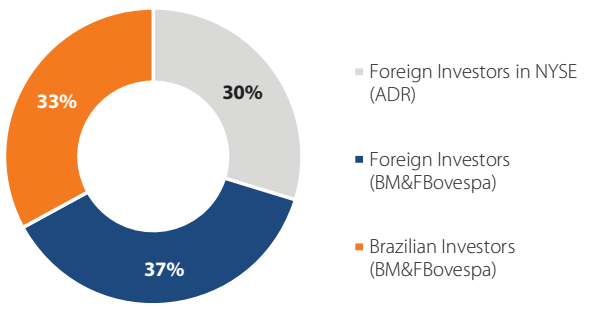
Shares Buyback Program

In the first quarter of 2016, we acquired 7.99 million non-voting shares, in the total amount of R$200.2 million, at the average price of R$25.06 per share. In March 2016, the balance of treasury shares reached 155.2 million non-voting shares, equivalent to 5.4% of outstanding shares of the same class (free float).

On April 27, the Extraordinary Stockholders' Meeting approved the proposal to cancel 100 million non-voting treasury shares[1], without capital stock change, resulting in a balance of 55.2 million shares

(1) Pending approval of the Brazilian Central Bank.

Free Float - Non-voting Shares | on 03/31/2016



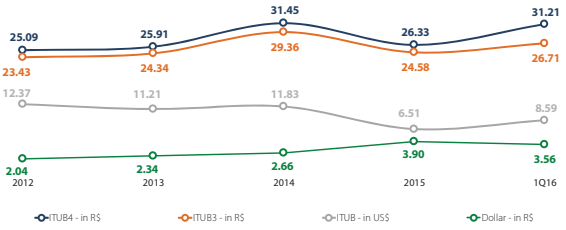
Stock Market Performance | 1Q16

Our common and non-voting shares were traded on all BM&FBOVESPA´s sessions during the first quarter of 2016. Additionally, our non-voting shares are included in several Stock Exchange indexes on which financial institutions shares may be listed.

	(R$) Non-voting Shares ITUB4	(R$) Common Shares ITUB3	(US$) ADRs ITUB
Closing Price at 03/31/2016	**31.21**	**26.71**	**8.59**
Maximum price in the quarter	33.56	28.70	9.20
Average price in the quarter	26.89	24.09	6.91
Minimum price in the quarter	22.81	21.49	5.48
Closing Price at 12/31/2015(1)	**26.33**	**24.58**	**6.51**
Maximum price in 12 months(2)(3)	35.91	32.66	12.12
Average price in 12 months(2)	28.98	26.78	8.21
Minimum price in 12 months(2)(4)	22.81	21.49	5.48
Closing Price at 03/31/2015	**32.10**	**29.25**	**10.05**
Change in 1Q16	**18.5%**	**8.7%**	**32.0%**
Change in the last 12 months	**-2.8%**	**-8.7%**	**-14.6%**
Average daily trading financial volume - in 12 months (million)(2)	**479.7**	**3.3**	**146.1**
Average daily trading financial volume in 1Q16 (million)	**480.4**	**4.7**	**143.4**

(1) On 12/31/2015 no trading session was held at the BM&FBOVESPA. Therefore, the amounts presented refer to 12/30/2015.
(2) From 04/01/15 to 03/31/16;
(3) Prices on 04/27/15 for non-voting shares, on 04/24/15 for common shares and on 04/28/15 for ADRs;
(4) Prices on 01/22/16 for non-voting shares, on 01/26/16 for common shares and on 01/21/16 for ADRs.

Closing price at the end of each period (1)



(1) ITUB4, ITUB3 and ITUB historical information of 2014, 2013 and 2012 was adjusted by the July 2015, June 2014 and May 2013 bonuses.

Liquidity of our shares

	1Q16	4Q15	1Q15
BM&FBovespa (ITUB4)			
Total Financial Volume Traded in the spot market (R$ million)	28,823	29,042	28,077
Volume of Transactions (thousand)	2,125.3	2,101.5	1,751.5
Average volume by transaction (R$ thousand)	13.6	13.8	16.0
Negotiability Index (1)	4.68%	5.07%	4.53%
NYSE (ADR)			
Total Financial Volume Traded (R$ million)	33,522	33,975	30,070
Volume of Transactions (thousand)	2,547.9	2,316.6	2,416.6
Average volume by transaction (R$ thousand)	13.2	14.7	12.4
Total outstanding ADRs (million)	856.4	873.9	911.1
Ratio of Total Outstanding ADRs to Total Outstanding Non-Voting Shares	29.7%	30.4%	33.8%

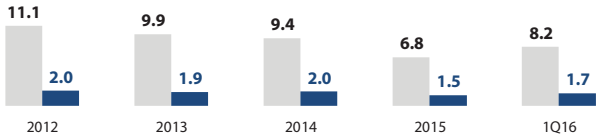
(1) The negotiation index represents the percentage of share trading in relation to all shares traded in the spot market on BM&FBovespa. For calculation purposes, it considered the trading in the three last months of each period. Source: Economática.

Market Capitalization vs. Ibovespa Index

On March 31, 2016, our market capitalization was R$185.4 billion, and the compound annual growth rate (CAGR) was 6.6% since 2012. The Ibovespa index reached 50.1 thousand points in the same period and its CAGR was 5.9% negative. According to information provided by Bloomberg, on March 31, 2016 we were the 2nd largest company by market capitalization in Brazil and the largest among financial institutions.

Market Indicators

- **Price / Earnings**[1] – represents the ratio of price to net income per share.
- **Price / Book Value** [2] – represents the ratio of market capitalization to stockholders' equity.

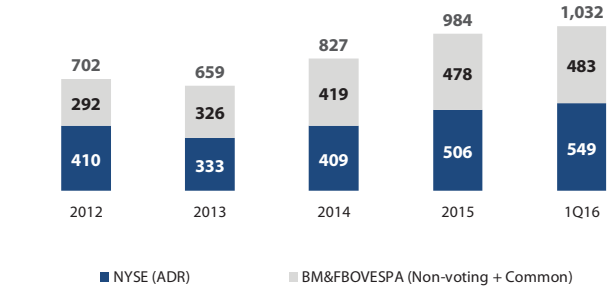


(1): Closing price of non-voting share at the period end/Earnings per share. For calculation purposes, the retained earnings of the last 12 months were considered. (2): Closing price of non-voting share at the period-end/Book value per share.

Average Daily Trading Volume (BM&FBovespa + NYSE)

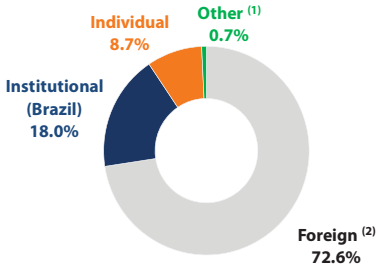
Total Volume: CAGR 12-1Q16: 12.59%
Volume (BM&FBovespa): CAGR 12-1Q16: 16.75%
Volume (NYSE): CAGR 12-1Q16: 9.40%

R$ million



Financial trading profile by investor

Foreign investors accounted for 72.6% of the financial volume of our shares traded on stock exchanges in the first quarter of 2016.



(1) Cooperatives, public companies, limited-liability companies, municipal/state/federal governments, financial entities, churches and charities and/or non-profit organizations, among others.
(2) Includes foreign investors trading on the BM&FBOVESPA, as well those trading on the NYSE.

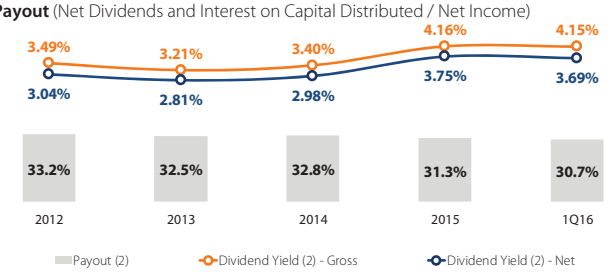
Dividends and Interest on Capital

We remunerate our stockholders by means of monthly and complementary payments of dividends and interest on capital. In the first quarter of 2016, we paid or recognized a provision of R$1.0 billion in dividends and interest on capital, net of taxes.

Dividend Yield (Dividends and Interest on Capital Distributed / Average Price[1])

It is the ratio of total dividends/interest on capital distributed to the share price, which indicates the return on investment to the stockholder through profit sharing during each period.

Payout (Net Dividends and Interest on Capital Distributed / Net Income)



(1): Average price on the first day of each period.
(2): For calculation purposes, it was considered the total Dividends/Interest on capital distributed in the last 12 months of each period.

Market Consensus

Major market analysts periodically issue recommendations on the shares that are the subject matter of their analysis. These recommendations help many investors choose the best option in which to invest their capital.

Based on information provided by Thomson Analytics and Bloomberg on March 31, 2016, we present in the table below a summary of the recommendations on Itaú Unibanco Holding's non -voting shares.

	Thomson	Bloomberg
Buy	10	12
Hold	5	6
Sell	4	5
Number of Analysts	**19**	**23**

Based on the information provided by Thomson, the average estimated target price for 2016 was R$29.78. According to Bloomberg, the average estimated target price was R$30.35.

Main Market Index

The weights of our common and non-voting shares in the BM&FBOVESPA's indexes of the current portfolios from January to April 2016 are shown in the chart below.

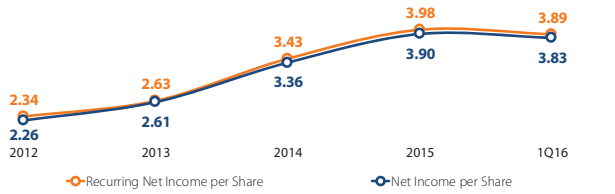
	ITUB3	ITUB4	
	Weights	Weights and Ranking [1]	
Ibovespa (Bovespa Index)	-	10.69%	1st
IBrX - 50 (Brazil Index 50)	-	10.42%	2nd
IBrX - 100 (Brazil Index 100)	-	9.23%	2nd
IBrA (Brazil Broad-Based Index)	0.84%	9.03%	2nd
IFNC (Financial Index) [2]	1.71%	18.30%	1st
IGCT (Corporate Governance Trade Index)	1.05%	11.22%	1st
ITAG (Special Tag Along Stock Index)	-	11.91%	1st
IGCX (Special Corporate Governance Stock Index)	0.63%	6.73%	2nd
MLCX (Mid-Large Cap Index)	0.93%	9.98%	2nd
ICO2 (Carbon Efficient Index)	-	14.11%	1st
ISE (Corporate Sustainability Index) [3]	0.57%	6.08%	5th

(1) Position of the ITUB4 share when the components of the index are ordered based on their weights.
(2) The weight of the companies' shares in the index (including all types of shares) cannot exceed 20%.
(3) The weight of one economic sector in the Corporate Sustainability Index (ISE), including all types of shares, cannot exceed 15%.

Net Income per Share[1] and Recurring Net Income per Share[1]

In the twelve-month period before March 31, 2016, 1.7% treasury shares issued were acquired, with a positive impact on recurring net income per share for the 12 months of R$0.07.

In R$



(1) For calculation purposes, the retained earnings of the last 12 months were considered.
(2) ITUB4, ITUB3 and ITUB historical information of 2014, 2013 and 2012 was adjusted by the July 2015, June 2014 and May 2013 bonus.

Credit Risk Assessment by Rating Agencies

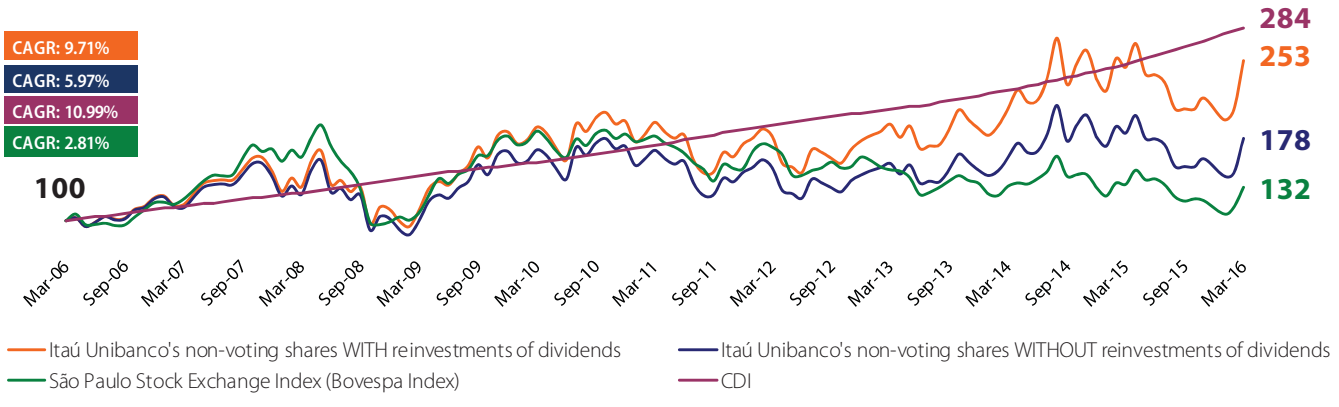
As a result of Moody's downgrade of Brazil's sovereign credit rating and the changes arising from the ceilings for debt and deposit in Brazil, in February 2016 this rating agency announced changes in the ratings of 31 financial institutions, including Itaú Unibanco S.A. and Itaú Unibanco Holding S.A.

As a consequence of the sovereign credit rating downgrade, announced by Standard & Poor's in February 2016, this rating agency also reviewed the ratings of 44 Brazilian financial institutions, including Itaú Unibanco S.A. and Itaú Unibanco Holding S.A.

To learn more about these ratings, please visit (www.itau.com.br/investor-relations) in Itaú Unibanco > Market Opinion > Ratings.

Non-voting Shares (ITUB4) Appreciation

The chart below shows the simulation of R$100 invested on March 31, 2006 through March 31, 2016, by comparing the amounts with and without the reinvestment of dividends to the performance of Ibovespa and the CDI (Interbank Deposit Certificate).



Itaú Unibanco's non-voting shares WITH reinvestments of dividends
Itaú Unibanco's non-voting shares WITHOUT reinvestments of dividends
São Paulo Stock Exchange Index (Bovespa Index)
CDI

Mergers, Acquisitions and Partnerships

Merger of Itaú Chile and CorpBanca Operations – On April 1st, 2016, we consummated the merger of Banco Itaú Chile and CorpBanca, and now we hold the control of the resulting entity – named Itaú CorpBanca – with a 33.58% stake in its capital. On the same date, we entered into the Itaú CorpBanca's Shareholders' Agreement, which entitles us to appoint, together with Corp Group*, the majority of members for the Board of Directors of Itaú CorpBanca. These members are appointed in accordance with the ownership interest of each party, and we are entitled to elect the majority of this block.

With the consummation of this operation, we now rank 4th, from a previous 7th place, among the largest banks in Chile in terms of loans and we have entered the financial retail market in Colombia through Banco CorpBanca Colômbia S.A., the 5th largest bank in terms of loans, which also operate under the "Itaú" brand.

We estimate that gains from business opportunities and operating synergies will effectively be generated in the coming years, with no relevant financial impact in 2016. As from April 1, 2016, Itaú CorpBanca is consolidated in Itaú Unibanco's financial statements, thus adding approximately R$117 billion (December 2015) of assets to the balance sheet.

On the same date, we launched a new Investor Relations website for Itaú Corpbanca.

(*)Corp Group is a diversified holding company controlled by the Saieh Family, with investments in the financial, retail, real estate, hotel and media sectors.

Control Acquisition – Recovery – In March 2016, after obtaining required regulatory authorizations and complying with related suspension conditions, we completed the purchase of an 89.08% stake in Recovery do Brasil Consultoria S.A., of which 81.94% for Banco BTG Pactual S.A. (BTG) and 7.14% for other shareholders, and of approximately 70% of a R$38 billion portfolio in credit rights held by BTG. The operation is not expect to have significant accounting effects on Itaú Unibanco's results in 2016.

Decision not to Register a Public Offering for the Secondary Distribution of Shares - IRB – In February 2016, our subsidiaries Itaú Seguros S.A. and Itaú Vida e Previdência S.A., as shareholders of IRB-Brasil Resseguros S.A. (IRB), announced that they had decided not to register a Public Offering for the Secondary Distribution of IRB common shares, as a result of the unfavorable market scenario for such offering.

Annual and Extraordinary Stockholders' Meetings

On April 27, 2016, we held Annual and Extraordinary Stockholders' Meetings for our shareholders to resolve mainly on:

- Approval of the financial statements for the year ended December 31, 2015 and of the allocation of net income for this period;
- Election of members for the Board of Directors and Fiscal Council;
- Cancellation of 100 million non-voting shares – as mentioned before.

The Stockholders' Meeting Manual, which was made available 30 days in advance of the meeting, and the main resolutions are available on our Investor Relations website www.itau.com.br/relacoes-com-investidores and on the websites of CVM, BM&FBOVESPA, SEC and BCBA.

Digital Stockholders' Meeting – For the fifth consecutive year we made available to our stockholders the Electronic Voting Platform, which mainly aims at encouraging and expediting their participation in the Meeting. We were the first financial institution to provide this mechanism in Brazil, thus allowing our stockholders to exercise their right to vote from any part of the world, without having to attend the Meeting in person.

2016 Agenda

May		
04	Conference Call – 1st Quarter Result	
30	APIMEC - Rio de Janeiro / RJ Venue: Sofitel Rio de Janeiro Copacabana	Time: 8:00 a.m.
31	APIMEC - Fortaleza / CE Venue: Hotel Gran Marquise	Time: 7:00 p.m.
June		
02	APIMEC - Brasília / DF Venue: Windsor Plaza Brasília Hotel	Time: 12:00 p.m.
09	APIMEC - Porto Alegre / RS Venue: Sheraton Porto Alegre Hotel	Time: 7:00 p.m.
26	APIMEC - Belo Horizonte / MG Venue: Mercure Belo Horizonte Lourdes Hotel	Time: 12:00 p.m.
August		
02	2nd Quarter Result	
October		
31	3rd Quarter Result	
November		
17	APIMEC – São Paulo / SP Local: Hotel Unique	Time: 2:00 p.m.

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(A free translation of the original in Portuguese)

Report of independent auditors on supplementary information

To the Board of Directors and Stockholders
Itaú Unibanco Holding S.A.

Introduction

In connection with our review of the financial statements of Itaú Unibanco Holding S.A. (Bank) and Itaú Unibanco Holding S.A. and its subsidiary companies (Consolidated) as of March 31, 2016, on which we issued a report without exceptions dated May, 2, 2016, we performed a review of the accounting information contained in the supplementary information included in the Management Discussion and Analysis Report of Itaú Unibanco Holding S.A. and its subsidiaries for the three month period ended March 31, 2016.

Scope of the Review

We conducted our review in accordance with Brazilian standards issued by the Federal Accountancy Council. Our review mainly comprised: (a) inquiry of, and discussion with, management responsible for the accounting, financial and operational areas of the Bank and its subsidiaries with regard to the main criteria adopted for the preparation of the accounting information presented in the supplementary information and (b) review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and the operations of the Bank and its subsidiaries. The supplementary information included in the Management Discussion and Analysis Report is presented to permit additional analysis. Notwithstanding, this information should not be considered an integral part of the financial statements.

Conclusion

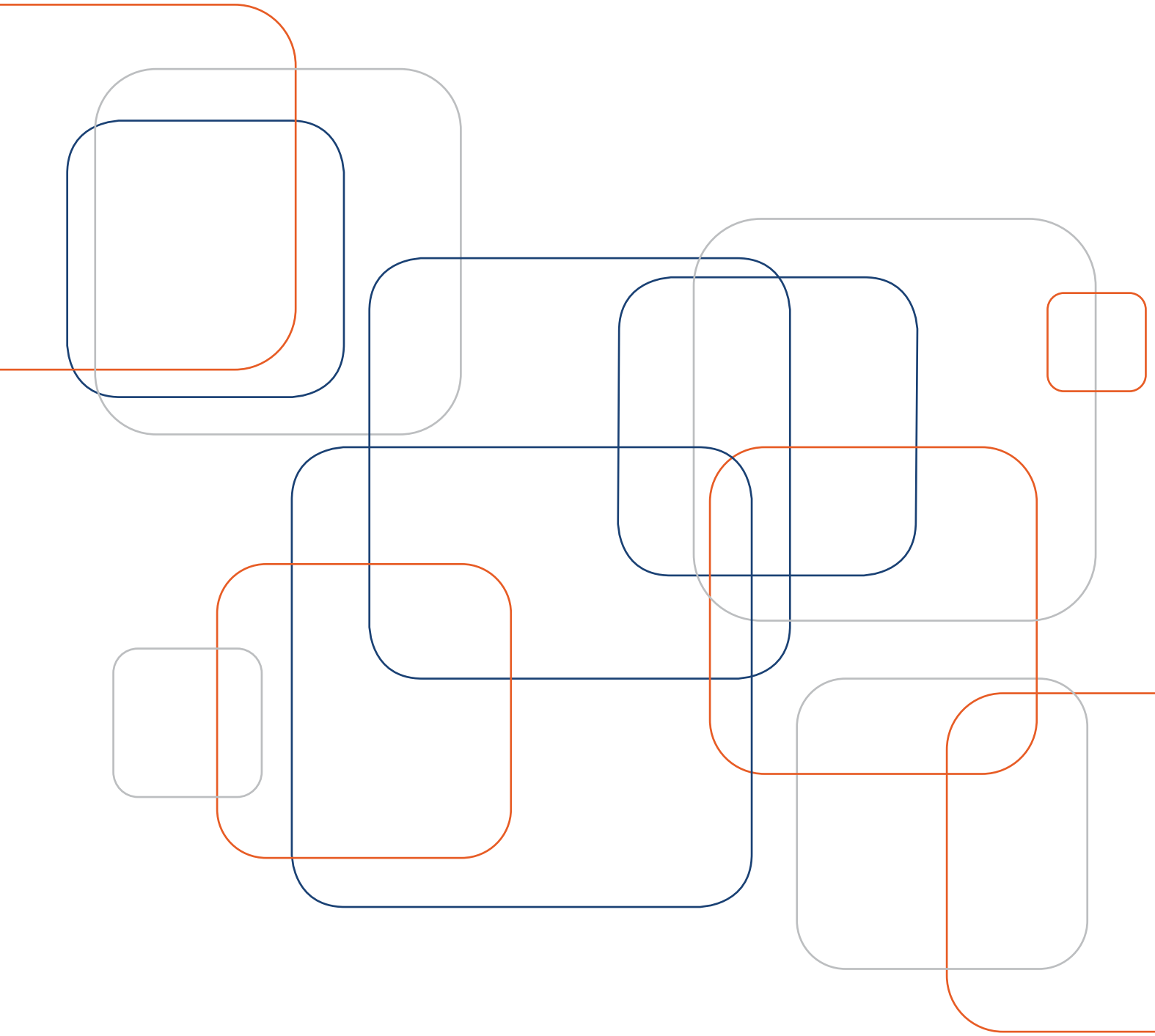
Based on our review, we are not aware of any material modifications that should be made to the accounting information contained in this supplementary information, in order for it to be adequately presented, in all material respects, in relation to the financial statements at March 31, 2016, taken as a whole, prepared in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

São Paulo, May, 2, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti
Contador CRC 1SP173647/O-5

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1st quarter of 2016

Complete Financial Statements

Itaú Unibanco Holding S.A.

MANAGEMENT REPORT – January to March 2016

To our stockholders,

The Management Report and the Financial Statements of Itaú Unibanco Holding S.A. (Itaú Unibanco) and its subsidiaries for the period from January to March 2016 follow the regulations established by the Brazilian Corporate Law, the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), the Brazilian Securities and Exchange Commission (CVM), the Superintendence of Private Insurance (SUSEP), the National Council of Private Insurance (CNSP), and National Superintendence of Supplementary Pension (PREVIC).

The information presented in this material is available on the Investor Relations' website of Itaú Unibanco (www.itau.com.br/investor-relations > Financial Information) and on the CVM, Securities and Exchange Commission (SEC) and the Buenos Aires Stock Exchange (BCBA) websites. Our results may also be accessed on mobile devices and tablets, and through our application "Itaú RI" (APP), respectively.

1) OVERVIEW:

	March, 31 2016	March, 31 2015
Net income (R$ billion)	5.2	5.7
Recurring net income (R$ billion)	5.2	5.8
Recurring return on average equity - annualized	19.9%	24.5%
Return on average equity - annualized	19.7%	24.2%
BIS of Prudential Conglomerate [1]	17.7%	15.3%
Total Assets (R$ billion)	1,283.1	1,294.6
Total Loan Portfolio (including Sureties, Endorsements and Guarantees) (R$ billion)	517.5	543.4
Employees	89,627	92,757
Brazil	82,871	85,773
Abroad	6,756	6,984
Branches and CSB – Client Service Branches (units)	4,813	4,998
Digital Branches	108	34
ATM – Automated Teller Machines (units)	26,145	27,458
Activities Abroad [2]	18	18

1) The criteria used for Basel ratio calculation related to March 31, 2015 was the financial conglomerate and for March 31, 2016, it was the prudential consolidated.

2) Does not include Brazil.

2) OUR HIGHLIGHTS:

2.1) Mergers, Acquisitions and Partnerships

Merger of Operations of Itaú Chile with CorpBanca – On April 1, we consummated the merger of operations of Banco Itaú Chile with CorpBanca, and we now hold the control over the resulting entity – Itaú CorpBanca – with an ownership interest of 33.58% in its capital. On the same date, we signed the Stockholders' Agreement of Itaú CorpBanca, which entitles us to appoint, together with Corp Group*, the majority of members of Itaú CorpBanca's Board of Directors. These members are appointed in accordance with the ownership interest of each party, and we are entitled to elect the majority of this block.

With the consummation of the operation, we moved from the 7th to the 4th position in the ranking of the largest private banks in Chile in terms of loans, and we entered the Colombian financial retail market through Banco CorpBanca Colombia S.A., the 5th largest local bank in terms of loans, and which will now operate under the "Itaú" brand.

We estimate that the effective gains arising from business opportunities and operating synergies will occur in the next few years, not generating significant financial impacts in 2016. As from April 1, 2016, Itaú CorpBanca started being consolidated in the financial statements of Itaú Unibanco, adding approximately R$ 117 billion (December 2015) in assets to the balance sheet.

On the same date, we launched the new Investor Relations website of Itaú CorpBanca.

*Corp Group is a diversified holding company controlled by the Saieh family, with investments in the financial, retail, real estate, lodging, and media industries.

Control Acquisition – Recovery – In March, after authorization of the regulatory bodies and compliance with suspension conditions, we completed the operation to acquire a 89.08% stake in the capital of Recovery do Brasil Consultoria S.A., of which 81.94% are from Banco BTG Pactual S.A. (BTG) and 7.14% from other shareholders, and approximately 70% from a portfolio of R$38 billion in credit rights held by BTG. It is estimated that the operation will not have significant accounting effects on the results of Itaú Unibanco in 2016.

Withdrawal of the Registration of Public Offering for Secondary Distribution of Shares - IRB – In February, our subsidiaries Itaú Seguros S.A. and Itaú Vida e Previdência S.A., in the capacity of stockholders of IRB-Brasil Resseguros S.A. (IRB), communicated their withdrawal of the registration of Public Offering for Secondary Distribution of IRB common shares, in view of the unfavorable market conditions for conducting the Offering.

2.2) Corporate Events

Repurchase of Shares – In the first quarter, we acquired 7.99 million preferred shares[(a)] of own issue, in the total amount of R$200.23 million, at the average price of R$25.06 per share[(b)].

The balance of treasury shares reached 155.2 million preferred shares in March 2016, equivalent to 5.4% of outstanding shares of the same class (free float).

Since 2015, 2.0% of own shares issued have been repurchased, positively impacting the Recurring Net Income per Share of the first quarter of 2016 by R$0.02.

On April 27, the Extraordinary Stockholders' Meeting approved the proposal for cancellation of 100 million preferred treasury shares[c] of own issue, with no change in capital, resulting in a balance of 55.2 million shares.

(a) Repurchase amounts include settlement and brokerage rates, and charges.
(b) For more information on the volumes traded and prices practiced in these negotiations, access www.itau.com.br/investor-relations > Corporate Governance > Repurchase of Shares.
(c) Pending approval of the Brazilian Central Bank.

3) OUR PERFORMANCE

3.1) Result and Returns

In R$ billion	Jan to Mar/2016	Jan to Mar/2015	Change (%) [1]
Income from financial operations before loan and losses	19.6	10.1	93.0
Expenses for allowance for loan losses	(7.2)	(5.5)	31.3
Income from recovery of credits written off as loss	0.8	1.1	(21.8)
Banking service fees and income from bank charges	7.7	7.4	4.1
Result from insurance, pension plan and capitalization operations	1.0	1.0	0.1
Personnel, other administrative and operating expenses	(10.4)	(10.2)	2.4
Tax expenses	(2.0)	(1.2)	62.0
Equity in earnings of affiliates and Other operating revenues [2]	0.3	0.5	(25.6)
Income tax and social contribution, Minority interest in subsidiaries and Profit sharing – Management Members	(4.6)	2.6	-
Net income	**5.2**	**5.7**	**(9.6)**
Recurring net income [3]	**5.2**	**5.8**	**(9.9)**
Dividends and interest on capital (net of taxes)	1.0	1.3	(23.3)
Recurring return on average equity - annualized	**19.9%**	**24.5%**	**-4.6 p.p.**
Return on average equity - annualized	**19.7%**	**24.2%**	**-4.5 p.p.**
Recurring return on average assets - annualized	**1.6%**	**1.9%**	**-0.3 p.p.**
Return on average assets - annualized	**1.6%**	**1.8%**	**-0.2 p.p.**

(1) Change is calculated based on actual figures in units.
(2) Equity in earnings of affiliates, jointly controlled entities and other investments, Other operating revenues and Non-operating income.
(3) Excludes the non-recurring effects of each period.

The following contributed to the composition of net income from January to March 2016:

Banking service fees and income from bank charges: a 4.1% increase in relation to the same period of the previous year, due to the growth of income from credit cards, arising mainly from annual fees and other services, and from current account services, due to higher revenues with service packages and fund management.

Expenses for allowance for loan and lease losses: 31.3% increase in relation to the same period of the previous year, partially due to the increase of the general provision for specific economic groups, considering the more challenging economic scenario.

Personnel, and other administrative and operating expenses: 2.4% increase in relation to the same period of the previous year, driven by higher personnel and installation expenses, third-party and financial system services. This increase was much lower than inflation accumulated in the last twelve months, of 9.4% (IPCA).

Income from financial operations before loan losses, income tax and social contribution, and tax expenses: a 93.0% increase in relation to the same period of the previous year in income from financial operations before loan losses is largely due to the tax effects of hedging foreign investments[d]. If we disregarded these effects, the increase would be 3.5%. The impact of the same reclassification to Income Tax and Social Contribution on Net Income line would lead to a 32.8% reduction from the same period of the previous year.

(d) The Brazilian tax legislation sets forth that gains and losses from foreign exchange variation on foreign investments are not taxable for PIS/COFINS/IE/CSLL purposes. On the other hand, gains and losses from financial instruments used to hedge this asset position are impacted by tax effects.
The different tax treatment granted to these foreign exchange differences results in volatility in Gain (Loss) from operations and tax expense accounts (PIS/COFINS) and income tax (income tax/social contribution on net income).

3.2) Asset Data

In R$ billion	March 31, 2016	March 31, 2015	Change (%) [1]
Total assets	1,283.1	1,294.6	(0.9)
Loan Portfolio with endorsements, sureties and private securities	554.3	578.6	(4.2)
Loan portfolio with endorsements and sureties	517.5	543.4	(4.8)
Corporate – Private securities	36.8	35.2	4.4
Free, raised and managed own assets	1,915.5	1,815.0	5.5
Subordinated debt	57.9	59.5	(2.7)
Stockholders' equity	106.6	97.0	10.0

(1) Change is calculated based on actual figures.

3.2.1) Assets

Total consolidated assets reached R$1.3 trillion at the end of March 2016, which represented a 0.9% decrease when compared to the same period of the previous year.

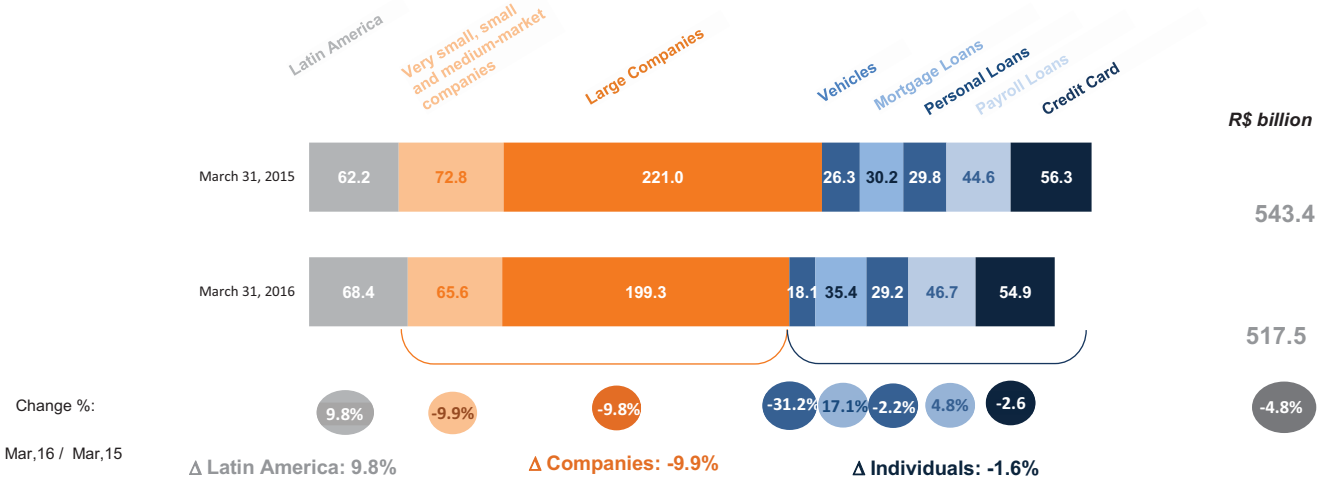
The diversification of our business is reflected in the changing composition of our loan portfolio in the last few years, focusing on origination in lower risk products with increased guarantees.

Loan Portfolio

At March 31, 2016, the balance of the loan portfolio, including endorsements and sureties, reached R$517.5 billion, a 4.8% decrease from March 31, 2015, mainly due to the reduction in the following portfolios: large companies; very small, small and medium-market companies; and vehicles portfolios.

If we also consider the credit risks we have in the private securities modality, this decrease would reach 4.2%. Excluding the effects of foreign exchange variation, our loan portfolio, including private securities, would have decreased 5.5% from the previous year.

At March 31, 2016 and 2015, the breakdown of the portfolio, including endorsements and sureties, is as follows:



Brazil – Individuals

Credit Card (Itaucard, Hipercard, Credicard and partnerships)

We are leaders in the credit card segment in Brazil in terms of transacted amount[e].

At March 31, 2016, the balance of this portfolio reached R$54.9 billion, a 2.6% decrease from the same period of the previous year.

The transacted amount in purchases with credit cards reached R$60.3 billion from January to March 2016, which represented a 2.2% increase as compared to the same period of 2015.

In the debit card segment, which includes account holders only, we have a base of 26.0 million accounts. The transacted volume reached R$21.6 billion from January to March 2016, a 10.4% growth from the same period of the previous year.

e) Source: Itaú Unibanco and ABECS (Brazilian Association of Credit Card Companies and Services) – data from January to December 2015.

Payroll loans

We are leaders in payroll loans among Brazilian private banks[f].

The balance of the loan portfolio reached R$46.7 billion (R$16.5 billion in our branch network and R$30.2 billion in other trading channels), a 4.8% growth as compared to March 31, 2015, reaching 9.0% of the bank's total loans.

Noteworthy was the portfolio of retirees and pensioners from the INSS, which grew 16.0% in relation to March 2015.

f) Source: BACEN and Financial Statements of Itaú Unibanco and Competitors. Data from December 2015.

Personal loans

In March 2016, the balance of personal loans reached R$29.2 billion, a 2.2% increase as compared to the same period of the previous year.

Mortgage loans

We are leaders, among private banks, in mortgage loans to individuals with the use of savings funds (SBPE, the Brazilian savings and loans system) [g].

Our offer is made by a network of branches, development companies, and real estate agencies. The balance of the mortgage loan portfolio reached R$35.4 billion, a 17.1% increase as compared to the same period of 2015. Currently, mortgage loans account for the third largest balance of our loan portfolio for individuals.

The ratio of the loan amount to the value of property was approximately 43.9% from January to March 2016.

In the same period, we provided about 6.2 thousand financing transactions to borrowers, totaling R$1.9 billion lent, with a 23.3% market share.

g) Source: Itaú Unibanco and ABECIP, the Brazilian Association of Mortgage and Savings Institutions - data from March, 2016.

Vehicles

The balance of the loan portfolio reached R$18.1 billion. From January to March 2016, vehicle financing reached R$1.8 billion, with an average term of 39 months, and half of the transactions were carried out with maximum terms of up to 36 months.

The portfolio average ratio of the loan amount to the vehicles value was 70.3% in March 2016, continuing a downward trend.

Brazil - Companies

Large Companies

At March 31, 2016, the balance of the loan portfolio reached R$199.3 billion, a 9.8% reduction from the same period of the previous year.

For derivatives, we are leaders at CETIP (Clearing House for the Custody and Financial Settlement of Securities) in financial volume and number of agreements[h]. The focus was on operations hedging exposures to foreign currencies, interest rates and commodities with clients.

[h] Source: Itaú Unibanco and Cetip - data from March, 2016.

Very small, small and medium-market companies

At March 31, 2016, the balance of the loan portfolio reached R$65.6 billion, a 9.9% decrease from the same period of the previous year.

We kept the focus on reviewing and streamlining our product offering to very small, small and medium-market companies.

We launched the “Transfer of Limits”, in which corporate clients from Itaú Empresas may use their credit facilities as they consider more convenient, since they can transfer the limit of a credit product to another, on a simple and fast way, with automatic approval.

Latin America

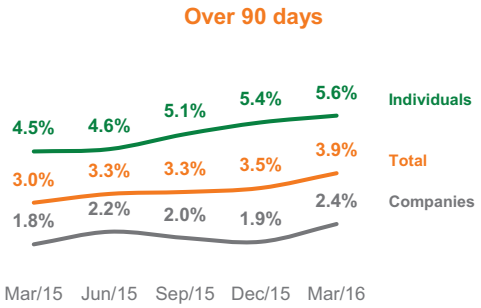
The balance of the Latin America loan portfolio reached R$68.4 billion, posting a 9.8% increase in relation to March 2015. Excluding the foreign exchange effect of the respective local currencies against the Real, the variation of the portfolio was 12.4% in the period.

We point out the increase of 30.9% (7.4% in constant currency) in Chile, with a growth of 18.8% (14.3% in constant currency) in the loan portfolio of individuals and 9.0% (4.9% in constant currency) in loans to companies.

Default

Our policy for mitigating risk in credit granting, started in 2011, influenced the default, mainly due to the change to a more conservative profile for our portfolio. As a result of the economic scenario:

- total delinquency rate (transactions overdue for over 90 days), reached 3.9% at March 31, 2016, posting an increase of 90 basis points as compared to March 31, 2015;
- in the individuals portfolio, this rate reached 5.6% at the end of March 2016, increasing 110 basis points as compared to the same period of the previous year; and
- in the companies portfolio, the default rate reached 2.4% at the end of March 2016, increasing 60 basis points from the same period of the previous year.



The balance of provisions additional to the minimum required by BACEN reached R$11.0 billion at March 31, 2016. The coverage ratio of portfolio past due for over 90 days reached 210% in March 2016, a 10 p.p. growth from the same period of the previous year.

3.2.2) Funding

Free, raised and managed own assets amounted to R$1.9 trillion at March 31, 2016, up 5.5% from the same period of the previous year.

Demand deposits added to savings deposits posted a 4.7% reduction as compared to the same period of the previous year. The loan portfolio to funding ratio reached 73.0% at March 31, 2016.

In R$ billion	March 31, 2016	March 31, 2015	Change (%) (1)
Demand Deposits	58.6	56.7	3.3
Savings	107.3	117.4	(8.6)
Time Deposits	91.9	96.5	(4.8)
Debentures ((Linked to Repurchase Agreements and Third Parties' Operations)	148.1	136.7	8.4
Funds from Bills (2) and Structured Operations Certificates	51.9	32.7	58.6
Total - Funding from Account Holders and Institutional Clients (*)	**457.8**	**440.0**	**4.1**

(1) Change is calculated based on actual figures.

(2) Includes funds from Real Estate, Mortgage, Financial, Credit and Similar Notes.

(*) Funds from Institutional Clients totaled R$39.0 billion, which corresponds to 8.5% of the total raised with Account Holders and Institutional Clients.

3.2.3) Capital Strength

In order to ensure our strength and capital availability to support business growth, regulatory capital levels were kept above BACEN's requirements (Prudential Consolidated*), as evidenced by the Basel Ratio and Principal Capital and Tier II (see the report "Risk and Capital Management – Pillar 3" on our website (www.itau.com.br/investor-relations > Corporate Governance).

At the end of March 2016, the Basel Ratio reached 17.7%, of which: (i) 14.3% related to Principal Capital, composed by the sum of capital, reserves and retained earnings, less deductions and prudential adjustments; and (ii) 3.4% related to Capital Tier II, composed by subordinate debt instruments with defined maturity and that meet the eligibility requirements. These indicators evidence our effective capacity of absorbing possible losses.

The amount of our subordinated debts, which are part of our Tier II regulatory capital, reached R$23.3 billion at March 31, 2016.

Capital(*)	Mar 31, 2016	Mar 31, 2015	p.p. Change
Nível I	14.3	11.6	**2.7**
Nível II	3.4	3.7	**-0.3**
Basel ratio	**17.7**	**15.3**	**2.4**

(*) Prudential Consolidated: Consolidated financial statements including financial companies and the like.

3.2.3.1) Credit Risk Ratings by Rating Agencies

Due to the sovereign credit rating downgrade by Moody's and changes in ceilings of debt and deposits in Brazil, in February 2016 the agency announced changes in the ratings of 31 financial institutions, including Itaú Unibanco S.A. and Itaú Unibanco Holding S.A.

As a consequence of the sovereign credit rating downgrade announced by Standard & Poor's in February 2016, the agency also reviewed the ratings of 44 Brazilian financial institutions, including Itaú Unibanco S.A. and Itaú Unibanco Holding S.A.

See additional information on ratings on the IR website (www.itau.com.br/investor-relations) in the section Itaú Unibanco > Market Opinion > Ratings.

3.3) Services

We are constantly seeking to implement and focus on the offer of new products and services that add value to our clients and diversify our sources of income, allowing the growth of our non-financial income arising mainly from the provision of services and insurance, pension plan and capitalization operations.

Asset Management

In March 2016, we reached R$489.7 billion(i) in assets under management, according to the ANBIMA management ranking, accounting for 15.8% of the market. We posted a 18.8% growth in assets under management, compared to the same period of the previous year.

In addition to the strong performance in the domestic market, we are present in the main global financial centers, with strategically allocated professionals searching for investment opportunities and solutions adequate to different clients' profiles.

Kinea, the alternative investments management company of Itaú Unibanco conglomerate, holds R$7.2 billion in managed assets.

Itaú Asset Management was granted the "Best Bank to Invest" award in the Fixed Income category. This award is in its third edition and is organized by the Finance Studies Center of Fundação Getúlio Vargas in partnership with Fractal Consult.

i) Source: *ANBIMA Management Ranking – data from March, 2016. Includes Itaú Unibanco and Intrag.*

Custody and Bookkeeping Services

In the custody market, we hold R$1.1 trillion in assets, according to the ANBIMA management ranking in March 2016, which represents a 11.7% increase from the same period of the previous year(j).

We provide services to 221 companies listed on BM&F Bovespa, accounting for 61.7% of the share bookkeeping market. In debenture bookkeeping, we operated as the bookkeeper of 460 issues in March 2016, accounting for 49.4% of the market(k).

j) Source: ANBIMA (March, 2016).

k) Source: Itaú Unibanco and BM&FBovespa (March, 2016).

Private Banking

With a full global wealth management platform, we are market leaders in Brazil and one of the main players in Latin America. Our multidisciplinary team, which comprises private bankers, investment advisers and

product experts, serves our clients from offices in seven cities in Brazil and abroad, in our offices located in Zurich, Miami, New York, Santiago, Asuncion, and Nassau.

Consortium (Vehicles and Properties)

In March 2016, the balance of installments receivable reached R$11.3 billion, with an increase of 3.2% when compared to March 2015. We reached approximately 413 thousand agreements in force, a 3.2% increase when compared to March 2015. Income from administration reached R$170.3 million from January to March 2016.

Investment Banking

We highlight that, from January to March 2016, our Merger and Acquisition operation provided financial advisory on seven transactions in Latin America, totaling US$515.6 million and topping the Thomson Reuters ranking. In local fixed income, we took part in debentures, promissory notes and securitization transactions, which totaled R$1.5 billion up to March 2016.

To serve international clients, we rely on units in Argentina, Chile, Colombia, Arab Emirates, the United States, Hong Kong, Mexico, United Kingdom and Peru, with a representation office in the latter.

In this same period, we were awarded as the "Most Creative Investment Bank in the World", "Best Investment Bank in Latin America", and "Best M&A Bank in Latin America", all organized by Global Finance magazine.

rede Electronic Means of Payment



In the first quarter of 2016, we reached 966.8 million transactions in debit and credit cards, a 0.1% decrease when compared to the same period of the previous year.

The volume transacted on credit cards was R$60.0 billion from January to March 2016. This amount accounts for 64.6% of total transactions arising from acquiring business, with a 1.8% increase from the same period of the previous year.

The volume captured in debit cards was R$32.9 billion and it accounted for 35.4% of the volume transacted from January to March 2016, up 2.1% when compared to the same period of 2015. We closed the period with 1.8 million installed equipment items, a 3.9% drop from the same period of the previous year.

In February and March 2016, together with the Câmara de Dirigentes Lojistas (retail managers chamber), we backed the "Liquida" (sales) – a set of promotional actions to boost consumption – which took place in five important cities in the Brazilian Northeastern region: Recife, Salvador, Fortaleza, Cariri, and Aracajú.

3.4) Itaú insurance, pension plan and capitalization

Insurance (l)

We continue concentrating efforts on our own channels, by giving priority to sales in the most efficient channels that generate positive impacts on our operation.

Net income posted a 7.5% increase in the first quarter of 2016, when compared to the same period of the previous year, benefited by a reduction in expenses not arising from interest, higher financial result and higher result from participation in permanent investments.

The net income from our core activities [(m)] posted a 3.0% reduction in the first quarter of 2016, when compared to the same period of the previous year, due to the increase of the social contribution tax on net income. Premiums earned dropped 8.3% when compared to the first quarter of 2015, and reached R$1.3 billion in the period, mainly due to the advanced termination of the Extended Warranty agreement between Itaú Seguros S.A. and Via Varejo, in the third quarter of 2014. Retained claims reached R$0.4 billion in the first quarter of 2016, a 7.0% increase when compared to the first quarter of 2015.

In the first quarter of 2016, loss ratio was 30.0%, an increase of 4.3 percentage points from the same period of the previous year. The combined ratio in the period was 68.1%, a decrease of 0.1 percentage point from the same period of the previous year. Technical provisions for insurance reached R$4.6 billion at March 31, 2016.

In the first quarter of 2016, the amount of total sales to account holders fell 28.2% from the same period of the previous year, impacted by the economic scenario and the new period for the marketing campaigns, for purposes of comparison between quarters.

Sales to clients of Digital Branches accounted for 8.2% of total insurance products sales to account holders in the first quarter of 2016, a 6.8 percentage points increase in relation to the same period of 2015.

l) Not considering our interest in Porto Seguro.

m) Our core activities consist of mass-market products related to Life, Property, Credit, Pension and Capitalization.

Pension Plan

We focus on mass-market products, operating based on the bancassurance model, on which products are offered in synergy through the bank's diversified channels, such as the retail (branch network), and the wholesale channels.

Product innovation has played a significant role in the sustainable growth of our pension plan operations for individuals. For companies, we offer specialized advisory services and develop customized solutions. We establish long-term partnerships with our corporate clients, keeping a close relationship with their Human Resources areas and adopting a communication strategy designed for the financial education of their employees.

In February 2016, according to the National Federation of Private Pension Funds and Life Insurance (FENAPREVI), our market share of total technical provisions was 23.5%, whereas individual plans accounted for 23.7%[(n)].

In March 2016, total gross funding from pension plans totaled R$4.91 billion, up 5.6% when compared to the same period of the previous year. Revenues from management fees increased 15.5% when compared to the same period of the previous year, reaching R$336.2 million. Technical provisions grew 20.3% from the same period of 2015, totaling R$130.1 billion by the end of March, 2016.

n) Source: FENAPREVI – Data from March, 2016.

Capitalization

In capitalization, we reached 13.7 million certificates in force at March 31, 2016. The technical provisions for capitalization reached R$3.0 billion at March 31, 2016 and collection with capitalization certificates reached R$0.7 billion in 2016, an 11.1% growth in relation to the same period of the previous year.

Sales to Digital Branches clients accounted for 5.4% of total sales to account holders in the first quarter of 2016, a 5.0 percentage points in relation to the same period of the previous year.

We remain leaders in technical result, taking into account the total capitalization market, with a 30.8% market share in February 2016, according to SUSEP(o).

o) Source: SUSEP (February/2016). Technical Result = Net revenue from capitalization certificates (+) Results from raffles (-) Acquisition costs (+) Revenue from redemption of certificates.

3.5) Stock Market

Market value – at March 31, 2016, Itaú Unibanco was ranked the second largest company in Brazil in terms of market value (R$ 185.4 billion), and the first among financial institutions, according to the Bloomberg ranking.

Presence in Market Indexes

In early 2016, BMF&FBOVESPA disclosed the composition of the stock portfolios that make up market indexes, effective for the period from January to April 2016. We highlight our presence in the market indexes in the table below:

In Ibovespa, the most widely followed index in Brazil, we are the most actively traded company, represented by our preferred share (ITUB4).

Portfolios - January to April, 2016

Index	Itaú Unibanco's Weight (1)	Ranking
Ibovespa (Bovespa Index)	10.689	1st
IBrX - 50 (Brazil Index 50)	10.417	2nd
IBrX - 100 (Brazil Index 100)	9.231	2nd
IFNC (Financial Index) (2)	20.000	1st
IGCX (Special Corporate Governance Stock Index)	7.359	2nd
ITAG (Special Tag Along Stock Index)	11.913	1st
ISE (Corporate Sustainability Index) (3)	6.650	4th

(1) It was considered the sum of all classes of shares of each company that participates in the indices.

(2) The weight of the companies' shares in the index (including all types of shares) cannot exceed 20%.

(3) The weight of one economic sector in the Corporate Sustainability Index (ISE), including all types of shares, cannot exceed 15%.

Relations with the market

Itaú Unibanco scheduled six APIMEC (Association of Capital Market Analysts and Investment Professionals) meetings throughout Brazil, and their schedule is available on the Investor Relations website (www.itau.com.br/relacoes-com-investidores).

Event	Date
APIMEC RIO – Rio de Janeiro	05/30/2016
APIMEC NE – Fortaleza	05/31/2016
APIMEC DF – Brasília	06/02/2016
APIMEC SUL – Porto Alegre	06/09/2016
APIMEC MG – Belo Horizonte	06/27/2016
APIMEC SP – São Paulo	11/17/2016

The table below shows the main market indicators at March 31, 2016:

		R$	%
Shares	**March 31, 2016**	**March 31, 2015**	**Change**
Recurring net income per share(1)	0.88	0.97	(9.3)
Net income per share(1)	0.88	0.95	(7.4)
Book value per share(1)	17.99	16.12	11.6
Number of outstanding shares (in millions)(2)(3)	5,928.7	6,015.9	(1.4)
Dividends/Interest on capital, net per share(2)(3)	0.1708	0.2193	(22.1)
Price of preferred share (ITUB4)(2)(4)	31.27	32.03	(2.4)
Price of common share (ITUB3)(2)(4)	26.62	29.43	(9.5)
Price of preferred share (PN)(2)(4)/Net income per share (annualized)	8.88	8.43	5.3
Price of preferred share (PN)(2)(4)/Stockholders' equity per share	1.74	1.99	(12.6)
Market value (in billions) (5)(6)	185.4	192.7	(3.8)

(1) Calculated based on the weighted average of the number of shares;

(2) Adjusted by bonus carried out on July 17, 2015;

(3) For better comparability, outstanding shares in the period of March 31, 2015 were adjusted by the bonus shares.

(4) Based on the average quotation on the last day of the period;

(5) 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);

(6) Considering the closing quotation of common and preferred (ON and PN) shares multiplied by total outstanding shares of each type of shares, the market value reached R$ 171.3 billion on March 31, 2016 and R$ 184.4 billion on March 31, 2015, resulting a variation of -7.1%.

4) PEOPLE

We had 89.6 thousand employees at the end of the first quarter of 2016, including about 6.8 thousand employees in foreign units. The employees' fixed compensation plus charges and benefits totaled R$3.2 billion in this period, a 1.4% decrease from the same period of the previous year.

5) AWARDS AND RECOGNITION

From January to March 2016, we received significant recognition that contributed to strengthen our reputation. Below is the list of awards received by the bank in the period:

Latin American Excellence Awards (Communication Director magazine – January 2016)	Itaú was granted this award in the CSR Report category, with its 2014 Integrated Report. The Latin American Excellence Awards recognizes Public Relations and Communications achievements among the companies applying for the award. It is organized by Communication Director magazine, an European quarterly publication, headquartered in Germany, targeting global decision makers in the areas of corporate communications, public relations and public affairs. Its international coverage reaches out all five continents. Regarding the Latin American category, competitors were composed of cases from the Latin American region only.
International Visual Identity Awards (Left Bank - February 2016)	Itaú won the award in the Financial Services category. The International Visual Identity Awards is an independent competition, not related to any media large company or corporation. It was designed by people with a passion for good design and has a partnership with Left Bank. This was the third edition of the award.
Company Award 2016 (Trade Finance - January 2016)	Itaú BBA won the Company Award 2016 in the category Best trade bank in Brazil. This award is organized by Trade Finance, the financial news and operation analysis service unit of Euromoney.
World's Best Bank Awards 2016 (Global Finance - March 2016)	In the 23th edition of the World's Best Bank Awards, Itaú Paraguay was the regional winner in the "World's Best Emerging Markets Banks In Latin America 2016" division. This award is organized by English magazine Global Finance, one of the most important publications in the worldwide financial sector. Founded in 1987, this publication circulates in 163 countries. The target audience of the magazine are CEOs, presidents, CFOs and other professionals from the financial sector, responsible for strategic decisions and investments in multinational companies and financial institutions.
IF Design Award (International Forum Design GmbH – January 2016)	The International Forum Design has over 60 years of existence and is considered one of the highest acknowledgments in the world. The winners receive the iF quality seal, a symbol acknowledged in the whole world as the apex of excellence in the market. Itaú's awarded project was Cubo, in the Communication discipline, and category 3.05 Brand Identity.

6) REGULATION

6.1) INDEPENDENT AUDITORS – CVM Instruction No. 381

Procedures adopted by the Company

The policy adopted by us, including our subsidiaries and parent company, to engage non-audit related services from our independent auditors is based on the applicable regulations and internationally accepted principles that preserve the auditor's independence. These principles include the following: (a) an auditor cannot audit his or her own work, (b) an auditor cannot function in the role of management in companies where he or she provides external audit services; and (c) an auditor cannot promote the interests of its client.

During the period from January to March 2016, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

According to CVM Instruction No. 381, we list below the engaged services and related dates:

- January 22 – tax advisory procedures and transfer pricing;
- February 15, March 7, March 23 – acquisition of research and technical materials;
- March 31– review of tax-accounting bookkeeping.

Independent Auditors' justification - PricewaterhouseCoopers

The provision of the above described non-audit related professional services do not affect the independence or the objectivity of the external audit of Itaú Unibanco, parent and its subsidiary/affiliated companies. The policy adopted for providing non-audit related services to Itaú Unibanco is based on principles that preserve the independence of Independent Auditors, all of which were considered in the provision of the referred services, including the approval by the Audit Committee.

6.2) BACEN – Circular No. 3.068/01

We hereby represent to have the financial capacity and the intention to hold to maturity securities classified under the line "held-to-maturity securities" in the balance sheet, in the amount of R$41.1 billion, corresponding to 12.1% of total securities and derivative financial instruments held in March 2016.

6.3) International Financial Reporting Standards (IFRS)

We disclosed the consolidated financial statements in accordance with the international financial reporting standards (IFRS) at the same date of this publication, pursuant to CVM/SEP Circular Letter No. 01/13. The complete financial statements are available on the Investor Relations website of Itaú Unibanco (www.itau.com.br/investor-relations > Financial Information).

7) ACKNOWLEDGEMENTS

We thank our employees for their determination and skills which have been essential to reaching consistent and differentiated results, and our stockholders and clients for their trust. (Approved at the Board of Directors' Meeting of May 2, 2016).

ITAÚ UNIBANCO HOLDING S.A.

BOARD OF DIRECTORS

Chairman
Pedro Moreira Salles

Vice-Chairmen
Alfredo Egydio Arruda Villela Filho
Roberto Egydio Setubal

Members
Alfredo Egydio Setubal
Candido Botelho Bracher
Demosthenes Madureira de Pinho Neto
Fábio Colletti Barbosa
Gustavo Jorge Laboissière Loyola
Henri Penchas
Nildemar Secches
Pedro Luiz Bodin de Moraes
Ricardo Villela Marino

AUDIT COMMITTEE

Chairman
Geraldo Travaglia Filho

Members
Antonio Francisco de Lima Neto
Diego Fresco Gutierrez
Luiz Alberto Fiore
Maria Helena dos Santos Fernandes de Santana
Sergio Darcy da Silva Alves

FISCAL COUNCIL

President
Iran Siqueira Lima

Members
Alberto Sozin Furuguem
Luiz Alberto de Castro Falleiros

Accountant
Reginaldo José Camilo
CRC-1SP – 114.497/O-9

EXECUTIVE BOARD

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Márcio de Andrade Schettini
Marco Ambrogio Crespi Bonomi

Executive Vice-Presidents
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Eduardo Mazzilli de Vassimon

Executive Directors
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Leila Cristiane Barboza Braga de Melo
Paulo Sergio Miron

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Álvaro Felipe Rizzi Rodrigues
Cláudio José Coutinho Arromatte
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Emerson Macedo Bortoloto
José Virgilio Vita Neto
Marcelo Kopel (*)
Matias Granata
Rodrigo Luis Rosa Couto
Wagner Bettini Sanches

(*) Investor Relations Director.

ITAÚ UNIBANCO S.A.

Director-Generals

Candido Botelho Bracher
Márcio de Andrade Schettini
Marco Ambrogio Crespi Bonomi

Executive Vice-Presidents

Alberto Fernandes
Caio Ibrahim David
Claudia Politanski
Eduardo Mazzilli de Vassimon
Ricardo Villela Marino

Executive Directors

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Álvaro de Alvarenga Freire Pimentel
André Luis Texeira Rodrigues
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Carlos Eduardo Monico
Christian George Egan
Fernando Barçante Tostes Malta
Fernando Marsella Chacon Ruiz
Flávio Augusto Aguiar de Souza
João Marcos Pequeno de Biase
Leila Cristiane Barboza Braga de Melo
Luís Fernando Staub
Luiz Eduardo Loureiro Veloso
Ricardo Ribeiro Mandacaru Guerra

Directors

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Adriano Maciel Pedroti
Álvaro Felipe Rizzi Rodrigues
André Carvalho Whyte Gailey
André Ferrari
André Henrique Caldeira Daré
Andréa Matteucci Pinotti Cordeiro
Antonio Carlos Barbosa Ortiz
Atilio Luiz Magila Albiero Junior
Carlos Eduardo de Castro
Carlos Henrique Donegá Aidar
Carlos Orestes Vanzo
Cesar Ming Pereira da Silva
Cesar Padovan
Cícero Marcus de Araújo
Cintia Carbonieri Fleury de Camargo
Claudio César Sanches
Cláudio José Coutinho Arromatte
Cristiane Magalhães Teixeira Portella
Cristiano Rogério Cagne
Cristina Cestari
Edilson Pereira Jardim
Eduardo Cardoso Armonia
Eduardo Corsetti
Elaine Cristina Zanatta Rodrigues Vasquinho
Emerson Savi Junqueira
Fabiana Pascon Bastos
Fabiano Meira Dourado Nunes
Fernando Della Torre Chagas

Directors (continued)

Fernando Julião de Souza Amaral
Fernando Mattar Beyruti
Flávio Delfino Júnior
Flavio Ribeiro Iglesias (*)
Francisco Vieira Cordeiro Neto
Gabriela Rodrigues Ferreira
Gilberto Frussa
Gustavo Trovisco Lopes
Henrique Pinto Echenique
Ilan Goldfajn
João Antonio Dantas Bezerra Leite
João Carlos de Gênova
Jorge Luiz Viegas Ramalho
José Virgilio Vita Neto
Laila Regina de Oliveira Pena de Antonio
Leon Gottlieb
Lineu Carlos Ferraz de Andrade
Livia Martines Chanes
Luís Eduardo Gross Siqueira Cunha
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Marcelo Luis Orticelli
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Marco Antonio Sudano
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Messias dos Santos Esteves
Osvaldo José Dal Fabbro
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Renata Helena de Oliveira Tubini
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Rodrigo Rodrigues Baia
Rooney Silva
Sergio Guillinet Fajerman
Sergio Mychkis Goldstein
Thales Ferreira Silva
Thiago Luiz Charnet Ellero
Vanessa Lopes Reisner
Wagner Bettini Sanches

(*) Elected at the ESM of March 1, 2016, approved by the BACEN of April 04, 2016.

BANCO ITAÚ BBA S.A.

EXECUTIVE BOARD

Chief Executive Officer

Candido Botelho Bracher

Executive Vice-Presidents

Alberto Fernandes

Executive Directors

Álvaro de Alvarenga Freire Pimentel
Christian George Egan
Roderick Sinclair Greenlees

Directors

Alexsandro Broedel Lopes
André Carvalho Whyte Gailey
Carlos Henrique Donegá Aidar
Cristiano Rogério Cagne
Fernando Barçante Tostes Malta (*)
Flávio Delfino Júnior
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João Carlos de Gênova
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Rodrigo Luís Rosa Couto
Sergio Mychkis Goldstein
Vanessa Lopes Reisner

(*) Elected at the ESM of March 31, 2016, in approval by the BACEN.

ITAÚ SEGUROS S.A.

Chief Executive Officer

Luiz Eduardo Loureiro Veloso

Directors

Adriano Cabral Volpini
Alexsandro Broedel Lopes
Carlos Henrique Donegá Aidar
Fernando Barçante Tostes Malta (*)
Henrique Pinto Echenique
Leon Gottlieb
Luís Eduardo Gross Siqueira Cunha

(*) Elected at the ESM of March 30, 2016.

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Balance Sheet (Note 2a)
(In thousands of Reais)

Assets	Note	03/31/2016	03/31/2015
Current assets		**884,668,542**	**915,911,592**
Cash and cash equivalents		18,384,138	18,687,140
Interbank investments	**4b and 6**	**236,620,535**	**224,290,296**
Money market		205,580,812	196,905,253
Money market – Assets Guaranteeing Technical Provisions - SUSEP	11b	2,612,971	2,275,733
Interbank deposits		28,426,752	25,109,310
Securities and derivative financial instruments	**4c, 4d and 7**	**231,930,282**	**218,540,284**
Own portfolio		52,472,779	69,044,257
Subject to repurchase commitments		15,492,262	13,039,633
Pledged in guarantee		7,737,263	3,175,964
Securities under resale agreements with free movement		7,541,388	-
Deposited with the Central Bank		1,858,765	7,357,796
Derivative financial instruments		18,293,200	17,654,758
Assets guaranteeing technical provisions - PGBL / VGBL fund quotas	11b	122,898,952	101,507,939
Assets guaranteeing technical provisions – other securities	11b	5,635,673	6,759,937
Interbank accounts		**70,154,567**	**66,374,367**
Pending settlement		2,976,376	3,099,780
Central Bank deposits		67,000,941	63,235,378
National Housing System (SFH)		4,188	2,568
Correspondents		30,134	36,641
Interbank onlending		142,928	-
Interbranch accounts		**149,119**	**146,329**
Loan, lease and other credit operations	**8**	**219,561,796**	**242,291,190**
Operations with credit granting characteristics	4e	236,442,229	258,615,375
(Allowance for loan losses)	4f	(16,880,433)	(16,324,185)
Other receivables		**105,157,289**	**142,462,016**
Foreign exchange portfolio	9	41,630,405	80,630,554
Income receivable		2,521,161	2,275,309
Transactions with credit card issuers	4e	23,362,035	22,931,658
Receivables from insurance and reinsurance operations	4m I and 11b	1,299,889	1,343,130
Negotiation and intermediation of securities		11,391,336	5,136,983
Deferred tax assets	14b I	14,539,473	11,391,146
Escrow deposits - Civil, Labor, Tax and Social lawsuits	12b and 12d	2,076,711	2,549,008
Sundry	13a	8,336,279	16,204,228
Other assets	**4g**	**2,710,816**	**3,119,970**
Assets held for sale		602,476	380,718
(Valuation allowance)		(83,153)	(74,642)
Unearned reinsurance premiums	4m I	22,150	8,309
Prepaid expenses	4g and 13b	2,169,343	2,805,585
Long term receivables		**379,110,256**	**358,754,928**
Interbank investments	**4b and 6**	**1,021,782**	**785,489**
Money market		217,813	-
Money market – Assets Guaranteeing Technical Provisions - SUSEP	11b	46,286	-
Interbank deposits		757,683	785,489
Securities and derivative financial instruments	**4c, 4d and 7**	**107,066,862**	**105,519,478**
Own portfolio		60,139,866	70,482,877
Subject to repurchase commitments		531,437	19,769,880
Pledged in guarantee		4,808,361	749,208
Securities under resale agreements with free movement		23,420,081	-
Deposited with the Central Bank		2,451,870	1,358,937
Derivative financial instruments		9,570,968	8,194,020
Assets guaranteeing technical provisions – other securities	11b	6,144,279	4,964,556
Interbank accounts - National Housing System (SFH)		**554,166**	**480,330**
Loan, lease and other credit operations	**8**	**189,868,988**	**197,459,999**
Operations with credit granting characteristics	4e	209,024,277	209,489,677
(Allowance for loan losses)	4f	(19,155,289)	(12,029,678)
Other receivables		**79,776,085**	**53,288,608**
Foreign exchange portfolio	9	22,164,252	2,419,067
Receivables from insurance and reinsurance operations	4m I and 11b	15,753	19,182
Deferred tax assets	14b I	39,093,296	32,529,587
Escrow deposits - Civil, Labor, Tax and Social lawsuits	12b and 12d	10,801,762	11,228,064
Sundry	13a	7,701,022	7,092,708
Other assets - Prepaid expenses	**4g and 13b**	**822,373**	**1,221,024**
Permanent assets		**19,292,220**	**19,946,712**
Investments	**4h, 15a II and III**	**4,341,964**	**3,539,233**
Investments in affiliates and jointly controlled entities		3,905,575	3,105,770
Other investments		645,269	642,365
(Allowance for losses)		(208,880)	(208,902)
Real estate in use	**4i and 15b I**	**6,756,471**	**7,520,563**
Real estate in use		4,158,951	4,168,129
Other fixed assets		11,727,360	12,101,172
(Accumulated depreciation)		(9,129,840)	(8,748,738)
Goodwill	**4j and 15b II**	**852,807**	**224,903**
Intangible assets	**4k and 15b III**	**7,340,978**	**8,662,013**
Acquisition of rights to credit payroll		1,037,727	1,050,568
Other intangible assets		9,727,897	10,260,654
(Accumulated amortization)		(3,424,646)	(2,649,209)
Total assets		**1,283,071,018**	**1,294,613,232**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.

Consolidated Balance Sheet (Note 2a)

(In thousands of Reais)

Liabilities	Note	03/31/2016	03/31/2015
Current liabilities		**635,918,312**	**731,306,025**
Deposits	**4b and 10b**	**212,520,504**	**238,856,770**
Demand deposits		58,557,218	56,659,732
Savings deposits		107,292,298	117,357,236
Interbank deposits		8,518,707	27,745,533
Time deposits		38,152,281	37,094,269
Deposits received under securities repurchase agreements	**4b and 10c**	**171,893,868**	**199,615,680**
Own portfolio		48,062,970	59,134,641
Third-party portfolio		104,724,301	135,253,796
Free portfolio		19,106,597	5,227,243
Funds from acceptances and issuance of securities	**4b and 10d**	**24,126,597**	**28,085,371**
Real estate, mortgage, credit and similar notes		20,117,700	22,299,959
Foreign borrowing through securities		3,099,140	4,696,338
Structured operations certificates		909,757	1,089,074
Interbank accounts		**4,033,969**	**4,219,647**
Pending settlement		2,624,671	2,714,384
Correspondents		1,409,298	1,505,263
Interbranch accounts		**5,789,017**	**5,145,747**
Third-party funds in transit		5,776,259	5,078,886
Internal transfer of funds		12,758	66,861
Borrowing and onlending	**4b and 10e**	**50,052,757**	**45,911,991**
Borrowing		40,771,695	32,495,456
Onlending		9,281,062	13,416,535
Derivative financial instruments	**4d and 7g**	**14,245,583**	**17,312,084**
Technical provision for insurance, pension plan and capitalization	**4m II and 11a**	**7,398,061**	**8,402,258**
Other liabilities		**145,857,956**	**183,756,477**
Collection and payment of taxes and contributions		4,227,046	4,661,070
Foreign exchange portfolio	9	42,502,654	81,572,747
Social and statutory	16b II	1,989,071	2,482,515
Tax and social security contributions	4n, 4o and 14c	4,339,358	5,070,268
Negotiation and intermediation of securities		14,485,160	8,439,057
Credit card operations	4e	50,969,270	52,746,806
Subordinated debt	10f	8,211,075	6,844,074
Provisions for contingent liabilities	12b	3,589,023	3,232,841
Sundry	13c	15,545,299	18,707,099
Long term liabilities		**536,860,869**	**463,141,045**
Deposits	**4b and 10b**	**53,797,277**	**59,795,418**
Interbank deposits		33,218	389,333
Time deposits		53,764,059	59,406,085
Deposits received under securities repurchase agreements	**4b and 10c**	**147,069,878**	**131,242,753**
Own portfolio		116,076,853	109,340,517
Free portfolio		30,993,025	21,902,236
Funds from acceptances and issuance of securities	**4b and 10d**	**50,225,520**	**22,667,260**
Real estate, mortgage, credit and similar notes		27,554,002	7,683,800
Foreign borrowing through securities		19,331,524	13,313,426
Structured Operations Certificates		3,339,994	1,670,034
Borrowing and onlending	**4b and 10e**	**45,299,148**	**50,353,140**
Borrowing		19,244,250	19,687,475
Onlending		26,054,898	30,665,665
Derivative financial instruments	**4d and 7g**	**14,671,702**	**13,684,462**
Technical provision for insurance, pension plan and capitalization	**4m II and 11a**	**130,278,778**	**108,335,194**
Other liabilities		**95,518,566**	**77,062,818**
Foreign exchange portfolio	9	21,737,140	2,456,835
Tax and social security contributions	4n, 4o and 14c	9,073,181	6,885,013
Subordinated debt	10f	49,707,796	52,683,405
Provisions for contingent liabilities	12b	11,533,328	10,602,139
Sundry	13c	3,467,121	4,435,426
Deferred income	**4p**	**1,846,606**	**1,512,670**
Non-controlling interests	**16f**	**1,798,616**	**1,699,991**
Stockholders' equity	**16**	**106,646,615**	**96,953,501**
Capital		85,148,000	75,000,000
Capital reserves		1,208,948	1,217,048
Revenue reserves		26,535,131	22,348,972
Asset valuation adjustment	4c, 4d and 16e	(2,101,016)	54,574
(Treasury shares)		(4,144,448)	(1,667,093)
Total liabilities and stockholders' equity		**1,283,071,018**	**1,294,613,232**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Income (Note 2a)
(In thousands of Reais)

	Note	01/01 to 03/31/2016	01/01 to 03/31/2015
Income related to financial operations		**37,870,960**	**42,453,676**
Loan, lease and other credit operations		18,294,010	19,910,907
Securities and derivative financial instruments		12,642,397	20,573,601
Financial income related to insurance, pension plan and capitalization operations	11c	4,896,831	3,004,956
Foreign exchange operations		455,926	(2,339,169)
Compulsory deposits		1,581,796	1,303,381
Expenses related to financial operations		**(18,298,358)**	**(32,310,728)**
Money market		(16,684,460)	(17,219,250)
Financial expenses on technical provisions for insurance, pension plan and capitalization	11c	(4,653,167)	(2,793,431)
Borrowing and onlending	10e	3,039,269	(12,298,047)
Income related to financial operations before loan and losses		**19,572,602**	**10,142,948**
Result of allowance for loan losses	**8d I**	**(6,364,214)**	**(4,419,393)**
Expenses for allowance for loan losses		(7,193,452)	(5,479,680)
Income related to recovery of credits written off as loss		829,238	1,060,287
Gross income related to financial operations		**13,208,388**	**5,723,555**
Other operating revenues (expenses)		**(3,408,556)**	**(2,576,908)**
Banking service fees	13d	5,250,575	5,053,428
Income related to bank charges	13e	2,478,370	2,368,184
Result from insurance, pension plan and capitalization operations	11c	993,877	992,424
Personnel expenses	13f	(4,698,431)	(4,435,963)
Other administrative expenses	13g	(4,051,177)	(3,927,255)
Tax expenses	4o and 14a II	(2,015,140)	(1,243,845)
Equity in earnings of affiliates, jointly controlled entities and other investments	15a II and III	132,364	133,666
Other operating revenues	13h	200,376	325,640
Other operating expenses	13i	(1,699,370)	(1,843,187)
Operating income		**9,799,832**	**3,146,647**
Non-operating income		**15,784**	**9,172**
Income before taxes on income and profit sharing		**9,815,616**	**3,155,819**
Income tax and social contribution	**4o and 14a I**	**(4,528,884)**	**2,718,335**
Due on operations for the period		(936,993)	(3,303,131)
Related to temporary differences		(3,591,891)	6,021,466
Profit sharing – Management Members - Statutory - Law No. 6,404 of 12/15/1976		**(38,992)**	**(35,786)**
Non-controlling interests	**16f**	**(64,095)**	**(105,415)**
Net income		**5,183,645**	**5,732,953**
Weighted average of the number of outstanding shares	**16a**	**5,922,920,056**	**6,015,566,976**
Net income per share – R$		**0.88**	**0.95**
Book value per share - R$ (outstanding at 03/31)		**17.99**	**16.12**

Supplementary information

Exclusion of non recurring effects	**2a and 22k**	**51,094**	**74,985**
Net income without non recurring effects		**5,234,739**	**5,807,938**
Net income per share – R$		**0.88**	**0.97**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Cash Flows
(In thousands of Reais)

	Note	01/01 to 03/31/2016	01/01 to 03/31/2015
Adjusted net income		**14,914,967**	**8,870,709**
Net income		5,183,645	5,732,953
Adjustments to net income:		9,731,322	3,137,756
Granted options recognized and share-based payment – variable compensation		(290,070)	(138,282)
Adjustment to market value of securities and derivative financial instruments (assets / liabilities)	7h	(1,115,933)	182,169
Effects of changes in exchange rates on cash and cash equivalents		(3,176,415)	(4,386,871)
Allowance for loan losses		7,193,452	5,479,680
Interest and foreign exchange expenses related to operations with subordinated debt		(1,184,411)	5,903,900
Financial expenses on technical provisions for pension plan and capitalization		4,653,167	2,793,431
Depreciation and amortization	15b	661,317	668,866
Interest expenses related to provision for contingent and legal liabilities	12b	433,500	342,830
Provision for contingent and legal liabilities	12b	831,478	832,797
Interest income related to escrow deposits	12b	(91,151)	(82,427)
Deferred taxes (excluding hedge tax effects)		499,577	673,301
Equity in earnings of affiliates, jointly controlled entities and other investments	15a III	(132,364)	(133,666)
Interest and foreign exchange income related to available-for-sale securities		185,161	(6,634,087)
Interest and foreign exchange income related to held-to-maturity securities		481,119	(2,985,338)
(Gain) loss on sale of available-for-sale financial assets	7i	601,668	653,835
(Gain) loss on sale of investments		968	1,850
(Gain) loss on sale of foreclosed assets		11,063	13,908
(Gain) loss on sale of fixed assets		1,781	3,984
Non-controlling interests		64,095	105,415
Other		103,320	(157,538)
Change in assets and liabilities		**13,422,514**	**(46,031,549)**
(Increase) decrease in assets		**84,480,562**	**(65,414,110)**
Interbank investments		64,783,427	(35,670,123)
Securities and derivative financial instruments (assets / liabilities)		(3,366,405)	(2,638,426)
Compulsory deposits with the Central Bank of Brazil		(444,942)	(129,064)
Interbank and interbranch accounts (assets / liabilities)		(143,846)	1,042,860
Loan, lease and other credit operations		22,980,974	(20,569,135)
Other receivables and other assets		98,031	(7,724,462)
Foreign exchange portfolio and negotiation and intermediation of securities (assets / liabilities)		573,323	274,240
(Decrease) increase in liabilities		**(71,058,048)**	**19,382,561**
Deposits		(26,292,637)	3,878,940
Deposits received under securities repurchase agreements		(31,990,366)	5,845,326
Funds for issuance of securities		(1,238,237)	3,002,927
Borrowing and onlending		(9,237,370)	7,488,663
Credit card operations (assets / liabilities)		(3,191,654)	(4,501,357)
Technical provision for insurance, pension plan and capitalization		1,025,840	1,294,452
Collection and payment of taxes and contributions		3,988,005	4,435,061
Other liabilities		(774,965)	986,542
Deferred income		(113,105)	89,953
Payment of income tax and social contribution		(3,233,559)	(3,137,946)
Net cash provided by (used in) operating activities		**28,337,481**	**(37,160,839)**
Interest on capital / dividends received from affiliated companies		138,730	105,684
Funds received from sale of available-for-sale securities		3,401,156	3,230,139
Funds received from redemption of held-to-maturity securities		887,079	625,756
Disposal of assets not for own use		92,969	21,114
Disposal of investments		1,025	(392)
Cash and cash equivalents, net assets and liabilities due from Recovery acquisition	2cI	(713,914)	-
Sale of fixed assets		7,662	13,168
Termination of intangible asset agreements		2,822	7,507
Purchase of available-for-sale securities		(1,833,833)	(2,508,863)
Purchase of held-to-maturity securities		(287,922)	(909,459)
Purchase of investments - basicaly ConectCar	2cI	(184,547)	(6,938)
Purchase of fixed assets	15b	(147,022)	(339,860)
Purchase of intangible assets	15b	(203,741)	(207,603)
Net cash provided by (used in) investment activities		**1,160,464**	**30,254**
Decrease in subordinated debt		(6,681,282)	(945,356)
Change in non-controlling interests	16f	(12)	(772,290)
Granting of stock options		370,931	271,291
Purchase of treasury shares		(200,200)	(568,270)
Dividends and interest on capital paid to non-controlling interests		(29,772)	(47,861)
Dividends and interest on capital paid		(4,826,151)	(4,456,587)
Net cash provided by (used in) financing activities		**(11,366,486)**	**(6,519,073)**
Net increase (decrease) in cash and cash equivalents		**18,131,459**	**(43,649,658)**
Cash and cash equivalents at the beginning of the period		87,191,559	87,831,981
Effects of changes in exchange rates on cash and cash equivalents		3,176,415	4,386,871
Cash and cash equivalents at the end of the period	4a and 5	108,499,433	48,569,194

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Consolidated Statement of Added Value
(In thousands of Reais)

	Note	01/01 to 03/31/2016		01/01 to 03/31/2015	
Income		**40,445,728**		**46,783,131**	
Financial operations		37,870,960		42,453,676	
Banking services		7,728,945		7,421,612	
Result from insurance, pension plan and capitalization operations		993,877		992,424	
Result from loan losses	8d	(6,364,214)		(4,419,393)	
Other		216,160		334,812	
Expenses		**(19,997,728)**		**(34,153,915)**	
Financial operations		(18,298,358)		(32,310,728)	
Other		(1,699,370)		(1,843,187)	
Inputs purchased from third parties		**(3,192,037)**		**(3,083,678)**	
Materials, energy and others	13g	(62,880)		(86,907)	
Third-party services	13g	(950,814)		(893,213)	
Other		(2,178,343)		(2,103,558)	
Data processing and telecommunications	13g	(932,633)		(922,743)	
Advertising, promotions and publication	13g	(207,854)		(216,645)	
Installations		(367,888)		(319,915)	
Transportation	13g	(99,369)		(100,588)	
Security	13g	(176,560)		(164,918)	
Travel expenses	13g	(39,224)		(47,668)	
Other		(354,815)		(331,081)	
Gross added value		**17,255,963**		**9,545,538**	
Depreciation and amortization	13g	**(518,557)**		**(518,939)**	
Net added value produced by the company		**16,737,406**		**9,026,599**	
Added value received through transfer	**15a III**	**132,364**		**133,666**	
Total added value to be distributed		**16,869,770**		**9,160,265**	
Distribution of added value		**16,869,770**		**9,160,265**	
Personnel		**4,275,592**	**25.3%**	**3,969,658**	**43.3%**
Compensation		3,412,456	20.2%	3,164,652	34.5%
Benefits		667,522	4.0%	612,913	6.7%
FGTS – government severance pay fund		195,614	1.2%	192,093	2.1%
Taxes, fees and contributions		**7,005,855**	**41.5%**	**(972,399)**	**-10.6%**
Federal		6,702,822	39.7%	(1,230,871)	-13.4%
State		3	0.0%	10,544	0.1%
Municipal		303,030	1.8%	247,928	2.7%
Return on third parties' assets - Rent		**340,583**	**2.0%**	**324,638**	**3.5%**
Return on own assets		**5,247,740**	**31.1%**	**5,838,368**	**63.7%**
Dividends and interest on capital		1,144,005	6.8%	1,508,642	16.5%
Retained earnings (loss) for the period		4,039,640	23.9%	4,224,311	46.1%
Minority interest in retained earnings		64,095	0.4%	105,415	1.2%

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Balance Sheet
(In thousands of Reais)

Assets	Note	03/31/2016	03/31/2015
Current assets		**8,147,526**	**21,814,341**
Cash and cash equivalents		**143,902**	**140,762**
Interbank investments	**4b and 6**	**2,459,254**	**2,622,311**
Money market		530,292	39,767
Interbank deposits		1,928,962	2,582,544
Securities and derivative financial instruments	**4c, 4d and 7**	**6,005**	**16,350,128**
Own portfolio		1,581	16,346,169
Pledged in guarantee		4,424	3,959
Other receivables		**5,532,271**	**2,696,342**
Income receivable	15a I	4,508,629	2,037,392
Deferred tax assets	14b I	358,693	9,615
Escrow deposits - Civil, Labor, Tax and Social lawsuits		336	-
Sundry	13a	664,613	649,335
Other assets – prepaid expenses	**4g**	**6,094**	**4,798**
Long term receivables		**74,619,437**	**38,424,283**
Interbank investments – interbank deposits	**4b and 6**	**73,764,863**	**38,079,257**
Other receivables		**854,574**	**345,026**
Deferred tax assets	14b I	4,440	3,704
Escrow deposits - Civil, Labor, Tax and Social lawsuits		16,927	29,035
Sundry	13a	833,207	312,287
Permanent assets		**76,263,468**	**70,021,192**
Investments - Investments in subsidiaries	**15a I**	**76,263,441**	**70,021,135**
Real estate in use	**4i**	**27**	**57**
Total assets		**159,030,431**	**130,259,816**
Liabilities			
Current liabilities		**3,550,960**	**2,115,267**
Deposits - interbank deposits	**4b and 10b**	**1,795,020**	**-**
Funds from acceptance and issuance of securities	**4b and 10d**	**36,979**	**18,667**
Derivative Financial Instruments	**4d and 7h**	**4,292**	**-**
Other liabilities		**1,714,669**	**2,096,600**
Social and statutory	16b II	1,059,957	1,436,304
Tax and social security contributions	4n, 4o and 14c	243,482	242,949
Subordinated debt	10f	395,271	355,546
Provisions for contingent liabilities		2,862	2,795
Sundry		13,097	59,006
Long term liabilities		**45,063,866**	**25,594,241**
Deposits - Interbank deposits	**4b and 10b**	**12,262,240**	**-**
Funds from acceptance and issuance of securities	**4b and 10d**	**3,736,067**	**500,000**
Derivative Financial Instruments	**4d**	**1,171,200**	**-**
Other liabilities		**27,894,359**	**25,094,241**
Tax and social security contributions	4n, 4o and 14c	28,707	1,145
Subordinated debt	10f	27,663,995	24,930,548
Provisions for contingent liabilities		179,320	162,548
Sundry		22,337	-
Stockholders' equity	**16**	**110,415,605**	**102,550,308**
Capital		85,148,000	75,000,000
Capital reserves		1,208,948	1,217,048
Revenue reserves		30,146,362	28,333,556
Asset valuation adjustment	4c and 4d	(1,943,257)	(333,203)
(Treasury shares)		(4,144,448)	(1,667,093)
Total liabilities and stockholders' equity		**159,030,431**	**130,259,816**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Statement of Income
(In thousands of Reais)

	Note	01/01 to 03/31/2016	01/01 to 03/31/2015
Income related to financial operations		**449,190**	**1,255,936**
Securities and derivative financial instruments		449,190	1,255,936
Expenses related to financial operations		**782,662**	**(332,020)**
Money market	10 d	782,662	(332,020)
Gross income related to financial operations		**1,231,852**	**923,916**
Other operating revenues (expenses)		**2,693,221**	**4,810,116**
Personnel expenses		(46,360)	(45,741)
Other administrative expenses		(14,186)	(14,792)
Tax expenses	14a II	(42,611)	(88,056)
Equity in earnings of subsidiaries	15a I	2,812,724	4,989,691
Other operating revenues (expenses)		(16,346)	(30,986)
Operating income		**3,925,073**	**5,734,032**
Non-operating income		**13,246**	**14,323**
Income before taxes on income and profit sharing		**3,938,319**	**5,748,355**
Income tax and social contribution	**4o**	**338,128**	**(203,013)**
Due on operations for the period		43,200	(205,839)
Related to temporary differences		294,928	2,826
Profit sharing – Management Members - Statutory - Law No. 6,404 of 12/15/1976		**(13,853)**	**9,509**
Net income		**4,262,594**	**5,554,851**
Weighted average of the number of outstanding shares	**16a**	**5,922,920,056**	**6,015,566,976**
Net income per share – R$		**0.72**	**0.92**
Book value per share - R$ (outstanding at 03/31)		**18.62**	**17.05**

Supplementary information

Exclusion of non recurring effects	**2a and 22k**	**51,094**	**74,985**
Net income without non recurring effects		**4,313,688**	**5,629,836**
Net income per share – R$		**0.73**	**0.94**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Statement of Changes in Stockholders' Equity (Note 16)
(In thousands of Reais)

	Capital	Capital reserves	Revenue reserves	Asset valuation adjustment	Retained earnings	(Treasury shares)	Total
Balance at 01/01/2015	**75,000,000**	**1,315,744**	**27,224,331**	**(322,359)**	**-**	**(1,327,880)**	**101,889,836**
Purchase of treasury shares	-	-	-	-	-	(568,270)	(568,270)
Granting of stock options	-	39,586	2,648	-	-	229,057	271,291
Granting of options recognized	-	(5,570)	-	-	-	-	(5,570)
Share-based payment – variable compensation	-	(132,712)	-	-	-	-	(132,712)
Payment of interest on capital on 02/26/2015 – declared after 12/31/2014 - R$ 0.5380 per share	-	-	(2,939,632)	-	-	-	(2,939,632)
Asset valuation adjustments:							
Change in adjustment to market value	-	-	-	(20,294)	-	-	(20,294)
Remeasurements in liabilities of post-employment benefits	-	-	-	9,450	-	-	9,450
Net income	-	-	-	-	5,554,851	-	5,554,851
Appropriations:							
Legal reserve	-	-	277,742	-	(277,742)	-	-
Statutory reserves	-	-	3,768,467	-	(3,768,467)	-	-
Dividends and interest on capital	-	-	-	-	(1,508,642)	-	(1,508,642)
Balance at 03/31/2015	**75,000,000**	**1,217,048**	**28,333,556**	**(333,203)**	**-**	**(1,667,093)**	**102,550,308**
Changes in the period	**-**	**(98,696)**	**1,109,225**	**(10,844)**	**-**	**(339,213)**	**660,472**
Balance at 01/01/2016	**85,148,000**	**1,537,219**	**29,724,889**	**(1,375,886)**	**-**	**(4,353,380)**	**110,680,842**
Purchase of treasury shares	-	-	-	-	-	(200,200)	(200,200)
Granting of stock options	-	(38,201)	-	-	-	409,132	370,931
Granting of options recognized	-	(74,018)	-	-	-	-	(74,018)
Share-based payment – variable compensation	-	(216,052)	-	-	-	-	(216,052)
Payment of interest on capital on 02/29/2016 – declared after 12/31/2015 - R$ 0.4564 per share	-	-	(2,697,116)	-	-	-	(2,697,116)
Asset valuation adjustments:							
Change in adjustment to market value	-	-	-	(552,240)	-	-	(552,240)
Remeasurements in liabilities of post-employment benefits	-	-	-	(15,131)	-	-	(15,131)
Net income	-	-	-	-	4,262,594	-	4,262,594
Appropriations:							
Legal reserve	-	-	213,130	-	(213,130)	-	-
Statutory reserves	-	-	2,905,459	-	(2,905,459)	-	-
Dividends and interest on capital	-	-	-	-	(1,144,005)	-	(1,144,005)
Balance at 03/31/2016	**85,148,000**	**1,208,948**	**30,146,362**	**(1,943,257)**	**-**	**(4,144,448)**	**110,415,605**
Changes in the period	**-**	**(328,271)**	**421,473**	**(567,371)**	**-**	**208,932**	**(265,237)**

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.
Statement of Cash Flows
(In thousands of Reais)

	Note	01/01 to 03/31/2016	01/01 to 03/31/2015
Adjusted net income		**(1,504,868)**	**5,160,528**
Net income		4,262,594	5,554,851
Adjustments to net income:		(5,767,462)	(394,323)
Granted options recognized and share-based payment – variable compensation		(290,070)	(138,282)
Interest and foreign exchange expense related to operations with subordinated debt		(2,329,798)	4,701,894
Deferred taxes		(294,928)	(2,826)
Equity in earnings of subsidiaries	15a I	(2,812,724)	(4,989,691)
Amortization of goodwill		14,436	14,435
Effects of changes in exchange rates on cash and cash equivalents		(54,383)	20,140
Other		5	7
Change in assets and liabilities		**372,360**	**(2,116,844)**
(Increase) decrease in interbank investments		391,765	741,269
(Increase) decrease in securities and derivative financial instruments (assets / liabilities)		1,489,689	(2,805,601)
(Increase) decrease in other receivables and other assets		274,376	196,685
Increase (decrease) in deposits		(1,254,414)	-
(Decrease) increase in other liabilities		(603,407)	(249,197)
Payment of income tax and social contribution		74,351	-
Net cash provided by (used in) operating activities		**(1,132,508)**	**3,043,684**
Interest on capital / dividends received		368,342	1,835,180
(Purchase) sale of investments		184,661	424,176
(Purchase) sale of fixed assets		-	(2)
Net cash provided by (used in) investment activities		**553,003**	**2,259,354**
Decrease in subordinated debt		(388,143)	(346,549)
(Increase) decrease in funds for issuance of securities		(337,402)	13,125
Granting of stock options		370,931	271,291
Purchase of treasury shares		(200,200)	(568,270)
Dividends and interest on capital paid		(4,826,151)	(4,456,587)
Net cash provided by (used in) financing activities		**(5,380,965)**	**(5,086,990)**
Net increase (decrease) in cash and cash equivalents		**(5,960,470)**	**216,048**
Cash and cash equivalents at the beginning of the period		6,580,281	144,772
Effects of changes in exchange rates on cash and cash equivalents		54,383	(20,140)
Cash and cash equivalents at the end of the period	4a and 5	674,194	340,680

The accompanying notes are an integral part of these financial statements.

ITAÚ UNIBANCO HOLDING S.A.

Statement of Added Value

(In thousands of Reais)

	Note	01/01 to 03/31/2016	01/01 to 03/31/2015
Income		**826,337**	**1,284,844**
Financial operations		449,190	1,255,936
Other		377,147	28,908
Expenses		**764,955**	**(363,767)**
Financial operations		782,662	(332,020)
Other		(17,707)	(31,747)
Inputs purchased from third parties		**(14,064)**	**(14,679)**
Third-party services		(8,522)	(10,289)
Advertising, promotions and publication		(795)	(732)
Expenses for financial system services		(1,699)	(1,190)
Other		(3,048)	(2,468)
Gross added value		**1,577,228**	**906,398**
Deprecitation and amortization		**(14,442)**	**(14,443)**
Net added value produced by the company		**1,562,786**	**891,955**
Added value received through transfer	**15a I**	**2,812,724**	**4,989,691**
Total added value to be distributed		**4,375,510**	**5,881,646**
Distribution of added value		**4,375,510**	**5,881,646**
Personnel		55,580	32,026
Compensation		54,933	31,721
Benefits		560	211
FGTS – government severance pay fund		87	94
Taxes, fees and contributions		57,214	294,656
Federal		57,207	294,648
Municipal		7	8
Return on third parties' assets - rent		122	113
Return on own assets		4,262,594	5,554,851
Dividends and interest on capital		1,144,005	1,508,642
Retained earnings (loss) for the period		3,118,589	4,046,209

The accompanying notes are an integral part of these financial statements.

Note 1 - Operations

Itaú Unibanco Holding S.A. (ITAÚ UNIBANCO HOLDING) is a publicly-held company which, together with its subsidiaries and affiliated companies, operates in Brazil and abroad in all types of banking activities, through its commercial, investment, real estate loan, finance and investment credit, and lease portfolios, including foreign exchange operations, and other complementary activities, with an emphasis on Insurance, Private Pension Plans, Capitalization, Securities Brokerage and Administration of Credit Cards, Consortia, Investment Funds and Managed Portfolios.

Note 2 – Presentation of the financial statements

a) Presentation of the financial statements

The financial statements of ITAÚ UNIBANCO HOLDING and of its subsidiaries (ITAÚ UNIBANCO HOLDING CONSOLIDATED) have been prepared in accordance with the accounting principles established by the Brazilian Corporate Law, including the amendments introduced by Laws No. 11,638, of December 28, 2007, and No. 11,941, of May 27, 2009 and in conformity, when applicable, with instructions issued by the Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Brazilian Securities and Exchange Commission (CVM), the Superintendence of Private Insurance (SUSEP), the National Council of Private Insurance (CNSP) and the National Superintendence of Supplementary Pension – (PREVIC), which include the use of estimates deemed necessary to calculate the accounting provisions and the valuation of financial assets.

In order to enable the analysis of the net income, the heading Net income without non recurring effects is presented within the Consolidated Statement of Income, and this effect is shown under the heading Exclusion of non recurring effects (Note 22k).

As set forth in the sole paragraph of article 7 of BACEN Circular No. 3,068, of November 8, 2001, securities classified as trading securities (Note 4c) are presented in the Balance Sheet under Current Assets regardless of their maturity dates.

Lease Operations are presented at present value in the Balance Sheet, and the related income and expenses, which represent the financial results of these operations, are presented, grouped together, under Loan, lease and other loan operations in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign exchange portfolio to Loan operations. The foreign exchange result is presented on an adjusted basis, with reclassification of expenses and income, in order exclusively to represent the impact of variations and differences in rates on the balance sheet accounts denominated in foreign currencies.

b) Consolidation

As set forth in paragraph 1, article 2, of BACEN Circular No. 2,804, of February 11, 1998, the financial statements of ITAÚ UNIBANCO HOLDING CONSOLIDATED include the consolidation of its foreign branches and subsidiaries.

Intercompany transactions, intercompany balances and intercompany results have been eliminated on consolidation. The investment funds of which ITAÚ UNIBANCO HOLDING CONSOLIDATED companies are the main beneficiaries or holders of principal obligations are consolidated. The investments in these fund portfolios are classified by type of transaction and were distributed by type of security, based on the same categories to which these securities were originally allocated. The effects of foreign exchange variations on investments abroad are classified under the heading Securities and derivative financial instruments in the Statement of Income for subsidiaries with the same functional currency as the parent company, and in Asset valuation adjustment for subsidiaries with a functional currency different from that of the parent company (Note 4s).

The difference in Net Income and Stockholders' Equity between ITAÚ UNIBANCO HOLDING and ITAÚ UNIBANCO HOLDING CONSOLIDATED (Note 16d) results from the adoption of different criteria for the amortization of goodwill originating from purchases of investments, from the recording of transactions with minority stockholders where there is no change of control (Note 4q), and in the record of exchange variations on investments abroad, and hedges of these investments where the functional currency is different from that of the parent company, net of the respective deferred tax assets.

In ITAÚ UNIBANCO HOLDING, the goodwill recorded in subsidiaries, mainly originated from the ITAÚ and UNIBANCO merger and acquisition by minority stockholders of REDE, is amortized based on the expected future profitability and appraisal reports, or upon realization of the investment, according to the rules and guidance of CMN and BACEN.

In ITAÚ UNIBANCO HOLDING CONSOLIDATED, from January 1, 2010, the goodwill originating from the purchase of investments is no longer fully amortized as part of the consolidated financial statements (Note 4j). By December 31, 2009, the goodwill generated had been fully amortized in the periods in which investments were made.

The consolidated financial statements cover ITAÚ UNIBANCO HOLDING and its direct and indirect subsidiaries. We present below the main companies which together represent over 95% of total consolidated assets:

	Country of Incorporation	Activity	Interest in voting capital at		Interest in total capital at	
			03/31/2016	03/31/2015	03/31/2016	03/31/2015
Banco Itaú Argentina S.A.	Argentina	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaú BBA S.A.	Brazil	Financial institution	100.00%	99.99%	100.00%	99.99%
Banco Itaú Chile	Chile	Financial institution	99.99%	99.99%	99.99%	99.99%
Banco Itaú BMG Consignado S.A	Brazil	Financial institution	60.00%	60.00%	60.00%	60.00%
Banco Itaú Paraguay S.A.	Paraguay	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaú Suisse S.A.	Switzerland	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaú Uruguay S.A.	Uruguay	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itaucard S.A.	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Banco Itauleasing S.A.	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Cia. Itaú de Capitalização	Brazil	Capitalization	100.00%	100.00%	100.00%	100.00%
Dibens Leasing S.A. - Arrendamento Mercantil	Brazil	Leasing	100.00%	100.00%	100.00%	100.00%
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	Brazil	Consumer Finance Credit	50.00%	50.00%	50.00%	50.00%
Hipercard Banco Múltiplo S.A.	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau Bank, Ltd.	Cayman Islands	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau BBA Colombia S.A. Corporación Financiera	Colombia	Financial institution	100.00%	100.00%	100.00%	100.00%
Itau BBA International plc	United Kingdom	Financial institution	100.00%	100.00%	100.00%	100.00%
Itaú BBA USA Securities Inc.	United States	Broker	100.00%	100.00%	100.00%	100.00%
Itaú BMG Seguradora S.A.	Brazil	Insurance	60.00%	60.00%	60.00%	60.00%
Itaú Corretora de Valores S.A.	Brazil	Broker	100.00%	100.00%	100.00%	100.00%
Itaú Seguros S.A.	Brazil	Insurance	100.00%	100.00%	100.00%	100.00%
Itaú Unibanco S.A.	Brazil	Financial institution	100.00%	100.00%	100.00%	100.00%
Itaú Vida e Previdência S.A.	Brazil	Pension Plan	100.00%	100.00%	100.00%	100.00%
Luizacred S.A. Soc. Cred. Financiamento Investimento	Brazil	Consumer Finance Credit	50.00%	50.00%	50.00%	50.00%
Redecard S.A. - REDE	Brazil	Acquirer	100.00%	100.00%	100.00%	100.00%

c) Business development

I. Acquisitions

Credit Intelligence Bureau ("CIB")

In January 21, 2016, the ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiary Itaú Unibanco S.A., signed a Memorandum of Understanding with Banco Bradesco S.A. Banco do Brasil S.A., Banco Santander S.A. and Caixa Econômica Federal in order to create a credit intelligence bureau ("CIB") which will enable greater efficiency in the management and granting of credit lines at long and medium terms.

CIB will be structured as a corporation and the Parties, each of them holding a 20% equity ownership, will share its control.

CIB's incorporation is subject to the execution of definitive documents among the Parties, as well as the satisfaction of certain conditions precedent, including the approval by applicable regulatory authorities.

Recovery do Brasil Consultoria S.A.

At December 31, 2015, ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiary Itaú Unibanco S.A., entered into an agreement for purchase and sale and other covenants with Banco BTG Pactual S.A. (BTG) for acquisition of a 81.94% interest in the capital of Recovery do Brasil Consultoria S.A. (Recovery), corresponding to BTG's total interest in Recovery, for the amount of R$ 640 million.

In the same transaction, ITAÚ UNIBANCO HOLDING CONSOLIDATED agreed on the acquisition of approximately 70% of the portfolio of R$ 38 billion in credit rights related to the recovery of portfolios held by BTG, for the amount of R$ 570 million.

Established in 2000 in Argentina and present in Brazil since 2006, Recovery is the market leader in the management of overdue receivables portfolio. Recovery's activities consist in prospecting and assessing portfolios, structuring and managing operations, acting in all segments, from individual to corporate loans, with financial and non-financial institutions, and offering a competitive advantage to its clients.

After the compliance with the conditions precedent and approval by regulatory authorities, the transaction was closed on March 31, 2016.

The transaction did not have significant accounting effects on the results of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

ConectCar Soluções de Mobilidade Eletrônica S.A.

On October 21, 2015, ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiary Redecard S.A. (Rede), entered into a share purchase and sale commitment with Odebrecht Transport S.A. for the acquisition of 50% of capital stock of ConectCar Soluções de Mobilidade Eletrônica S.A. (ConectCar) for the amount of R$ 170 million.

ConectCar is an institution engaged in own payment arrangements and a provider of intermediation services for automatic payment of tolls, fuels and parking lots, ranked as the second largest company in the sector, currently operating in 12 States and in the Federal District. It was organized in 2012 as the result of a partnership between Odebrecht Transport S.A. and Ipiranga Produtos de Petróleo S.A., a company controlled by Ultrapar Participações S.A., which currently holds the remaining 50% of ConectCar's capital stock.

After compliance with the conditions precedent and approval of proper regulatory authorities, the operation was closed on January 29, 2016.

The transaction did not have significant accounting effect on the results of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

Itau CorpBanca

On January 29, 2014, ITAÚ UNIBANCO HOLDING, through its subsidiary Banco Itaú Chile S.A. (BIC), entered into a *Transaction Agreement* with CorpBanca and its controlling stockholders (Corp Group), establishing the terms and conditions of the merger of operations of BIC and CorpBanca in Chile and in the other jurisdictions in which CorpBanca operates.

CorpBanca is a commercial bank headquartered in Chile, which also operates in Colombia and Panama. Focused on individuals and large and middle-market companies, it offers global banking products. In 2015, an accordance with the Chilean Superintendence of Banks, it was one of the largest private banks in Chile, in terms of overall size of loan portfolio, with a market share of 7.1%.

This agreement represents an important step in ITAÚ UNIBANCO HOLDING CONSOLIDATED's internationalization process and in its aim to become a leading bank in Latin America. As a result of the merger, ITAÚ UNIBANCO HOLDING CONSOLIDATED rose from the seventh (7th) to the fourth (4th) place in the ranking of the largest banks in Chile.

The merger was approved by the stockholders of CorpBanca and BIC and by all proper regulatory authorities in Chile, Brazil, Colombia and Panama. As set forth in the amendment to the *Transaction Agreement*, entered into on June 2, 2015, the parties closed the operation on April 1, 2016, when they had full conditions for the corporate reorganization process.

The operation was consummated by means of:

i. Increase in BIC' capital in the amount of US$ 2,309 million concluded on March 22, 2016;

ii. Merger of BIC into CorpBanca, with the cancellation of BIC's shares and issue of new shares by CorpBanca, at the rate of 80,240 shares of CorpBanca for one share of BIC, so that interests resulting from the merger, named Itaú CorpBanca, are 33.58% for ITAÚ UNIBANCO HOLDING CONSOLIDATED and 33.13% for Corp Group.

iii. The following corporate structure resulted from the transaction:

	Ownership interest
ITAÚ UNIBANCO HOLDING CONSOLIDATED	33.58%
Corp Group	33.13%
Other non-controlling stockholders	33.29%

Itaú CorpBanca will be controlled from April 1, 2016 by ITAÚ UNIBANCO HOLDING CONSOLIDATED, which entered into a Shareholders' Agreement with Corp Group upon the closing of the operation. This Shareholders' Agreement entitled ITAÚ UNIBANCO HOLDING CONSOLIDATED to appoint members for the Board of Directors of Itaú CorpBanca.

The amounts of Itaú CorpBanca's assets, liabilities, income and expenses were not included in the Consolidated Financial Statements of ITAÚ UNIBANCO HOLDING CONSOLIDADO for the period ended March 31, 2016. The management of Itaú Unibanco Holding is assessing possible impacts in the allocation of goodwill of said operation and will disclose further details in the next financial statements. Said operation will not have significant accounting effect on the results of ITAÚ UNIBANCO HOLDING CONSOLIDADO.

MasterCard Brasil Soluções de Pagamento Ltda.

On March 13, 2015, o ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiary Itaú Unibanco S.A., entered into an agreement with MasterCard Brasil Soluções de Pagamento Ltda. to create an alliance in the payment solutions market in Brazil.

The purposes of the operation are (a) to focus on the expansion of its issue and acquisition business, particularly related to the new payment solutions network, (b) to have access to new payment solutions technologies, (c) to obtain significant scale and efficiency gains, and (d) to benefit from MasterCard's expertise in the management of payment solution brands.

The effectiveness of the alliance is subject to the satisfaction of certain conditions precedent and approval by proper regulatory authorities.

MaxiPago

On September 3, 2014, ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiary Redecard S.A. (Rede) entered into a share purchase agreement with the controlling shareholders of MaxiPago Serviços de Internet S.A., a gateway company – network interconnection for mobile electronic payments.

On the same date, subscription and payment of 13,336 shares (33.33%) and acquisition of 24,174 shares (41.67%) were carried out, so that Rede became the holder of 43,510 common shares, representing 75% of total voting capital of MaxiPago.

After the compliance with the conditions precedent and approval by proper regulatory authorities, the operation was closed on January 8, 2015.

The difference between the amount paid and net assets at fair value resulted in the recognition of goodwill due to expected future profitability.

Purchase price	14,500
(-) Fair value of identified assets and liabilities	(3,994)
(=)Goodwill	**10,506**

Note 3 – Requirements regarding capital and fixed asset limits

a) Basel and fixed asset ratios

Represented below are the main indicators at 03/31/2016, according to present regulation which defines the Consolidated Prudential as the calculation basis:

	Consolidated Prudential [1]
Reference equity [2]	122,871,620
Basel ratio	17.7%
Tier I	14.3%
Common Equity	14.3%
Additional Capital	0.0%
Tier II	3.4%
Fixed assets ratio	27.4%
Excess capital in relation to fixed assets	27,813,359

(1) Consolidated financial statements including financial companies and the like. As from the base date January 2015, in accordance with Circular 4,278, this is the basis for the consolidation calculation;

(2) According to CMN Resolutions No. 4,192, of March 1, 2013, No. 4,278, of October 31, 2013, No. 4,311, of January 20, 2014 and No. 4,442, of October 29, 2015, CMN defines Regulatory Capital, for the purpose of operational limit calculation, as the sum of two tiers, Tiers I and II, in which Tier I is comprised of Common Equity Tier 1 and Additional Tier 1 Capital. The calculation is composed of items that are an integral part of the Stockholders' Equity plus prudential adjustments and deductions, in addition to eligible instruments, particularly subordinated debt.

The management considers the current Basel ratio adequate (17.7% based on Prudential Consolidated, of which 14.3% is Principal Capital and Tier I and 3.4% is Tier II), taking into consideration that it exceeds by 7.2 percentage points the sum of minimum requirements for Regulatory Capital Additional to Principal Capital established by the Central Bank of Brazil for 2016 (equivalent to 10.5%).

CMN Resolution No. 4,192, of March 1, 2013, as amended, addresses the Reference Equity calculation methodology, and CMN Resolution No. 4,193, of March 1, 2013, as amended, addresses the minimum requirements for Reference Equity, Tier I, and Common Equity Tier I, and introduces the Additional Common Equity Tier 1. ITAÚ UNIBANCO HOLDING CONSOLIDATED opted to use a Standardized Approach to calculate credit and market risk-weighted assets, and the Alternative Standardized Approach to calculate operational risk-weighted assets, based on the regulations in force.

For further information on capital requirements, please see to the company's website www.itau.com.br/investor-relations, Corporate Governance section/ Risk and Capital Management – Pillar 3.

The reference equity used for the calculation of ratios and the risk-weighted assets at 03/31/2016, are as follows:

	Consolidated Prudential	
Stockholders' equity ITAÚ UNIBANCO HOLDING S.A. (consolidated)	**106,646,615**	
Non-controlling interests	937,024	
Changes in ownership interest in a subsidiary as a result of capital transaction	3,378,302	
Consolidated stockholders' equity (BACEN)	**110,961,941**	
Common Equity deductions [1]	(11,741,738)	
Common Equity Tier I	**99,220,203**	
Additional Tier I deductions	69,851	
Additional Tier I Capital	**69,851**	
Tier I (Common Equity + Additional Capital)	**99,290,054**	
Instruments eligible for inclusion in Tier II	23,488,431	
Tier II deductions	93,135	
Tier II	**23,581,566**	
Regulatory Capital (Tier I + Tier II)	**122,871,620**	
Risk-weighted assets	**694,898,698**	
Risk-weighted assets of credit risk (RWA_{CPAD})	**637,179,005**	**91.7%**
a) Per weighting factor (FPR):		
FPR at 2%	149,068	0.0%
FPR at 20%	6,484,484	0.9%
FPR at 35%	11,887,863	1.7%
FPR at 50%	46,621,554	6.7%
FPR at 75%	129,243,691	18.6%
FPR at 85%	117,928,767	17.0%
FPR at 100%	267,514,690	38.5%
FPR at 250%	36,973,133	5.3%
FPR at 300%	9,065,534	1.3%
FPR at 1250% [2]	1,305,258	0.2%
Derivatives – Future potential gain on and variation in the counterparty credit quality Minimum Required Regulatory Capital	10,004,963	1.4%
b) Per type:		
Securities	45,130,410	6.5%
Loan operations - retail	102,839,669	14.8%
Loan operations – non-retail	218,141,106	31.4%
Joint obligations - retail	201,791	0.0%
Joint obligations – non-retail	44,450,763	6.4%
Loan commitments - retail	26,199,439	3.8%
Loan commitments – non-retail	11,463,792	1.6%
Other exposures	188,752,035	27.2%
Risk-weighted assets of operational risk (RWA_{OPAD})	**37,363,592**	**5.4%**
Retail	6,898,563	1.0%
Commercial	19,496,478	2.8%
Corporate finance	1,525,549	0.2%
Negotiation and sales	577,407	0.1%
Payments and settlements	3,419,408	0.5%
Financial agent services	3,070,052	0.4%
Asset management	2,374,561	0.3%
Retail brokerage	1,574	0.0%
Business plans	-	0.0%
Risk-weighted assets of market risk:	**20,356,101**	**2.9%**
Gold, foreign currency and operations subject to foreign exchange variation (RWA_{CAM})	**3,040,456**	**0.4%**
Operations subject to interest rate variations	**15,778,805**	**2.3%**
Fixed rate denominated in Real (RWA_{JUR1})	5,050,613	0.7%
Foreign currency coupon (RWA_{JUR2})	7,621,539	1.1%
Price index coupon (RWA_{JUR3})	3,106,643	0.4%
Interest rate coupon (RWA_{JUR4})	10	0.0%
Operations subject to commodity price variation (RWA_{COM})	**623,513**	**0.1%**
Operations subject to stock price variation (RWA_{ACS})	**913,327**	**0.1%**
RWA	**694,898,698**	**100.0%**
Minimum Required Regulatory Capital	**68,621,246**	
Excess capital in relation to Minimum Required Regulatory Capital	**54,250,374**	**79.1%**
Ratio (%)	**17.7%**	
Regulatory Capital calculated for covering the interest rate risk of operations not classified into the trading portfolio (RBAN)	**1,025,839**	

(1) As from June 30, 2015, Resolution No. 4,277/13 establishes the application of prudential adjustments related to pricing of financial instruments evaluated by market value, impacting deductions of capital by R$ 588 million.

(2) Considers the application of "F" factor required by article 29 of Circular No. 3,644/13.

During this period, the effects of the changes in legislation and balances were as follows:

Changes in the Basel Ratio	Reference equity	Weighted exposure	Effect
Ratio at 12/31/2015 - Prudential Conglomerate	**128,465,152**	**722,467,645**	**17.8%**
Net income for the period	4,428,356	-	0.6%
Interest on capital and dividends	(3,841,121)	-	-0.5%
Benefits to employees - CVM Resolution No. 695, December 13, 2012	(15,131)	-	0.0%
Granting of options recognized	(74,018)	-	0.0%
Granting of stock options – options exercised during the period	370,931	-	0.1%
Asset valuation adjustment	(552,240)	-	-0.1%
Deductions in reference equity	(1,603,179)	-	-0.2%
Purchase of treasury shares	(200,200)	-	0.0%
Subordinated debt and redeemable preferred shares	(3,914,740)	-	-0.5%
Other changes in reference equity	(192,190)	-	0.0%
Changes in risk exposure		(27,568,947)	0.7%
Ratio at 03/31/2016 - Prudential Conglomerate	**122,871,620**	**694,898,698**	**17.7%**

b) Global systemic importance

BACEN Circular No. 3,751 came into effect in March 2015, providing for the determination of indicators relevant to assess the global systemically important banks (G-SIB) for Brazilian financial institutions. For details on the indicators of the global systemic importance index see to our website www.itau.com.br/relacoes-com-investidores, at “Governança Corporativa”, “Annex I_IAISG”.

c) Capital for insurance activity

In July 2015, the National Council of Private Insurance (CNSP) issued CNSP Resolution No. 321, which, among other things, deals with the minimum capital requirements for underwriting, credit, operating and market risks for insurers, open private pension entities, capitalization companies and reinsurers. Upon publication of this resolution, CNSP Resolutions No. 228, 280, 283, 284, 316 and 317 are cancelled.

Note 4 – Summary of the main accounting practices

a) **Cash and cash equivalents -** For the purposes of the Consolidated Statement of Cash Flows, this item includes cash and current accounts in banks (considered in the heading Cash and cash equivalents), interbank deposits and securities purchased under agreements to resell – funded positions that have original maturities of up to 90 days.

b) **Interbank investments, remunerated restricted credits – Brazilian Central Bank, remunerated deposits, deposits received under securities repurchase agreements, funds from acceptance and issuance of securities, borrowing and onlending, subordinated debt and other receivables and payables –** Transactions subject to monetary correction and foreign exchange variations, and transactions with fixed charges, are recorded at their present value, net of the transaction costs incurred, calculated "*pro rata die*" based on the effective rates of transactions, according to CVM Resolution No. 649 of December 16, 2010.

c) **Securities -** Recorded at the cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to BACEN Circular No. 3,068, of November 8, 2001. Securities are classified into the following categories:

- **Trading securities** – securities acquired to be actively and frequently traded, and adjusted to market value, with a counter-entry to the results for the period;

- **Available-for-sale securities** – securities that can be negotiated but are not acquired for the purposes of active and frequent trading. They are adjusted to their market value, with a counter-entry to an account disclosed in stockholders' equity;

- **Held-to-maturity securities** – securities, except for non-redeemable shares, which the bank has the financial condition and intend, or is required to hold in the portfolio to maturity, are recorded at the cost of acquisition, or market value, whenever these are transferred from another category. The securities are adjusted using the accrual method through maturity, and are not adjusted to market value.

Gains and losses on available-for-sale securities, when realized, are recognized on the trade date in the statement of income, with a counter-entry to a specific stockholders' equity account.

Decreases in the market value of available-for-sale and held-to-maturity securities below their related costs, resulting from non-temporary causes, are recorded in the results as realized losses.

d) **Derivative financial instruments -** these are classified on the date of their acquisition, according to whether or not management intends to use them either as a hedge, according to BACEN Circular No. 3,082, of January 30, 2002. Transactions involving financial instruments, carried out at the client's request, on their own account, or which do not comply with the hedging criteria (mainly derivatives used to manage the overall risk exposure), are stated at market value, including realized and unrealized gains and losses, which are recorded directly in the statement of income.

The derivatives that are used for protection against risk exposure or to modify the characteristics of financial assets and liabilities, which have changes in market value closely related with those of the items being protected at the beginning and throughout the duration of the contract, and which are found to be effective reducing the risk related to the exposure being protected against, are classified as hedges, in accordance with their nature:

- Market Risk Hedge – financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value, plus realized and unrealized gains and losses, which are recorded directly in the statement of income.

- Cash Flow Hedge - the effective amounts of the hedges of financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, net of tax effects, when applicable, and recorded in a specific account in stockholders' equity. The ineffective portion of the hedge is recorded directly in the statement of income.

- Net Investment Hedge of Foreign Operations - accounted for similarly to cash flow hedge, i.e. the portion of gains or losses on a hedging instrument that is determined to be an effective hedge is recognized in stockholders' equity, and reclassified to income for the period in the event of the disposal of the foreign operation. The ineffective portion is recognized in income for the period.

e) Loan, lease and other credit operations (operations with credit granting characteristics) – These transactions are recorded at present value and calculated "pro rata die" based on the variation of the contracted index and interest rate, and are recorded on an accrual basis until the 60th day overdue in financial companies, according to the estimates of receipt. After the 60th day, income is recognized upon the effective receipt of installments. Credit card operations include receivables arising from the purchases made by cardholders. The funds related to these amounts are recorded in Other Liabilities – Credit Card Operations, which also include funds arising from other credits related to transactions with credit card issuers.

f) Allowance for loan losses - the balance of the allowance for loan losses was recorded based on a credit risk analysis, at an amount considered sufficient to cover loan losses in accordance with the rules determined by CMN Resolution No. 2,682 of December 21, 1999, which are as follows are:

- Provisions are recorded from the date on which loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;

- Taking into account default exclusively, the write-off as losses occurs 360 days after the credits have matured or after 540 days for operations that mature after a period of 36 months.

g) Other assets - these assets are mainly comprised of assets held for sale relating to real estate available for sale, own real estate not in use and real estate received as payment in kind, which are adjusted to market value through a provision, according to current regulations, unearned reinsurance premiums (Note 4m I); and prepaid expenses, corresponding to disbursements, the benefits of which will be felt in future periods.

From January 1, 2015, Itaú Unibanco has adopted the option provided in Circular No. 3,693/13, which establishes accounting procedures for the compensation of local correspondents in connection with credit origination.These compensation amounts for local correspondents in connection with transactions originated after January 1, 2017 will be fully recorded as expenses for the period.

h) Investments – investments in subsidiary and affiliated companies are accounted for based on the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into *Reais*. Other investments are recorded at cost and adjusted to market value by making a provision in accordance with current standards.

i) Fixed assets - these assets are stated at the cost of acquisition or construction, less accumulated depreciation, and were adjusted to market value up to December 31, 2007, when applicable, for insurance, pension plan and capitalization operations, and these adjustments to market value are supported by appraisal reports. They correspond to rights related to tangible assets intended for the maintenance of the company's operations or exercised for this purpose, including assets arising from transactions that transfer to the company their benefits, risks and controls. The consideration received under lease contracts started to be recorded in income in accordance with CMN Resolution No. 3,617/08, as of September 30, 2015, as determined by the Central Bank.

j) Goodwill – corresponds to the amount paid in excess for the purchase of investments and is amortized based on expected future profitability or as realized. It is tested annually for impairment.

k) Intangible assets – correspond to rights acquired related to intangible assets intended to be held by the company, or which are exercised for this purpose, according to CMN Resolution No. 3,642, of November 26, 2008. They are composed of: (i) the goodwill amount paid on the acquisition of the company, transferred to intangible assets in view of the transfer of the acquirer's equity by the acquired, as set forth by Law No. 9,532/97, to be amortized based on the period defined in the appraisal reports; (ii) usage rights and rights acquired to credit payrolls and partnership agreements, amortized over the terms of the contracts or to the extent that the economic benefits flow to the company and (iii) software and customer portfolios, amortized over terms varying from five to ten years.

l) **Impairment of assets –** a loss is recognized when there is clear evidence that assets are stated at a non-recoverable value. This procedure is adopted semiannually.

m) **Insurance, pension plan and capitalization operations -** insurance premiums, accepted coinsurances and selling expenses are accounted for by issuing an insurance policy or in accordance with the insurance effectiveness term, through the recognition and reversal of the provision for unearned premiums and deferred selling expenses. Interest arising from insurance premiums installments is accounted for as incurred. Revenues from social security contributions, gross revenue from premium bonds and respective technical provisions are recognized upon receipt.

I - Credits from operations and other assets related to insurance and reinsurance operations:

- Insurance premiums receivable - Refer to installments of insurance premiums receivable, current and past due, in accordance with insurance policies issued;

- Reinsurance recoverable amounts – Refer to claims paid to the insured party while recovery of these paid amounts is pending from the Reinsurer, installments of unsettled claims and incurred but not reported claims - Reinsurance, classified in assets in accordance with the criteria established by CNSP Resolution No. 321, of July 15, 2015, as amended by CNSP Resolution No. 319, of December 12, 2014, and SUSEP Circular No. 517, of July 30, 2015;

- Unearned reinsurance premiums – Recognized to determine the portion of unearned reinsurance premiums, calculated “pro rata die”, and for risks of policies not issued computed based on estimates, based on the actuarial technical study and in compliance with the criteria established by CNSP current legislation as amended by CNSP Resolution No. 319, of December 12, 2014, and SUSEP Circular No. 517, of July 30, 2015.

II - The technical provisions for insurance, pension plan and capitalization are recognized in accordance with the technical notes approved by SUSEP and the criteria established by the current legislation.

II.I- Insurance and pension plan:

- **Provision for unearned premiums –** this provision is recognized, based on insurance premiums, for the coverage of amounts payable related to claims and expenses to be incurred, throughout their terms to maturity, in connection with the risks assumed at the calculation base date. The calculation is performed on the level of policies or endorsement of agreements in force, on a pro rata die basis. The provision includes an estimate for effective and not issued risks.

- **Provision for unsettled claims –** this provision is recognized for the coverage of amounts payable related to lump-sum payments and income overdue from claims reported up to the calculation base date, but not yet paid. The provision covers administrative and legal claims, gross of accepted coinsurance operations and reinsurance operations and net of ceded coinsurance operations. The provision should include, whenever required, IBNER (claims incurred but not sufficiently reported) for the aggregate development of claims reported but not paid, which amounts may be changed throughout the process up to final settlement.

- **Provision for claims incurred and not reported –** this provision is recognized for the coverage of expected unsettled amounts related to claims incurred but not reported up to the calculation base date, gross of accepted coinsurance operations and reinsurance operations, and net of ceded coinsurance operations.

- **Mathematical provisions for benefits to be granted -** recognized for the coverage of commitments assumed to participants or policyholders, based on the assumptions set forth in the contract, while the event that gave rise to the benefit and/or indemnity has not occurred. The provision is calculated in accordance with the methodology approved in the actuarial technical note to the product.

- **Mathematical provisions for granted benefits -** recognized after the event triggering the benefit occurs, for the coverage of the commitments assumed to the participants or insured parties, based on the assumptions established in the agreement. The provision is calculated in accordance with the methodologies approved in the technical actuarial note on the product.

- **Provision for financial surplus –** recognized to ensure the amounts intended for the distribution of a financial surplus, in accordance with the regulations in force, in the event that it is stated in the agreement. Corresponds to the financial income exceeding the minimum return guaranteed in the product.

- **Supplemental Coverage Provision –** recognized whenever technical provisions are found to be insufficient, determined based on the Liability Adequacy Test, in accordance with the provisions specified in the regulations in force.

- **Provision for redemptions and other amounts to be regularize –** includes amounts related to redemptions to regularize, returns on premiums or funds, transfers requested but, for any reason, not yet transferred to the insurance company or open private pension entity beneficiary, and where premiums have been received but not quoted.

- **Provision for related expenses -** recognized for the coverage of expected amounts related to expenses on benefits and indemnities, due to events which have occurred and will occur.

II.II - Capitalization:

- **Mathematical provision for capitalization –** recognized until the event triggering the benefit occurs, and comprised of the portion of the amounts collected for capitalization. It includes monetary restatement and interest, from the beginning of the validity date.

- **Provision for redemption –** recognized from the date of the event triggering the redemption of the certificate and/or the event triggering the distribution of the bonus until the date of financial settlement, or the date on which the evidence of payment of the obligation is received.

- **Provision for raffles unrealized** – comprises the portion of the amounts collected for raffles for each tickets, which have been funded but, at the recognition date, have not yet been realized.

- **Provision for raffles payable –** recognized from the date when the raffle is drawn until the date of financial settlement, or the date when the evidence of payment of the obligation is received, or in conformity with other cases provided by law.

- **Supplementary provision for raffles** – recognized to supplement the provision for raffles unrealized, and is used for coverage of possible shortfall related to the expected amount of raffles to be drawn.

- **Provision for administrative expenses** - recognized for the coverage of the expected amounts of administrative expenses for the capitalization plans.

n) **Contingent assets and liabilities and legal liabilities – tax and social security** - assessed, recognized and disclosed according to the provisions set forth in CMN Resolution No. 3,823 of December 16, 2009, and BACEN Circular Letter No. 3,429 of February 11, 2010.

I - Contingent assets and liabilities

Refer to potential rights and obligations arising from past events, the occurrence of which is dependent upon future events.

- **Contingent assets** - not recognized, except where there is evidence of a high likelihood level of realization, usually represented by claims awarded a final and unappealable judgment and confirmation of the recoverability of the claim through receipt of amounts or through offsetting against another liability.

- **Contingent liabilities** - basically arise from administrative proceedings and lawsuits inherent in the normal course of business filed by third parties, former employees and governmental bodies, in connection with civil, labor, tax and social security lawsuits and other risks. These contingencies are calculated on a conservative basis, usually recorded based on the opinion of legal advisors and considering the probability that financial resources shall be required to settle the obligation, the amount of which may be estimated with sufficient certainty. Contingencies are classified either as probable, for which provisions are recognized; possible, which are disclosed but not recognized; and remote, for which recognition or disclosure are not required. Any contingent amounts are measured through the use of models and criteria which allow adequate measurement, in spite of the uncertainty of their terms and amounts.

Escrow deposits are restated in accordance with the current legislation.

Contingencies guaranteed by indemnity clauses in privatization processes and with liquidity are only recognized upon judicial notification with the simultaneous recognition of receivables, without any effect on results.

II - Legal liabilities – tax and social security

Represented by amounts payable related to tax liabilities, the legality or constitutionality of which are subject to judicial challenge, recognized at the full amount under discussion.

Liabilities and related escrow deposits are adjusted in accordance with the current legislation.

o) Taxes - these provisions are calculated in accordance with current legislation at the rates shown below, using the respective calculation bases.

Income tax	15.00%
Additional income tax	10.00%
Social contribution [(1)]	20.00%
PIS [(2)]	0.65%
COFINS [(2)]	4.00%
ISS up to	5.00%

(1) On October 06, 2015, Law No. 13,169, a conversion of Provisional Measure No. 675, which increased the Social Contribution tax rate from 15% to 20% until December 31, 2018, for financial institutions, insurance companies and credit card management companies, was introduced. For the other companies, the tax rate remains at 9,00%.

(2) For non-financial subsidiaries that fall into the non-cumulative calculation system, the PIS rate is 1.65% and COFINS rate is 7.60%.

p) Deferred income – this refers to: (i) unexpired interest received in advance that is recognized in income as earned, and (ii) the negative goodwill on acquisition of investments arising from expected future losses, which has not been absorbed in the consolidation process.

q) Transactions with non-controlling interests - Changes in ownership interest in a subsidiary, which do not result in loss of control, are accounted for as capital transactions and any difference between the amount paid and the amount corresponding to non-controlling is recognized directly in consolidated stockholders' equity.

r) Post-employments benefits

Pension plans - defined benefit plans

The liability (or asset, as the case may be) recognized in the consolidated balance sheet with respect to the defined benefit plan corresponds to the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets. The defined benefit obligation is annually calculated by an independent actuarial consulting company using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated amount of future cash flows of benefit payments based on the Brazilian treasury long term securities denominated in *Reais* and with maturity periods similar to the term of the pension plan liabilities.

The following amounts are recognized in the consolidated statement of income:

- current service cost is defined as the increase in the present value of obligations resulting from employee service in the current period;
- interest on the net amount of assets (liabilities) of defined benefit plans is the change, during the period, in the net amount recognized in assets and liabilities, due to the time elapsed, which comprises the interest income on plan assets, interest expense on the obligations of the defined benefit plan and interest on the asset ceiling effects.

Actuarial gains and losses arise from the non-realization of the actuarial assumptions established in the latest actuarial evaluation as compared to those effectively carried out, as well as the effects of changes in these assumptions. Gains and losses are fully recognized in equity valuation adjustments.

Pension plans - defined contribution

For defined contribution plans, contributions to plans made by ITAÚ UNIBANCO HOLDING CONSOLIDATED, through pension plan funds, are recognized as expenses when due.

Other post-employment benefit obligations

Certain companies that merged into ITAÚ UNIBANCO HOLDING CONSOLIDATED over the past few years were sponsors of post-employment healthcare benefit plans. ITAÚ UNIBANCO HOLDING CONSOLIDATED is contractually committed to maintaining these benefits over specific periods, as well as the benefits granted based on judicial rulings.

Similarly to the defined benefit pension plans, these obligations are assessed annually by independent and qualified actuaries, and the costs expected from these benefits are accrued during the length of service. Gains and losses arising from adjustments and changes in actuarial assumptions are debited from or credited to stockholders' equity in Equity asset valuation adjustment in the period in which they occur.

s) Foreign currency translation

I- Functional and presentation currency

The financial statements of ITAÚ UNIBANCO HOLDING CONSOLIDATED are presented in *Reais*, which is its functional and presentation currency. For each subsidiary and investment in associates and joint ventures, ITAÚ UNIBANCO HOLDING CONSOLIDATED defined the functional currency, as provided for in CVM deliberation Nº 640/10.

The assets and liabilities of subsidiaries with a functional currency other than the Brazilian Real are translated as follows:

- Assets and liabilities are translated at the closing rate at the balance sheet date;
- Income and expenses are translated at monthly average exchange rates;
- Exchange differences arising from currency translation are recorded in Cumulative Translation Adjustments (CTA).

II - Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income as part of securities and derivative financial instruments.

In the case of monetary assets classified as available-for-sale, the exchange differences resulting from a change in the amortized cost of the instrument are recognized in the income statement, while those resulting from other changes in the carrying amount, except impairment losses, are recognized in cumulative translation adjustments until derecognition or impairment.

Note 5 - Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents of ITAÚ UNIBANCO HOLDING CONSOLIDATED are composed of the following:

	03/31/2016	03/31/2015
Cash and cash equivalents	18,384,138	18,687,140
Interbank deposits	21,920,972	16,404,129
Securities purchased under agreements to resell – Funded position	68,194,323	13,477,925
Total	**108,499,433**	**48,569,194**

In ITAÚ UNIBANCO HOLDING it is composed of the following:

	03/31/2016	03/31/2015
Cash and cash equivalents	143,902	140,762
Interbank deposits	-	160,151
Securities purchased under agreements to resell – Funded position	530,292	39,767
Total	**674,194**	**340,680**

Note 6 - Interbank investments

	03/31/2016						03/31/2015	
	0 - 30	31 - 180	181 - 365	Over 365	Total	%	Total	%
Money market	**162,322,490**	**38,256,520**	**5,001,802**	**217,813**	**205,798,625**	**86.6**	**196,905,253**	**87.5**
Funded position (*)	68,978,410	5,562,531	1,982,235	217,813	76,740,989	32.3	37,421,441	16.6
Financed position	92,233,970	12,925,356	-	-	105,159,326	44.3	133,858,157	59.5
With free movement	3,315,704	12,925,356	-	-	16,241,060	6.9	34,849,321	15.5
Without free movement	88,918,266	-	-	-	88,918,266	37.4	99,008,836	44.0
Short position	1,110,110	19,768,633	3,019,567	-	23,898,310	10.0	25,625,655	11.4
Money market – Assets Guaranteeing Technical Provisions - SUSEP (Note 11b)	**2,612,971**	**-**	**-**	**46,286**	**2,659,257**	**1.1**	**2,275,733**	**1.0**
Interbank deposits	**21,255,020**	**5,783,042**	**1,388,690**	**757,683**	**29,184,435**	**12.3**	**25,894,799**	**11.5**
Total	**186,190,481**	**44,039,562**	**6,390,492**	**1,021,782**	**237,642,317**	**100.0**	**225,075,785**	**100.0**
% per maturity term	78.4	18.5	2.7	0.4	100.0			
Total – 03/31/2015	**137,654,673**	**79,918,934**	**6,716,689**	**785,489**	**225,075,785**			
% per maturity term	61.2	35.5	3.0	0.3	100.0			

(*) Includes R$ 10,497,337 (R$ 8,503,047 at 03/31/2015) related to money market with free movement, in which securities are restricted to guarantee transactions at the BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros (Securities, Commodities and Futures Exchange) and the Central Bank of Brazil (BACEN).

In ITAÚ UNIBANCO HOLDING the portfolio is composed of Money market – Funded position falling due in up to 30 days amounting to R$ 530,292 (R$ 39,767 at 03/31/2015), Interbank deposits with maturity of 31 to 180 days R$ 907,733 (R$ 160,151 at 03/31/2015), with maturity of 181 to 365 days to R$ 1,021,229 (R$ 2,422,393 at 03/31/2015) and over 365 days amounting to R$ 73,764,863 (R$ 38,079,257 at 03/31/2015).

Note 7 – Securities and derivative financial instruments (assets and liabilities)

See below the composition by Securities and Derivatives type, maturity and portfolio already adjusted to their respective market values.

a) Summary per maturity

	03/31/2016											03/31/2015
	Cost	Adjustment to market value reflected in:		Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
		Results	Stockholders' equity									
Government securities - domestic	**99,451,300**	**287,693**	**(1,068,199)**	**98,670,794**	**29.2**	**9,161,654**	**10,621**	**6,910,936**	**4,192,028**	**10,587,785**	**67,807,770**	**112,397,493**
Financial treasury bills	15,785,883	(4,770)	(147)	15,780,966	4.7	-	-	2,086,175	1,844,173	907,157	10,943,461	19,866,515
National treasury bills	19,945,345	6,893	(1)	19,952,237	5.9	9,153,985	-	474,412	1,346,482	8,113,630	863,728	21,485,162
National treasury notes	36,534,577	229,338	(271,563)	36,492,352	10.8	7,579	10,539	4,039,758	369,840	1,500,650	30,563,986	42,337,680
National treasury/securitization	232,783	(267)	(6,198)	226,318	0.1	90	82	1,542	163	518	223,923	246,267
Brazilian external debt bonds	26,952,712	56,499	(790,290)	26,218,921	7.7	-	-	309,049	631,370	65,830	25,212,672	28,461,869
Government securities - abroad	**11,030,975**	**(870)**	**(30,339)**	**10,999,766**	**3.2**	**1,028,717**	**2,034,376**	**3,000,002**	**1,969,576**	**2,320,265**	**646,830**	**11,824,795**
Argentina	585,432	6,319	-	591,751	0.2	285,251	51,054	67,818	169,402	4,593	13,633	809,946
Belgium	138,272	(7,373)	-	130,899	0.0	-	-	-	-	130,899	-	114,562
Chile	1,765,245	113	367	1,765,725	0.5	332,037	2,916	1,316,888	19,568	94,316	-	1,300,003
Colombia	10,903	286	-	11,189	0.0	-	-	5,768	777	-	4,644	47,514
Korea	2,171,538	-	(1)	2,171,537	0.6	-	521,134	-	649,091	1,001,312	-	2,953,332
Denmark	2,548,359	-	-	2,548,359	0.8	-	1,162,264	417,537	481,327	487,231	-	2,835,247
Spain	753,084	-	-	753,084	0.2	-	-	753,084	-	-	-	1,088,903
United States	1,874,002	27	5,868	1,879,897	0.6	283,167	141,547	326,602	89,309	477,961	561,311	944,661
France	-	-	-	-	0.0	-	-	-	-	-	-	142,942
Netherlands	110,659	-	63	110,722	0.0	-	-	-	110,722	-	-	173,131
Italy	-	-	-	-	0.0	-	-	-	-	-	-	74,950
Mexico	-	-	-	-	0.0	-	-	-	-	-	-	13,243
Paraguay	812,619	-	(32,760)	779,859	0.2	120,002	150,839	89,626	354,303	65,089	-	976,385
Peru	-	-	-	-	0.0	-	-	-	-	-	-	3,361
Uruguay	251,601	(242)	(2,786)	248,573	0.1	8,260	4,622	22,679	95,077	50,711	67,224	338,741
Other	9,261	-	(1,090)	8,171	0.0	-	-	-	-	8,153	18	7,874
Corporate securities	**79,705,953**	**102,161**	**(1,244,650)**	**78,563,464**	**23.1**	**5,640,922**	**2,156,824**	**4,503,472**	**11,895,335**	**8,893,652**	**45,473,259**	**72,480,757**
Shares	2,770,008	7,691	(1,223)	2,776,476	0.8	2,776,476	-	-	-	-	-	2,827,406
Rural product note	1,285,971	-	(127,837)	1,158,134	0.3	47,155	309,000	128,555	146,717	207,188	319,519	1,239,400
Bank deposit certificates	787,642	244	302	788,188	0.2	426,768	337,906	20,227	2,079	-	1,208	1,638,250
Securitized real estate loans	17,919,272	-	(144,938)	17,774,334	5.3	340,333	-	284,787	-	297,016	16,852,198	16,979,470
Fund quotas	1,160,502	(35,124)	(235)	1,125,143	0.3	1,124,667	-	-	476	-	-	544,546
Credit rights	-	-	-	-	0.0	-	-	-	-	-	-	69,862
Fixed income	928,498	(48,116)	(21)	880,361	0.3	879,885	-	-	476	-	-	376,432
Variable income	232,004	12,992	(214)	244,782	0.1	244,782	-	-	-	-	-	98,252
Debentures	24,433,469	85,157	(914,805)	23,603,821	7.0	506,136	552,277	329,981	943,074	3,797,729	17,474,624	22,683,122
Eurobonds and others	19,033,661	44,198	12,408	19,090,267	5.6	146,346	77,016	921,820	5,271,152	2,748,390	9,925,543	11,327,203
Financial bills	11,140,767	(1)	(59,798)	11,080,968	3.3	90,131	748,896	2,512,107	5,443,823	1,502,282	783,729	13,952,642
Promissory notes	840,764	-	1,780	842,544	0.2	154,904	84,122	305,995	88,009	209,514	-	899,353
Other	333,897	(4)	(10,304)	323,589	0.1	28,006	47,607	-	5	131,533	116,438	389,365
PGBL / VGBL fund quotas [1]	**122,898,952**	**-**	**-**	**122,898,952**	**36.3**	**122,898,952**	**-**	**-**	**-**	**-**	**-**	**101,507,939**
Subtotal - securities	**313,087,180**	**388,984**	**(2,343,188)**	**311,132,976**	**91.8**	**138,730,245**	**4,201,821**	**14,414,410**	**18,056,939**	**21,801,702**	**113,927,859**	**298,210,984**
Trading securities	184,704,561	388,984	-	185,093,545	54.6	135,366,231	501,497	6,521,299	4,470,851	4,176,410	34,057,257	178,256,784
Available-for-sale securities	87,278,108	-	(2,343,188)	84,934,920	25.1	3,023,677	3,700,324	7,608,324	12,564,818	9,683,297	48,354,480	82,252,065
Held-to-maturity securities [2]	41,104,511	-	-	41,104,511	12.1	340,337	-	284,787	1,021,270	7,941,995	31,516,122	37,702,135
Derivative financial instruments	**24,317,481**	**3,546,687**	**-**	**27,864,168**	**8.2**	**6,592,289**	**3,483,739**	**2,903,441**	**5,313,731**	**3,321,054**	**6,249,914**	**25,848,778**
Total securities and derivative financial instruments (assets)	**337,404,661**	**3,935,671**	**(2,343,188)**	**338,997,144**	**100.0**	**145,322,534**	**7,685,560**	**17,317,851**	**23,370,670**	**25,122,756**	**120,177,773**	**324,059,762**
												(30,996,546)
Derivative financial instruments (liabilities)	**(27,151,571)**	**(1,765,714)**	**-**	**(28,917,285)**	**100.0**	**(5,541,150)**	**(2,414,407)**	**(1,971,451)**	**(4,318,575)**	**(3,460,893)**	**(11,210,809)**	**-**

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a counter-entry to long term liabilities in Pension Plan Technical Provisions account, as determined by SUSEP.

(2) Unrecorded negative adjustment to market value in the amount of R$ 1,072,943 (R$ 218,844 at 03/31/2015), according to Note 7e.

b) Summary by portfolio

	03/31/2016							
		Restricted to						
	Own portfolio	Repurchase agreements	Free portfolio	Pledged guarantees (*)	Central Bank	Derivative financial instruments	Assets guaranteeing technical provisions (Note 11b)	Total
Government securities - domestic	**45,396,843**	**15,859,298**	**20,823,931**	**5,003,883**	**4,310,635**	**-**	**7,276,204**	**98,670,794**
Financial treasury bills	10,145,087	1,331,813	-	3,441,204	-	-	862,862	15,780,966
National treasury bills	8,485,887	11,214,938	-	-	-	-	251,412	19,952,237
National treasury notes	21,308,934	3,312,547	-	1,398,306	4,310,635	-	6,161,930	36,492,352
National treasury / Securitization	226,318	-	-	-	-	-	-	226,318
Brazilian external debt bonds	5,230,617	-	20,823,931	164,373	-	-	-	26,218,921
Government securities - abroad	**7,311,332**	**164,401**	**-**	**3,523,599**	**-**	**-**	**434**	**10,999,766**
Argentina	394,171	73,151	-	124,429	-	-	-	591,751
Belgium	130,899	-	-	-	-	-	-	130,899
Chile	1,713,505	34,347	-	17,439	-	-	434	1,765,725
Colombia	11,189	-	-	-	-	-	-	11,189
Korea	1,354,397	-	-	817,140	-	-	-	2,171,537
Denmark	764,508	-	-	1,783,851	-	-	-	2,548,359
Spain	225,925	-	-	527,159	-	-	-	753,084
United States	1,642,569	-	-	237,328	-	-	-	1,879,897
Netherlands	110,722	-	-	-	-	-	-	110,722
Paraguay	716,242	56,903	-	6,714	-	-	-	779,859
Uruguay	247,183	-	-	1,390	-	-	-	248,573
Other	22	-	-	8,149	-	-	-	8,171
Corporate securities	**59,904,470**	**-**	**10,137,538**	**4,018,142**	**-**	**-**	**4,503,314**	**78,563,464**
Shares	2,762,533	-	-	13,943	-	-	-	2,776,476
Rural product note	1,158,134	-	-	-	-	-	-	1,158,134
Bank deposit certificates	778,141	-	-	10,047	-	-	-	788,188
Securitized real estate loans	17,774,334	-	-	-	-	-	-	17,774,334
Fund quotas	1,009,833	-	-	374	-	-	114,936	1,125,143
Fixed income	765,051	-	-	374	-	-	114,936	880,361
Variable income	244,782	-	-	-	-	-	-	244,782
Debentures	18,872,414	-	-	3,991,543	-	-	739,864	23,603,821
Eurobonds and other	8,952,729	-	10,137,538	-	-	-	-	19,090,267
Financial bills	7,430,219	-	-	2,235	-	-	3,648,514	11,080,968
Promissory notes	842,544	-	-	-	-	-	-	842,544
Other	323,589	-	-	-	-	-	-	323,589
PGBL / VGBL fund quotas	**-**	**-**	**-**	**-**	**-**	**-**	**122,898,952**	**122,898,952**
Subtotal - securities	**112,612,645**	**16,023,699**	**30,961,469**	**12,545,624**	**4,310,635**	**-**	**134,678,904**	**311,132,976**
Trading securities	30,839,669	15,329,473	3,938,685	4,659,840	1,858,765	-	128,467,113	185,093,545
Available-for-sale securities	55,109,195	694,226	15,972,737	7,885,780	2,451,870	-	2,821,112	84,934,920
Held-to-maturity securities	26,663,781	-	11,050,047	4	-	-	3,390,679	41,104,511
Derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**27,864,168**	**-**	**27,864,168**
Total securities and derivative financial instruments (assets)	**112,612,645**	**16,023,699**	**30,961,469**	**12,545,624**	**4,310,635**	**27,864,168**	**134,678,904**	**338,997,144**
Total securities and derivative financial instruments (assets) – 03/31/2015	**139,527,134**	**32,809,513**	**-**	**3,925,172**	**8,716,733**	**25,848,778**	**113,232,432**	**324,059,762**

(*) Represent securities deposited with Contingent Liabilities (Note 12b), Stock Exchanges and the Clearing House for the Custody and Financial Settlement of Securities.

c) Trading securities

See below the composition of the portfolio of trading securities by type, stated at cost and market value and by maturity term.

	03/31/2016										03/31/2015
	Cost	Adjustment to market value (in results)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Government securities - domestic	**48,314,793**	**287,693**	**48,602,486**	**26.3**	**9,151,658**	**10,519**	**5,241,774**	**3,135,536**	**2,319,833**	**28,743,166**	**64,483,744**
Financial treasury bills	13,343,895	(4,770)	13,339,125	7.2	-	-	670,285	1,327,643	594,856	10,746,341	17,585,072
National treasury bills	12,318,219	6,893	12,325,112	6.7	9,143,991	-	474,412	1,254,653	588,328	863,728	13,810,635
National treasury notes	21,542,435	229,338	21,771,773	11.8	7,577	10,437	3,786,486	369,752	1,070,303	16,527,218	30,022,864
National treasury / Securitization	3,120	(267)	2,853	0.0	90	82	1,542	163	516	460	5,496
Brazilian external debt bonds	1,107,124	56,499	1,163,623	0.6	-	-	309,049	183,325	65,830	605,419	3,059,677
Government securities - abroad	**1,155,088**	**(870)**	**1,154,218**	**0.5**	**344,042**	**51,054**	**310,684**	**203,449**	**226,712**	**18,277**	**1,192,008**
Argentina	585,162	6,319	591,481	0.3	285,251	51,054	67,818	169,132	4,593	13,633	806,784
Belgium	138,272	(7,373)	130,899	0.1	-	-	-	-	130,899	-	114,562
Chile	236,985	113	237,098	0.1	-	-	237,098	-	-	-	1,540
Colombia	10,903	286	11,189	0.0	-	-	5,768	777	-	4,644	47,514
United States	85,479	27	85,506	0.0	-	-	-	-	85,506	-	70,578
Mexico	-	-	-	0.0	-	-	-	-	-	-	13,243
Paraguay	56,903	-	56,903	0.0	56,903	-	-	-	-	-	82,944
Peru	-	-	-	0.0	-	-	-	-	-	-	3,361
Uruguay	41,384	(242)	41,142	0.0	1,888	-	-	33,540	5,714	-	51,473
Other	-	-	-	0.0	-	-	-	-	-	-	9
Corporate securities	**12,335,728**	**102,161**	**12,437,889**	**6.7**	**2,971,579**	**439,924**	**968,841**	**1,131,866**	**1,629,865**	**5,295,814**	**11,073,093**
Shares	2,280,103	7,691	2,287,794	1.2	2,287,794	-	-	-	-	-	2,047,346
Bank deposit certificates	17,083	244	17,327	0.0	5,268	2,687	7,302	2,070	-	-	107,239
Fund quotas	665,841	(35,124)	630,717	0.3	630,241	-	-	476	-	-	406,806
Credit rights	-	-	-	0.0	-	-	-	-	-	-	45,453
Fixed income	434,483	(48,116)	386,367	0.2	385,891	-	-	476	-	-	320,366
Variable income	231,358	12,992	244,350	0.1	244,350	-	-	-	-	-	40,987
Debentures	1,333,137	85,157	1,418,294	0.8	9,081	-	14,824	9,297	104,277	1,280,815	1,231,118
Eurobonds and other	4,042,976	44,198	4,087,174	2.2	1,579	2,509	87,569	270,116	470,542	3,254,859	1,064,365
Financial bills	3,994,963	(1)	3,994,962	2.2	37,616	434,728	859,146	849,902	1,055,046	758,524	6,202,142
Others	1,625	(4)	1,621	0.0	-	-	-	5	-	1,616	14,077
PGBL / VGBL fund quotas	**122,898,952**	**-**	**122,898,952**	**66.5**	**122,898,952**	**-**	**-**	**-**	**-**	**-**	**101,507,939**
Total	**184,704,561**	**388,984**	**185,093,545**	**100.0**	**135,366,231**	**501,497**	**6,521,299**	**4,470,851**	**4,176,410**	**34,057,257**	**178,256,784**
% per maturity term					73.1	0.3	3.5	2.4	2.3	18.4	
Total – 03/31/2015	**178,367,291**	**(110,507)**	**178,256,784**	**100.0**	**109,789,725**	**2,008,225**	**11,559,350**	**4,519,810**	**14,440,101**	**35,939,573**	
% per maturity term					61.5	1.1	6.5	2.5	8.1	20.2	

At 03/31/2016, ITAÚ UNIBANCO HOLDING's portfolio is composed of Fund quotas fixed income R$ 4,424 without maturity (3,973 of 03/31/2015), portfolio is composed of Corporate Securities – Bank deposit certificates with maturity over 720 days (R$ 16,346,155 of 03/31/2015).

d) Available-for-sale securities

See below the composition of the portfolio of available-for-sale securities by type, stated at cost and market value and by maturity term.

	03/31/2016										03/31/2015
	Cost	Adjustments to market value (in stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Government securities - domestic	**27,455,516**	**(1,068,199)**	**26,387,317**	**31.2**	**9,996**	**104**	**1,669,162**	**964,663**	**622,971**	**23,120,421**	**24,775,174**
Financial treasury bills	2,441,988	(147)	2,441,841	3.0	-	-	1,415,890	516,530	312,301	197,120	2,281,443
National treasury bills	9,996	(1)	9,995	0.0	9,995	-	-	-	-	-	888,299
National treasury notes	10,574,829	(271,563)	10,303,266	12.1	1	104	253,272	88	310,670	9,739,131	8,294,777
National treasury / Securitization	229,661	(6,198)	223,463	0.3	-	-	-	-	-	223,463	240,771
Brazilian external debt bonds	14,199,042	(790,290)	13,408,752	15.8	-	-	-	448,045	-	12,960,707	13,069,884
Government securities - abroad	**9,875,869**	**(30,339)**	**9,845,530**	**11.7**	**684,675**	**1,983,322**	**2,689,318**	**1,766,127**	**2,093,553**	**628,535**	**10,620,827**
Argentina	270	-	270	0.0	-	-	-	270	-	-	3,162
Chile	1,528,260	367	1,528,627	1.9	332,037	2,916	1,079,790	19,568	94,316	-	1,298,463
Korea	2,171,538	(1)	2,171,537	2.6	-	521,134	-	649,091	1,001,312	-	2,953,332
Denmark	2,548,359	-	2,548,359	3.0	-	1,162,264	417,537	481,327	487,231	-	2,835,247
Spain	753,084	-	753,084	0.9	-	-	753,084	-	-	-	1,088,903
United States	1,788,523	5,868	1,794,391	2.1	283,167	141,547	326,602	89,309	392,455	561,311	874,083
France	-	-	-	0.0	-	-	-	-	-	-	142,942
Netherlands	110,659	63	110,722	0.1	-	-	-	110,722	-	-	173,131
Italy	-	-	-	0.0	-	-	-	-	-	-	74,950
Paraguay	755,716	(32,760)	722,956	0.9	63,099	150,839	89,626	354,303	65,089	-	893,441
Uruguay	210,217	(2,786)	207,431	0.2	6,372	4,622	22,679	61,537	44,997	67,224	275,324
Other	9,243	(1,090)	8,153	0.0	-	-	-	-	8,153	-	7,849
Corporate securities	**49,946,723**	**(1,244,650)**	**48,702,073**	**57.1**	**2,329,006**	**1,716,898**	**3,249,844**	**9,834,028**	**6,966,773**	**24,605,524**	**46,856,064**
Shares	489,905	(1,223)	488,682	0.6	488,682	-	-	-	-	-	780,060
Rural product note	1,285,971	(127,837)	1,158,134	1.4	47,155	309,000	128,555	146,717	207,188	319,519	1,239,400
Bank deposit certificate	770,556	302	770,858	0.8	421,497	335,219	12,925	9	-	1,208	1,531,007
Securitized real estate loans	2,234,952	(144,938)	2,090,014	2.5	-	-	-	-	-	2,090,014	2,431,903
Fund quotas	494,660	(235)	494,425	0.6	494,425	-	-	-	-	-	137,740
Credit rights	-	-	-	0.0	-	-	-	-	-	-	24,409
Fixed income	494,014	(21)	493,993	0.6	493,993	-	-	-	-	-	56,066
Variable income	646	(214)	432	0.0	432	-	-	-	-	-	57,265
Debentures	23,081,964	(914,805)	22,167,159	26.0	497,054	552,277	315,157	933,777	3,693,452	16,175,442	21,452,004
Eurobonds and other	13,269,875	12,408	13,282,283	15.6	144,769	74,505	834,251	4,071,595	2,277,849	5,879,314	10,258,809
Financial bills	7,145,804	(59,798)	7,086,006	8.2	52,514	314,168	1,652,961	4,593,921	447,237	25,205	7,750,500
Promissory notes	840,764	1,780	842,544	1.0	154,904	84,122	305,995	88,009	209,514	-	899,353
Other	332,272	(10,304)	321,968	0.4	28,006	47,607	-	-	131,533	114,822	375,288
Total	**87,278,108**	**(2,343,188)**	**84,934,920**	**100.0**	**3,023,677**	**3,700,324**	**7,608,324**	**12,564,818**	**9,683,297**	**48,354,480**	**82,252,065**
% per maturity term					3.6	4.4	9.0	14.8	11.4	56.9	
Total – 03/31/2015	**82,942,056**	**(689,991)**	**82,252,065**	**100.0**	**5,082,162**	**3,925,540**	**5,203,535**	**7,408,676**	**16,716,878**	**43,915,274**	
% per maturity term					6.2	4.8	6.3	9.0	20.3	53.4	

At March 31, 2016, at ITAÚ UNIBANCO HOLDING the portfolio is composed of Eurobonds, in the amount of R$ 1,581, maturing over 365 days.

e) Held-to-maturity securities

See below the composition of the portfolio of held-to-maturity securities by type, stated at cost and by maturity term. Included in the carrying value at 03/31/2016, not considered in results, is an impairment loss of R$ 638,847 (R$ 712,855 at 03/31/2015).

	03/31/2016									03/31/2015	
	Carrying value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value	Carrying value	Market value
Government securities - domestic (*)	**23,680,991**	**57.6**	**-**	**-**	**-**	**91,829**	**7,644,979**	**15,944,183**	**23,566,837**	**23,138,576**	**23,266,699**
National treasury bills	7,617,131	18.5	-	-	-	91,829	7,525,302	-	7,459,847	6,786,228	6,637,084
National treasury notes	4,417,314	10.8	-	-	-	-	119,677	4,297,637	4,876,258	4,020,039	4,419,475
Brazilian external debt bonds	11,646,546	28.3	-	-	-	-	-	11,646,546	11,230,732	12,332,309	12,210,140
Government securities - abroad	**18**	**0.0**	**-**	**-**	**-**	**-**	**-**	**18**	**52**	**11,960**	**18,690**
Uruguay	-	-	-	-	-	-	-	-	-	11,944	18,546
Other	18	-	-	-	-	-	-	18	52	16	144
Corporate securities	**17,423,502**	**42.4**	**340,337**	**-**	**284,787**	**929,441**	**297,016**	**15,571,921**	**16,464,679**	**14,551,599**	**14,152,193**
Bank deposit certificate	4	-	4	-	-	-	-	-	4	4	4
Securitized real estate loans	15,684,320	38.2	340,333	-	284,787	-	297,016	14,762,184	14,725,497	14,547,566	14,148,162
Debentures	18,367	0.0	-	-	-	-	-	18,367	18,367	-	-
Eurobonds and other	1,720,811	4.2	-	-	-	929,441	-	791,370	1,720,811	4,029	4,027
Total	**41,104,511**	**100.0**	**340,337**	**-**	**284,787**	**1,021,270**	**7,941,995**	**31,516,122**	**40,031,568**	**37,702,135**	**37,437,582**
% per maturity term			0.8	-	0.7	2.5	19.3	76.6			
Total – 03/31/2015	**37,702,135**	**100.0**	**136,647**	**88,906**	**582,531**	**200,745**	**2,262,691**	**34,430,615**			
% per maturity term			0.4	0.2	1.5	0.5	6.0	91.3			

(*) Includes investments of Itaú Vida e Previdência S.A. in the amount of R$ 2,640,157 (R$ 2,417,307 at 03/31/2015).

f) Reclassification of securities

No reclassification was made in the period.

g) Derivative financial instruments

The globalization of the markets in recent years has resulted in a high level of sophistication of financial products used. As a result of this process, there has been increasing demand for derivative financial instruments to manage market risks, mainly arising from fluctuations in interest and exchange rates, commodities and other asset prices. Accordingly, ITAÚ UNIBANCO HOLDING and its subsidiaries operate in the derivatives markets for meeting the growing needs of their clients, as well as enacting their risk management policy. This policy is based on the use of derivative instruments to minimize the risks resulting from commercial and financial operations.

The derivative financial instrument business with clients is carried out after the approval of credit limits. The process of limit approval takes into consideration potential stress scenarios.

Knowing the client, the sector in which it operates and its risk appetite profile, in addition to providing information on the risks involved in the transaction and the negotiated conditions, ensures transparency in the relationship between the parties and the supply of a product that better meets the needs of the client.

The derivative transactions carried out by ITAÚ UNIBANCO HOLDING and its subsidiaries with clients are neutralized in order to eliminate market risks.

The derivative contracts traded by the institution with clients in Brazil include swaps, forwards, options and futures contracts, which are registered at the BM&FBOVESPA or at the CETIP S.A. OTC Clearing House (CETIP). Overseas transactions are carried out with futures, forwards (onshore), options and swaps mostly listed on the Chicago, New York and London Exchanges. It should be emphasized that there are over-the-counter operations, but their risks are low compared to the institutions' total. Noteworthy is also the fact that there are no structured operations based on subprime assets and all operations are based on risk factors traded on stock exchanges.

The main risk factors of the derivatives, assumed at 03/31/2016, were related to the foreign exchange rate, interest rate, commodities, US Dollar coupon, Reference Rate coupon, LIBOR and variable income. The management of these and other market risk factors is supported by sophisticated statistical and deterministic models. Based on this management model, the institution, through the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even in highly volatile situations.

Most derivatives included in the institution's portfolio are traded on stock exchanges. The prices disclosed by stock exchanges are used for these derivatives, except in cases in which the low representativeness of price due to the liquidity of a specific contract is identified. Derivatives typically valued in this way are futures contracts. Likewise, there are other instruments whose quotations (fair prices) are directly disclosed by independent institutions and which are valued based on this direct information. A substantial portion of the Brazilian government securities, highly-liquid international (public and private) securities and shares are in this situation.

For derivatives the prices of which are not directly disclosed by stock exchanges, fair prices are obtained based on pricing models which use market information, deducted based on the prices disclosed for higher liquidity assets. Interest and market volatility curves which provide input for the models are extracted from those prices. Over- the-counter derivatives, forward contracts and securities with limited liquidity are in this situation.

The total value of margins pledged in guarantee was R$ 6,472,706 (R$ 4,609,418 at 03/31/2015) and was basically composed of government securities.

I - Derivatives by index

	Memorandum account / Notional amount		Balance sheet account receivable / (received) (payable) paid	Adjustment to market value (in results / stockholders' equity)	Market value	
	03/31/2016	03/31/2015	03/31/2016	03/31/2016	03/31/2016	03/31/2015
Futures contracts	**527,129,950**	**417,429,012**	**412,039**	**604,745**	**1,016,784**	**(40,356)**
Purchase commitments	**184,659,944**	**98,529,580**	**(628,284)**	**634,896**	**6,612**	**(8,058)**
Commodities	276,765	106,202	(337)	-	(337)	(2)
Indexes	63,122,637	57,376,953	(307,070)	(822)	(307,892)	(192,464)
Interbank market	82,915,009	19,764,338	(283,091)	(720)	(283,811)	47,067
Foreign currency	27,220,444	19,473,470	(37,812)	636,438	598,626	135,436
Fixed rates	-	131,528	-	-	-	1,931
Securities	11,106,365	1,675,787	3	-	3	29
Other	18,724	1,302	23	-	23	(55)
Commitments to sell	**342,470,006**	**318,899,432**	**1,040,323**	**(30,151)**	**1,010,172**	**(32,298)**
Commodities	289,266	245,707	733	-	733	327
Indexes	77,167,508	32,229,047	292,161	(37)	292,124	126,481
Interbank market	150,344,970	135,219,543	498,992	809	499,801	(135,537)
Foreign currency	107,912,472	148,582,126	248,527	(30,923)	217,604	(23,181)
Fixed rates	-	49,724	-	-	-	(388)
Securities	6,737,345	2,573,285	(90)	-	(90)	-
Other	18,445	-	-	-	-	-
Swap contracts			**(5,674,498)**	**513,129**	**(5,161,369)**	**(7,484,627)**
Asset position	**329,068,870**	**302,770,221**	**6,838,841**	**1,050,018**	**7,888,859**	**6,191,245**
Commodities	4,924	-	269	(61)	208	-
Indexes	131,660,858	118,978,952	885,708	200,465	1,086,173	893,203
Interbank market	60,534,583	68,758,306	1,715,159	159,426	1,874,585	733,982
Foreign currency	13,855,302	12,296,069	2,279,183	27,774	2,306,957	2,292,618
Fixed rates	112,246,916	98,052,023	1,645,851	638,656	2,284,507	1,900,911
Floating rate	10,742,142	4,646,504	311,706	23,863	335,569	369,689
Securities	12,767	20,547	-	-	-	-
Other	11,378	17,820	965	(105)	860	842
Liability position	**334,743,368**	**310,537,016**	**(12,513,339)**	**(536,889)**	**(13,050,228)**	**(13,675,872)**
Commodities	15,524	23,316	(5)	1	(4)	-
Indexes	105,580,457	88,049,551	(3,187,745)	217,541	(2,970,204)	(3,129,015)
Interbank market	39,888,107	50,544,915	(804,279)	264,818	(539,461)	(673,179)
Foreign currency	32,846,485	28,226,079	(3,071,582)	(28,043)	(3,099,625)	(5,121,591)
Fixed rates	145,565,915	136,540,122	(5,314,842)	(322,456)	(5,637,298)	(4,353,730)
Floating rate	10,702,231	6,931,765	(110,047)	(672,611)	(782,658)	(364,948)
Securities	44,567	86,804	(24,716)	3,861	(20,855)	(33,409)
Other	100,082	134,464	(123)	-	(123)	-
Option contracts	**417,098,348**	**509,322,577**	**(334,518)**	**146,249**	**(188,269)**	**1,024,464**
Purchase commitments - long position	**99,900,325**	**89,533,345**	**2,194,379**	**(792,068)**	**1,402,311**	**4,594,772**
Commodities	701,803	613,808	32,299	(9,170)	23,129	27,987
Indexes	28,206,951	31,986,130	162,637	116,180	278,817	84,311
Interbank market	368,968	4,290,648	2,142	(513)	1,629	4,486
Foreign currency	64,104,528	48,139,522	1,862,913	(1,103,193)	759,720	3,945,132
Fixed rates	5,018	2,727	-	7	7	14
Floating rate	-	9,945	-	-	-	-
Securities	6,423,434	4,406,827	127,366	195,104	322,470	515,181
Other	89,623	83,738	7,022	9,517	16,539	17,661
Commitments to sell - long position	**108,224,821**	**178,492,282**	**1,654,844**	**1,891,494**	**3,546,338**	**2,564,679**
Commodities	197,248	347,960	13,967	(2,866)	11,101	20,209
Indexes	48,210,205	105,844,528	114,454	(4,216)	110,238	101,927
Interbank market	1,356,261	17,035,167	1,512	5,756	7,268	3,557
Foreign currency	50,507,667	46,862,328	1,235,343	1,335,502	2,570,845	631,037
Fixed rates	158,051	147,455	7,050	(656)	6,394	5,945
Floating rate	-	98,518	-	-	-	123
Securities	7,750,973	8,116,290	282,186	556,932	839,118	1,801,234
Other	44,416	40,036	332	1,042	1,374	647
Purchase commitments - short position	**82,690,018**	**74,530,679**	**(2,184,352)**	**339,652**	**(1,844,700)**	**(4,738,602)**
Commodities	192,992	431,048	(5,595)	(1,975)	(7,570)	(9,414)
Indexes	18,982,922	22,929,558	(185,728)	(139,015)	(324,743)	(122,283)
Interbank market	459,397	4,207,160	(2,009)	1,251	(758)	(4,831)
Foreign currency	57,938,448	43,149,642	(1,927,274)	616,472	(1,310,802)	(4,138,013)
Fixed rates	102,176	92,102	-	(125)	(125)	(415)
Securities	4,924,460	3,637,431	(56,724)	(127,439)	(184,163)	(445,985)
Other	89,623	83,738	(7,022)	(9,517)	(16,539)	(17,661)
Commitments to sell - short position	**126,283,184**	**166,766,271**	**(1,999,389)**	**(1,292,829)**	**(3,292,218)**	**(1,396,385)**
Commodities	358,378	487,584	(23,229)	(15,389)	(38,618)	(41,943)
Indexes	67,297,246	106,972,996	(340,892)	14,624	(326,268)	(60,983)
Interbank market	548,810	12,231,843	(1,272)	(526)	(1,798)	(3,957)
Foreign currency	51,243,830	41,288,144	(1,358,753)	(789,863)	(2,148,616)	(622,318)
Fixed rates	20,143	8,340	(733)	(75)	(808)	(338)
Securities	6,770,361	5,737,328	(274,178)	(500,558)	(774,736)	(666,199)
Other	44,416	40,036	(332)	(1,042)	(1,374)	(647)
Forward contracts	**35,731,541**	**17,441,740**	**1,518,323**	**33,542**	**1,551,865**	**1,892,245**
Purchases receivable	**1,880,083**	**1,154,665**	**1,894,713**	**(4,316)**	**1,890,397**	**1,140,696**
Fixed rates	1,236,261	824,014	1,247,870	(3,549)	1,244,321	824,546
Floating rate	635,602	330,651	638,525	(555)	637,970	316,150
Securities	8,220	-	8,318	(212)	8,106	-
Purchases payable	**-**	**-**	**(1,886,536)**	**9**	**(1,886,527)**	**(1,138,072)**
Fixed rates	-	-	(1,247,912)	6	(1,247,906)	(822,746)
Floating rate	-	-	(638,525)	-	(638,525)	(315,326)
Securities	-	-	(99)	3	(96)	-
Sales receivable	**33,851,458**	**16,054,265**	**3,334,388**	**32,402**	**3,366,790**	**3,790,595**
Commodities	17	174	16	-	16	173
Indexes	9	72	8	-	8	69
Interbank market	30,487,384	12,227,339	-	27,809	27,809	16,457
Fixed rates	1,051,844	1,046,885	1,052,271	-	1,052,271	1,045,865
Floating rate	769,291	849,695	785,907	(4)	785,903	848,292
Securities	1,542,913	1,930,100	1,496,186	4,597	1,500,783	1,879,739
Sales deliverable	**-**	**232,810**	**(1,824,242)**	**5,447**	**(1,818,795)**	**(1,900,974)**
Interbank market	-	232,810	-	-	-	(359)
Fixed rates	-	-	(1,052,271)	3,382	(1,048,889)	(1,049,688)
Floating rate	-	-	(771,971)	2,065	(769,906)	(850,484)
Securities	-	-	-	-	-	(443)

	Memorandum account / Notional amount		Balance sheet account receivable / (received) (payable) / paid	Adjustments to market value (in results / stockholders' equity)	Market value	
	03/31/2016	03/31/2015	03/31/2016	03/31/2016	03/31/2016	03/31/2015
Credit derivatives	**11,601,380**	**12,774,574**	**42,135**	**(149,915)**	**(107,780)**	**(171,466)**
Asset position	**4,949,903**	**5,771,229**	**355,697**	**70,431**	**426,128**	**219,931**
Foreign currency	3,670,399	2,517,733	354,998	32,790	387,788	159,339
Fixed rate	373,685	1,905,873	-	410	410	3,905
Securities	721,540	1,074,579	473	31,877	32,350	49,481
Other	184,279	273,044	226	5,354	5,580	7,206
Liability position	**6,651,477**	**7,003,345**	**(313,562)**	**(220,346)**	**(533,908)**	**(391,397)**
Foreign currency	4,322,284	2,916,072	(309,236)	(58,207)	(367,443)	(188,138)
Fixed rate	53,384	1,764,400	(4,989)	317	(4,672)	(28,576)
Securities	1,837,082	2,216,656	567	(142,886)	(142,319)	(170,641)
Other	438,727	106,217	96	(19,570)	(19,474)	(4,042)
Forwards operations	**176,076,499**	**127,651,846**	**1,228,814**	**(39,882)**	**1,188,932**	**(362,615)**
Asset position	**92,574,813**	**56,100,577**	**4,170,747**	**(85,511)**	**4,085,236**	**3,867,312**
Commodities	443,949	254,786	43,380	(306)	43,074	23,814
Indexes	118,501	9,824	10,264	-	10,264	129
Foreign currency	92,003,593	55,781,471	4,116,782	(85,205)	4,031,577	3,836,463
Securities	8,770	54,496	321	-	321	6,906
Liability position	**83,501,686**	**71,551,269**	**(2,941,933)**	**45,629**	**(2,896,304)**	**(4,229,927)**
Commodities	39,845	152,061	(4,099)	1,930	(2,169)	(36,802)
Indexes	-	59,682	-	-	-	(5,052)
Foreign currency	83,446,683	71,338,398	(2,937,672)	43,699	(2,893,973)	(4,186,956)
Securities	15,158	1,128	(162)	-	(162)	(1,117)
Target flow of swap	**1,578,407**	**1,784,035**	**(314,234)**	**92,703**	**(221,531)**	**(196,352)**
Asset position - Foreign currency	**1,008,407**	**1,096,038**	**116,073**	**116,258**	**232,331**	**227,519**
Liability position - Interbank Market	**570,000**	**687,997**	**(430,307)**	**(23,555)**	**(453,862)**	**(423,871)**
Other derivative financial instruments	**11,536,043**	**14,270,250**	**287,849**	**580,402**	**868,251**	**190,939**
Asset position	**10,342,302**	**12,583,335**	**3,345,760**	**663,234**	**4,008,994**	**3,252,029**
Indexes	8,288	-	463	-	463	-
Foreign currency	5,854,553	7,627,403	3,060,328	441,302	3,501,630	2,727,672
Fixed rate	1,334,096	708,808	59,184	58,559	117,743	99,548
Securities	2,690,979	4,120,055	225,911	144,202	370,113	421,168
Other	454,386	127,069	(126)	19,171	19,045	3,641
Liability position	**1,193,741**	**1,686,915**	**(3,057,911)**	**(82,832)**	**(3,140,743)**	**(3,061,090)**
Foreign currency	242,032	251,346	(2,997,358)	(60,456)	(3,057,814)	(2,949,761)
Securities	783,089	1,186,585	(60,397)	(18,171)	(78,568)	(106,613)
Other	168,620	248,984	(156)	(4,205)	(4,361)	(4,716)
		Asset	**24,317,481**	**3,546,687**	**27,864,168**	**25,848,778**
		Liability	**(27,151,571)**	**(1,765,714)**	**(28,917,285)**	**(30,996,546)**
		Total	**(2,834,090)**	**1,780,973**	**(1,053,117)**	**(5,147,768)**

Derivative contracts mature as follows (in days):

Memorandum account / notional amount	0 - 30	31 - 180	181 - 365	Over 365	03/31/2016	03/31/2015
Futures	92,344,631	146,445,705	117,735,548	170,604,066	527,129,950	417,429,012
Swaps	11,145,845	45,229,731	44,720,911	221,133,542	322,230,029	298,213,407
Options	125,337,533	189,561,017	62,697,428	39,502,370	417,098,348	509,322,577
Forwards (onshore)	7,806,282	14,325,733	12,973,809	625,717	35,731,541	17,441,740
Credit derivatives	-	802,521	245,439	10,553,420	11,601,380	12,774,574
Forwards (offshore)	61,650,419	68,506,383	37,439,236	8,480,461	176,076,499	127,651,846
Target flow of swap	-	-	-	1,578,407	1,578,407	1,784,035
Other derivative financial instruments	39,689	1,452,780	2,244,966	7,798,608	11,536,043	14,270,250

II - Derivatives by counterparty

See below the composition of the Derivative Financial Instruments portfolio (assets and liabilities) by type of instrument, stated at cost, market value, and maturity term.

	03/31/2016										03/31/2015
	Cost	Adjustments to market value (in results / stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Asset											
Futures - BM&FBOVESPA	**412,039**	**604,745**	**1,016,784**	**3.7**	**840,474**	**9,664**	**(9,512)**	**30,065**	**7,445**	**138,648**	**-**
Swaps - adjustment receivable	**6,838,841**	**1,050,018**	**7,888,859**	**28.3**	**111,678**	**241,097**	**479,056**	**1,806,256**	**1,415,030**	**3,835,742**	**6,191,245**
BM&FBOVESPA	1,669,976	(65,869)	1,604,107	5.8	5,236	22,702	164,029	359,283	533,003	519,854	123,303
Companies	3,769,805	612,316	4,382,121	15.7	83,190	175,100	256,179	1,015,049	671,902	2,180,701	4,150,291
Financial institutions	948,643	728,141	1,676,784	6.0	21,908	37,630	25,197	375,416	150,763	1,065,870	1,585,756
Individuals	450,417	(224,570)	225,847	0.8	1,344	5,665	33,651	56,508	59,362	69,317	331,895
Option premiums	**3,849,223**	**1,099,426**	**4,948,649**	**17.7**	**683,924**	**747,162**	**964,303**	**939,221**	**1,248,405**	**365,634**	**7,159,451**
BM&FBOVESPA	1,822,816	125,574	1,948,390	7.0	298,249	334,264	445,213	406,505	455,878	8,281	2,969,869
Companies	435,309	465,096	900,405	3.2	62,520	67,001	80,468	121,320	359,383	209,713	1,036,535
Financial institutions	1,584,274	511,859	2,096,133	7.5	323,130	345,719	437,909	409,423	432,312	147,640	3,146,306
Individuals	6,824	(3,103)	3,721	0.0	25	178	713	1,973	832	-	6,741
Forwards (onshore)	**5,229,101**	**28,086**	**5,257,187**	**18.9**	**3,919,675**	**860,903**	**459,140**	**16,683**	**786**	**-**	**4,931,291**
BM&FBOVESPA	1,529,976	32,190	1,562,166	5.6	224,654	860,903	459,140	16,683	786	-	1,895,985
Companies	2,068,632	(520)	2,068,112	7.4	2,068,112	-	-	-	-	-	183,745
Financial institutions	1,630,493	(3,584)	1,626,909	5.9	1,626,909	-	-	-	-	-	2,851,561
Credit derivatives - Financial institutions	**355,697**	**70,431**	**426,128**	**1.5**	**-**	**489**	**466**	**2,281**	**11,531**	**411,361**	**219,931**
Forwards (offshore)	**4,170,747**	**(85,511)**	**4,085,236**	**14.7**	**1,034,920**	**791,806**	**917,969**	**792,571**	**259,680**	**288,290**	**3,867,312**
BM&FBOVESPA	168,432	-	168,432	0.6	75,958	41,582	32,606	18,286	-	-	-
Companies	1,826,636	(79,661)	1,746,975	6.3	339,881	400,941	345,287	359,744	140,176	160,946	1,795,754
Financial institutions	2,156,712	(3,123)	2,153,589	7.7	614,700	341,100	538,559	412,382	119,504	127,344	2,071,057
Individuals	18,967	(2,727)	16,240	0.1	4,381	8,183	1,517	2,159	-	-	501
Target flow of swap - Companies	**116,073**	**116,258**	**232,331**	**0.8**	**-**	**-**	**-**	**-**	**232,331**	**-**	**227,519**
Other derivative financial instruments	**3,345,760**	**663,234**	**4,008,994**	**14.4**	**1,618**	**832,618**	**92,019**	**1,726,654**	**145,846**	**1,210,239**	**3,252,029**
Companies	245,946	177,079	423,025	1.5	1,618	4,525	11,390	110,524	120,423	174,545	486,717
Financial institutions	3,099,814	486,155	3,585,969	12.9	-	828,093	80,629	1,616,130	25,423	1,035,694	2,765,312
Total	**24,317,481**	**3,546,687**	**27,864,168**	**100.0**	**6,592,289**	**3,483,739**	**2,903,441**	**5,313,731**	**3,321,054**	**6,249,914**	**25,848,778**
% per maturity term					23.7	12.5	10.4	19.1	11.9	22.4	
Total - 03/31/2015	**20,914,394**	**4,934,384**	**25,848,778**	**100.0**	**5,501,371**	**4,323,849**	**3,633,517**	**4,196,021**	**1,977,719**	**6,216,301**	
% per maturity term					21.3	16.7	14.1	16.2	7.7	24.0	

	03/31/2016										03/31/2015
	Cost	Adjustments to market value (in results / stockholders' equity)	Market value	%	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 days	Market value
Liabilities											
Futures - BM&FBOVESPA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(40,356)**
Swaps - difference payable	**(12,513,339)**	**(536,889)**	**(13,050,228)**	**45.1**	**(161,903)**	**(142,115)**	**(623,970)**	**(977,359)**	**(1,825,942)**	**(9,318,939)**	**(13,675,872)**
BM&FBOVESPA	(1,063,136)	(451,330)	(1,514,466)	5.2	(29,529)	(8,047)	(220,779)	(280,635)	(224,311)	(751,165)	(383,746)
Companies	(3,979,539)	28,001	(3,951,538)	13.7	(102,132)	(80,766)	(254,297)	(589,781)	(670,990)	(2,253,572)	(6,394,057)
Financial institutions	(1,707,461)	(584,197)	(2,291,658)	7.9	(28,924)	(47,746)	(54,988)	(46,641)	(441,258)	(1,672,101)	(2,429,921)
Individuals	(5,763,203)	470,637	(5,292,566)	18.3	(1,318)	(5,556)	(93,906)	(60,302)	(489,383)	(4,642,101)	(4,468,148)
Option premiums	**(4,183,741)**	**(953,177)**	**(5,136,918)**	**17.8**	**(600,925)**	**(909,220)**	**(783,296)**	**(1,344,047)**	**(1,075,230)**	**(424,200)**	**(6,134,987)**
BM&FBOVESPA	(1,754,517)	(72,667)	(1,827,184)	6.3	(320,794)	(464,560)	(263,158)	(601,205)	(170,035)	(7,432)	(1,479,811)
Companies	(392,282)	(311,996)	(704,278)	2.4	(15,435)	(55,627)	(72,201)	(142,038)	(220,997)	(197,980)	(648,004)
Financial institutions	(2,026,684)	(565,328)	(2,592,012)	9.0	(264,669)	(388,534)	(444,826)	(594,611)	(682,449)	(216,923)	(4,004,681)
Individuals	(10,258)	(3,186)	(13,444)	0.1	(27)	(499)	(3,111)	(6,193)	(1,749)	(1,865)	(2,491)
Forwards (onshore)	**(3,710,778)**	**5,456**	**(3,705,322)**	**12.7**	**(3,705,322)**	**-**	**-**	**-**	**-**	**-**	**(3,039,046)**
BM&FBOVESPA	(11,653)	6	(11,647)	-	(11,647)	-	-	-	-	-	(359)
Companies	(2,068,632)	2,990	(2,065,642)	7.1	(2,065,642)	-	-	-	-	-	(185,695)
Financial institutions	(1,630,493)	2,460	(1,628,033)	5.6	(1,628,033)	-	-	-	-	-	(2,852,992)
Credit derivatives	**(313,562)**	**(220,346)**	**(533,908)**	**1.9**	**-**	**(2,073)**	**(736)**	**(1,700)**	**(46,293)**	**(483,106)**	**(391,397)**
Companies	-	-	-	-	-	-	-	-	-	-	(15,477)
Financial institutions	(313,562)	(220,346)	(533,908)	1.9	-	(2,073)	(736)	(1,700)	(46,293)	(483,106)	(375,920)
Forwards (offshore)	**(2,941,933)**	**45,629**	**(2,896,304)**	**10.0**	**(1,071,475)**	**(566,346)**	**(481,365)**	**(381,008)**	**(224,419)**	**(171,691)**	**(4,229,927)**
BM&FBOVESPA	(192,911)	-	(192,911)	0.7	(79,427)	(64,531)	(35,639)	(13,314)	-	-	-
Companies	(935,355)	39,494	(895,861)	3.1	(224,855)	(176,404)	(220,720)	(143,054)	(86,614)	(44,214)	(2,298,985)
Financial institutions	(1,811,637)	5,979	(1,805,658)	6.2	(767,193)	(324,432)	(224,345)	(224,406)	(137,805)	(127,477)	(1,917,459)
Individuals	(2,030)	156	(1,874)	-	-	(979)	(661)	(234)	-	-	(13,483)
Target flow of swap - Companies	**(430,307)**	**(23,555)**	**(453,862)**	**1.6**	**-**	**-**	**-**	**-**	**(281,754)**	**(172,108)**	**(423,871)**
Other derivative financial instruments	**(3,057,911)**	**(82,832)**	**(3,140,743)**	**10.9**	**(1,525)**	**(794,653)**	**(82,084)**	**(1,614,461)**	**(7,255)**	**(640,765)**	**(3,061,090)**
Companies	(98,001)	(76,661)	(174,662)	0.6	(1,525)	(643)	(1,175)	(4,382)	(7,255)	(159,682)	(763,430)
Financial institutions	(2,959,910)	(6,171)	(2,966,081)	10.3	-	(794,010)	(80,909)	(1,610,079)	-	(481,083)	(2,297,660)
Total	**(27,151,571)**	**(1,765,714)**	**(28,917,285)**	**100.0**	**(5,541,150)**	**(2,414,407)**	**(1,971,451)**	**(4,318,575)**	**(3,460,893)**	**(11,210,809)**	**(30,996,546)**
% per maturity term					19.2	8.3	6.8	14.9	12.0	38.8	
Total - 03/31/2015	**(26,053,899)**	**(4,942,647)**	**(30,996,546)**	**100.0**	**(5,685,730)**	**(3,191,393)**	**(3,900,516)**	**(4,534,445)**	**(2,283,090)**	**(11,401,372)**	
% per maturity term					18.3	10.3	12.6	14.6	7.4	36.8	

At ITAÚ UNIBANCO HOLDING, the market values related to swap contract positions involving the interbank market totaled (R$ 1,175,492), at liabilities position, and were distributed between 31 to 180 days (R$ 4,292) and over 365 days (R$ 1,171,200) .

III - Derivatives by notional amount

See below the composition of the Derivative Financial Instruments portfolio by type of instrument, stated at their notional amounts, per trading location (organized or over-the-counter market) and counterparties.

	03/31/2016							
	Futures	Swaps	Options	Forwards (onshore)	Credit derivatives	Forwards (offshore)	Target flow of swap	Other derivative financial instruments
BM&FBOVESPA	**402,496,006**	**47,001,072**	**263,683,738**	**32,038,543**	**-**	**55,479,089**	**-**	**-**
Over-the-counter market	**124,633,944**	**275,228,957**	**153,414,610**	**3,692,998**	**11,601,380**	**120,597,410**	**1,578,407**	**11,536,043**
Financial institutions	123,497,401	145,524,870	126,791,051	1,629,660	11,601,380	89,179,361	-	6,953,718
Companies	1,136,543	47,444,079	26,075,578	2,063,338	-	31,090,601	1,578,407	4,582,325
Individuals	-	82,260,008	547,981	-	-	327,448	-	-
Total	**527,129,950**	**322,230,029**	**417,098,348**	**35,731,541**	**11,601,380**	**176,076,499**	**1,578,407**	**11,536,043**
Total – 03/31/2015	**417,429,012**	**298,213,407**	**509,322,577**	**17,441,740**	**12,774,574**	**127,651,846**	**1,784,035**	**14,270,250**

IV - Credit derivatives

See below the composition of the Credit Derivatives (assets and liabilities) portfolio stated at their notional amounts, and their effect on the calculation of Required Reference Equity.

	03/31/2016			03/31/2015		
	Notional amount of credit protection sold	**Notional amount of credit protection purchased with identical underlying amount**	**Net position**	**Notional amount of credit protection sold**	**Notional amount of credit protection purchased with identical underlying amount**	**Net position**
Credit swaps	(7,717,367)	3,884,013	(3,833,354)	(8,404,654)	2,833,510	(5,571,144)
Total return rate swaps	-	-	-	(1,536,410)	-	(1,536,410)
Total	**(7,717,367)**	**3,884,013**	**(3,833,354)**	**(9,941,064)**	**2,833,510**	**(7,107,554)**

The effect on the reference equity (Note 3) was R$ 350,093 (R$ 428,216 at 03/31/2015).

During the period, there was no occurrence of a credit event as defined in the agreements.

V - Accounting hedge

The effectiveness computed for the hedge portfolio was in conformity with the provisions of BACEN Circular No. 3,082 of January 30, 2002, and the following accounting hedge structures are established:

I) **Cash flow** -the purpose of this hedge of ITAÚ UNIBANCO HOLDING CONSOLIDATED is to hedge cash flows of interest receipt and payment (CDB / Redeemable Preferred Shares / Syndicated Loans / Assets Transactions) and exposures to future exchange rate (anticipated transactions and unrecognized firm commitments) related to its variable interest rate risk (CDI / LIBOR), and foreign exchange rate risk, making the cash flow constant (fixed rate) and regardless of the variations of DI CETIP Over and LIBOR and foreign exchange rate.

Strategies	03/31/2016			03/31/2015		
	Hedge Instrument		Hedge assets	Hedge Instruments		Hedge assets
	Nominal value	Adjustment to market value (*)	Book value	Nominal value	Adjustment to market value (*)	Book value
Hedge of deposits and securities purchased under agreements to resell	83,950,039	217,803	86,304,679	54,686,554	1,289,577	56,177,189
Hedge of syndicated loan	7,473,690	(107,039)	7,473,690	6,736,800	(67,626)	6,736,800
Hedge of highly probable forecast transactions	898,622	(47,449)	898,622	99,401	16,715	101,334
Hedge of assets transactions	7,939,500	(44,002)	8,659,531	-	-	-
Total	**100,261,851**	**19,313**	**103,336,522**	**61,522,755**	**1,238,666**	**63,015,323**

(*) Recorded in Stockholders' Equity under heading Asset Valuation Adjustments.

The gains or losses related to the accounting hedge of cash flows that we expect to recognize in Results in the following 12 months amount to R$ 367,893 (R$ (225,136) at 03/31/2015).

To hedge future cash flows of highly probable forecast transactions, arising from futures contracts in foreign currency, against the exposure to future interest rate, ITAÚ UNIBANCO HOLDING CONSOLIDATED negotiated DDI Futures contracts on BM&FBOVESPA and NDF (Non Deliverable Forward) contracts traded in the over-the-counter market. During the second quarter of 2015, part of the flow of these agreements was realized, and, accordingly, Asset Valuation Adjustment was reclassified and included in the deemed cost of assets related to Hedge of Highly Probable Forecast Transaction.

To hedge future cash flows of futures receipts and payments against exposure to variable interest rate (CDI / LIBOR), ITAÚ UNIBANCO HOLDING CONSOLIDATED negotiated DI futures contracts on BM&FBOVESPA, interest rate swap and Euro-Dollar Futures on Chicago Stock Exchange.

II) **Market risk** – The hedging strategy against market risk of ITAÚ UNIBANCO HOLDING CONSOLIDATED consists of hedging the exposure to variation in market risk, in interest receipts, which are attributable to changes in interest rates related to recognized assets and liabilities.

Strategies	03/31/2016			
	Hedge instrument		Hedge assets	
	Nominal value	Adjustment to market value (*)	Nominal value	Adjustment to market value (*)
Hedge of loans	4,115,304	99,666	4,115,304	96,266
Total	**4,115,304**	**99,666**	**4,115,304**	**96,266**

Strategies	03/31/2015			
	Hedge instrument		Hedge assets	
	Nominal value	Adjustment to market value (*)	Nominal value	Adjustment to market value (*)
Hedge of loans	3,398,369	106,515	3,398,369	103,053
Hedge of structured funding	641,600	288	641,600	383
Total	**4,039,969**	**106,803**	**4,039,969**	**103,436**

(*) Recorded under heading Results from Securities and Derivative Financial Instruments.

To protect against market risk variation upon receipt of interest, ITAÚ UNIBANCO HOLDING CONSOLIDATED uses interest rate swap contracts. Hedge items refer to fixed assets and liabilities denominated in Chilean Unit of Account – CLF, and denominated in Euros and dollars, issued by subsidiaries in Chile and London, respectively, maturing between 2016 and 2030.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income in monthly periods.

III) **Hedge of net investment in foreign operations** – ITAÚ UNIBANCO HOLDING CONSOLIDATED's strategy of net investments in foreign operations consist of a hedge of the exposure in foreign currency arising from the functional currency of foreign operations, compared to the functional currency of the head office.

Strategies	03/31/2016			03/31/2015		
	Hedge instrument		Hedge assets	Hedge instrument		Hedge assets
	Nominal value	Adjustment to market value (*)	Nominal value	Nominal value	Adjustment to market value (*)	Nominal value
Hedge of net investment in foreign operations (*)	19,532,684	(4,151,407)	11,526,137	18,195,450	(2,390,488)	10,917,052
Total	**19,532,684**	**(4,151,407)**	**11,526,137**	**18,195,450**	**(2,390,488)**	**10,917,052**

(*) Recorded in Stockholders' Equity under heading Asset Valuation Adjustments.

To hedge the changes of future cash flows of exchange variation of net investments in foreign operations, ITAÚ UNIBANCO HOLDING CONSOLIDATED uses DDI Futures contracts traded on BM&FBOVESPA, Financial Assets and Forward contracts or NDF contracts entered into by our subsidiaries abroad.

Receipts (payments) of interest flows are expected to occur and will affect the statement of income upon the total or partial disposal of investments.

IV) We present below the maturity terms of cash flow hedge and market risk hedge strategies:

Strategies	03/31/2016							
	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
Hedge of deposits and securities purchased under agreements to resell	33,342,429	27,980,476	11,246,858	4,332,561	6,837,278	210,437	-	**83,950,039**
Hedge of syndicated loan	6,050,130	1,423,560	-	-	-	-	-	**7,473,690**
Hedge of highly probable anticipated transactions	898,622	-	-	-	-	-	-	**898,622**
Hedge of assets transactions	4,627,346	2,777,822	-	-	534,332	-	-	**7,939,500**
Hedge of loans	324,515	679,075	-	857,708	37,310	435,865	1,780,831	**4,115,304**
Hedge of net investment in foreign operations (*)	19,532,684	-	-	-	-	-	-	**19,532,684**
Total	**64,775,726**	**32,860,933**	**11,246,858**	**5,190,269**	**7,408,920**	**646,302**	**1,780,831**	**123,909,839**

(*) Classified as current, since instruments are frequently renewed.

Strategies	03/31/2015							
	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
Hedge of deposits and securities purchased under agreements to resell	11,649,113	17,373,567	20,410,959	5,108,513	-	144,402	-	**54,686,554**
Hedge of syndicated loan	-	5,453,600	1,283,200	-	-	-	-	**6,736,800**
Hedge of highly probable anticipated transactions	99,401	-	-	-	-	-	-	**99,401**
Hedge of loans	-	275,529	683,509	-	777,552	426,961	1,234,818	**3,398,369**
Hedge of structured funding	641,600	-	-	-	-	-	-	**641,600**
Hedge of net investment in foreign operations (*)	18,195,450	-	-	-	-	-	-	**18,195,450**
Total	**30,585,564**	**23,102,696**	**22,377,668**	**5,108,513**	**777,552**	**571,363**	**1,234,818**	**83,758,174**

(*) Classified as current, since instruments are frequently renewed.

h) Changes in adjustments to unrealized (*) market value for the period

	01/01 to 03/31/2016	01/01 to 03/31/2015
Opening balance	**(5,901,210)**	**489,912**
Adjustments with impact on:		
Results	**1,115,933**	**(182,169)**
Trading securities	1,498,522	193,518
Derivative financial instruments	(382,589)	(375,687)
Stockholders' equity	**728,275**	**(2,268,327)**
Available-for-sale	1,929,802	(161,504)
Accounting hedge – derivative financial instruments	(1,449,850)	(2,106,823)
Futures	(1,449,850)	(2,040,949)
Swaps	-	(65,874)
Closing balance	**(4,305,325)**	**(1,960,584)**
Adjustment to market value	**(4,305,325)**	**(1,960,584)**
Trading securities	388,984	(110,507)
Available-for-sale securities	(2,343,188)	(689,991)
Derivative financial instruments	(2,351,121)	(1,160,086)
Trading securities	1,780,973	(8,263)
Accounting hedge - Futures	(4,132,094)	(1,151,823)

(*) The term unrealized in the context of Circular nº. 3,068 of 11/08/2001, of the Central Bank means not converted into cash.

i) Realized gain of securities portfolio and derivatives financial instruments and foreign exchange variation on investments abroad

	01/01 to 03/31/2016	01/01 to 03/31/2015
Gain (loss) – trading securities	620,038	(348,829)
Gain (loss) – available-for-sale securities	(601,668)	(653,835)
Gain (loss) – derivatives	1,036,731	3,134,794
Gain (loss) – foreign exchange variations on investments abroad	(4,336,971)	7,959,638
Total	**(3,281,870)**	**10,091,768**

During the periods ended 03/31/2016 and 03/31/2015, ITAÚ UNIBANCO HOLDING did not recognize impairment losses for Held-to-Maturity Financial Assets.

During the period ended 03/31/2016, ITAÚ UNIBANCO HOLDING recognized R$ 314,460 as impairment losses for Available-for-Sale Financial Assets, recorded in the statement of income in the line "Net gain (loss) on investment securities and derivatives".

j) Sensitivity analysis (trading and banking portfolios)

In compliance with CVM Instruction No. 475, ITAÚ UNIBANCO HOLDING CONSOLIDATED carried out a sensitivity analysis by market risk factors considered relevant. The biggest losses arising, by risk factor, in each scenario, were stated together with their impact on the results, net of tax effects, by providing an overview of ITAÚ UNIBANCO HOLDING CONSOLIDATED's exposure under exceptional scenarios.

The sensitivity analyses of the banking and the trading portfolio shown in this report are an evaluation of a static position of the portfolio exposure and, therefore, do not consider management's quick response capacity (treasury and control areas), which triggers risk mitigating measures, whenever a situation of high loss or risk is identified by minimizing the sensitivity to significant losses. In addition, the study's sole purpose is to disclose the exposure to risk and the respective protective actions, taking into account the fair value of financial instruments, irrespective of the accounting practices adopted by ITAÚ UNIBANCO HOLDING CONSOLIDATED.

Trading portfolio	Exposures	03/31/2016 (*)		
Risk factors	Risk of variations in:	Scenarios		
		I	II	III
Interest Rate	Fixed Income Interest Rates in Reais	(764)	(328,643)	(652,609)
Foreign Exchange Linked	Foreign Exchange Linked Interest	(193)	(5,506)	(10,899)
Foreign Exchange Rates	Prices of Foreign Currencies	3,288	(58,157)	(77,650)
Price Index Linked	Interest of Inflation coupon	(76)	(8,839)	(13,991)
TR	TR Linked Interest Rates	-	(6)	(13)
Equities	Prices of Equities	39	14,645	24,155
Total		**2,294**	**(386,506)**	**(731,007)**

(*) Amounts net of tax effects.

Trading and Banking portfolios	Exposures	03/31/2016 (*)		
Risk factors	Risk of variations in:	Scenarios		
		I	II	III
Interest Rate	Fixed Income Interest Rates in Reais	(4,190)	(1,415,911)	(2,760,334)
Foreign Exchange Linked	Foreign Exchange Linked Interest	(1,546)	(92,656)	(167,343)
Foreign Exchange Rates	Prices of Foreign Currencies	1,806	(78,870)	(98,864)
Price Index Linked	Interest of Inflation coupon	(484)	(72,806)	(189,852)
TR	TR Linked Interest Rates	867	(257,705)	(592,033)
Equities	Prices of Equities	4,498	(94,326)	(193,740)
Total		**951**	**(2,012,274)**	**(4,002,166)**

(*) Amounts net of tax effects.

The following scenarios are used to measure the sensitivity:

- **Scenario I**: Addition of 1 base point in interest fixed rates, currency coupon, inflation , and interest rate index, and 1 percentage point in currency and share prices;
- **Scenario II**: Shocks of 25 percent in interest fixed rates, currency coupon, inflation, interest rate indexes and currency and share prices, for both growth and decline, considering the highest possible resulting losses per risk factor;
- **Scenario III**: Shocks of 50 percent in interest fixed rates, currency coupon, inflation, interest rate indexes and currency and share prices, for both growth and decline, considering the highest possible resulting losses per risk factor.

Derivative financial instruments engaged by ITAÚ UNIBANCO HOLDING CONSOLIDATED are shown in the item Derivative financial instruments in this note.

Note 8 - Loan, lease and other credit operations

a) Composition of the portfolio with credit granting characteristics

I – By type of operations and risk level

Risk levels	03/31/2016										03/31/2015
	AA	A	B	C	D	E	F	G	H	Total	Total
Loan operations	**210,967,348**	**78,811,036**	**31,666,775**	**16,593,295**	**9,680,092**	**8,175,918**	**4,618,530**	**2,910,355**	**10,481,833**	**373,905,182**	**391,715,099**
Loans and discounted trade receivables	78,078,066	69,578,523	24,977,684	12,758,160	6,138,440	5,629,703	3,690,344	2,625,847	9,022,169	212,498,936	218,390,850
Financing	72,020,295	7,268,097	4,759,288	3,080,838	2,710,494	2,274,433	822,035	227,936	1,284,393	94,447,809	114,699,972
Farming and agribusiness financing	7,210,147	853,105	658,614	171,223	37,316	87,448	1,734	911	25,130	9,045,628	8,069,406
Real estate financing	53,658,840	1,111,311	1,271,189	583,074	793,842	184,334	104,417	55,661	150,141	57,912,809	50,554,871
Lease operations	**2,109,959**	**600,602**	**893,760**	**199,801**	**117,689**	**33,375**	**36,289**	**17,629**	**98,737**	**4,107,841**	**6,003,900**
Credit card operations	**-**	**47,196,509**	**4,488,142**	**1,609,279**	**824,968**	**527,745**	**555,145**	**546,553**	**3,419,774**	**59,168,115**	**60,772,376**
Advance on exchange contracts [1]	**3,184,015**	**562,306**	**256,311**	**510,385**	**70,198**	**94,992**	**54,678**	**1,135**	**10,847**	**4,744,867**	**3,950,784**
Other sundry receivables [2]	**812,305**	**2,213,433**	**3,651**	**11,581**	**93**	**-**	**26,849**	**5,569**	**467,020**	**3,540,501**	**5,662,893**
Total operations with credit granting characteristics	**217,073,627**	**129,383,886**	**37,308,639**	**18,924,341**	**10,693,040**	**8,832,030**	**5,291,491**	**3,481,241**	**14,478,211**	**445,466,506**	**468,105,052**
Endorsements and sureties [3]										**72,017,312**	**75,289,371**
Total with endorsements and sureties	**217,073,627**	**129,383,886**	**37,308,639**	**18,924,341**	**10,693,040**	**8,832,030**	**5,291,491**	**3,481,241**	**14,478,211**	**517,483,818**	**543,394,423**
Total – 03/31/2015	**237,793,885**	**139,819,036**	**37,726,144**	**15,836,304**	**12,006,549**	**3,475,646**	**3,255,778**	**5,302,640**	**12,889,070**	**468,105,052**	

(1) Includes Advances on exchange contracts and Income receivable from advances granted, reclassified from Liabilities – Foreign exchange portfolio / Other receivables (Note 2a);

(2) Includes Securities and credits receivable, Debtors for purchase of assets and Endorsements and sureties paid;

(3) Recorded in Memorandum Accounts.

II – By maturity and risk level

	03/31/2016										03/31/2015
	AA	A	B	C	D	E	F	G	H	Total	Total
						Overdue Operations [1] [2]					
Falling due installments	**-**	**-**	**2,508,986**	**2,181,065**	**1,903,727**	**1,447,799**	**1,502,260**	**1,230,119**	**4,329,087**	**15,103,043**	**13,608,417**
01 to 30	-	-	135,367	121,482	102,778	87,456	50,117	69,726	202,177	769,103	685,620
31 to 60	-	-	109,039	100,190	88,528	57,715	48,674	49,376	181,038	634,560	594,938
61 to 90	-	-	98,835	91,916	72,011	60,054	40,008	44,510	154,098	561,432	611,502
91 to 180	-	-	265,927	240,202	187,769	160,961	124,518	129,947	504,852	1,614,176	1,660,522
181 to 365	-	-	446,010	445,635	351,791	274,599	249,086	251,658	821,298	2,840,077	2,907,346
Over 365	-	-	1,453,808	1,181,640	1,100,850	807,014	989,857	684,902	2,465,624	8,683,695	7,148,489
Overdue installments	**-**	**-**	**881,800**	**921,253**	**1,156,458**	**1,232,566**	**1,301,122**	**1,292,596**	**7,595,280**	**14,381,075**	**12,690,673**
01 to 14	-	-	8,696	61,153	50,612	27,608	33,492	26,227	90,375	298,163	250,173
15 to 30	-	-	849,379	156,660	137,854	136,009	216,406	70,557	212,485	1,779,350	1,456,476
31 to 60	-	-	23,725	669,796	218,229	137,048	131,320	129,812	350,500	1,660,430	1,949,145
61 to 90	-	-	-	22,281	706,204	151,363	132,279	141,973	356,495	1,510,595	1,611,172
91 to 180	-	-	-	11,363	43,559	766,516	754,896	897,037	1,641,039	4,114,410	3,302,185
181 to 365	-	-	-	-	-	14,022	32,729	26,990	4,870,987	4,944,728	3,992,051
Over 365	-	-	-	-	-	-	-	-	73,399	73,399	129,471
Subtotal	**-**	**-**	**3,390,786**	**3,102,318**	**3,060,185**	**2,680,365**	**2,803,382**	**2,522,715**	**11,924,367**	**29,484,118**	**26,299,090**
Specific allowance	**-**	**-**	**(33,908)**	**(93,070)**	**(306,018)**	**(804,110)**	**(1,401,691)**	**(1,765,900)**	**(11,924,367)**	**(16,329,064)**	**(14,087,250)**
Subtotal - 03/31/2015	**-**	**-**	**3,469,145**	**3,181,192**	**2,756,748**	**2,011,176**	**2,024,348**	**2,635,199**	**10,221,282**	**26,299,090**	
						Non-Overdue Operations					
Falling due installments	**216,881,554**	**128,405,816**	**33,599,945**	**15,670,938**	**7,541,705**	**6,083,337**	**2,405,012**	**934,436**	**2,515,105**	**414,037,848**	**438,458,740**
01 to 30	21,934,796	30,770,818	6,876,919	3,352,140	1,270,930	337,694	325,435	102,636	402,684	65,374,052	67,407,813
31 to 60	9,966,157	12,677,306	2,812,219	1,083,293	395,731	2,058,444	277,177	37,672	173,840	29,481,839	30,643,115
61 to 90	8,305,392	8,700,979	2,532,562	1,077,708	417,939	174,166	82,443	25,143	96,996	21,413,328	27,883,094
91 to 180	21,377,262	15,835,333	4,308,965	1,476,356	607,819	401,702	106,629	69,984	246,983	44,431,033	48,183,922
181 to 365	27,124,207	16,267,334	4,943,053	2,522,355	1,148,473	340,912	277,198	127,940	245,542	52,997,014	61,999,608
Over 365	128,173,740	44,154,046	12,126,227	6,159,086	3,700,813	2,770,419	1,336,130	571,061	1,349,060	200,340,582	202,341,188
Overdue up to 14 days	**192,073**	**978,070**	**317,908**	**151,085**	**91,150**	**68,328**	**83,097**	**24,090**	**38,739**	**1,944,540**	**3,347,222**
Subtotal	**217,073,627**	**129,383,886**	**33,917,853**	**15,822,023**	**7,632,855**	**6,151,665**	**2,488,109**	**958,526**	**2,553,844**	**415,982,388**	**441,805,962**
Generic allowance	**-**	**(646,919)**	**(339,178)**	**(474,661)**	**(763,286)**	**(2,028,563)**	**(1,244,055)**	**(670,968)**	**(2,553,844)**	**(8,721,474)**	**(7,936,352)**
Subtotal - 03/31/2015	**237,793,885**	**139,819,036**	**34,256,999**	**12,655,112**	**9,249,801**	**1,464,470**	**1,231,430**	**2,667,441**	**2,667,788**	**441,805,962**	
Grand total	**217,073,627**	**129,383,886**	**37,308,639**	**18,924,341**	**10,693,040**	**8,832,030**	**5,291,491**	**3,481,241**	**14,478,211**	**445,466,506**	**468,105,052**
Existing allowance	**-**	**(646,919)**	**(373,086)**	**(567,730)**	**(2,366,772)**	**(8,831,148)**	**(5,290,963)**	**(3,480,893)**	**(14,478,211)**	**(36,035,722)**	**(28,353,863)**
Minimum allowance required	-	(646,919)	(373,086)	(567,730)	(1,069,304)	(2,832,673)	(2,645,746)	(2,436,869)	(14,478,211)	(25,050,538)	(22,023,602)
Additional allowance [3]	-	-	-	-	(1,297,468)	(5,998,475)	(2,645,217)	(1,044,024)	-	(10,985,184)	(6,330,261)
Grand total - 03/31/2015	**237,793,885**	**139,819,036**	**37,726,144**	**15,836,304**	**12,006,549**	**3,475,646**	**3,255,778**	**5,302,640**	**12,889,070**	**468,105,052**	
Existing allowance	**-**	**(699,095)**	**(377,261)**	**(1,469,368)**	**(3,600,765)**	**(1,737,475)**	**(2,278,719)**	**(5,302,110)**	**(12,889,070)**	**(28,353,863)**	
Minimum allowance required	-	(699,095)	(377,261)	(475,089)	(1,200,655)	(1,042,694)	(1,627,889)	(3,711,848)	(12,889,070)	(22,023,602)	
Additional allowance [3]	-	-	-	(994,279)	(2,400,109)	(694,781)	(650,830)	(1,590,262)	-	(6,330,261)	

(1) Operations with overdue installments for more than 14 days or under control of administrators or in companies in the process of declaring bankruptcy.

(2) The balance of non-accrual operations amounts to R$ 20,514,542 (R$ 17,473,072 at 03/31/2015).

(3) Allocated to each level of risk in order to explain the additional volume.

III – By business sector

	03/31/2016	%	03/31/2015	%
Public Sector	**3,069,694**	**0.7%**	**5,229,808**	**1.1%**
Energy	227,715	0.1%	153,657	0.0%
Petrochemical and chemical	2,704,102	0.6%	4,726,496	1.0%
Sundry	137,877	0.0%	349,655	0.1%
Private sector	**442,396,812**	**99.3%**	**462,875,244**	**98.9%**
Companies	**233,430,642**	**52.4%**	**252,995,006**	**54.0%**
Sugar and alcohol	9,702,981	2.2%	10,417,198	2.2%
Agribusiness and fertilizers	13,867,309	3.1%	15,080,185	3.2%
Food and beverage	11,246,237	2.5%	11,987,502	2.6%
Banks and other financial institutions	5,942,232	1.3%	6,137,930	1.3%
Capital assets	5,755,603	1.3%	8,285,564	1.8%
Pulp and paper	2,775,652	0.6%	2,895,554	0.6%
Publishing and printing	931,166	0.2%	1,035,686	0.2%
Electronic and IT	3,536,094	0.8%	4,116,865	0.9%
Packaging	2,321,884	0.5%	2,390,304	0.5%
Energy and sewage	7,080,516	1.6%	7,366,043	1.6%
Education	1,564,061	0.4%	1,533,960	0.3%
Pharmaceuticals and cosmetics	3,827,522	0.9%	4,389,644	0.9%
Real estate agents	19,544,512	4.4%	18,028,765	3.9%
Entertainment and tourism	4,010,198	0.9%	3,818,399	0.8%
Wood and furniture	2,668,526	0.6%	3,024,658	0.6%
Construction materials	5,315,066	1.2%	5,825,914	1.2%
Steel and metallurgy	9,738,967	2.2%	10,908,536	2.3%
Media	853,089	0.2%	1,365,522	0.3%
Mining	4,737,643	1.1%	4,862,795	1.0%
Infrastructure work	4,273,251	1.0%	4,693,005	1.0%
Oil and gas (*)	4,742,914	1.1%	4,962,476	1.1%
Petrochemical and chemical	6,729,674	1.5%	7,258,497	1.6%
Health care	1,922,595	0.4%	2,036,813	0.4%
Insurance, reinsurance and pension plans	10,574	0.0%	1,761	0.0%
Telecommucations	1,213,686	0.3%	1,319,792	0.3%
Third sector	3,669,840	0.8%	3,566,811	0.8%
Trading	1,594,866	0.4%	1,898,966	0.4%
Transportation	13,530,299	3.0%	16,281,378	3.5%
Domestic appliances	1,863,790	0.4%	2,281,143	0.5%
Vehicles and autoparts	13,687,384	3.1%	16,593,171	3.5%
Clothing and shoes	4,200,472	0.9%	4,992,155	1.1%
Commerce - sundry	13,933,287	3.1%	14,364,147	3.1%
Industry - sundry	8,148,393	1.8%	9,051,297	1.9%
Sundry services	26,486,585	5.9%	27,042,029	5.8%
Sundry	12,003,774	2.7%	13,180,541	2.8%
Individuals	**208,966,170**	**46.9%**	**209,880,238**	**44.9%**
Credit cards	58,317,929	13.1%	59,869,004	12.9%
Real estate financing	45,767,832	10.3%	39,240,622	8.4%
Consumer loans / overdraft	84,416,200	19.0%	81,110,398	17.3%
Vehicles	20,464,209	4.6%	29,660,214	6.3%
Grand total	**445,466,506**	**100.0%**	**468,105,052**	**100.0%**

(*) Comprises trade of fuel.

b) Credit concentration

Loan, lease and other credit operations (*)	03/31/2016		03/31/2015	
	Risk	% of total	Risk	% of total
Largest debtor	4,154,863	0.8	6,094,068	1.1
10 largest debtors	33,083,503	6.4	35,185,277	6.5
20 largest debtors	50,638,354	9.8	55,535,196	10.2
50 largest debtors	85,397,151	16.5	90,945,038	16.7
100 largest debtors	114,344,036	22.1	123,307,402	22.7

(*) The amounts include endorsements and sureties.

Loan, lease and other credit operations and securities of companies and financial institutions (*)	03/31/2016		03/31/2015	
	Risk	% of total	Risk	% of total
Largest debtor	8,058,239	1.3	6,244,240	1.0
10 largest debtors	48,319,009	7.9	45,366,596	7.1
20 largest debtors	76,607,207	12.5	75,807,085	11.8
50 largest debtors	125,053,471	20.4	128,732,265	20.1
100 largest debtors	165,958,404	27.0	173,826,287	27.1

(*) The amounts include endorsements and sureties.

c) Changes in allowance for loan losses

	01/01 to 03/31/2016	01/01 to 03/31/2015
Opening balance	**(34,078,208)**	**(26,947,986)**
Net increase for the period	(7,193,452)	(5,479,680)
Required by Resolution No. 2,682/99	(7,193,452)	(5,479,680)
Write-Off	5,105,226	4,575,073
Exchange variation	130,712	(501,270)
Closing balance (1)	**(36,035,722)**	**(28,353,863)**
Required by Resolution No. 2,682/99	(25,050,538)	(22,023,602)
Specific allowance (2)	(16,329,064)	(14,087,250)
Generic allowance (3)	(8,721,474)	(7,936,352)
Additional allowance (4)	(10,985,184)	(6,330,261)

(1) The allowance for loan losses related to the lease portfolio amounts to: R$ (169,041) (R$ (253,770) at 03/31/2015).

(2) Operations with overdue installments for more than 14 days or under responsibility of administrators or companies in the process of declaring bankruptcy.

(3) For operations not covered in the previous item due to the classification of the client or operation.

(4) Refers to the provision in excess of the minimum required percentage by CMN Resolution No. 2,682 of December 21, 1999.

At 03/31/2016, the balance of the allowance in relation to the loan portfolio is equivalent to 8.1% (6.1% at 03/31/2015).

d) Recovery and renegotiation of credits

I - Composition of the result of allowance for loan losses

	01/01 to 03/31/2016	01/01 to 03/31/2015
Expenses for allowance for loan losses	(7,193,452)	(5,479,680)
Income related to recovery of credits written off as loss	829,238	1,060,287
Result of allowance for loan losses (*)	**(6,364,214)**	**(4,419,393)**

(*) The amounts related to the lease portfolio from 01/01 to 03/31/2016 are: Expenses related to the allowance for loan losses R$ (32,391) (R$ (34,513) from 01/01 to 03/31/2015) and Income related to recovery of credits written off as losses amounting to R$ 23,573 (R$ 38,445 from 01/01 to 03/31/2015).

II - Renegotiated loan operations

	03/31/2016			03/31/2015		
	Portfolio (1)	Allowance for Loan Losses	%	Portfolio (1)	Allowance for Loan	%
Total renegotiated loans	22,707,810	(8,526,747)	37.5%	19,360,139	(7,097,992)	36.7%
(-) Renegotiated loans overdue up to 30 days	(7,873,570)	1,764,595	22.4%	(6,868,837)	1,107,261	16.1%
Renegotiated loans overdue over 30 days	14,834,240	(6,762,152)	45.6%	12,491,302	(5,990,731)	48.0%

(1) The amounts related to renegotiated loans up to 30 days of the Lease Portfolio are: R$ 95,980 (R$ 180,984 at March 31, 2015).

e) Restricted operations on assets

See below the information related to the restricted operations involving assets, in accordance with CMN Resolution No. 2,921, of January 17, 2002.

	03/31/2016					01/01 to 03/31/2016	03/31/2015	01/01 to 03/31/2015
	0 - 30	31 - 180	181 - 365	Over 365 days	Total	Income (expenses)	Total	Income (expenses)
Restricted operations on assets								
Loan operations	-	17,693	200,980	213,004	431,677	(7,699)	235,075	37,526
Liabilities - restricted operations on assets								
Foreign borrowing through securities	-	1,491	221,275	213,185	435,951	9,485	234,639	(36,513)
Net revenue from restricted operations						**1,786**		**1,013**

At 03/31/2016, and 03/31/2015 there were no balances in default.

f) Operations of sale or transfers and acquisition of financial assets

I - Credit assignments (transfers of receivables) carried out through December 2011 were recorded in accordance with the current regulations, together with income recognition at the time of the assignment, regardless of the risks and benefits being retained or not.

In compliance with CMN Resolution No. 3,809, of October 28, 2009, the amount of whereby the bank assumes joint obligations, at 03/31/2016 where the entity substantially retained the related risks and benefits, is R$ 161,834 (R$ 208,097 at 03/31/2015), composed of real estate financing of R$ 149,956 (R$ 194,501 at 03/31/2015) and farming financing of R$ 11,878 (R$ 13,596 at 03/31/2015).

II- Beginning in January 2012, as provided for by CMN Resolution No. 3,533/08, of January 31, 2008 and supplementary regulation, accounting records take into consideration the retention or non-retention of risks and benefits on sales or transfers of financial assets.

ITAÚ UNIBANCO HOLDING CONSOLIDATED carried out operations involving the sale or transfer of financial assets where there was retention of credit risks of financial assets transferred. Therefore, such credits continue to be recorded as credit operations totaling R$ 5,362,261 at 03/31/2016. The operations are composed as follows: real estate financing with an amount recorded in assets of R$ 2,526,970 and a fair value of R$ 2,515,465 and an amount recorded as liabilities in the line Other sundry liabilities of R$ 2,525,524, a fair value of R$ 2,514,019 and working capital operations, with an amount recorded in assets of R$ 2,835,291 with fair value of R$ 2,835,291, and the amount recorded in liabilities under Other Liabilities – Sundry of R$ 2,835,173 with a fair value of R$ 2,835,173.

Sales or transfers of financial assets without any risk and benefit retention totaling R$ 282 with an effect on results of R$ 4,103, net of the allowance for loan losses.

Acquisitions of loan portfolios with the retention of assignor’s risks the amount is R$ 73,171 at 03/31/2016.

Note 9 - Foreign exchange portfolio

	03/31/2016	03/31/2015
Assets - other receivables	**63,794,657**	**83,049,621**
Exchange purchase pending settlement – foreign currency	33,724,205	43,198,123
Bills of exchange and term documents – foreign currency	13,688	1,545
Exchange sale rights – local currency	30,516,009	40,604,140
(Advances received) – local currency	(459,245)	(754,187)
Liabilities – other liabilities (Note 2a)	**64,239,794**	**84,029,582**
Exchange sales pending settlement – foreign currency	30,239,656	40,811,008
Liabilities from purchase of foreign currency – local currency	33,828,183	43,047,385
Other	171,955	171,189
Memorandum accounts	**1,718,919**	**1,756,092**
Outstanding import credits – foreign currency	873,393	1,677,545
Confirmed export credits – foreign currency	845,526	78,547

Note 10 – Funding, borrowing and onlending

a) Summary

	03/31/2016						03/31/2015	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Deposits	178,919,215	23,123,287	10,478,002	53,797,277	266,317,781	32.8	298,652,188	35.7
Deposits received under securities repurchase agreements	133,793,305	13,688,181	24,412,382	147,069,878	318,963,746	39.2	330,858,433	39.6
Funds from acceptance and issuance of securities	4,113,911	12,859,578	7,153,108	50,225,520	74,352,117	9.1	50,752,631	6.1
Borrowing and onlending	5,530,087	26,508,451	18,014,219	45,299,148	95,351,905	11.8	96,265,131	11.5
Subordinated debt	420,768	2,897,829	4,892,478	49,707,796	57,918,871	7.1	59,527,479	7.1
Total	**322,777,286**	**79,077,326**	**64,950,189**	**346,099,619**	**812,904,420**		**836,055,862**	
% per maturity term	40.0	9.0	8.5	42.5				
Total – 03/31/2015	**370,519,907**	**89,910,242**	**58,883,737**	**316,741,976**	**836,055,862**			
% per maturity term	44.3	10.8	7.0	37.9				

b) Deposits

	03/31/2016						03/31/2015	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Demand deposits	58,557,218	-	-	-	58,557,218	22.0	56,659,732	19.0
Savings accounts	107,292,298	-	-	-	107,292,298	40.3	117,357,236	39.3
Interbank	3,431,302	4,505,511	581,894	33,218	8,551,925	3.2	28,134,866	9.4
Time deposits	9,638,397	18,617,776	9,896,108	53,764,059	91,916,340	34.5	96,500,354	32.3
Total	**178,919,215**	**23,123,287**	**10,478,002**	**53,797,277**	**266,317,781**		**298,652,188**	
% per maturity term	67.2	8.7	3.9	20.2				
Total – 03/31/2015	**194,059,711**	**36,427,431**	**8,369,628**	**59,795,418**	**298,652,188**			
% per maturity term	65.0	12.2	2.8	20.0				

In ITAÚ UNIBANCO HOLDING, the portfolio is composed of Interbank Deposits with maturity within 181 to 365 days amouting to R$ 1,795,020 and over 365 days amounting to R$ 12,262,240, totaling R$ 14,057,260.

c) Deposits received under securities repurchase agreements

	03/31/2016						03/31/2015	
	0 - 30	31 - 180	181 - 365	Over 365 days	Total	%	Total	%
Own portfolio	**18,304,120**	**12,081,587**	**17,677,263**	**116,076,853**	**164,139,823**	**51.5**	**168,475,158**	**50.9**
Government securities	15,839,796	-	-	3,691	15,843,487	5.0	11,582,499	3.5
Own issue	2,307,605	12,081,198	17,677,263	116,073,162	148,139,228	46.5	136,714,426	41.3
Foreign	156,719	389	-	-	157,108	0.0	20,178,233	6.1
Third-party portfolio	**104,724,301**	**-**	**-**	**-**	**104,724,301**	**32.8**	**135,253,796**	**40.9**
Free portfolio	**10,764,884**	**1,606,594**	**6,735,119**	**30,993,025**	**50,099,622**	**15.7**	**27,129,479**	**8.2**
Total	**133,793,305**	**13,688,181**	**24,412,382**	**147,069,878**	**318,963,746**		**330,858,433**	
% per maturity term	41.9	4.3	7.7	46.1				
Total – 03/31/2015	**169,480,596**	**12,835,160**	**17,299,924**	**131,242,753**	**330,858,433**			
% per maturity term	51.2	3.9	5.2	39.7				

d) Funds from acceptance and issuance of securities

	03/31/2016						03/31/2015	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Funds from bills:	**3,760,543**	**10,480,112**	**5,877,045**	**27,554,002**	**47,671,702**	**64.1**	**29,983,759**	**59.1**
Financial	1,698,605	803,847	1,136,366	15,550,231	19,189,049	25.7	10,932,702	21.5
Real estate	1,511,114	5,885,177	2,099,881	4,902,829	14,399,001	19.4	10,893,959	21.5
Bills of credit related to agribusiness	543,374	3,783,485	2,622,524	7,010,054	13,959,437	18.8	7,999,356	15.8
Mortgage notes	7,450	7,603	18,274	90,888	124,215	0.2	157,742	0.3
Foreign securities	**183,011**	**1,838,958**	**1,077,171**	**19,331,524**	**22,430,664**	**30.2**	**18,009,764**	**35.5**
Non-trade related – issued abroad	**183,011**	**1,838,958**	**1,077,171**	**19,331,524**	**22,430,664**	**30.2**	**18,009,764**	**35.5**
Brazil risk note programme	43,716	121,473	71,899	5,432,627	5,669,715	7.6	2,468,271	4.9
Structure note issued	68,990	517,711	796,487	5,527,523	6,910,711	9.3	7,224,880	14.2
Bonds	26,999	107,152	131,837	7,203,848	7,469,836	10.0	4,738,638	9.3
Fixed rate notes	-	1,092,095	-	869,880	1,961,975	2.6	1,788,484	3.5
Eurobonds	-	-	202	17,488	17,690	0.0	1,497,814	3.0
Other	43,306	527	76,746	280,158	400,737	0.6	291,677	0.6
Structured Operations Certificates (*)	**170,357**	**540,508**	**198,892**	**3,339,994**	**4,249,751**	**5.7**	**2,759,108**	**5.4**
Total	**4,113,911**	**12,859,578**	**7,153,108**	**50,225,520**	**74,352,117**		**50,752,631**	
% per maturity term	5.5	17.3	9.6	67.6				
Total – 03/31/2015	**2,317,053**	**18,297,027**	**7,471,291**	**22,667,260**	**50,752,631**			
% per maturity term	4.6	36.1	14.7	44.6				

(*) As of 03/31/2016, the market value of the funding from Structured Operations Certificates issued is R$ 4,838,202 (R$ 3,109,976 of 03/31/2015) according to BACEN Circular Letter No. 3,623.

ITAÚ UNIBANCO HOLDING's portfolio is composed of Brazil Risk Note Programme with maturities of 31 days to 180 days R$ 36,979 (R$ 18,667 at 03/31/2015) and over 365 days in the amount of R$ 3,736,067 (R$ 500,000 at 03/31/2015), totaling R$ 3,773,046 (R$ 518,667 at 03/31/2015). Due to the exchange variation from the period from January 1 to March 31, 2016, the expense on financial operations is presented with credit nature.

e) Borrowing and onlending

	03/31/2016						03/31/2015	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
Borrowing	**4,184,057**	**22,469,461**	**14,118,177**	**19,244,250**	**60,015,945**	**63.0**	**52,182,931**	**54.2**
Domestic	1,421,524	73,018	48,773	56,592	1,599,907	1.7	1,227,258	1.3
Foreign (*)	2,762,533	22,396,443	14,069,404	19,187,658	58,416,038	61.3	50,955,673	52.9
Onlending	**1,346,030**	**4,038,990**	**3,896,042**	**26,054,898**	**35,335,960**	**37.0**	**44,082,200**	**45.8**
Domestic – official institutions	1,346,025	4,038,990	3,894,616	26,054,898	35,334,529	37.0	44,079,611	45.8
BNDES	615,392	2,038,788	1,591,895	9,553,676	13,799,751	14.5	16,867,139	17.5
FINAME	707,367	1,851,443	2,205,469	16,131,681	20,895,960	21.8	26,724,302	27.8
Other	23,266	148,759	97,252	369,541	638,818	0.7	488,170	0.5
Foreign	5	-	1,426	-	1,431	0.0	2,589	0.0
Total	**5,530,087**	**26,508,451**	**18,014,219**	**45,299,148**	**95,351,905**		**96,265,131**	
% per maturity term	5.8	27.8	18.9	47.5				
Total – 03/31/2015	**4,342,077**	**20,888,709**	**20,681,205**	**50,353,140**	**96,265,131**			
% per maturity term	4.5	21.7	21.5	52.3				

(*) Foreign borrowing are basically represented by foreign exchange transactions related to export pre-financing and import financing.

Due to the exchange variation from the period from January 1 to March 31, 2016, the expense on financial operations – Borrowings and Onlending is presented with credit nature.

f) Subordinated debt

	03/31/2016						03/31/2015	
	0-30	31-180	181-365	Over 365 days	Total	%	Total	%
CDB	-	-	2,125,173	-	2,125,173	3.7	7,711,069	13.0
Financial treasury bills	307,899	2,598,552	2,750,927	21,560,428	27,217,806	46.8	26,044,280	43.7
Euronotes	101,132	294,139	-	27,736,390	28,131,661	48.5	25,356,279	42.6
Bonds	11,737	5,138	16,378	483,373	516,626	0.9	486,035	0.8
(-) Transaction costs incurred (Note 4b)	-	-	-	(72,395)	(72,395)	(0.1)	(70,184)	(0.1)
Total Other Liabilities	**420,768**	**2,897,829**	**4,892,478**	**49,707,796**	**57,918,871**		**59,527,479**	
Grand total (*)	**420,768**	**2,897,829**	**4,892,478**	**49,707,796**	**57,918,871**		**59,527,479**	
% per maturity term	0.7	5.0	8.5	85.8				
Total – 03/31/2015	**320,470**	**1,461,915**	**5,061,689**	**52,683,405**	**59,527,479**			
% per maturity term	0.5	2.5	8.5	88.5				

(*) According to current legislation, the accounting balance of subordinated debt as of March 2016 was used for the calculation of reference equity as of December, 2012, totaling R$ 51,134,447.

Description

Name of security / currency	Principal amount (original currency)	Issue	Maturity	Return p.a.	Account balance
Subordinated CDB - BRL					
	465,835	2006	2016	100% of CDI + 0.7% (*)	1,277,712
	366,830	2010	2017	IPCA + 7.21% to 7.33%	847,461
				Total	**2,125,173**
Subordinated financial bills - BRL					
	365,000	2010	2016	100% of CDI + 1.35% a 1.36%	370,907
	1,874,000			112% to 112.5% of CDI	1,904,665
	30,000			IPCA + 7%	62,181
	206,000	2010	2017	IPCA + 6.95% to 7.2%	327,334
	3,223,500	2011	2017	108% to 112% of CDI	3,467,078
	352,400			IPCA + 6.15% to 7.8%	599,836
	138,000			IGPM + 6.55% to 7.6%	252,167
	3,650,000			100% of CDI + 1.29% to 1.52%	3,764,904
	500,000	2012	2017	100% of CDI + 1.12%	524,159
	42,000	2011	2018	IGPM + 7%	59,081
	30,000			IPCA + 7.53% to 7.7%	46,680
	460,645	2012	2018	IPCA + 4.4% to 6.58%	699,790
	3,782,100			100% of CDI + 1.01% to 1.32%	3,963,348
	6,373,127			108% to 113% of CDI	7,156,162
	112,000			9.95% to 11.95%	161,870
	2,000	2011	2019	109% to 109.7% of CDI	3,221
	12,000	2012	2019	11.96%	19,130
	100,500			IPCA + 4,7% a 6,3%	154,512
	1,000			110% of CDI	1,581
	20,000	2012	2020	IPCA + 6% to 6.17%	34,100
	1,000			111% of CDI	1,587
	6,000	2011	2021	109.25% to 110.5% of CDI	9,916
	2,306,500	2012	2022	IPCA + 5.15% to 5.83%	3,607,763
	20,000			IGPM + 4.63%	25,834
				Total	**27,217,806**
Subordinated euronotes - USD					
	1,000,000	2010	2020	6.2%	3,666,691
	1,000,000	2010	2021	5.75%	3,532,938
	750,000	2011	2021	5.75% to 6.2%	2,797,227
	550,000	2012	2021	6.2%	1,957,395
	2,625,000	2012	2022	5.5% to 5.65%	9,319,126
	1,870,000	2012	2023	5.13%	6,785,889
				Total	**28,059,266**
Subordinated bonds - CLP	41,528,200	2008	2033	3.5% to 4.5%	238,660
	47,831,440	2014	2034	3.8%	277,966
				Total	**516,626**
Total					**57,918,871**

(*) Subordinated CDBs may be redeemed as from November 2011.

ITAÚ UNIBANCO HOLDING's portfolio is composed of Subordinated Euronotes with maturity of up to 30 days amounting to R$ 101,132 (R$ 91,160 at 03/31/2015), with maturities of 31 to 180 days amounting to R$ 294,139 (R$ 264,386 03/31/2015) and over 365 days amounting to R$ 27,663,995 (R$ 24,930,548 at 03/31/2015), totaling R$ 28,059,266 (R$ 25,286,094 at 03/31/2015).

Note 11 - Insurance, pension plan and capitalization operations

a) Composition of the technical provisions

	Insurance		Pension plan		Capitalization		Total	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Unearned premiums	2,725,852	3,792,229	14,751	12,471	-	-	2,740,603	3,804,700
Mathematical provision of benefits to be granted and benefits granted	20,650	12,865	128,831,601	106,740,111	-	-	128,852,251	106,752,976
Redemptions and other unsettled amounts	20,057	20,738	187,219	181,127	-	-	207,276	201,865
Financial surplus	1,444	1,397	543,507	527,128	-	-	544,951	528,525
Unsettled claims	787,347	692,401	19,424	15,413	-	-	806,771	707,814
Claims / events incurred but not reported	433,726	468,689	23,726	19,413	-	-	457,452	488,102
Administrative and related expenses	40,297	40,007	51,682	71,841	20,316	13,758	112,295	125,606
Mathematical provision for capitalization and redemptions	-	-	-	-	2,976,992	3,032,687	2,976,992	3,032,687
Raffles payable and to be held	-	-	-	-	27,483	27,286	27,483	27,286
Complementary raffles	-	-	-	-	569	2,720	569	2,720
Other provisions[(1)]	546,842	517,309	403,079	547,513	275	349	950,196	1,065,171
Total [(2)]	**4,576,215**	**5,545,635**	**130,074,989**	**108,115,017**	**3,025,635**	**3,076,800**	**137,676,839**	**116,737,452**

(1) It considers mostly the Supplemental Coverage Provision, regulated by SUSEP Circular No. 517, of July 30, 2015.

(2) This table covers the amendments established by SUSEP Circular No. 517, of July 30, 2015, also for comparison purposes.

The total of Technical Provisions represents the amount of obligations after the Liability Adequacy Test is carried out.

b) Assets guaranteeing technical provisions - SUSEP

	Insurance		Pension plan		Capitalization		Total	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Interbank investments – money market	**780,091**	**810,602**	**952,298**	**689,246**	**926,868**	**775,885**	**2,659,257**	**2,275,733**
Securities and derivative financial instruments	**2,697,095**	**2,875,879**	**129,775,816**	**107,870,599**	**2,205,993**	**2,485,954**	**134,678,904**	**113,232,432**
PGBL / VGBL fund quotas [1]	**-**	**-**	**122,898,952**	**101,507,939**	**-**	**-**	**122,898,952**	**101,507,939**
Government securities - domestic	-	-	87,927,569	67,876,117	-	-	87,927,569	67,876,117
National treasury bills	-	-	26,917,331	18,752,683	-	-	26,917,331	18,752,683
National treasury notes	-	-	26,993,074	44,171,711	-	-	26,993,074	44,171,711
Financial treasury bills	-	-	34,017,164	4,951,723	-	-	34,017,164	4,951,723
Corporate securities	-	-	33,869,029	33,132,116	-	-	33,869,029	33,132,116
Bank deposit certificates	-	-	2,415,967	3,269,318	-	-	2,415,967	3,269,318
Debentures	-	-	3,632,061	3,146,741	-	-	3,632,061	3,146,741
Shares	-	-	428,485	560,107	-	-	428,485	560,107
Credit note	-	-	-	640,648	-	-	-	640,648
Financial treasury bills	-	-	27,271,658	25,444,173	-	-	27,271,658	25,444,173
Others	-	-	120,858	71,129	-	-	120,858	71,129
PGBL / VGBL fund quotas	-	-	665,117	204,806	-	-	665,117	204,806
Derivative financial instruments	-	-	25,888	91,416	-	-	25,888	91,416
Loans for shares	-	-	308,398	379,399	-	-	308,398	379,399
Accounts receivable / (payable)	-	-	102,951	(175,915)	-	-	102,951	(175,915)
Other assets	**2,697,095**	**2,875,879**	**6,876,864**	**6,362,660**	**2,205,993**	**2,485,954**	**11,779,952**	**11,724,493**
Government	1,044,094	967,119	5,944,911	4,499,178	287,633	189,073	7,276,638	5,655,370
Private	1,653,001	1,908,760	931,953	1,863,482	1,918,360	2,296,881	4,503,314	6,069,123
Receivables from insurance and reinsurance operations [2]	**1,300,440**	**2,130,899**	**-**	**-**	**-**	**-**	**1,300,440**	**2,130,899**
Credit rights	724,970	841,143	-	-	-	-	724,970	841,143
Commercial – extended guarantee	519,439	1,231,584	-	-	-	-	519,439	1,231,584
Reinsurance	56,031	58,172	-	-	-	-	56,031	58,172
Total	**4,777,626**	**5,817,380**	**130,728,114**	**108,559,845**	**3,132,861**	**3,261,839**	**138,638,601**	**117,639,064**

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a counter-entry to liabilities in Pension plan technical provision accounts.

(2) Recorded under Other receivables and Other assets.

c) Financial and operating income

	Insurance						Pension plan						Capitalization		Total	
	01/01 to 03/31/2016			01/01 to 03/31/2015			01/01 to 03/31/2016			01/01 to 03/31/2015			01/01 to	01/01 to	01/01 to	01/01 to
	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	Direct	Reinsurance	Withheld	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Financial income related to insurance, pension plan and capitalization operations	**93,303**	**-**	**93,303**	**88,636**	**-**	**88,636**	**93,794**	**-**	**93,794**	**73,418**	**-**	**73,418**	**56,567**	**49,471**	**243,664**	**211,525**
Financial income	109,229	-	109,229	100,418	-	100,418	4,679,607	-	4,679,607	2,806,890	-	2,806,890	107,995	97,648	4,896,831	3,004,956
Financial expenses	(15,926)	-	(15,926)	(11,782)	-	(11,782)	(4,585,813)	-	(4,585,813)	(2,733,472)	-	(2,733,472)	(51,428)	(48,177)	(4,653,167)	(2,793,431)
Operating income related to insurance, pension plan and capitalization operations	**762,389**	**(15,313)**	**747,076**	**800,665**	**(14,553)**	**786,112**	**95,405**	**777**	**96,182**	**69,658**	**(189)**	**69,469**	**150,619**	**136,843**	**993,877**	**992,424**
Premiums and contributions	1,074,187	(18,078)	1,056,109	1,225,118	(17,530)	1,207,588	4,371,566	(810)	4,370,756	4,118,347	(1,719)	4,116,628	703,567	636,779	6,130,432	5,960,995
Changes in technical provisions	290,218	(3,298)	286,920	229,147	236	229,383	(4,270,487)	-	(4,270,487)	(4,040,978)	-	(4,040,978)	(2,704)	1,447	(3,986,271)	(3,810,148)
Expenses for claims, benefits, redemptions and raffles	(398,827)	4,609	(394,218)	(369,208)	772	(368,436)	(4,149)	-	(4,149)	(5,817)	1,530	(4,287)	(550,664)	(502,828)	(949,031)	(875,551)
Selling expenses	(196,180)	1,454	(194,726)	(266,498)	1,969	(264,529)	(975)	-	(975)	(1,530)	-	(1,530)	-	-	(195,701)	(266,059)
Other operating revenues and expenses	(7,009)	-	(7,009)	(17,894)	-	(17,894)	(550)	1,587	1,037	(364)	-	(364)	420	1,445	(5,552)	(16,813)
Total income related to insurance, pension plan and capitalization operations	**855,692**	**(15,313)**	**840,379**	**889,301**	**(14,553)**	**874,748**	**189,199**	**777**	**189,976**	**143,076**	**(189)**	**142,887**	**207,186**	**186,314**	**1,237,541**	**1,203,949**

Note 12 – Contingent assets and liabilities and legal liabilities – tax and social security

In the ordinary course of its businesses, ITAÚ UNIBANCO HOLDING CONSOLIDATED is involved in contingencies that may be classified as follows:

a) Contingent Assets: there are no contingent assets recorded.

b) Provisions and contingencies: The criteria to quantify contingencies are adequate in relation to the specific characteristics of civil, labor and tax lawsuits portfolios, as well as other risks.

- **Civil lawsuits:**

  Collective lawsuits (related to claims of a similar nature and with individual amounts not considered significant): contingencies are determined on a monthly basis and the expected amount of losses is accrued based on statistical models that take into account the type of lawsuit and the characteristics of the court (Small Claims Court or Regular Court). These are adjusted to reflect the amounts deposited as guarantee for their execution when realized.

  Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): calculation is carried out on a periodic basis, from the calculation of the claimed amount which, in turn, is estimated based on the *de jure* or *de facto* characteristics related to that lawsuit. The amounts considered as representing probable losses are recorded as provisions.

  In general, contingencies arise from revisions of contracts and compensation for damages and pain and suffering. ITAÚ UNIBANCO HOLDING CONSOLIDATED is also a party to specific lawsuits related to the collection of understated inflation adjustments to savings accounts resulting from economic plans.

  From 1986 to 1994, the Brazilian federal government implemented several consecutive monetary stabilization plans (MSPs) to combat hyperinflation. In order to implement these plans, the Brazilian federal government enacted several laws based on its power to regulate the monetary and financial systems, as granted by the Brazilian Federal Constitution.

  Savings account holders at the time when these MSPs were implemented challenged the constitutionality of the laws in connection with such plans, claiming, from the banks in which they held savings accounts, additional interest based on the inflation rates applied to the deposit accounts based on the MSPs.

  ITAÚ UNIBANCO HOLDING CONSOLIDATED is a defendant in numerous standardized lawsuits filed by individuals in respect of the MSP, and records provisions for such claims upon service of a process for a claim. In addition, ITAÚ UNIBANCO HOLDING CONSOLIDATED is a defendant in class actions, similar to the lawsuits brought by individuals, filed by either: (i) consumer protection associations, or (ii) the Public Prosecution Office on behalf of savings account holders. Holders of savings accounts may claim any amount due based on such a decision. ITAÚ UNIBANCO HOLDING CONSOLIDATED records provisions when individual plaintiffs apply to enforce such decisions, using the same criteria adopted to determine provisions for individual lawsuits.

  The Federal Supreme Court (STF) has issued some decisions favorable to savings account holders, but has not issued a final ruling with respect to the constitutionality of the MSPs as applicable to savings accounts. In relation to a similar dispute with respect to the constitutionality of the MSPs as applicable to time deposits and other private agreements, the STF has determined that the bills were constitutional. As a response to this discrepancy, the National Confederation of the Financial System (CONSIF) an association of Brazilian financial institutions, filed a special proceeding with the STF (Action against the violation of a constitutional fundamental right - “ADPF” No. 165), in which the Central Bank filed an amicus brief, arguing that savings account holders did not incur actual damages and that the MSPs as applicable to savings accounts were in accordance with the federal constitution. Accordingly, the STF suspended the rulings on all appeals involving this matter until it pronounces a final decision. However, there is no estimate when the judgment by STF will occur, since, due to the disqualification of certain ministers, there is no sufficient quorum at this time to resolve on the issue.

The most important rulings will address the following issues: (i) the accrual of compensatory interest on the amount due to the plaintiff, on filings that carry no specific claim to such interest; (ii) the initial date of default interest, for class actions; and (iii) the possibility of compensating the negative difference arising in the month of the MSP implementation, between the interests actually paid on savings accounts and the inflation rate for the same period, with the positive difference arising in the months subsequent to the MSP implementation, between the interests actually paid on savings accounts and the inflation rate of the same period. In relevant sentences in 2015, the STJ decided that: (i) the inclusion of interest in the calculation of execution is not applicable if there is no express sentence for this; and (ii) there shall be no payment of interest to holders of savings accounts after the proven closing date of those accounts. The thesis that understated inflation of plans subsequent to those challenged in the lawsuit can be included as full monetary correction of the debt, even with no express claim by the holder of savings account, has been reaffirmed. Additionally, STJ reaffirmed that the term for filling collection lawsuits expired within five years counted from the implementation date of the monetary stabilization plan (MSP). Accordingly, various collective lawsuits continue being extinguished by the Judiciary Branch as a result of this decision.

No amount is recorded as a provision in relation to Civil lawsuits which likelihood of loss is considered possible, which total estimated risk is R$ 2,636,531(R$ 1,930,969 at 03/31/2015) and the main nature of which refers to claims form compensation or collections, the individual amounts of which are not significant.

- **Labor claims**

Collective lawsuits (related to claims considered similar and which each individual amount is not considered significant): the expected loss amount is determined and accrued monthly according to the statistical share pricing model and is reassessed taking into account court rulings. These are adjusted to reflect the amounts deposited as guarantee for their execution when realized.

Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): determined from time to time, based on the amount claimed and the likelihood of loss, which, in turn, is estimated according to the *de facto* and *de jure* characteristics related to such lawsuit. The amounts of losses which likelihood of loss is considered probable are accrued.

Contingencies are related to lawsuits in which alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowances, pension plan supplements and other matters are discussed.

No amount is recorded as a provision for labor claims for which the likelihood of loss is considered possible, and for which the total estimated risk is R$ 717,293 (R$ 488,988 at 03/31/2015).

- **Other Risks**

These are quantified and accrued mainly based on the evaluation of rural credit transactions with joint liability and FCVS (salary variations compensation fund) credits assigned to Banco Nacional.

The table below shows the changes in the respective provisions for contingent liabilities and the respective escrow deposit balances:

	01/01 to 03/31/2016				01/01 to 03/31/2015
	Civil	Labor	Other	Total	Total
Opening balance	**5,226,944**	**6,131,853**	**134,818**	**11,493,615**	**10,399,739**
(-) Contingencies guaranteed by indemnity clauses (Note 4n I)	(236,018)	(1,089,443)	-	(1,325,461)	(1,160,801)
Subtotal	**4,990,926**	**5,042,410**	**134,818**	**10,168,154**	**9,238,938**
Monetary restatement/charges	95,433	152,046	-	247,479	247,444
Changes in the period reflected in results (Notes 13f and 13i)	249,459	546,979	(691)	795,747	758,100
Increase (*)	387,939	581,121	(658)	968,402	904,682
Reversal	(138,480)	(34,142)	(33)	(172,655)	(146,582)
Payment	(348,301)	(346,178)	-	(694,479)	(636,667)
Subtotal	**4,987,517**	**5,395,257**	**134,127**	**10,516,901**	**9,607,815**
(+) Contingencies guaranteed by indemnity clauses (Note 4n I)	240,787	1,049,198	-	1,289,985	1,204,728
Closing balance	**5,228,304**	**6,444,455**	**134,127**	**11,806,886**	**10,812,543**
Closing balance at 03/31/2015	**4,844,951**	**5,802,293**	**165,299**	**10,812,543**	
Escrow deposits at 03/31/2016	**1,732,701**	**2,250,049**	**-**	**3,982,750**	
Escrow deposits at 03/31/2015	**2,015,783**	**2,585,555**	**-**	**4,601,338**	

(*) Civil provisions include the provision for economic plans amounting to R$ 45,401 (R$ 70,129 from 01/01 to 03/31/2015) (Note 22k).

- **Tax and social security lawsuits**

Contingencies are equivalent to the principal amount of taxes involved in tax, administrative or judicial challenges, subject to tax assessment notices, plus interest and, when applicable, fines and charges. The amount is accrued when it involves a legal obligation, regardless of the likelihood of loss, that is, a favorable outcome for the institution is dependent upon the recognition of the unconstitutionality of the applicable laws in force. In other cases, the Bank recognizes a provision whenever the likelihood of loss is considered probable.

The table below shows the changes in the provisions and respective balances of escrow deposits for Tax and Social Security lawsuits:

Provisions	01/01 to 03/31/2016			01/01 to 03/31/2015
	Legal obligation	Contingencies	Total	Total
Opening balance	**4,261,241**	**3,239,293**	**7,500,534**	**6,626,932**
(-) Contingencies guaranteed by indemnity clauses (Note 4n II)	-	(64,548)	(64,548)	(60,645)
Subtotal	**4,261,241**	**3,174,745**	**7,435,986**	**6,566,287**
Monetary restatement / charges	75,727	110,294	186,021	95,386
Changes in the period reflected in results	23,239	12,492	35,731	74,697
Increase	70,154	21,295	91,449	85,159
Reversal	(46,915)	(8,803)	(55,718)	(10,462)
Payment	(25,555)	(47,632)	(73,187)	(85,518)
Subtotal	**4,334,652**	**3,249,899**	**7,584,551**	**6,650,852**
(+) Contingencies guaranteed by indemnity clauses (Note 4n II)	-	65,566	65,566	61,506
Closing balance (Note 14c)	**4,334,652**	**3,315,465**	**7,650,117**	**6,712,358**
Closing balance at 03/31/2015 (Note 14c)	**3,689,921**	**3,022,437**	**6,712,358**	

Escrow deposits	01/01 to 03/31/2016			01/01 to 03/31/2015
	Legal obligation	Contingencies	Total	Total
Opening balance	**3,880,081**	**458,663**	**4,338,744**	**4,736,435**
Appropriation of income	76,414	14,737	91,151	82,427
Changes in the period	59,336	7,047	66,383	57,849
Deposited	105,367	7,267	112,634	151,357
Withdrawals	(21,381)	(220)	(21,601)	(9,293)
Reversals to income	(24,650)	-	(24,650)	(84,215)
Closing balance	**4,015,831**	**480,447**	**4,496,278**	**4,876,711**
Relocated to assets pledged in guarantee of contingencies (Note 12d)	**-**	**(107)**	**(107)**	**-**
Closing balance after relocated	**4,015,831**	**480,340**	**4,496,171**	**4,876,711**
Closing balance at 03/31/2015	**4,305,783**	**570,928**	**4,876,711**	

The main discussions related to the provisions recognized for Tax and Social Security Lawsuits are as follows:

- CSLL – Isonomy – R$ 1,121.210: as the law increased the CSLL rate for financial and insurance companies to 15%, the company is discussing the lack of constitutional support for this measure and, due to the principle of isonomy, the company is defending the levying of CSLL at the regular rate of 9%. The corresponding escrow deposit balance totals R$ 1,109,453;

- INSS – Accident Prevention Factor (FAP) – R$ 930,801: it challenges the legality of FAP and inconsistent calculation by the INSS. The corresponding escrow deposit balance totals R$ 100,854;

- PIS and COFINS – Calculation basis – R$ 622,034: the company is defending the levying of contributions on revenue, understood as revenue from the sales of assets and services. The corresponding escrow deposit balance totals R$ 534,502;

- IRPJ and CSLL – Taxation of profits earned abroad – R$ 570,219: the company is discussing the calculation basis for the levying of these taxes on profits earned abroad and the non-applicability of Regulatory Instruction SRF No. 213-02 in which it exceeds the parameters of the legal text. The corresponding escrow deposit balance totals R$ 218,499.

Off-balance sheet contingencies – The estimated amounts at risk in the main tax and social security lawsuits with a likelihood of loss deemed possible, which total R$ 16,441,944, are described below:

- INSS – Non-compensatory amounts – R$ 4,476,948: we defend the non-taxation of these amounts, mainly profit sharing, stock options, transportation vouchers and sole bonuses;

- IRPJ and CSLL – Goodwill – Deduction – R$ 2,931,315: the deductibility of goodwill on acquisition of investments with future expected profitability, and R$ 625,100 of this amount is guaranteed in company purchase agreements;

- IRPJ, CSLL, PIS and COFINS – Requests for offsetting dismissed – R$ 1,391,298: cases in which the liquidity and the ability to offset credit are discussed;

- IRPJ and CSLL – Interest on capital – R$ 1,326,280: the company is defending the deductibility of interest on capital declared to stockholders based on the Brazilian long term interest rate (TJLP) on the stockholders' equity for the year and for prior years;

- ISS – Banking Institutions – R$ 943,993: these are banking operations, revenue from which may not be interpreted as prices for services rendered, and/or which arises from activities not listed under Supplementary Law No. 116/03 or Law No. 406/68.

c) Receivables - reimbursement of contingencies

The receivables balance arising from reimbursements of contingencies totals R$ 1,106,341 (R$ 705,594 at 03/31/2015) (Note 13a), basically represented by the guarantee for the Banco Banerj S.A. privatization process which occurred in 1997, where the State of Rio de Janeiro created a fund to guarantee civil, labor and tax contingencies.

d) Assets pledged as contingencies

Assets pledged in guarantee for contingencies are related to liability contingencies and restricted or deposited as presented below:

	03/31/2016	03/31/2015
Securities (basically financial treasury bills – Note 7b)	849,434	780,831
Deposits in guarantee	4,399,552	4,299,023

Escrow deposits are generally required to be made with the court in connection with lawsuits in Brazil, and they are held by the respective court until a decision is made. In case of a decision against ITAÚ UNIBANCO HOLDING CONSOLIDATED, the deposited amount is released from escrow and transferred to the counterparty to the lawsuit. In the case of a decision in favor of ITAÚ UNIBANCO HOLDING CONSOLIDATED, the deposited amount is released at the full deposited and updated amount.

In general, provisions related to lawsuits of ITAÚ UNIBANCO HOLDING CONSOLIDATED are long term, considering the time required for the termination of these lawsuits in the Brazilian judicial system, which is the reason why no estimate of the specific year in which these lawsuits will be terminated has been disclosed.

According to the opinion of its legal advisors, ITAÚ UNIBANCO HOLDING CONSOLIDATED and its subsidiaries are not involved in any other administrative or judicial proceedings that may significantly impact the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized based on statistical models for claims involving small amounts and on individual evaluations by internal and external legal advisors of other cases, showed that the accrued amounts are sufficient, in the terms of CMN Resolution No. 3,823, of December 16, 2009, and BACEN Circular Letter No. 3,429, of February 11, 2010.

e) Programs for Cash or Installment Payment of Municipal Taxes

ITAÚ UNIBANCO HOLDING and its subsidiaries adhered to PPI – Installment Payment Incentive Programs substantially related to the local level, established by Laws: (Law No. 5,854, of April 27, 2015) Rio de Janeiro; (Law No. 8,927, o October 22, 2015 and Decree No. 26,624 of October 26, 2015) Salvador; (Law No. 18,181, of November 30, 2015 and Decree No. 29,275 of November 30, 2015) Recife; (Supplementary Law No. 95, of October 19, 2015) Curitiba. The programs promote the regularization of debts mentioned in these laws, arising from tax and non-tax credits, either recognized or not, including those that are part of the Enforceable Debt, either filed or to be filed in court.

The net effect of the programs in result was R$ 12,474, and it is recorded in Other Operating Income, Income Tax and Social Contribution.

Note 13 - Breakdown of accounts

a) Other sundry receivables

	03/31/2016	03/31/2015
Social contribution for offsetting (Note 14b I)	638,790	621,864
Taxes and contributions for offsetting	4,828,855	3,830,773
Escrow deposits for foreign fundraising program	72,048	879,135
Receivables from reimbursement of contingent liabilities (Note 12c)	1,106,341	705,594
Receivables from reimbursement of contingent liabilities	2,186,635	1,533,396
(Allowance for loan losses)	(1,080,294)	(827,802)
Rights receivable from financial assets sold or transferred	-	6,919,037
Sundry domestic debtors	1,180,599	2,111,124
Premiums from loan operations	1,441,957	2,374,091
Sundry foreign debtors	2,188,444	2,124,622
Retirement plan assets (Note 19)	2,209,128	2,495,577
Recoverable payments	146,631	52,621
Salary advances	94,400	96,477
Amounts receivable from related companies	36,031	77,708
Operations without credit granting characteristics	1,548,969	545,402
Securities and credits receivable	1,884,677	1,105,592
(Allowance for loan losses)	(335,708)	(560,190)
Other	545,108	462,911
Total	**16,037,301**	**23,296,936**

In ITAÚ UNIBANCO HOLDING, Other Sundry Receivables is mainly composed of Taxes and Contributions for Offset R$ 1,056,112 (R$ 458,093 at 03/31/2015) (Note 14b I).

b) Prepaid expenses

	03/31/2016	03/31/2015
Commissions (*)	1,808,520	2,830,025
Related to vehicle financing	121,780	236,867
Related to insurance and pension plan	510,255	1,134,886
Restricted to commissions / partnership agreements	69,556	156,109
Related to Payroll Loans	955,798	1,141,362
Other	151,131	160,801
Advertising	386,043	456,293
Other	797,153	740,291
Total	**2,991,716**	**4,026,609**

(*) In the first quarter of 2016, the impact on income related to commission from local correspondents, as described in Note 4g, was R$ 100,265 (R$ 50,482 of 03/31/2015).

c) Other sundry liabilities

	03/31/2016	03/31/2015
Provisions for sundry payments	1,993,043	2,184,948
Personnel provision	1,418,662	1,488,810
Sundry creditors - local	1,612,394	2,418,536
Sundry creditors - foreign	4,052,777	2,467,765
Liabilities for official agreements and rendering of payment services	811,508	1,022,714
Related to insurance operations	207,394	225,560
Liabilities for purchase of assets and rights	78,661	692
Creditors of funds to be released	1,008,880	1,338,851
Funds from consortia participants	50,264	42,153
Provision for retirement plan benefits (Note 19)	495,660	520,892
Provision for health insurance (1)	722,302	692,178
Expenses for lease interests (2)	-	657,768
Liabilities from transactions related to credit assignments (Note 8f)	5,360,697	4,797,886
Liabilities from sales operations or transfer of financial assets	38,497	4,430,221
Other	1,161,681	853,551
Total	**19,012,420**	**23,142,525**

(1) Provision set up to cover possible future deficits up to the total discontinuation of the portfolio, arising from the difference between monthly installments adjustments, authorized annually by the regulatory body, and the actual variation of hospital costs that affect the compensation of claims (Note 13i).

(2) Change in the Accounting Treatment of Financial Lease (Note 4i).

d) Banking service fees

	01/01 to 03/31/2016	01/01 to 03/31/2015
Asset management	1,066,169	955,110
Funds management fees	895,879	801,208
Consortia management fees	170,290	153,902
Current account services	198,158	199,713
Credit cards	2,494,283	2,372,176
Relationship with stores	2,488,281	2,355,373
Credit card processing	6,002	16,803
Sureties and credits granted	576,738	566,327
Loan operations	242,664	258,764
Guarantees provided	334,074	307,563
Receipt services	370,989	365,451
Collection fees	308,625	296,647
Collection services	62,364	68,804
Other	544,238	594,651
Custody services and management of portfolio	83,095	66,844
Economic and financial advisory	99,126	160,248
Foreign exchange services	22,286	22,249
Other services	339,731	345,310
Total	**5,250,575**	**5,053,428**

e) Income related to bank charges

	01/01 to 03/31/2016	01/01 to 03/31/2015
Loan operations / registration	189,094	263,900
Credit cards – annual fees and other services	740,228	795,066
Deposit account	28,605	28,030
Transfer of funds	49,913	46,684
Income related to securities brokerage	85,208	85,252
Service package fees	1,385,322	1,149,252
Total	**2,478,370**	**2,368,184**

f) Personnel expenses

	01/01 to 03/31/2016	01/01 to 03/31/2015
Compensation	(1,909,297)	(1,947,229)
Charges	(609,548)	(670,635)
Welfare benefits (Note 19)	(631,857)	(578,446)
Training	(35,665)	(34,467)
Labor claims and termination of employees (Note 12b)	(646,301)	(396,031)
Stock Option Plan	(107,171)	(69,012)
Total	**(3,939,839)**	**(3,695,820)**
Employees' profit sharing	(758,592)	(740,143)
Total including employees' profit sharing	**(4,698,431)**	**(4,435,963)**

g) Other administrative expenses

	01/01 to 03/31/2016	01/01 to 03/31/2015
Data processing and telecommunications	(932,633)	(922,743)
Depreciation and amortization	(518,557)	(518,939)
Installations	(708,471)	(644,553)
Third-party services	(950,814)	(893,213)
Financial system services	(162,921)	(134,533)
Advertising, promotions and publication	(207,854)	(216,645)
Transportation	(99,369)	(100,588)
Materials	(62,880)	(86,907)
Security	(176,560)	(164,918)
Travel expenses	(39,224)	(47,668)
Other	(191,894)	(196,548)
Total	**(4,051,177)**	**(3,927,255)**

h) Other operating revenue

	01/01 to 03/31/2016	01/01 to 03/31/2015
Reversal of operating provisions	12,919	123,077
Recovery of charges and expenses	40,466	13,210
Program for Settlement or Installment Payment of Federal (Note 12e)	11,443	97,559
Other	135,548	91,794
Total	**200,376**	**325,640**

i) Other operating expenses

	01/01 to 03/31/2016	01/01 to 03/31/2015
Provision for contingencies (Note 12b)	(329,184)	(504,765)
Civil lawsuits	(249,459)	(420,197)
Tax and social security contributions	(80,416)	(78,100)
Other	691	(6,468)
Selling - credit cards	(686,755)	(756,955)
Claims	(65,272)	(61,517)
Provision for health insurance (Note 13c)	(5,960)	(7,588)
Refund of interbank costs	(67,587)	(64,867)
Other	(544,612)	(447,495)
Total	**(1,699,370)**	**(1,843,187)**

Note 14 - Taxes

a) Composition of expenses for taxes and contributions

I - Statement of calculation of income tax and social contribution:

Due on operations for the period	01/01 to 03/31/2016	01/01 to 03/31/2015
Income before income tax and social contribution	**9,815,616**	**3,155,819**
Charges (income tax and social contribution) at the rates in effect (Note 4o)	(4,417,027)	(1,262,328)
Increase/decrease in income tax and social contribution charges arising from:		
Investments in affiliates and jointly controlled entities	58,492	52,720
Foreign exchange variations on investments abroad	(1,917,254)	3,187,102
Interest on capital	890,728	510,425
Corporate reorganizations (Note 4q)	156,961	159,662
Dividends and interest on external debt bonds	61,217	53,997
Other nondeductible expenses net of non taxable income (*)	4,229,890	(6,004,709)
Income tax and social contribution expenses	**(936,993)**	**(3,303,131)**
Related to temporary differences		
Increase (reversal) for the period	(3,590,061)	6,008,837
Increase (reversal) of prior periods	(1,830)	12,629
(Expenses)/Income related to deferred taxes	**(3,591,891)**	**6,021,466**
Total income tax and social contribution expenses	**(4,528,884)**	**2,718,335**

(*) Includes temporary (additions) and exclusions.

II - Composition of tax expenses:

	01/01 to 03/31/2016	01/01 to 03/31/2015
PIS and COFINS	(1,610,202)	(853,610)
ISS	(251,125)	(226,896)
Other	(153,813)	(163,339)
Total (Note 4o)	**(2,015,140)**	**(1,243,845)**

The tax expenses of ITAÚ UNIBANCO HOLDING amount to R$ 42,611 (R$ 88,056 at 03/31/2015) and are mainly composed of PIS and COFINS.

III- Tax effects on foreign exchange management of investments abroad

In order to minimize the effects on income in connection with the foreign exchange variations on investments abroad, net of the respective tax effects, ITAÚ UNIBANCO HOLDING CONSOLIDATED carries out derivative transactions in foreign currency (hedges), as mentioned in Note 22b.

The results of these transactions are considered in the calculation base of income tax and social contribution, in accordance with their nature, while the foreign exchange variations on investments abroad are not included therein, pursuant to the tax legislation in force.

b) Deferred taxes

I - The Deferred Tax Asset balance and its changes, segregated based on its origin and disbursements incurred, are represented as follows:

	Provisions		Deferred Tax Assets				
	03/31/2015	03/31/2016	12/31/2015	Realization / Reversal	Increase	03/31/2016	03/31/2015
Reflected in income and expense accounts			**53,000,680**	**(9,196,153)**	**6,841,994**	**50,646,521**	**40,926,418**
Related to income tax and social contribution loss carryforwards			5,643,067	(62,519)	1,716,123	7,296,671	10,635,755
Related to disbursed provisions			32,229,846	(6,389,311)	3,118,629	28,959,164	19,634,451
Allowance for loan losses			25,432,877	(586,333)	2,655,998	27,502,542	18,344,372
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)			5,674,148	(5,674,148)	359,226	359,226	220,778
Allowance for real estate			219,017	(17,632)	3,940	205,325	163,731
Goodwill on purchase of investments			537,917	(109,855)	-	428,062	816,058
Other			365,887	(1,343)	99,465	464,009	89,512
Related to non-disbursed provisions [1]	27,676,461	35,843,732	15,127,767	(2,744,323)	2,007,242	14,390,686	10,656,212
Related to the operation	21,346,200	24,858,548	10,733,693	(2,744,323)	2,007,242	9,996,612	8,124,108
Provision for contingent liabilities	11,413,409	12,903,206	5,386,508	(286,169)	286,548	5,386,887	4,528,484
Civil lawsuits	4,630,511	4,909,156	2,149,334	(135,058)	14,792	2,029,068	1,893,409
Labor claims	4,005,545	4,698,163	1,811,927	(124,883)	204,011	1,891,055	1,523,704
Tax and social security contributions	2,747,817	3,284,010	1,420,092	(25,382)	67,745	1,462,455	1,100,333
Other	29,536	11,877	5,155	(846)	-	4,309	11,038
Adjustments of operations carried out on the futures settlement market	1,829,511	1,505,677	1,391,101	(796,005)	30,657	625,753	682,504
Legal obligation - tax and social security contributions	1,610,394	2,228,224	508,498	(111,421)	17,952	415,029	367,499
Provision related to health insurance operations	692,178	722,302	322,354	(33,734)	-	288,620	276,871
Other non-deductible provisions	5,800,708	7,499,139	3,125,232	(1,516,994)	1,672,085	3,280,323	2,268,750
Related to provisions exceeding the minimum required not disbursed – allowance for loan losses	6,330,261	10,985,184	4,394,074	-	-	4,394,074	2,532,104
Reflected in stockholders' equity accounts			**3,982,935**	**(996,729)**	**42**	**2,986,248**	**2,994,315**
Corporate reorganizations (Note 4q)	6,924,476	5,077,864	1,883,435	(156,961)	-	1,726,474	2,354,322
Adjustment to market value of available-for-sale securities	1,599,983	2,799,497	2,099,500	(839,768)	42	1,259,774	639,993
Total [2]	**36,200,920**	**43,721,093**	**56,983,615**	**(10,192,882)**	**6,842,036**	**53,632,769**	**43,920,733**
Social contribution for offsetting arising from Option established in article 8 of Provisional Measure No. 2,158-35 of August 24, 2001			**645,254**	**(6,464)**	**-**	**638,790**	**621,864**

(1) From a financial point of view, rather than recording the provision of R$ 35,843,732 (R$ 27,676,461 at 03/31/2015) and deferred tax assets of R$ 14,390,686 (R$ 10,656,212 at 03/31/2015), only the net provisions of the corresponding tax effects should be considered, which would reduce the total deferred tax assets from R$ 53,632,769 (R$ 43,920,733 at 03/31/2015) to R$ 39,242,083 (R$ 33,264,521 at 03/31/2015).

(2) The accounting records of deferred tax assets on income tax losses and/or social contribution loss carryforwards, as well as those arising from temporary differences, are based on technical feasibility studies which consider the expected generation of future taxable income, considering the history of profitability for each subsidiary individually, and for the consolidated taken as a whole. For the subsidiaries, Itaú Unibanco S.A. and Banco Itaucard S.A., due to their specific tax status, a petition has been sent to Central Bank of Brazil, in compliance with paragraph 7 of article 1 of Resolution No. 4,441/15 and pursuant to Circular 3,776/15, to maintain the respective deferred tax assets.

At ITAÚ UNIBANCO HOLDING, the Deferred Tax Assets totaled R$ R$ 363,133 (R$ 13,319 at 03/31/2015) and are basically represented by Income Tax Losses and Social Contribution Loss carryforwards of R$ 191,199 (R$ 2,235 at 03/31/2015), Provisions for Guarantee Accounts of R$ 131,656 , Administrative Provisions of R$ 20,965 (R$ 5,372 at 03/31/2015) and Provisions related to Legal, Tax and Social Security Liabilities of R$ 15,501 (R$ 5,594 at 03/31/2015), which expected realization is dependent upon the progress of the lawsuit.

II - Provision for Deferred Income Tax and Social Contribution balance and the changes therein changes are shown as follows:

	12/31/2015	Realization / Reversal	Increase	03/31/2016	03/31/2015
Reflected in income and expense accounts	**3,500,301**	**(390,478)**	**2,461,889**	**5,571,712**	**3,768,824**
Depreciation in excess – leasing	1,487,279	(89,709)	(13,517)	1,384,053	2,226,153
Restatement of escrow deposits and contingent liabilities	1,129,778	(38,082)	76,621	1,168,317	883,456
Provision for pension plan benefits	380,099	-	23,062	403,161	412,767
Adjustments to market value of securities and derivative financial instruments	205,166	(205,166)	2,369,468	2,369,468	16,036
Adjustments of operations carried out on the future settlement market	56,457	(56,457)	-	-	-
Taxation of results abroad – capital gains	167,162	-	5,061	172,223	160,199
Other	74,360	(1,064)	1,194	74,490	70,213
Reflected in stockholders' equity accounts	**1,848,221**	**(1,460,567)**	**15,366**	**403,020**	**1,079,402**
Adjustments to market value of available-for-sale securities	34,969	(29,681)	-	5,288	105,995
Cash flow hedge	1,433,828	(1,428,735)	8,082	13,175	522,517
Provision for pension plan benefits (*)	379,424	(2,151)	7,284	384,557	450,890
Total	**5,348,522**	**(1,851,045)**	**2,477,255**	**5,974,732**	**4,848,226**

(*) Reflected in stockholders' equity, pursuant to CVM Resolution nº 695/12 (Note 19).

At ITAÚ UNIBANCO HOLDING, the Provisions for Deferred Taxes and Contributions total R$ 22,681 (R$ 3,298 at 03/31/2015), and are basically comprised of Adjustments to Market Value of Trading Securities and Financial Derivative Instruments of R$ 15,747, and Monetary Restatement of Escrow Deposits for Legal Obligations and Contingent Liabilities of R$ 5,306 (R$ 3,298 at 03/31/2015).

III - The estimate of realization and present value of tax credits and social contribution to offset, arising from Provisional Measure 2,158-35 of 08/24/2001 and from the Provision for Deferred Income Tax and Social Contribution existing at March 31, 2016, are:

Year of realization	Deferred tax assets						Social contribution for offsetting	%	Provision for deferred income tax and social contribution	%	Net deferred taxes	%
	Temporary differences	%	Tax loss/social contribution loss carryforwards	%	Total	%						
2016	11,038,350	24%	130,373	2%	11,168,723	21%	50,557	8%	(986,557)	16%	10,232,723	21%
2017	12,546,841	27%	936,157	13%	13,482,998	25%	208,403	32%	(1,401,355)	23%	12,290,046	25%
2018	12,924,756	28%	1,101,274	15%	14,026,030	26%	287,183	45%	(1,405,865)	24%	12,907,348	27%
2019	1,033,950	2%	3,034,850	41%	4,068,800	7%	92,647	15%	(294,918)	5%	3,866,529	8%
2020	912,452	2%	2,094,017	29%	3,006,469	6%	-	0%	(596,831)	10%	2,409,638	5%
after 2020	7,879,749	17%	-	0%	7,879,749	15%	-	0%	(1,289,206)	22%	6,590,543	14%
Total	**46,336,098**	**100%**	**7,296,671**	**100%**	**53,632,769**	**100%**	**638,790**	**100%**	**(5,974,732)**	**100%**	**48,296,827**	**100%**
Present value (*)	**41,593,331**		**6,280,593**		**47,873,924**		**583,464**		**(5,220,823)**		**43,236,565**	

(*) The average funding rate, net of tax effects, was used to determine the present value.

The projections of future taxable income include estimates related to macroeconomic variables, exchange rates, interest rates, volume of financial operations and service fees and others, which can vary in relation to actual data and amounts.

Net income in the financial statements is not directly related to the taxable income for income tax and social contribution, due to differences between the accounting criteria and tax legislation, in addition to corporate aspects. Accordingly, we recommend that the trends for the realization of deferred tax assets arising from temporary differences, income tax and social contribution loss carry forwards are not used as an indication of future net income.

IV- Considering the temporary effects of Law 13,169/15, which increases the Social Contribution tax rate to 20% until December 31, 2018, tax credits were accounted for based on their expected realization. There are no unrecorded deferred tax assets at 03/31/2016 and 03/31/2015.

c) Tax and social security contributions

	03/31/2016	03/31/2015
Taxes and contributions on income payable	1,237,223	1,995,932
Taxes and contributions payable	1,865,932	1,421,202
Provision for deferred income tax and social contribution (Note 14b II)	5,974,732	4,848,226
Legal liabilities – tax and social security (Note 12b)	4,334,652	3,689,921
Total	**13,412,539**	**11,955,281**

At ITAÚ UNIBANCO HOLDING, the balance of Tax and Social Security Contributions totals R$ 272,189 (R$ 244,094 at 03/31/2015) and is mainly comprised of Taxes and contributions on income payable of R$ 236,738 (R$ 239,651 at 03/31/2015) and Deferred Taxes and Social Contribution R$ 22,681 (R$ 3,298 at 03/31/2015).

d) Taxes paid or provided for and withheld from third parties

The amount of taxes paid or provided for mainly arises from those levied on income, revenue and payroll. In relation to the amounts withheld and collected from third parties, the company takes into consideration the interest on capital and on the provision of service, in addition to that levied on financial operation.

	03/31/2016	03/31/2015
Taxes paid or provided for	4,309,245	5,834,892
Taxes withheld and collected from third parties	3,220,975	3,814,102
Total	**7,530,220**	**9,648,994**

Note 15 – Permanent Assets

a) Investment

I - Change of investments - ITAÚ UNIBANCO HOLDING

Companies	Balance at 12/31/2015					Changes											
	Book value		Unrealized results	Goodwill	Balance at 12/31/2015	Amortization of goodwill	Dividends / interest on capital paid/provided for [2]	Equity in earnings of subisidiaries					Adjustments in marketable securities of subsidiaries and other	Corporate Events [3]	Balance at 03/31/2016	Balance at 03/31/2015	Equity in earnings of subsidiaries from 01/01 to 03/31/2015
	Stockholders' equity	Adjustments under investor criteria [1]						Earnings/ (loss)	Changes in exchange rates	Adjustments under investor criteria [1]	Unrealized results	Total					
Domestic	**66,428,426**	**19,485**	**(373,322)**	**17,951**	**66,092,540**	**(1,584)**	**(2)**	**3,096,199**	**-**	**(3,614)**	**28,687**	**3,121,272**	**(575,037)**	**-**	**68,637,189**	**62,905,811**	**3,700,254**
Itaú Unibanco S.A.	56,187,610	11,362	(327,902)	17,951	55,889,021	(1,584)	-	2,539,182	-	1,851	24,901	2,565,934	(586,157)	-	57,867,214	51,270,543	1,961,758
Banco Itaú BBA S.A.	5,686,536	3,175	(45,420)	-	5,644,291	-	-	191,968	-	(944)	3,786	194,810	10,612	-	5,849,713	5,840,708	196,882
Banco Itaucard S.A. [4]	2,595,045	4,425	-	-	2,599,470	-	-	250,059	-	(4,447)		245,612	429	-	2,845,511	2,923,030	1,213,384
Itaú -BBA Participações S.A.	1,538,767	-	-	-	1,538,767	-	-	58,763	-	-		58,763	2	-	1,597,532	1,396,115	35,700
Itaú Corretora de Valores S. A. [4]	420,455	523	-	-	420,978	-	-	56,226	-	(74)		56,152	77	-	477,207	1,475,401	292,529
Itau Seguros S.A.	13	-	-	-	13	-	(2)	1	-	-		1	-	-	12	14	1
Foreign	**8,159,423**	**-**	**-**	**51,409**	**8,210,832**	**(12,852)**	**(93,248)**	**234,157**	**(553,340)**	**10,635**	**-**	**(308,548)**	**14,729**	**(184,661)**	**7,626,252**	**7,115,324**	**1,289,437**
Banco Itau Chile S.A. [5][6]	4,315,229	-	-	41,473	4,356,702	(10,368)	(11,284)	23,448	(119,731)	10,635	-	(85,648)	5,468	-	4,254,870	-	-
BICSA Holdings [6]	2,019,984	-	-	3,769	2,023,753	(942)	-	37,560	(181,759)	-	-	(144,199)	41	-	1,878,653	-	-
Banco Itaú Uruguay S.A.	1,296,198	-	-	4,712	1,300,910	(1,178)	-	130,956	(208,577)	-	-	(77,621)	9,219	-	1,231,330	1,102,591	199,520
OCA S.A.	342,288	-	-	1,434	343,722	(359)	(81,964)	42,131	(46,070)	-	-	(3,939)	1	-	257,461	285,563	68,531
ACO Ltda.	4,534	-	-	21	4,555	(5)	-	62	(674)	-	-	(612)	-	-	3,938	4,008	467
Itaú Chile Holdings, INC. [7]	181,190	-	-	-	181,190	-	-	-	3,471	-	-	3,471	-	(184,661)	-	5,723,162	1,009,288
OCA Casa Financiera S.A. [8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,631
Grand total	**74,587,849**	**19,485**	**(373,322)**	**69,360**	**74,303,372**	**(14,436)**	**(93,250)**	**3,330,356**	**(553,340)**	**7,021**	**28,687**	**2,812,724**	**(560,308)**	**(184,661)**	**76,263,441**	**70,021,135**	**4,989,691**

(1) Adjustment arising from the standardization of the investee's financial statements according to the investor's accounting policies;
(2) Dividends approved and not paid are recorded as Dividends receivable.
(3) Corporate Events arising from acquisitions, spin-offs, merges, takeovers, and increases or decreases of capital.
(4) The investment and the equity in earnings reflect the different interest in preferred shares, profit sharing and dividends.
(5) The interest in Banco Itaú Chile changed, due to the capital increase carried out on March 22, 2016 by ITB Holding BR;
(6) Company entrance on July 31, 2015.
(7) Company liquidated on February 29, 2016.
(8) Company liquidated on March 30, 2015.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares/quotas owned by ITAÚ UNIBANCO HOLDING			Equity share in voting capital (%)	Equity share in capital (%)
				Common	Preferred	Quotas		
Domestic								
Itaú Unibanco S.A.	40,325,563	58,152,661	2,539,181	2,124,156,731	2,057,245,497	-	100.00	100.00
Banco Itaú BBA S.A.	3,574,844	5,891,347	191,968	4,474,435	4,474,436	-	100.00	100.00
Banco Itaucard S.A. [4]	15,564,076	19,687,298	276,541	3,596,744,163	1,277,933,118	-	1.51	2.04
Itaú -BBA Participações S.A.	1,328,562	1,597,532	58,763	548,954	1,097,907	-	100.00	100.00
Itaú Corretora de Valores S. A. [4]	802,482	1,427,061	62,201	-	811,503	-	-	2.87
Itau Seguros S.A.	3,767,415	5,161,087	407,623	450	1	-	0.00	0.00
Foreign								
Banco Itau Chile S.A. [5][6]	3,935,407	6,316,888	36,286	1,433,689	-	-	66.86	66.86
BICSA Holdings [6]	1,177,500	1,875,827	37,560	-	-	330,860,746	100.00	100.00
Banco Itaú Uruguay S.A.	498,309	1,227,796	130,956	4,465,133,954	-	-	100.00	100.00
OCA S.A.	16,764	256,385	42,132	1,502,176,740	-	-	100.00	100.00
ACO Ltda.	15	3,952	63	-	-	131	99.24	99.24

II - Composition of investments

a) The table below shows the major investments of ITAÚ UNIBANCO HOLDING CONSOLIDATED:

	% participation at 03/31/2016		03/31/2016			
	Total	Voting	Stockholders' equity	Net income	Investment	Equity in earnings
Domestic					**3,903,285**	**129,982**
BSF Holding S.A [1a]	49.00%	49.00%	1,527,789	93,773	1,027,826	45,949
Conectcar Soluções de Mobilidade Eletrônica S.A. [1b]	50.00%	50.00%	86,697	(11,501)	177,456	(5,750)
IRB-Brasil Resseguros S.A. [2] [3]	15.01%	15.01%	2,875,493	182,226	424,442	27,293
Porto Seguro Itaú Unibanco Participações S.A.[2][3]	42.93%	42.93%	4,095,083	145,050	1,758,158	62,275
Others [4a] [5]					515,403	215
Foreign - Other [6a]					**2,290**	**808**
Total					**3,905,575**	**130,790**

	% participation at 03/31/2015		03/31/2015			
	Total	Voting	Stockholders' equity	Net income	Investment	Equity in earnings
Domestic					**3,103,604**	**131,799**
BSF Holding S.A. [1b]	49.00%	49.00%	1,229,021	114,603	960,700	56,156
IRB-Brasil Resseguros S.A. [2] [3]	15.01%	15.01%	2,739,817	31,645	404,072	5,045
Porto Seguro Itaú Unibanco Participações S.A.[2] [3]	42.93%	42.93%	3,789,598	141,836	1,627,045	60,895
Others [4b] [5]					111,787	9,703
Foreign - Others [6b]					**2,166**	**755**
Total					**3,105,770**	**132,554**

(1) Includes goodwill in the amount of a) R$ 279,209 e b) R$ 134,107 at 03/31/2016. Includes goodwill in the amount of c) R$ 358,480 at 03/31/2015;

(2) For the purpose of accounting for participation in earnings, the position at 02/29/2016 and 02/28/2015, as provided for in Circular Letter nº 1,963 of August 23, 1991, from BACEN;

(3) Adjustments resulting from standardization of the financial statements of the investee to the financial policies to the investor's;

(4) a) At March 31, 2016, it includes companies Kinea Private Equity, Olímpia Promoção e Serviços S.A., Tecnologia Bancária S.A.. It also includes companies Eneva S.A. and Intercement Brasil S.A., which are not stated under the equity accounting. b) At March 31, 2015 it includes companies Kinea Private Equity, Olímpia Promoção e Serviços S.A. and Tecnologia Bancária S.A.

(5) Includes equity in earnings not arising from net income.

(6) a) At 03/31/2016, includes Compãnia Uruguaya de Medios de Processamiento and Rias Redbanc S.A. b) At 03/31/2015, includes Compãnia Uruguaya de Medios de Processamiento, Rias Redbanc S.A. and Rosefield Finance Ltda.

III) Other investments

	03/31/2016	03/31/2015
Other investments	**645,269**	**642,365**
Shares and quotas	50,695	50,936
Investments through tax incentives	201,625	201,625
Equity securities	11,809	15,430
Other	381,140	374,374
(Allowance for loan losses)	**(208,880)**	**(208,902)**
Total	**436,389**	**433,463**
Equity - Other investments	**1,574**	**1,112**

b) Fixed assets, goodwill and intangible assets

I) Fixed assets

Real estate in use [1]	Fixed assets under construction	Real Estate in Use [2] [3]		Other Fixed Assets [3]					Total
		Land	Buildings	Improvements	Installations	Furniture and equipment	EDP Systems	Other (communication, security and transportation)	
Annual depreciation rates			4%	10%	10 a 20%	10 a 20%	20 a 50%	10 a 20%	
Cost									
Balance at 12/31/2015	**790,756**	**939,157**	**3,025,558**	**1,673,074**	**1,801,698**	**973,937**	**5,940,644**	**858,567**	**16,003,391**
Acquisitions	39,190	-	417	1,867	5,221	8,152	54,074	38,101	147,022
Disposals	-	-	-	(15,852)	(66)	(1,502)	(70,009)	(1,003)	(88,432)
Exchange variation	(458)	(1,247)	(12,591)	(30,243)	(1,712)	(27,026)	(33,025)	(2,654)	(108,956)
Transfers	(138,598)	-	904	23,933	6,119	-	107,642	-	-
Other	-	-	78	706	3,200	(304)	(70,323)	(71)	(66,714)
Balance at 03/31/2016	**690,890**	**937,910**	**3,014,366**	**1,653,485**	**1,814,460**	**953,257**	**5,929,003**	**892,940**	**15,886,311**
Depreciation									
Balance at 12/31/2015	**-**	**-**	**(1,764,172)**	**(929,569)**	**(841,462)**	**(579,305)**	**(4,276,197)**	**(557,355)**	**(8,948,060)**
Depreciation expenses	-	-	(19,473)	(66,925)	(34,291)	(23,712)	(193,557)	(21,599)	(359,557)
Disposals	-	-	-	15,611	1	264	62,765	348	78,989
Exchange variation	-	-	4,414	18,193	1,559	25,375	20,540	1,693	71,774
Other	-	-	(78)	(689)	(3,217)	327	30,601	70	27,014
Balance at 03/31/2016	**-**	**-**	**(1,779,309)**	**(963,379)**	**(877,410)**	**(577,051)**	**(4,355,848)**	**(576,843)**	**(9,129,840)**
Impairment									
Balance at 12/31/2015	-	-	-	-	-	**-**	-	-	**-**
Additions / assumptions	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
Balance at 03/31/2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Book value									
Balance at 03/31/2016	**690,890**	**937,910**	**1,235,057**	**690,106**	**937,050**	**376,206**	**1,573,155**	**316,097**	**6,756,471**
Balance at 03/31/2015	**1,115,188**	**944,469**	**1,312,692**	**727,525**	**994,129**	**397,498**	**1,739,673**	**289,389**	**7,520,563**

(1) The contractual commitments for the purchase of the fixed assets totaled R$ 59,297 achievable by 2016.

(2) Includes amounts pledged in guarantee of voluntary deposits (Note 12d).

(3) Includes the amount of R$ 4,198 (R$ 4,626 at 03/31/2015) related to attached real estate.

II) Goodwill

	Amortization period	Balance at 12/31/2015	Changes				Balance at 03/31/2016	Balance at 03/31/2015
			Acquisitions	Amortization expenses	Disposals	Exchange variation		
Goodwill (Notes 2b and 4j)	10 years	231,915	644,243	(1,511)	-	(21,840)	852,807	224,903

III) Intangible assets

Intangible [1]	Rights for acquisition of payroll [2]	Other intangible assets					Total
		Association for the promotion and offer of financial products and services	Acquisition of software	Development of software	Goodwill on Acquisition (Note 4k)	Other Intangible Assets	
Annual amortization rates	20%	8%	20%	20%	20%	10% to 20%	
Cost							
Balance at 12/31/2015	**1,004,449**	**1,408,589**	**2,298,862**	**3,310,640**	**1,812,300**	**887,580**	**10,722,420**
Acquisitions	85,425	-	47,427	70,156	-	733	203,741
Disposals	(46,480)	(7,405)	(2,975)	-	-	(14)	(56,874)
Exchange variation	-	(3,871)	(43,494)	-	(7,999)	(48,643)	(104,007)
Other	(2,820)	(24,970)	40,663	-	-	-	12,873
Balance at 03/31/2016	**1,040,574**	**1,372,343**	**2,340,483**	**3,380,796**	**1,804,301**	**839,656**	**10,778,153**
Amortization							
Balance at 12/31/2015	**(599,634)**	**(329,673)**	**(1,187,484)**	**(252,486)**	**(356,144)**	**(496,277)**	**(3,221,698)**
Amortization expenses [3]	(53,655)	(29,525)	(87,487)	(55,874)	(60,223)	(13,485)	(300,249)
Disposals	46,480	7,405	153	-	-	14	54,052
Exchange variation	-	1,947	24,147	-	216	43,056	69,366
Other	-	-	(928)	-	-	-	(928)
Balance at 03/31/2016	**(606,809)**	**(349,846)**	**(1,251,599)**	**(308,360)**	**(416,151)**	**(466,692)**	**(3,399,457)**
Impairment [4]							
Balance at 12/31/2015	**(18,251)**	**(1,792)**	-	**(17,675)**	-	-	**(37,718)**
Additions / assumptions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at 03/31/2016	**(18,251)**	**(1,792)**	**-**	**(17,675)**	**-**	**-**	**(37,718)**
Book value							
Balance at 03/31/2016	**415,514**	**1,020,705**	**1,088,884**	**3,054,761**	**1,388,150**	**372,964**	**7,340,978**
Balance at 03/31/2015	**451,315**	**1,194,086**	**1,067,144**	**2,798,992**	**1,634,290**	**1,516,186**	**8,662,013**

(1) The contractual commitments for the purchase of the new intangible assets totaled R$ 202,700 achievable by 2016.

(2) Represents the recording of amounts paid for acquisition of rights to provide services of payment of salaries, proceeds, retirement and pension benefits and similar benefits.

(3) Amortization expenses related to the rights for acquisition of payrolls and associations are disclosed in the expenses on financial operations.

(4) Pursuant to BACEN Resolution No. 3,566, of May 29, 2001 (Note 13i).

Note 16 – Stockholders' equity

a) Shares

The Extraordinary Stockholders' Meeting held on April 29, 2015 approved an increase in subscribed and paid-up capital by R$ 10,148,000, with the capitalization of the amounts recorded in Revenue Reserve – Statutory Reserve, with a 10% bonus share. Bonus shares started being traded on July 17, 2015 and the process was approved by the Central Bank on June 25,2015. Accordingly, capital stock was increased by 553,083,268 shares.

Capital comprises 6,083,915,949 book-entry shares with no par value, of which 3,047,040,198 are common and 3,036,875,751 are preferred shares without voting rights, but with tag-along rights, in the event of the public offer of common shares, at a price equal to 80% of the amount paid per share with voting rights in the controlling stake, as well as a dividend at least equal to that of the common shares. Capital stock amounts to R$ 85,148,000 (R$ 75,000,000 at 03/31/2015), of which R$ 57,925,799 (R$ 51,139,257 at 03/31/2015) refers to stockholders domiciled in the country and R$ 27,222,201 (R$ 23,860,743 at 03/31/2015) refers to stockholders domiciled abroad.

The table below shows the change in shares of capital stock and treasury shares during the period:

	Number			Amount
	Common	Preferred	Total	
Residents in Brazil at 12/31/2015	3,033,657,386	1,130,776,196	4,164,433,582	
Residents abroad at 12/31/2015	13,382,812	1,906,099,555	1,919,482,367	
Shares of capital stock at 12/31/2015	**3,047,040,198**	**3,036,875,751**	**6,083,915,949**	
Shares of capital stock at 03/31/2016	**3,047,040,198**	**3,036,875,751**	**6,083,915,949**	
Residents in Brazil at 03/31/2016	3,034,407,452	1,104,453,027	4,138,860,479	
Residents abroad at 03/31/2016	12,632,746	1,932,422,724	1,945,055,470	
Treasury shares at 12/31/2015	**2,795**	**162,562,650**	**162,565,445**	**(4,353,380)**
Purchase of treasury shares	-	7,990,000	7,990,000	(200,200)
Exercised – granting of stock options	-	(7,840,393)	(7,840,393)	12,409
Disposals – stock option plan	-	(7,483,548)	(7,483,548)	396,723
Treasury shares at 03/31/2016 [(1)]	**2,795**	**155,228,709**	**155,231,504**	**(4,144,448)**
Outstanding shares at 03/31/2016	**3,047,037,403**	**2,881,647,042**	**5,928,684,445**	
Outstanding shares at 03/31/2015 (2)	**3,047,037,403**	**2,968,849,046**	**6,015,886,449**	

(1) Own shares, purchased based on authorization of the Board of Directors, to be held in Treasury for subsequent cancellation or replacement in the market.

(2) For better comparability, outstanding shares for the period ending March 31, 2015 were adjusted to reflect the bonuses of June 25, 2015.

We detail below of the cost of shares purchased in the period, as well the average cost of treasury shares and their market price (in Brazilian reais per share) at 03/31/2016:

Cost / Market value	Common	Preferred
Minimum	-	23.79
Weighted average	-	25.06
Maximum	-	25.98
Treasury shares		
Average cost	7.25	26.70
Market value	26.71	31.21

b) Dividends

Stockholders are entitled to a mandatory dividend of not less than 25% of annual net income, which is adjusted according to the rules set forth in the Brazilian Corporate Law. Both types of shares participate equally, after common shares have received dividends equal to the annual minimum priority dividend of R$ 0.022 per share (non-cumulative) to be paid to preferred shares.

The calculation of the monthly advance of mandatory minimum dividend is based on the share position on the last day of the prior month, taking into consideration that the payment is made on the first business day of the subsequent month, amounting to R$ 0.015 per share.

I - Calculation

Net income - ITAÚ UNIBANCO HOLDING	4,262,594	
Adjustments:		
(-) Legal reserve	(213,130)	
Dividend calculation basis	4,049,464	
Mandatory dividend	1,012,366	
Dividend – paid / provided for	1,012,366	25.0%

II – Payments / provision of interest on capital and dividends

	Gross	WTS	Net
Paid / Prepaid	**177,520**	**-**	**177,520**
Dividends - 02 monthly installments of R$ 0,015 per share paid in February and March 2016	177,520	-	177,520
Declared (recorded in other liabilities – Social and Statutory)	**966,485**	**(131,639)**	**834,846**
Dividends - 1 monthly installment of R$ 0.015 per share paid on 04/01/2016	88,900	-	88,900
Interest on capital - R$ 0.1480 per share.	877,585	(131,639)	745,946
Total from 01/01 to 03/31/2016 - R$ 0.1708 net per share	**1,144,005**	**(131,639)**	**1,012,366**
Total from 01/01 to 03/31/2015 - R$ 0.2412 net per share	**1,508,642**	**(189,365)**	**1,319,277**

c) Capital and revenue reserves - ITAÚ UNIBANCO HOLDING

	03/31/2016	03/31/2015
Capital reserves	**1,208,948**	**1,217,048**
Premium on subscription of shares	283,512	283,512
Granted options recognized – Law No. 11,638, Share-based instruments and Share-based payment	924,331	932,431
Reserves from tax incentives and restatement of equity securities and other	1,105	1,105
Revenue reserves	**30,146,362**	**28,333,556**
Legal	7,107,970	6,118,392
Statutory:	23,038,392	22,215,164
Dividends equalization [(1)]	9,689,316	8,303,179
Working capital increase [(2)]	5,842,518	6,060,247
Increase in capital of investees [(3)]	7,506,558	7,851,738

(1) Reserve for Dividends Equalization – its purpose is to guarantee funds for the payment of advances on dividends, including interest on capital, to maintain the flow of the stockholders' compensation.

(2) Reserve for Working Capital Increase – its purpose is to guarantee funds for the company's operations.

(3) Reserve for Increase in Capital of Investees – its purpose is to guarantee the preferred subscription right in the capital increases of investees.

d) Reconciliation of net income and stockholders' equity (Note 2b)

	Net income		Stockholders' equity	
	01/01 to 03/31/2016	01/01 to 03/31/2015	03/31/2016	03/31/2015
ITAÚ UNIBANCO HOLDING	**4,262,594**	**5,554,851**	**110,415,605**	**102,550,308**
Amortization of goodwill	144,720	126,091	(417,600)	(1,026,653)
Corporate reorganizations (Note 4q)	461,653	469,595	(3,351,390)	(4,570,154)
Conversion adjustments of foreign investments (Note 4s)	314,678	(417,584)	-	-
Foreign exchange variations of investments	1,294,796	(1,802,642)	-	-
Hedge of net investments in foreign operations	(1,734,605)	2,390,488	-	-
Tax effects – hedge of net investments in foreign operations	754,487	(1,005,430)	-	-
ITAÚ UNIBANCO HOLDING CONSOLIDATED	**5,183,645**	**5,732,953**	**106,646,615**	**96,953,501**

e) Asset valuation adjustments - ITAÚ UNIBANCO HOLDING CONSOLIDADO

	03/31/2016	03/31/2015
Available-for-sale securities	(1,757,380)	(848,830)
Hedge cash flow	53,451	682,457
Remeasurements in liabilities of post-employment benefits	(239,328)	(166,830)
Foreign exchange variation on investments / Net Investment Hedge in Foreign Operations	(157,759)	387,777
Asset valuation adjustments	**(2,101,016)**	**54,574**

f) Non-controlling interests

	Stockholders' equity		Net Income	
	03/31/2016	03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	458,091	468,345	(24,826)	(31,661)
Banco Itaú BMG Consignado S.A. (Nota 2c)	936,998	860,229	(21,040)	(45,896)
Luizacred S.A. Soc. Cred. Financiamento Investimento	276,842	269,621	(9,707)	(26,248)
IGA Participações S.A.	67,102	53,369	(5,762)	(666)
Investimentos Bemge S.A.	24,493	22,548	(485)	(401)
Banco Investcred Unibanco S.A.	19,529	18,276	(324)	1,582
Others	15,561	7,603	(1,951)	(2,125)
Total	**1,798,616**	**1,699,991**	**(64,095)**	**(105,415)**

g) Share-based payment

ITAÚ UNIBANCO HOLDING and its subsidiaries have share-based payment programs aimed at involving its management members and employees in the medium and long term corporate development process.

These payments are only made in years where there are sufficient profits to enable the distribution of mandatory dividends, in order to limit the maximum dilutive effect to which stockholders are subject, and at a quantity that does not exceed the limit of 0.5% of the total shares held by the controlling and minority stockholders at the balance sheet date.

These programs are settled through the delivery of ITUB4 treasury shares to stockholders.

From 01/01 to 03/31/2016, the accounting effect of the share-based payment in income was R$ (162,547) (R$ (291,526) from 01/01 to 03/31/2015).

I – Stock Option Plan (Simple Options)

ITAÚ UNIBANCO HOLDING has a Stock Option Plan ("Simple Options") aimed at involving management members and employees in the medium and long term corporate development program of ITAÚ UNIBANCO HOLDING and its subsidiaries, offering them the opportunity to benefit from the appreciation that their work and dedication bring to the shares.

In addition to the grants provided under the Plan, ITAÚ UNIBANCO HOLDING also maintains control over the rights and obligations in connection with the options granted under the plans approved at the Extraordinary Stockholders' Meetings held on April 24, 2009 and April 19, 2013 related to the Unibanco – União de Bancos Brasileiros S.A., Unibanco Holdings S.A. and Redecard S.A. stock option plans, respectively. Accordingly, the exchange of shares for ITUB4 did not have a relevant financial impact.

Simple options have the following characteristics:

a) **Exercise price:** calculated based on the average prices of shares in the three months of the year prior to the grant date. The prices determined will be restated to the last business day of the month prior to the option exercise date based on IGP-M or, in its absence, on an index to be determined internally, and should be paid within the period in force for the settlement of operations on BM&FBOVESPA.

b) **Vesting period:** determined upon issue, from one to seven years, counted from the grant date. The vesting period is normally determined at five years.

c) **Fair value and economic assumptions for cost recognition:** the fair value of Simple Options is calculated on the grant date based on the Binominal model. Economic assumptions used are as follows:

(i) Exercise price: exercise price previously agreed upon the option issue, adjusted by the IGP-M variation;

(ii) Price of the underlying asset (ITUB4 shares): closing price on BM&FBOVESPA on the calculation base date.

(iii) Expected dividends: the average annual return rate for the last three years of dividends paid plus interest on capital of the ITUB4 share;

(iv) Risk-free interest rate: IGP-M coupon rate at the expiration date of the Simple Option;

(v) Expected volatility: calculated based on the standard deviation from the history of the last 84 monthly returns of the ITUB4 share closing prices, disclosed by BM&FBOVESPA, adjusted by the IGP-M variation.

	Simple options		
	Quantity	Weighted average Exercise price	Weighted average Market value
Opening balance at 12/31/2015	**45,948,317**	**35.08**	
Options exercisable at the end of the period	32,407,235	36.74	
Options outstanding but not exercisable	13,541,082	31.12	
Options:			
Granted	-	-	
Canceled / Forfeited (*)	(31,201)	25.67	
Exercised	(458,924)	26.25	31.88
Closing balance at 03/31/2016	**45,458,192**	**36.22**	
Options exercisable at the end of the period	32,185,041	37.88	
Options outstanding but not exercisable	13,273,151	32.18	
Range of exercise prices			
Granting 2009-2010		23,88 - 44,05	
Granting 2011-2012		23,88 - 43,03	
Weighted average of the remaining contractual life (in years)	2.37		

(*) Refers to non-exercise based on the beneficiary's decision.

	Simple options		
	Quantity	Weighted average Exercise price	Weighted average Market value
Opening balance at 12/31/2014	**55,162,112**	**32.43**	
Options exercisable at the end of the period	28,872,290	32.15	
Options outstanding but not exercisable	26,289,822	32.73	
Options:			
Granted	-	-	
Canceled / Forfeited (*)	(400,464)	33.26	
Exercised	(55,092)	24.14	33.39
Closing balance at 03/31/2015	**54,706,556**	**33.04**	
Options exercisable at the end of the period	28,854,093	32.66	
Options outstanding but not exercisable	25,852,462	33.45	
Range of exercise prices			
Granting 2008-2009		24,19 - 37,00	
Granting 2010-2012		23,88 - 39,30	
Weighted average of the remaining contractual life (in years)	2.58		

(*) Refers to non-exercise based on the beneficiary's decision.

II – Partner Plan

The employees and management members of ITAÚ UNIBANCO HOLDING and its subsidiaries may be selected to participate in the program investing a percentage of their bonus to acquire ITUB4 shares and share-based instruments. Accordingly, the ownership of these shares should be held by the beneficiaries for a period from three to five years, counted from the initial investment, and are thus subject to market price variation. After complying with the suspensive conditions set forth in the program, beneficiaries will be entitled to receive ITUB4 as consideration, in accordance with the numbers of shares provided for in the program regulation.

The acquisition prices of own shares and Share-Based Instruments are established every six months and is equivalent to the average of the ITUB4 quotation in the 30 days prior to the determination of the acquisition price.

The fair value of the ITUB4 as consideration is the market price at the grant date, less expected dividends.

The weighted average of the fair value of the ITUB4 shares as consideration was estimated at R$ 21.40 per share at 03/31/2016 (R$ 33.29 per share at 03/31/2015).

Law No. 12,973/14, which adjusted the tax legislation to the international accounting standards and terminated the Transitional Tax Regime (RTT), set up a new legal framework for payments made in shares. We made changes to the Partner Plan, and adjusted its tax effects, with conform with this new legislation.

Changes in the Partner Program

	Quantity
Closing balance at 12/31/2015	**30,605,777**
New granted	11,287,445
Cancelled	(54,360)
Exercised	(7,381,469)
Balance at 03/31/2016	**34,457,393**
Weighted average of remaining contractual life (years)	2.69

	Quantity
Balance at 12/31/2014	**26,734,428**
New granted	10,402,580
Cancelled	(277,096)
Exercised	(2,251,281)
Balance at 03/31/2015	**34,608,631**
Weighted average of remaining contractual life (years)	2.55

III- Variable Compensation

The policy established in compliance with CMN Resolution No. 3,921/10 sets forth that fifty percent (50%) of the management's variable compensation should be paid in cash and fifty percent (50%) should be paid in shares for a period of three years. Shares are delivered on a deferred basis, of which one-third (1/3) per year, will be contingent upon the executive's remaining with the institution. The deferred unpaid portions may be reversed proportionally to the significant reduction of the recurring income realized or the negative income for the period.

The fair value of the ITUB4 share is the market price at its grant date.

The weighted average of the fair value of ITUB4 shares was estimated at R$ 24.16 per share at 03/31/2016 (R$ 31.24 per share at 03/31/2015).

Change in variable compensation in shares	**2016**
	Quantity
Balance at 12/31/2015	20,295,976
New	10,773,155
Delivered	(9,672,000)
Cancelled	(85,777)
Balance at 03/31/2016	21,311,354

Change in variable compensation in shares	**2015**
	Quantity
Balance at 12/31/2014	16,366,009
New	10,818,441
Delivered	(7,511,651)
Cancelled	(539,061)
Balance at 03/31/2015	19,133,738

Note 17 – Related parties

a) Transactions between related parties are disclosed in compliance with CVM Resolution n° 642, of October 7, 2010, and CMN Resolution n° 3,750 of June 30, 2009. These transactions are carried out at amounts, terms and average rates in accordance with normal market practices during the period, as well as under reciprocal conditions.

Transactions between companies included in consolidation were eliminated from the consolidated financial statements and the lack of risk is taken into consideration.

The unconsolidated related parties are as follows:

- Itaú Unibanco Participações S.A. (IUPAR), the Companhia E.Johnston de Participações S.A. (shareholder of IUPAR) and ITAÚSA, direct and indirect shareholders of ITAÚ UNIBANCO HOLDING;

- The non-financial subsidiaries of ITAÚSA, specially: Itautec S.A., Duratex S.A., Elekeiroz S.A., ITH Zux Cayman Company Ltd and Itaúsa Empreendimentos S.A.;

- Fundação Itaú Unibanco - Previdência Complementar, FUNBEP – Fundo de Pensão Multipatrocinado, Fundação Bemgeprev, UBB Prev - Previdência Complementar, and Fundação Banorte Manuel Baptista da Silva de Seguridade Social, closed-end supplementary pension entities that administer retirement plans sponsored by ITAÚ UNIBANCO HOLDING and / or its subsidiaries;

- Fundação Itaú Social, Instituto Itaú Cultural, Instituto Unibanco, Instituto Assistencial Pedro Di Perna, Instituto Unibanco de Cinema and Associação Itaú Viver Mais, entities sponsored by ITAÚ UNIBANCO and subsidiaries to act in their respective areas of interest, as described in Notes 22e and 22j; and

- Investments in Porto Seguro Itaú Unibanco Participações S.A. and BSF Holding S.A.

The transactions with these related parties are basically characterized by:

	ITAÚ UNIBANCO HOLDING				ITAÚ UNIBANCO HOLDING CONSOLIDATED			
	Assets / (liabilities)		Revenue / (expense)		Assets / (liabilities)		Revenue / (expense)	
	03/31/2016	03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015	03/31/2016	03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015
Interbank investments	**76,221,080**	**40,701,568**	**1,946,871**	**1,015,796**	**-**	**21,385**	**-**	**641**
Itaú Unibanco S.A.	44,413,880	31,174,355	1,482,948	881,824	-	21,385	-	641
Agência Grand Cayman	9,877,790	9,008,251	163,763	120,355	-	-	-	-
Itaú Unibanco S.A. Nassau Branch	21,929,410	518,962	300,160	13,617	-	-	-	-
Securities and derivative financial instruments	**-**	**16,346,155**	**-**	**198,976**	**-**	**-**	**-**	**-**
Agência Grand Cayman	-	16,346,155	-	198,976	-	-	-	-
Deposits	**(14,056,140)**	**-**	**(111,961)**	**-**	**-**	**-**	**-**	**-**
Itaú Unibanco S.A. Nassau Branch	(14,056,140)	-	(111,961)	-	-	-	-	-
Securities sold under repurchase agreements	**-**	**(327)**	**-**	**(891)**	**(351,371)**	**(196,295)**	**(16,504)**	**(5,765)**
Itaú Bank, Ltd.	-	(327)		(891)	-	-	-	-
Duratex S.A.	-	-	-	-	(21,763)	(99,350)	(1,433)	(3,038)
Elekeiroz S.A.	-	-	-	-	(7,407)	-	(234)	-
Itautec S.A.	-	-	-	-	(40,603)	(1,581)	(2,016)	(43)
Itaúsa Empreendimentos S.A.	-	-	-	-	-	(95,364)	-	(2,684)
Instituto Unibanco		-		-	(256,606)	-	(10,825)	-
Others	-	-	-	-	(24,992)	-	(1,996)	-
Debentures	**(51,588)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Itaú Unibanco S.A. Nassau Branch	(51,588)	-	-	-	-	-	-	-
Amounts receivable from (payable to) related companies / Banking service fees (expenses)	**(364)**	**(320)**	**(1,169)**	**(930)**	**(120,479)**	**(107,274)**	**4,807**	**15,608**
Itaú Unibanco S.A.	1	(13)	-	-	-	3,407	-	6,924
Itaú Corretora de Valores S. A.	(365)	(307)	(1,169)	(930)	-	-	-	-
Itaúsa Investimentos Itaú S.A.	-	-	-	-	-	-	(701)	-
Itaúsa Empreendimentos S.A.		-		-	-	-	58	(1,792)
Olimpia Promoção e Serviços S.A.	-	-	-	-	(2,206)	-	(5,684)	-
Fundação Itaú Unibanco - Previdência Complementar	-	-	-	-	(118,364)	(10,911)	10,231	8,488
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	308	280	1,349	1,257
Fundação BEMGEPREV	-	-	-	-	-	24	-	150
Fundação Banorte Manuel Baptista da Silva de Seguridade Social	-	-	-	-	-	(100,262)	-	75
Others	-	-	-	-	(217)	188	(446)	506
Rent revenues (expenses)	**-**	**-**	**(73)**	**(62)**		**-**	**(14,379)**	**(13,598)**
Itaúsa Investimentos Itaú S.A.	-	-	(5)	-	-	-	(466)	(425)
Itaú Seguros S.A.	-	-	(52)	(47)	-	-	-	-
Fundação Itaú Unibanco - Previdência Complementar	-	-	-	-	-	-	(10,677)	(9,832)
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	(3,165)	(3,255)
Others	-	-	(16)	(15)	-	-	(71)	(86)
Donation expenses	**-**	**-**	**-**	**-**	**-**	**-**	**(22,000)**	**(27,000)**
Instituto Itaú Cultural	-	-	-	-	-	-	(22,000)	(27,000)

In addition to the aforementioned operations, ITAÚ UNIBANCO HOLDING and non-consolidated related parties, as an integral part of the Agreement for apportionment of common costs of Itaú Unibanco, recorded in Other Administrative Expenses in the amount of R$ (1,188) (R$ (974) from 01/01 to 03/31/2015) in view of the use of the common structure.

In accordance with the rules in effect, the financial institutions cannot grant loans or advances to the following:

a) any individual or company that control the Institution or any entity under common control with the institution, or any officer, director, fiscal council member or direct relative of such individuals;

b) any entity controlled by the Institution; or

c) any entity of which the bank directly or indirectly holds at least 10% of the capital stock.

Therefore, no loans or advances are made to any subsidiaries, executive officers, Board of Directors members or their relatives.

b) Compensation of management key personnel

The fees attributed in the period to ITAÚ UNIBANCO HOLDING CONSOLIDATED management members are as follows:

	01/01 to 03/31/2016	01/01 to 03/31/2015
Compensation	**143,429**	**155,259**
Board of Directors	10,957	8,121
Management members	132,472	147,138
Profit sharing	**38,992**	**35,786**
Board of Directors	1,136	288
Management members	37,856	35,498
Contributions to pension plans	**4,566**	**3,572**
Board of Directors	56	1
Management members	4,510	3,571
Stock option plan – Management members	**96,197**	**54,512**
Total	**283,184**	**249,129**

Information related to the granting of the share-based payment, benefits to employees and post-employment benefits is detailed in Notes 16g II and 19, respectively.

Note 18 - Market value

The financial statements are prepared in accordance with accounting principles which assume the normal continuity of the operations of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

The book value of each financial instrument, whether included or not in the balance sheet (comprises investments in affiliates and other investments), when compared to the value that might be obtained in an active market, or in the absence of such a market, using the net present value of future cash flows adjusted based on the current market interest, is approximately equal to the market value, or does not have a market quotation available, except for the instruments in the table below:

	Book value		Market		Effects [1]			
					Results		Stockholders' equity	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Interbank deposits	29,184,435	25,894,799	29,188,897	25,894,886	4,462	87	4,462	87
Securities and derivative financial instruments	338,997,144	324,059,762	337,924,201	323,795,209	(4,054,978)	(1,667,399)	(1,072,943)	(264,553)
Adjustment of available-for-sale securities					(2,343,188)	(689,991)	-	-
Adjustment of held-to-maturity securities					(1,711,790)	(977,408)	(1,072,943)	(264,553)
Loan, lease and other credit operations	409,430,784	439,751,189	412,066,168	441,439,861	2,635,384	1,688,672	2,635,384	1,688,672
Investments								
BM&FBOVESPA	14,610	14,610	168,591	122,333	153,981	107,723	153,981	107,723
Porto Seguro Itaú Unibanco Participações S.A. [2]	1,758,158	1,627,045	2,677,488	3,513,957	919,330	1,886,912	919,330	1,886,912
Funding and borrowing [3]	234,836,327	227,570,782	235,960,943	228,482,147	(1,124,616)	(911,365)	(1,124,616)	(911,365)
Subordinated debt (Note 10f)	57,918,871	59,527,479	57,986,526	59,898,714	(67,655)	(371,235)	(67,655)	(371,235)
Treasury shares	4,144,448	1,667,093	4,844,763	2,183,739	-	-	700,315	516,646

(1) This does not consider the corresponding tax effects.

(2) Parent company of Porto Seguro S.A.

(3) Funding is represented by interbank and time deposits, funds from acceptance and issuance of securities and borrowing.

Fair value is a measurement based, whenever possible, on information observable in the market. It is the price estimated at which a non-mandatory transaction to sell an asset or to transfer a liability would occur between market players, on the measurement date, under current market conditions. It does not represent unrealized results of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

To obtain the market values for these financial instruments, the following criteria were adopted:

- Interbank investments were determined based on their nominal amounts, monetarily restated as at their maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities, achieved up to the closing of BM&FBOVESPA at the balance sheet date, for floating-rate securities;

- Securities and derivative financial instruments, according to the rules established by Circulars No. 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, issued by BACEN, are recorded at their market values, except for those classified as Held to Maturity. Government securities allocated in this category have their market value calculated based on the rates obtained in the market, and validated through the comparison with information provided by the National Association of Financial Market Institutions (ANBIMA). Private securities included in this category have their market value calculated using a criterion similar to the one adopted for Investments in Interbank Deposits, as described above;

- Loans with maturities over 90 days, when available, were calculated based on the net present value of future cash flows discounted at market interest rates effective on the balance sheet date;

- Investments - in companies BM&FBOVESPA and Porto Seguro at the share value quoted on stock exchanges.

- Time and interbank deposits and funds from the acceptance and issuance of securities and foreign borrowing through securities, when available, were calculated based on their present value determined by future cash flows discounted at market rates obtained at the closing of BM&FBOVESPA on the balance sheet date;

- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the market interest rates effective on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated from the interest curves of the indexation market places;

- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.

Note 19 – Post-Employments Benefits

Pursuant to CVM Resolution No. 695, dated December 13, 2012, we present the policies adopted by ITAÚ UNIBANCO HOLDING CONSOLIDATED and its subsidiaries regarding benefits to employees, as well as the accounting procedures adopted.

The total amounts recognized in Income for the Period and Stockholders' Equity – Asset valuation adjustment were as follows:

Total amounts recognized in Income for the period

	Defined benefit		Defined contribution		Other benefits		Total	
	01/01 to 03/31/2016	01/01 to 03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015	01/01 to 03/31/2016	01/01 to 03/31/2015
Cost of current service	(12,822)	(15,440)	-	-	-	-	(12,822)	(15,440)
Net interest	(972)	(1,498)	59,784	54,701	(4,876)	(4,248)	53,936	48,955
Contribution (*)	-	-	(32,026)	(39,242)	-	-	(32,026)	(39,242)
Benefits paid	-	-	-	-	3,210	3,425	3,210	3,425
Total Amounts Recognized	**(13,794)**	**(16,938)**	**27,758**	**15,459**	**(1,666)**	**(823)**	**12,298**	**(2,302)**

In the period, contributions to the defined contributions plan, including PGBL, totaled R$ 85,397 (R$ 54,477 from 01/01 to 03/31/2015), of which R$ 32,026 (R$ 39,242 from 01/01 to 03/31/2015) arising from social security funds.

Total amounts recognized in Stockholders' Equity – Asset valuation adjustment

	Defined benefit		Defined contribution		Other benefits		Total	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
At the beginning of the period	**(44,638)**	**(75,206)**	**(315,282)**	**(220,808)**	**(12,570)**	**(8,436)**	**(372,490)**	**(304,450)**
Effects on asset ceiling	(14,129)	7,644	375	(11,727)	-	-	(13,754)	(4,083)
Remeasurements	11,710	5,362	(1,543)	21,173	-	-	10,167	26,535
Total Amounts Recognized	**(47,057)**	**(62,200)**	**(316,450)**	**(211,362)**	**(12,570)**	**(8,436)**	**(376,077)**	**(281,998)**

a) Retirement plans

ITAÚ UNIBANCO HOLDING CONSOLIDATED and some of its subsidiaries sponsor defined benefit and variable contribution plans, whose basic purpose is to grant benefits that, in general, provide a life annuity benefit, and may be converted into survivorship annuities, according to the plan's regulations. They also sponsor defined contribution plans, the benefit of which is calculated based on the accumulated balance at the eligibility date, according to the plan's regulations, which does not require actuarial calculation, except as described in Note 19c.

Employees hired prior to July 31, 2002, for those who came from Itaú, and prior to February 27, 2009 for those who came from Unibanco, are beneficiaries of the above-mentioned plans. As regards the employees hired after these dates, they have the option to voluntarily participate in a variable contribution plan (PGBL), managed by Itaú Vida e Previdência S.A.

Supplementary plans are managed by closed-end private pension entities with independent legal structures, as detailed below:

Entity	Benefit plan
Fundação Itaubanco - Previdência Complementar	Supplementary retirement plan – PAC (1)
	Franprev benefit plan - PBF (1)
	002 benefit plan - PB002 (1)
	Itaulam basic plan - PBI (1)
	Itaulam Supplementary Plan - PSI (2)
	Itaubanco Defined Contribution Plan (3)
	Itaubank Retirement Plan (3)
	Itaú Defined Benefit Plan (1)
	Itaú Defined Contribution Plan (2)
	Unibanco Pension Plan (3)
	Prebeg benefit plan (1)
	UBB PREV defined benefit plan (1)
	Benefit Plan II (1)
	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV) (1)
	REDECARD Basic Retirement Plan (1)
	REDECARD Supplementary Retirement Plan (2)
	REDECARD Pension Plan (3)
	ITAUCARD Retirement Defined Benefit Plan (1)
	ITAUCARD Supplementary Retirement Plan (2)
Funbep Fundo de Pensão Multipatrocinado	Funbep I Benefit Plan (1)
	Funbep II Benefit Plan (2)

(1) Defined benefit plan;
(2) Variable contribution plan;
(3) Defined contribution plan.

b) Governance

The closed-end private pension entities (EFPC) and benefit plans they manage are regulated in conformity with the related specific legislation. The EFPC are managed by the Executive Board, Advisory Council and Fiscal Council, with some members appointed by the sponsors and others appointed as representatives of active and other participants, pursuant to the respective Entity's bylaws. The main purpose of the EFPC is to pay benefits to eligible participants, pursuant to the Plan Regulations, maintaining the plans assets invested separately and independently from ITAÚ UNIBANCO HOLDING CONSOLIDATED.

c) Defined benefit plan

I - Main assumptions used in actuarial valuation of Retirement Plans

	03/31/2016	03/31/2015
Discount rate [1]	11.28% a.a.	10.24% p.a.
Mortality table [2]	AT-2000 Itaú Experience	AT-2000 Itaú Experience
Turnover [3]	2008/2010	2008/2010
Future salary growth	7.12 % p.a.	7.12 % p.a.
Growth of the pension fund and social security benefits	4.00 % p.a.	4.00 % p.a.
Inflation	4.00 % p.a.	4.00 % p.a.
Actuarial method [4]	Projected Unit Credit	Projected Unit Credit

(1) The adoption of this assumption is based on interest rates obtained from the actual interest curve in IPCA, for medium term liabilities of retirement plans sponsored by ITAÚ UNIBANCO HOLDING CONSOLIDATED. At 12/31/2015 assumption were adopted consistently with the economic scenario at the balance sheet date rate, considering the volatility of the interest markets and the models adopted.

(2) The mortality tables adopted correspond to those disclosed by Society of Actuaries (SOA), the North-American Entity which corresponds to Brazilian Institute of Actuarial Science (IBA), which reflects a 10% increase in the probabilities of survival compared to the respective basic tables.

The life expectancy in years per the AT-2000 mortality table for participants aged 55 years is 27 and 31 years for men and women, respectively.

(3) The turnover assumption is based on the effective experience of ITAÚ UNIBANCO HOLDING CONSOLIDATED, resulting in the average of 2.4% p.a. based on the 2008/2010 experience.

(4) Using the Projected Unit Credit, the mathematical reserve is determined based on the current projected benefit amount multiplied by the ratio between the length of service in the company at the assessment date and the length of service that will be reached at the date when the benefit is granted. The cost is determined taking into account the current projected benefit amount distributed over the years that each participant is employed.

Biometric/demographic assumptions adopted are consistent with the group of participants of each benefit plan, pursuant to the studies carried out by an independent external actuarial consulting company.

The main differences between the assumptions above and those adopted upon determination of the actuarial liability of defined benefit plans, for the purposes of recording in the balance sheet of the closed-end private pension entities (EFPCs) that manage them, are the discount rate and the actuarial method. Regarding the discount rate assumption, EFPCs adopt a rate consistent with the flow of receipts/payments, in accordance with the study conducted by an independent external consulting company. Regarding the actuarial method, the aggregate method is adopted, by which the mathematical reserve is defined based on the difference between the present value of the projected benefit and the present value of future contributions, subject to the methodology defined in the respective actuarial technical note.

II- Risk Exposure

Due to its defined benefit plans, ITAÚ UNIBANCO HOLDING CONSOLIDATED is exposed to a number of risks, the most significant ones are:

- Volatility of assets

The actuarial liability is calculated by adopting a discount rate defined based on the income related to securities issued by the Brazilian treasury (government securities). If the actual income related to plan investments is lower than expected, this may give rise to a deficit. The plans have a significant percentage of fixed-income securities pegged to the plan commitments, aimed at minimizing volatility and short and medium term risk.

- Changes in investment income

A decrease in income related to public securities will imply a decrease in the discount rate and, therefore, will increase the plan's actuarial liability. The effect will be partially offset by the recognition of these securities at market value.

- Inflation risk

Most of the plan benefits are pegged to the inflation rates, and a higher inflation will lead to higher obligations. The effect will also be partially offset because a significant portion of the plan assets is pegged to government securities restated at the inflation rate.

- Life expectancy

Most of the plan obligations are to provide life benefits, and therefore an increase in life expectancy will result in increased plan liabilities.

III –Management of defined benefit plan assets

The general purpose of managing EFPC funds is to search for a long term balance between assets and obligations to pay of retirement benefits, by exceeding the actuarial targets (discount rate plus benefit adjustment index, established in the plan regulations).

Regarding the assets guaranteeing the actuarial liability reserves, management should ensure the payment capacity of retirement benefits in the long term by avoiding the risk of mismatching assets and liabilities in each pension plan.

At 03/31/2016 and 03/31/2015 the allocation of plan assets and the allocation target for 2016, by type of asset, are as follows:

Types	Fair value		% Allocation		
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	2016 Target
Fixed income securities	12,499,749	12,382,270	90.62%	91.10%	53% a 100%
Variable income securities	593,106	658,639	4.30%	4.85%	0% a 20%
Structured investments	740	21,930	0.01%	0.16%	0% a 10%
Real estate	630,586	482,854	4.57%	3.55%	0% a 7%
Loans to participants	69,772	46,847	0.51%	0.35%	0% a 5%
Total	**13,793,953**	**13,592,540**	**100.00%**	**100.00%**	

The defined benefit plan assets include shares of ITAÚ UNIBANCO HOLDING CONSOLIDATED, its main parent company (ITAÚSA) and of subsidiaries of the latter, with a fair value of R$ 507,337 (R$ 572,436 at 03/31/2015), and real estate rented to Group companies, with a fair value of R$ 603,641 (R$ 451,460 at 03/31/2015).

Fair value - the fair value of the plan assets is adjusted up to the Balance Sheet date, as follows:

Fixed-Income Securities and Structured Investments – accounted for at market value, considering the average trading price on the calculation date, net realizable value obtained upon the technical addition of pricing, considering, at least, the payment terms and maturity, credit risk and the indexing unit.

Variable income securities – accounted for at market value, taken to be understood the share average quotation at the last day of the month or at the closest date on the stock exchange on which the share has posted the highest liquidity rate.

Real Estate – stated at acquisition or construction cost, adjusted to market value based on reappraisals made in 2015, supported by technical appraisal reports. Depreciation is calculated under the straight line method, considering the useful life of the real estate.

Loans to participants – adjusted up to the report date, in compliance with the respective agreements.

Fund Allocation Target - the fund allocation target is based on Investment Policies that are currently revised and approved by the Advisory Council of each EFPC, considering a five-year period, which establishes guidelines for investing funds guaranteeing Actuarial Liability and for classifying securities.

IV- Net amount recognized in the balance sheet

Following is the calculation of the net amount recognized in the balance sheet, corresponding to the defined benefit plan:

	03/31/2016	03/31/2015
1 - Net assets of the plans	13,793,953	13,592,540
2 - Actuarial liabilities	(11,676,983)	(11,804,081)
3- Surplus (1-2)	**2,116,970**	**1,788,459**
4- Asset restriction (*)	(2,208,384)	(1,881,919)
5 - Net amount recognized in the balance sheet (3-4)	**(91,414)**	**(93,460)**
Amount recognized in Assets (Note 13a)	223,769	256,016
Amount recognized in Liabilities (Note 13c)	(315,183)	(349,476)

(*) Corresponds to the excess of the present value of the available economic benefit, in conformity with item 64 of CVM Resolution nº 695.

V- Changes in the net amount recognized in the balance sheet:

	03/31/2016				
	Plan net assets	Actuarial liabilities	Surplus	Asset Ceiling	Recognized amount
Value at the beginning of the period	**13,633,401**	**(11,587,180)**	**2,046,221**	**(2,133,856)**	**(87,635)**
Cost of current service	-	(12,822)	(12,822)	-	(12,822)
Net interest [1]	370,700	(311,273)	59,427	(60,399)	(972)
Benefits paid	(223,578)	223,578	-	-	-
Contributions of sponsor	12,434	-	12,434	-	12,434
Contributions of participants	3,438	-	3,438	-	3,438
Effects on asset ceiling	-	-	-	(14,129)	(14,129)
Remeasurements [2] [3]	(2,442)	10,714	8,272	-	8,272
Value at end of the period	**13,793,953**	**(11,676,983)**	**2,116,970**	**(2,208,384)**	**(91,414)**

	03/31/2015				
	Plan net assets	Actuarial liabilities	Surplus	Asset Ceiling	Recognized amount
Value at the beginning of the period	**13,437,757**	**(11,694,678)**	**1,743,079**	**(1,847,316)**	**(104,237)**
Cost of current service	-	(15,440)	(15,440)	-	(15,440)
Net interest [1]	333,615	(287,935)	45,680	(47,178)	(1,498)
Benefits paid	(201,857)	201,857	-	-	-
Contributions of sponsor	14,709	-	14,709	-	14,709
Contributions of participants	3,257	-	3,257	-	3,257
Effects on asset ceiling	-	-	-	7,644	7,644
Remeasurements [2] [3]	5,059	(7,885)	(2,826)	4,931	2,105
Value at end of the period	**13,592,540**	**(11,804,081)**	**1,788,459**	**(1,881,919)**	**(93,460)**

(1) Corresponds to the amount calculated on 01/01/2016 based on the beginning amount (Net Assets, Actuarial Liabilities and Restriction of Assets), taking into account the estimated amount of payments/ receipts of benefits/ contributions, multiplied by the discount rate of 11.28% p.a.(On 01/01/2015 the rate used was 10.24% p.a.).

(2) Remeasurements recorded in net assets and asset ceiling correspond to the income earned above/below the expected return rate.

(3) The actual return on assets amounted to R$ 368,258 (R$ 338,674 at 03/31/2015).

During the period, contributions made totaled R$ 12,434 (R$ 14,709 from 01/01 to 03/31/2015). The contribution rate increases based on the beneficiary's salary.

In 2016, the expected contribution to retirement plans sponsored by ITAÚ UNIBANCO HOLDING CONSOLIDATED is R$ 54,871.

The estimate for payment of benefits for the next 10 years is as follows:

Period	Estimated payment
2016	949,161
2017	976,687
2018	1,008,715
2019	1,041,954
2020	1,083,423
2021 to 2025	5,935,349

VI- Sensitivity of defined benefit obligation

The impact, due to the change in the assumption – discount rate by 0.5%, which would be recognized in Actuarial liabilities of the plans, as well as in Stockholders' Equity – Asset valuation adjustment of the sponsor (before taxes) would amount to:

Change in Assumption	Effects on actuarial liabilities of the plans		Effect which would be recognized in Stockholders' Equity [*]
	Value	Percentage of actuarial liabilities	Value
- Decrease by 0.5%	566,363	4.92%	(280,500)
- Increase by 0.5%	(519,825)	(4.51%)	201,040

(*) Net of effects of asset ceiling.

d) Defined contribution plans

The defined contribution plans have pension funds set up using the portion of sponsors' contributions not included in the participant's accounts balance and by the loss of eligibility to a plan benefit, as well as by resources from the migration from the defined benefit plans. The fund will be used for future contributions to the individual participants' accounts, according to the rules of the respective benefit plan regulation.

I - Change in the net amount recognized in the balance sheet:

	03/31/2016			03/31/2015		
	Pension Plan Fund	Asset Ceiling	Recognized Amount	Pension Plan Fund	Asset Ceiling	Recognized Amount
Amount - beginning of the period	**2,228,597**	**(269,828)**	**1,958,769**	**2,438,272**	**(223,616)**	**2,214,656**
Net interest	67,393	(7,609)	59,784	59,813	(5,112)	54,701
Contribution (Note 19)	(32,026)	-	(32,026)	(39,242)	-	(39,242)
Effects on asset ceiling	-	375	375	-	(11,727)	(11,727)
Remeasurements	(1,543)	-	(1,543)	9,020	12,153	21,173
Amount - end of the period (Note 13a)	**2,262,421**	**(277,062)**	**1,985,359**	**2,467,863**	**(228,302)**	**2,239,561**

e) Other post-employment benefits

ITAÚ UNIBANCO HOLDING CONSOLIDATED and its subsidiaries do not offer other post-employment benefits, except in those cases arising from obligations under acquisition agreements signed by ITAÚ UNIBANCO HOLDING CONSOLIDATED, as well as in relation to the benefits granted due to a judicial sentence, in accordance with the terms and conditions established, in which health plans are totally or partially sponsored for specific groups of former workers and beneficiaries.

Based on the report prepared by an independent actuary, the changes in obligations for these other projected benefits and the amounts recognized in the balance sheet, under liabilities, of ITAÚ UNIBANCO HOLDING are as follows:

I - Change in the net amount recognized in the balance sheet:

	03/31/2016	03/31/2015
At the beginning of the period	**(178,811)**	**(170,593)**
Cost of interest	(4,876)	(4,248)
Benefits paid	3,210	3,425
Remeasurements	-	-
At the end of the period (Note 13c)	**(180,477)**	**(171,416)**

The estimate for payment of benefits for the next 10 years is as follows:

Period	Estimated payment
2016	11,839
2017	12,724
2018	13,599
2019	14,500
2020	15,377
2021 to 2025	91,514

II - Sensitivity Analyses - Cost of Healthcare

For calculation of benefits obligations projected beyond the assumptions used for the defined benefit plans (Note 19c I), the 8.16% p.a. increase in medical costs assumption is adopted.

Assumptions for rates related to medical assistance costs have a significant impact on the amounts recognized in income. A change of one percentage point in the medical assistance cost rates would have the following effects:

	Recognition	1% increase	1% decrease
Service cost and cost of interest	Income	3,568	(3,034)
Present value of obligation	Asset valuation adjustment	20,077	(16,977)

Note 20 – Information on foreign subsidiaries

	Foreign branches [1]		Latin America consolidated [2]		Itaú Europe consolidated [3]		Cayman consolidated [4]		Other foreign companies [5]		Foreign consolidated [6]	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Assets												
Current assets and long term receivables												
Cash and cash equivalents	4,842,174	4,929,215	5,813,656	5,025,324	671,418	714,228	25,330,590	543,983	1,659,082	743,026	11,001,336	10,695,085
Interbank investments	49,272,342	26,149,779	5,130,803	5,042,034	8,293,275	4,495,367	25,554,885	9,385,463	73,534	457,952	25,537,776	19,038,137
Securities	79,422,125	58,476,314	6,764,069	6,786,304	4,045,645	3,963,141	13,214,808	31,208,360	312,850	40,450	102,089,363	99,333,807
Loan, lease and other credit operations	92,200,901	107,637,151	52,733,804	48,102,024	16,586,542	14,918,072	336,589	146,912	-	1,236	161,751,050	170,709,145
Foreign exchange portfolio	51,746,093	77,682,732	1,053,740	1,192,560	2,790,823	5,744,073	-	-	-	-	55,340,770	84,177,255
Other assets	8,521,649	6,216,059	10,381,715	7,502,446	1,067,216	644,727	1,699,629	635,679	154,430	7,042,567	21,245,235	21,891,034
Permanent assets												
Investments	109	-	9,159	8,894	19,377	14,640	217,509	200,589	795,339	703,315	28,934	23,793
Fixed and intangible assets	15,036	19,593	919,813	927,882	123,549	161,392	-	130	20,286	20,061	1,078,685	1,129,060
Total	**286,020,429**	**281,110,843**	**82,806,759**	**74,587,468**	**33,597,845**	**30,655,640**	**66,354,010**	**42,121,116**	**3,015,521**	**9,008,607**	**378,073,149**	**406,997,316**
Liabilities												
Current and long term liabilities												
Deposits	78,470,949	80,031,736	49,629,364	47,402,618	16,730,653	11,137,941	17,454,794	4,931,332	-	732,256	96,116,733	131,089,723
Demand deposits	44,741,643	17,676,987	14,792,797	13,549,371	10,940,570	8,278,855	77,824	1,164,966	-	732,256	42,414,136	40,137,210
Savings deposits	-	-	10,262,623	8,875,777	-	-	-	-	-	-	10,262,623	8,875,777
Interbank deposits	24,469,865	48,193,791	213,703	207,261	3,210,773	2,044,790	17,376,970	3,766,366	-	-	7,549,615	43,033,599
Time deposits	9,259,441	14,160,958	24,360,241	24,770,209	2,579,310	814,296	-	-	-	-	35,890,359	39,043,137
Deposits received under securities repurchase agreements	30,274,442	20,995,077	218,887	486,836	-	-	18,695,164	13,714,851	-	1,081,407	24,123,126	21,285,464
Funds from acceptance and issuance of securities	5,469,277	1,786,346	7,934,078	5,188,057	6,928,400	7,174,180	261,150	1,501,264	-	-	20,592,906	15,649,520
Borrowing	51,095,335	44,591,154	4,903,063	3,697,502	1,220,835	765,156	-	37,532	-	-	57,219,232	49,091,345
Derivative financial instruments	8,954,305	8,809,657	1,678,910	1,635,618	1,616,281	1,827,498	5,345	509,885	-	-	10,821,537	12,074,679
Foreign exchange portfolio	51,897,629	78,059,173	1,051,543	1,192,174	2,827,650	5,667,081	-	-	-	-	55,526,936	84,476,318
Other liabilities	40,680,622	29,490,223	4,875,759	5,293,481	439,291	712,049	1,642,860	1,870,351	168,125	4,494,705	48,015,384	41,567,376
Deferred income	**155,571**	**212,196**	**5,878**	**3,951**	**71,788**	**67,183**	**-**	**-**	**-**	**1,840**	**233,236**	**285,171**
Non-controlling interests	**-**	**-**	**407**	**342**	**-**	**-**	**-**	**-**	**-**	**-**	**408**	**342**
Stockholders' equity												
Capital and reserves	18,822,821	17,914,795	12,133,233	9,396,979	3,907,603	2,941,384	28,361,369	19,173,584	2,884,096	2,750,671	65,063,500	51,351,009
Net income for the period	199,478	(779,514)	375,637	289,91[illegible]	(144,656)	363,168	(66,672)	382,317	(36,700)	(52,272)	360,151	126,369
Total	**286,020,429**	**281,110,843**	**82,806,759**	**74,587,468**	**33,597,845**	**30,655,640**	**66,354,010**	**42,121,116**	**3,015,521**	**9,008,607**	**378,073,149**	**406,997,316**
Statement of Income												
Income related to financial operations	2,194,727	1,264,274	2,320,355	1,206,989	(2,304)	461,267	351,746	392,190	15,352	(12,918)	4,852,676	2,056,063
Expenses related to financial operations	(1,341,781)	(990,060)	(1,300,313)	(414,116)	(48,573)	(54,522)	(329,044)	27,159	(2,088)	(2,671)	(2,945,924)	(252,225)
Result of loan losses	(469,366)	(921,001)	(126,260)	(102,526)	(15,318)	8,793	(81,930)	-	(1,669)	(136)	(694,542)	(1,014,870)
Gross income related to financial operations	**383,580**	**(646,787)**	**893,782**	**690,347**	**(66,195)**	**415,538**	**(59,228)**	**419,349**	**11,595**	**(15,725)**	**1,212,210**	**788,968**
Other operating revenues (expenses)	(182,650)	(132,727)	(426,526)	(311,978)	(57,307)	(26,509)	(7,444)	(37,032)	(16,171)	(32,757)	(704,402)	(544,392)
Operating income	**200,930**	**(779,514)**	**467,256**	**378,369**	**(123,502)**	**389,029**	**(66,672)**	**382,317**	**(4,576)**	**(48,482)**	**507,808**	**244,576**
Non-operating income	-	-	(450)	(1,626)	114	-	-	-	1,186	593	(458)	(1,130)
Income before taxes on income and profit sharing	**200,930**	**(779,514)**	**466,806**	**376,743**	**(123,388)**	**389,029**	**(66,672)**	**382,317**	**(3,390)**	**(47,889)**	**507,350**	**243,446**
Income tax	(1,452)	-	(85,062)	(81,874)	(17,325)	(21,419)	-	-	(32,494)	(2,984)	(136,333)	(106,277)
Statutory participation in income	**-**	-	(6,094)	(4,950)	(3,943)	(4,442)	-	-	(816)	(1,399)	(10,853)	(10,791)
Non-controlling interests	**-**	-	(13)	(9)	-	-	-	-	-	-	(13)	(9)
Net income (loss)	**199,478**	**(779,514)**	**375,637**	**289,910**	**(144,656)**	**363,168**	**(66,672)**	**382,317**	**(36,700)**	**(52,272)**	**360,151**	**126,369**

(1) Itaú Unibanco S.A. - Agências Grand Cayman, New York, Tokyo e Nassau Branch, ITAÚ UNIBANCO HOLDING S.A - Agência Grand Cayman.

(2) Banco Itaú Argentina S.A., Itaú Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión, Itrust Servicios Inmobiliarios S.A.C.I., Itaú Valores S.A., BICSA Holdings Ltd., Banco Itaú Chile, Itaú Chile Inversiones, Servicios y Administracion S.A., Itaú BBA Corredor de Bolsa Ltda., Itaú Chile Corredora de Seguros Ltda., Itaú Chile Administradora General de Fondos S.A., Recuperadora de Creditos Ltda., Itaú Chile Compañía de Seguros de Vida S.A., ACO Ltda., Banco Itaú Uruguay S.A., OCA S.A., Unión Capital AFAP S.A., Banco Itaú Paraguay S.A., Itaú BBA México, S.A. de C.V., Proserv - Promociones y Servicios S.A. de Capital Variable, MCC Asesorías Limitada, MCC Securities INC., MCC S.A. Corredores de Bolsa, Itaú BBA Colombia S.A. Corporacion Financiera e Itaú BBA México Casa de Bolsa, S.A. de C.V.; only at 03/31/2015, Oca Casa Financeira S.A., Itaú BBA SAS and Itaú Chile Holdings, Inc.; only at 03/31/2016, FC Recovery S.A. (Note 2c)

(3) IPI - Itaúsa Portugal Investimentos, SGPS, Lda (49%), Itaúsa Europa - Investimentos, SGPS, Lda, Itaúsa Portugal - Soc. Gestora de Partic. Sociais, S.A., Itaú BBA International (Cayman) Ltd., Itaú Europa Luxembourg S.A., Banco Itaú International, Itaú Bank & Trust Bahamas Ltd., Itaú International Securities Inc., Itaú Bahamas Directors Ltd., Itaú Bahamas Nominees Ltd., Banco Itaú (Suisse) S.A. and Itau BBA International plc

(4) Itau Bank, Ltd., ITB Holding Ltd., Jasper International Investment LLC, Itaú Bank & Trust Cayman Ltd., Uni-Investment International Corp., Itau Cayman Directors Ltd., Itau Cayman Nominees Ltd., BIE Cayman Ltd.; only at 03/31/2015, UBT Finance S.A.

(5) Afinco Americas Madeira, SGPS, Sociedade Unipessoal, Lda, IPI - Itaúsa Portugal Investimentos, SGPS, Lda (51%), Banco Del Paraná S.A.,Topaz Holding Ltd., Itau USA Inc., Itau BBA USA Securities Inc., Itaú International Investment LLC, Mundostar S.A., Karen International Limited, Nevada Woods S.A., Albarus S.A., Gamet Corporation, Itau Global Asset Management Limited, Itaú Asia Securities Ltd., Itaú Middle East Limited, Itau USA Asset Management Inc., Itau BBA UK Securities Limited, Itaú Japan Asset Management Limited, Itau UK Asset Management Limited, Itaú Singapore Securities Pte. Ltd.

(6) Foreign consolidated information presents balances net of consolidation eliminations.

Note 21 – Risk and capital management

Risk and capital management is considered by ITAÚ UNIBANCO HOLDING CONSOLIDATED an essential instrument to optimize the use of funds and select the best business opportunities, aiming at maximizing the creation of value to the stockholders.

At ITAÚ UNIBANCO HOLDING CONSOLIDATED, risk and capital management is the process in which:

- The existing and potential risks in ITAÚ UNIBANCO HOLDING CONSOLIDATED's operations are identified and measured;
- Norms, procedures and methodologies for risk management and control consistent with the Board of Directors' guidelines and ITAÚ UNIBANCO HOLDING CONSOLIDATED's strategies are approved;
- The ITAÚ UNIBANCO HOLDING CONSOLIDATED's risk portfolio is managed considering the best risk-return ratio.

The purpose of the identification of risks is to map the internal and external risks that may affect the strategies of the business and support units, with potential to impact results, capital, liquidity and reputation of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

Risk management processes are spread throughout the whole institution, aligned with the guidelines of the Board of Directors and Executives that, through corporate bodies, define the global objectives that are measured as goals and limits to the risk management units. Control and capital management units, in turn, support the ITAÚ UNIBANCO HOLDING CONSOLIDATED's management by monitoring and analyzing risk and capital.

ITAÚ UNIBANCO HOLDING CONSOLIDATED, aiming at strengthening its values and aligning its employees' behavior with the guidelines established in risk management, adopts a number of initiatives to stimulate the risk culture. In addition to policies, procedures and processes, risk culture strengthens the individual and collective responsibility of employees in the management of risks inherent in the activities performed individually, respecting the ethical way of managing business.

The four principles of risk culture of ITAÚ UNIBANCO HOLDING CONSOLIDATED are aware risk taking, discussion and action on the institution's risks and risk management by all. By disseminating these principles widely in the institution, there is incentive for risks to be frequently known and discussed openly, keeping them in the levels established by the appetite for risk and understood as an individual responsibility of the employees of ITAÚ UNIBANCO HOLDING CONSOLIDATED, regardless of the position, area or function. There are other mechanisms that assist in the communication of the concepts of risk culture, such as incentive to training, conducting research, and behavioral assessment of teams and record of risk event.

In compliance with Resolution No. 3,988, of the National Monetary Council (CMN), BACEN Circular No. 3,547 and BACEN Circular Letter No. 3,685, ITAÚ UNIBANCO HOLDING CONSOLIDATED implemented its capital management structure and its internal capital adequacy assessment process (ICAAP), adopting a prospective attitude in the management of its capital. The Board of Directors is responsible for full approval of the ICAAP report, a process that aims to assess the capital adequacy of ITAÚ UNIBANCO HOLDING CONSOLIDATED by identifying material risks, establishing the need for additional capital for material risks and in-house methodologies to quantify capital, to develop the capital plan, both in normal times and stress situations, and to structure the capital contingence plan. Additionally, ITAÚ UNIBANCO HOLDING CONSOLIDATED adopts the stress test and tool for the internal capital adequacy assessment.

The result of the last ICAAP – conducted with the base date December 2015 – indicated that ITAÚ UNIBANCO HOLDING CONSOLIDATED has, in addition to capital to face all material risks, a significant capital surplus, thus assuring the institution's equity soundness.

The risk management organizational structure of ITAÚ UNIBANCO HOLDING CONSOLIDATED is in compliance with the regulations in force in Brazilin and abroad, and in line with the best practices of the market. The responsibilities for risk management at ITAÚ UNIBANCO HOLDING CONSOLIDATED are structured in accordance with three defense lines, to wit:

- in the first defense line, business areas and back-office corporate areas are in charge of managing risks originated by them, through their identification, assessment, control and report;
- in the second defense line, an independent unit controls risks on a centralized basis, aiming at assuring that the risks of ITAÚ UNIBANCO HOLDING CONSOLIDATED are managed in accordance with the appetite for risk, and the policies and procedures established. Thus, the centralized control provides the Board of Directors and the executives with a global vision of exposures of ITAÚ UNIBANCO HOLDING CONSOLIDATED so as to optimize and expedite corporate decisions;
- in the third defense line, internal audit performs the role of promoting an independent assessment of the activities carried out in the institution, enabling top management to measure the adequacy of controls, effectiveness of risk management and compliance with internal rules and regulatory requirements.

ITAÚ UNIBANCO HOLDING CONSOLIDATED uses proprietary IT systems to fully meet the applicable rules on capital reserve, and also for risk measurement, in compliance with the models issued by the regulatory models in force. It also coordinates actions to check for adherence to qualitative and quantitative requirements established by the regulatory bodies for compliance with the minimum mandatory capital requirement and risk monitoring.

Further information on risk management can be found on the website www.itau.com.br/relacoes-com-investidores, under section Corporate Governance / Risk Management – Pillar 3.

I – Market risk

Market risk is the possibility of incurring financial losses arising from the changes in the market value of positions held by a financial institution, including the risks of transactions subject to foreign exchange variation, interest rates, share prices, price indexes and commodity prices, among other indices related to risk factors.

Market risk management is the process through which the ITAÚ UNIBANCO HOLDING CONSOLIDATED monitors and controls the risks of variations in financial instruments market values due to market changes, aimed at optimizing the risk-return ratio, by using an appropriate structure, alerts, models and adequate tools for management limits.

ITAÚ UNIBANCO HOLDING CONSOLIDATED's Market Risk Management Policy is in line with the principles of Resolution No. 3,464, issued by the National Monetary Council (CMN) and posterior amendments, being a set of principles that drive the ITAÚ UNIBANCO HOLDING CONSOLIDATED strategy towards control and management of market risk of all business units and legal entities.

The document Public Access Report – Market Risk, that details the guidelines set out by the corporate guidelines on market risk control, which is not part of the financial statements, can be read on the website www.itau.com.br/relacoes-com-investidores, in the section Corporate Governance, Rules and Policies.

ITAÚ UNIBANCO HOLDING CONSOLIDATED's market risk management strategy is aimed at balancing corporate business goals, taking into account, among other things:

- Political, economic and market conditions;
- Portfolio profile of ITAÚ UNIBANCO HOLDING CONSOLIDATED;
- Expertise within the group to support operations in specific markets.

The process for managing the market risk of ITAÚ UNIBANCO HOLDING CONSOLIDATED is conducted within the governance and hierarchy of corporate bodies and a framework of limits and warnings approved specifically for this purpose, covering different levels and classes of market risk (such as interest rate, and exchange variation risk, among others). This framework of limits and warnings ranges from the monitoring of risk aggregate indicators (portfolio level) to granular limits (individual desk level). The framework of market risk covers from the risk factor level, with specific limits aiming at improving the risk monitoring and understanding process, and at avoiding risk concentration. These limits are quantified by assessing the forecasted results of the balance sheet, size of stockholders' equity, liquidity, markets complexity and volatility as well as the institution's appetite for risk. Limits are monitored daily and excesses and potential violations are reported and discussed for each established limit:

- Within one business day, for management of business units in charge and executives of the risk control area and business areas; and
- Within one month, for proper corporate bodies.

Daily risk reports, used by the business and control areas, are issued to the top management. Additionally, risk control and management process is submitted to periodic reviews.

The structure of limits and alerts follows the Board of Directors' guidelines and is approved by corporate bodies. The process to definite limit levels and violation reports follow the governance to approve the internal policies of ITAÚ UNIBANCO HOLDING CONSOLIDATED. The information flow established aims at disseminating information to the several levels of executives of the institution, including the members of the Executive Board, by means of the Committees in charge of risk management. This limit and warning framework increases effectiveness and the control coverage is reviewed at least on an annual basis.

The purpose of market risk control of ITAÚ UNIBANCO HOLDING CONSOLIDATED structure is:

- Providing visibility and assurance to all executive levels that the assumption of market risks is in line with ITAÚ UNIBANCO HOLDING CONSOLIDATED and the risk-return objective;
- Promoting a disciplined and informed discussion on the global risk profile and its evolution over time;
- Increasing transparency on the way the business seeks to optimize results;
- Providing early warning mechanisms in order to make the effective risk management easier, without jeopardizing the business purposes; and
- Monitoring and avoiding risk concentration.

The market risk control and management process is submitted to periodic reviews aimed at keeping it aligned with the best market practices and adhering to the continuous improvement of processes at ITAÚ UNIBANCO HOLDING CONSOLIDATED.

The market risk is controlled by an area independent from the business areas, which is responsible for the daily activities of: (i) risk measurement and assessment, (ii) monitoring of stress scenarios, limits and warnings, (iii) application, analysis and tests of stress scenarios, (iv) risk reporting for individuals responsible within the business areas, in compliance with governance of ITAÚ UNIBANCO HOLDING CONSOLIDATED, (v) monitoring of actions required for adjustment of positions and/or risk levels to make them feasible, and (vi) support to the launch of new financial products with security.

For that purpose, ITAÚ UNIBANCO HOLDING CONSOLIDATED has a structured reporting and information process and an information flow that provides input for the follow-up by corporate bodies and complies with the requirements of Brazilian and foreign regulatory agencies.

ITAÚ UNIBANCO HOLDING CONSOLIDATED hedges transactions with clients and proprietary positions, including its foreign investments, in order to mitigate risk arising from fluctuations in relevant market risk factors and maintaining the classification the transactions into the current exposure limits. Derivatives are commonly used for these hedging activities. When these transactions are classified as hedges for accounting purposes, specific supporting documentation is provided, including ongoing follow-up of hedge effectiveness (retrospective and prospective) and other changes in the accounting process. The accounting and managerial hedging procedures are governed by the institutional polices of ITAÚ UNIBANCO HOLDING CONSOLIDATED.

For a detailed vision of the accounting hedge topic, see Note 7 – Securities and Derivative Financial Instruments.

The market risk structure categorizes transactions as part of either the banking portfolio or the trading portfolio, in accordance with general criteria established by CMN Resolution No. 3,464 and BACEN Circular No. 3,354.

The trading portfolio consists of all transactions involving financial instruments and goods, including derivatives, which are carried out with the intention of trading.

The banking portfolio is basically characterized by transactions from the banking business, and transactions related to the management of the balance sheet of the institution. It has the no-intention of resale and medium and long term time horizons as general guidelines.

Exposures to market risks inherent in the many different financial instruments, including derivatives, are broken down into a number of risk factors, primary market components for pricing. The main risk factors measured by ITAÚ UNIBANCO HOLDING CONSOLIDATED are as follows:

- Interest rates: the risk of losses from transactions subject to interest rates variations;
- Foreign exchange-linked interest rate: the risk of losses arising from positions in transactions which are subject to a foreign exchange-linked interest rate;
- Foreign exchange rates: the risk of losses from positions subject to foreign exchange rate variation;
- Price index-linked: the risk of losses from transactions subject to the variations in the price of index-linked interest rates;
- Variable income: risk of loss subject to variation in prices of shares and commodities;

The National Monetary Council (CMN) has regulations that establish the segregation of exposure to market risk at least in the following categories: interest rate, exchange rate, shares and commodities. Inflation rates are addressed as a group of risk factors and received the same treatment as the other risk factors, such as interest rates, exchange rates, etc., and follow the structure of risk and limits governance adopted by ITAÚ UNIBANCO HOLDING CONSOLIDATED to manage market risk.

The market risk analyses are conducted based on the following metrics:

- Value at risk (VaR): statistical measure that estimates the expected maximum potential economic loss under normal market conditions, considering a certain time horizon and confidence level;
- Losses in stress scenarios: simulation technique to assess the behavior of assets, liabilities and derivatives of a portfolio when several risk factors are taken to extreme market situations (based on prospective and historical scenarios);
- Stop loss: metrics which purpose is to review positions, should losses accumulated in a certain period reach a certain amount;
- Concentration: cumulative exposure of a certain financial instrument or risk factor, calculated at market value (“MtM – Mark to Market”); and

- Stressed VaR: statistical metric arising from VaR calculation, which purpose is to capture higher risk in simulations for the current portfolio, considering returns that can be seen in historical scenarios of extreme volatility.

In addition to the aforementioned risk measures, sensitivity and loss control measures are also analyzed. They comprise:

- Mismatching analysis (GAPS): accumulated exposure by risk factor of cash flows expressed at market value, allocated at the maturity dates;
- Sensitivity (DV01- Delta Variation): impact on the market value of cash flows, when submitted to an one annual basis point increase in the current interest rates or index rate;
- Sensitivity to several risk factors (Greeks): partial derivatives of an option portfolio in relation to the prices of underlying assets, implied volatilities, interest rates and time.

ITAÚ UNIBANCO HOLDING CONSOLIDATED uses proprietary systems to measure the consolidated market risk. The processing of these systems occurs in an access-controlled environment, being highly available, which has data safekeeping and recovery processes, and counts on such an infrastructure to ensure the continuity of business in contingency (disaster recovery) situations.

ITAÚ UNIBANCO HOLDING CONSOLIDATED, maintaining its conservative management and portfolio diversification, continued with its policy of operating within low limits in relation to its capital during the period.

At 03/31/2016, ITAÚ UNIBANCO HOLDING CONSOLIDATED recorded total *VaR* of R$ 174.9 million (R$ 221.7 million at 03/31/2015).

II – Credit risk

Credit risk is the possibility of losses arising from the breach by the borrower, issuer or counterparty of the respective agreed-upon financial obligations, the devaluation of loan agreement due to downgrading of the borrower's, the issuer's, the counterparty's risk rating, the reduction in gains or compensation, the advantages given upon posterior renegotiation and the recovery costs.

The credit risk management of ITAÚ UNIBANCO HOLDING CONSOLIDATED's is the primary responsibility of all business units and aims to keep the quality of loan portfolios in levels consistent with the institution's risk appetite for each market segment in which it operates.

ITAÚ UNIBANCO HOLDING CONSOLIDATED establishes its credit policy based on internal factors, such as the client rating criteria and portfolio development analysis, the registered default levels, the incurred return rates, and the allocated economic capital; and external factors, related to the economic environment, interest rates, market default indicators, inflation, and consumption increase / decrease.

ITAÚ UNIBANCO HOLDING CONSOLIDATED's centralized process for making decisions and establishing a credit policy guarantees the synchrony of credit actions.

To protect the institution against losses arising from loan operations, ITAÚ UNIBANCO HOLDING CONSOLIDATED considers all aspects that determine the client's credit risk to define a provision level that is adequate with the risk incurred in each operation. For each operation, the assessment and rating of the client or economic group, the operation rating, and the possible existence of past-due amounts are taken into account and the volume of the regulatory provision is determined.

In line with the principles of CMN Resolution No. 3,721 of April 30, 2009, ITAÚ UNIBANCO HOLDING CONSOLIDATED has a structure for and institutional norm on credit risk management, approved by its Board of Directors, applicable to the companies and subsidiaries in Brazil and abroad.

The document Public Access Report – Credit Risk, that outlines the guidelines set out by this internal policy on credit risk control, which is not part of the financial statements, can be read on the website www.itau.com.br/relacoes-com-investidores, in the section Corporate Governance, Rules and Policies.

III – Operational risk

For ITAÚ UNIBANCO HOLDING CONSOLIDATED operational risk is defined as the possibility of losses from failure of, insufficient or inadequate internal processes, people and systems, or from external events impacting the realization of strategic, tactical or operational objectives. It includes the legal risk, associated with the inadequacy or deficiency in agreements signed by the institution, as well as sanctions for failing to meet legal provisions and compensation for damages to third parties arising from activities performed by ITAÚ UNIBANCO HOLDING CONSOLIDATED.

The purpose of the management framework is to identify, prioritize, and manage possible operating risks, monitor and report management activities aiming at assuring the quality of the control environment, in compliance with internal guidelines and regulation in force.

The managers of executive areas use corporate methodologies that are built and made available by the internal control, compliance and operational risk area.

Within the governance of the risk management process where periodically there are consolidated reports on risk monitoring, controls, action plans and operational losses presented to the executives of the business areas.

A summarized version of such policy, which is not part of the financial statements, is available on the website www.itau.com.br/relacoes-com-investidores in the section Corporate Governance, Rules and Policies, Public Access Report – Operational risk.

IV – Liquidity risk

Liquidity risk is defined as the institution's possibility of not being able to efficiently meet its expected and unexpected obligations, both current and future, including those arising from the pledged guarantees, without affecting its daily operations and without incurring significant losses.

Liquidity risk control is carried out by an area independent from the business areas, and which is responsible for defining the constitution of a reserve, proposing assumptions for behavior of cash flow, identifying, assessing, monitoring, controlling and reporting, on a daily basis, the exposure to liquidity risks in different time horizons, proposing limits for liquidity risk and monitoring the established limits consistent with the risk appetite of the institution, informing on possible noncompliance, considering the liquidity risks individually in countries where ITAÚ UNIBANCO HOLDING CONSOLIDATED operates, simulating the behavior of cash flow under stress conditions, assessing and reporting risks inherent in new products and transactions and reporting information required by regulatory bodies. Every activity is subject to analysis by independent areas of validation, internal controls and audit.

The measurement of liquidity risk covers all financial transactions of ITAÚ UNIBANCO HOLDING CONSOLIDATED companies, as well as possible contingent or unexpected exposures, such as those arising from settlement services, pledge of endorsements and sureties and credit facilities contracted and not used.

Itaú Unibanco daily manages and controls liquidity risk through governance approved in superior committees, which establishes, among other activities, the adoption of minimum liquidity limits, sufficient to absorb possible cash losses in stress scenarios, measured by internal methodologies and regulatory methodology.

The document Public Access Report - Liquidity Risk, that expresses the guidelines set forth by the internal policy on liquidity risk, that is not part of the financial statements, may be viewed on the website www.itau.com.br/relacoes-com-investidores, in the section Corporate Governance, Rules and Policies.

V - Insurance, Pension Plan and Capitalization Risks

The products that make up the portfolios of ITAÚ UNIBANCO HOLDING CONSOLIDATED's insurance companies are related to the life insurance and elementary, pension plan and premium bonds. Therefore, ITAÚ UNIBANCO HOLDING CONSOLIDATED understands that the major risks inherent in these products are as follows:

- Underwriting risk is the possibility of losses arising from operations of insurance, pension plan and capitalization that go against the organization's expectations, directly or indirectly associated with the technical and actuarial bases adopted to calculate premiums, contributions and provisions;
- Market risk is the possibility of incurring losses due to fluctuations in the market values of assets and liabilities comprising the actuarial technical reserves;
- Credit risk is the possibility of a certain debtor failing to meet any obligations in connection with the settlement of operations involving the trade of financial assets or reinsurance;
- Operational risk is the possibility of incurring losses arising from the failure, deficiency or inadequacy or internal processes, personnel and systems, or external events impacting the achievement of strategic, tactical or operational purposes of the insurance, pension plan and premium bonds operations;
- Liquidity risk in insurance operations is the possibility of the institution's failure to timely meet its obligations with insured and beneficiaries in view of lack of liquidity of the assets comprising the actuarial technical reserves.

The management process of insurance, pension plan and premium bonds risks is based on responsibilities defined and communicated between the control and business areas, assuring independence between them and focusing on the particularities of each risk, in accordance with the guidelines established by ITAÚ UNIBANCO HOLDING CONSOLIDATED.

Note 22 –Supplementary information

a) Insurance policy - ITAÚ UNIBANCO HOLDING CONSOLIDATED and its subsidiaries, despite the low risk exposure due to the physical non-concentration of their assets, have a policy of guaranteeing their valuables and assets at amounts considered sufficient to cover possible claims.

b) Foreign currency – The balances in Reais linked to the foreign currencies were as follows:

	03/31/2016	03/31/2015
Permanent foreign investments	65,423,651	51,477,378
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(104,008,709)	(82,650,877)
Net foreign exchange position	**(38,585,058)**	**(31,173,499)**

The net foreign exchange position, considering the tax effects on the net balance of other assets and liabilities indexed to foreign currencies, reflects the low exposure to exchange variations.

c) Investment funds and managed portfolios - ITAÚ UNIBANCO HOLDING CONSOLIDATED, through its subsidiaries, manages the following types of funds: privatization, fixed income, shares, open portfolio shares, investment clubs, customer portfolios and group portfolios, domestic and foreign, classified in memorandum accounts, distributed as follows:

	Amount		Amount (*)		Number of funds	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Investment funds	**602,241,759**	**499,720,570**	**602,241,759**	**499,720,570**	**2,310**	**2,196**
Fixed income	565,186,405	464,000,730	565,186,405	464,000,730	1,928	1,816
Shares	37,055,354	35,719,840	37,055,354	35,719,840	382	380
Managed portfolios	**282,279,087**	**270,846,044**	**205,025,550**	**195,102,993**	**16,434**	**15,455**
Customers	154,512,626	136,073,461	112,512,993	96,068,208	16,370	15,388
Itaú Group	127,766,461	134,772,583	92,512,557	99,034,785	64	67
Total	**884,520,846**	**770,566,614**	**807,267,309**	**694,823,563**	**18,744**	**17,651**

(*) It refers to the distribution after elimination of double-counting of managed portfolios in investment funds.

d) Consortia funds

	03/31/2016	03/31/2015
Monthly estimate of installments receivable from participants	163,176	149,728
Group liabilities by installments	11,329,972	10,980,868
Participants – assets to be delivered	9,876,372	9,950,560
Funds available for participants	1,571,268	1,278,609
(In units)		
Number of managed groups	735	799
Number of current participants	412,683	400,000
Number of assets to be delivered to participants	173,158	199,111

e) **Fundação Itaú Social -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is the main sponsor of Fundação Itaú Social, the objectives of which are: 1) managing the "Itaú Social Program", which aims at coordinating the organization's role in projects of interest to the community by supporting or developing social, scientific and cultural projects, mainly in the elementary education and health areas; 2) supporting projects or initiatives in progress, supported or sponsored by entities qualified to work in the "Programa Itaú Social" (Itaú Social Program).

During the period from 01/01 to 03/31/2016 and 03/31/2015 the consolidated companies made no donations, and the Foundation's social net assets totaled R$ 2,714,121 (R$ 3,056,338 at 03/31/2015). The income arising from its investments will be used to achieve the Foundation's social purposes.

f) **Instituto Itaú Cultural – IIC -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is supporter of Instituto Itaú Cultural - IIC, an entity formed to grant incentives, promote and preserve Brazil's cultural heritage. During the period, the consolidated companies donated an amount of R$ 22,000 (R$ 27,000 from 01/01 to 03/31/2015).

g) **Instituto Unibanco -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is sponsor Instituto Unibanco, an entity whose objective is to support projects on social assistance, particularly education, culture, promotion of integration to labor market, and environmental protection, directly and/or supplementary, through the civil society's institutions.

h) **Instituto Unibanco de Cinema -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is sponsor Instituto Unibanco de Cinema, an entity whose objectives are (i) the fostering of culture in general; and (ii) providing the low-income population with access to cinematography, videography and similar productions, for which it shall own and manage movie theaters, and theaters to screen films, videos, video-laser discs and other related activities, as well as to screen and divulge films of importance, especially those produced in Brazil.

i) **Associação Itaú Viver Mais -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is sponsor Associação Itaú Viver Mais, an entity whose objective is the provision of social services for the welfare of beneficiaries, in the way and conditions established by its Internal Rules, and according to the funds available. These services may include, among others, the promotion of cultural, educational, sports, entertainment and healthcare activities.

j) **Instituto Assistencial Pedro di Perna -** ITAÚ UNIBANCO HOLDING CONSOLIDADO is sponsor Instituto Assistencial Pedro di Perna, an entity whose objective is to provide social services, stimulate sporting activities, and promote recreation, aiming at the welfare of its members, in the manner and based on the conditions established by its Internal Rules, and using the funds available.

k) Exclusions of non recurring effects net of tax effects – ITAÚ UNIBANCO HOLDING and ITAÚ UNIBANCO

	01/01 to 03/31/2016	01/01 to 03/31/2015
Goodwill on acquisition (Note 15b II)	(32,288)	(60,215)
Civil Lawsuits - Economic Plans	(24,970)	(42,079)
Program for Cash or Installment Payment of Taxes (Note 12e)	12,474	27,309
Others	(6,310)	-
Total	**(51,094)**	**(74,985)**

l) **Agreements for offsetting and settlement of liabilities within the scope of the National Financial System –** Offset agreements were entered into within the scope of derivative contracts, as well as agreements for the offsetting and settlement of receivables and payables pursuant to CMN Resolution No. 3,263, of February 24, 2005, the purpose of which is to enable the offsetting of credits and debits maintained with the same counterparty, and where the maturity dates of receivables and payables can be advanced to the date an event of default by one of the parties occurs or in the case of bankruptcy of the debtor.

Report on review of interim financial statements

To the Board of Directors and Stockholders
Itaú Unibanco Holding S.A.

Introduction

We have reviewed the accompanying interim financial statements of Itaú Unibanco Holding S.A., which comprise the balance sheet as at March 31, 2016 and the related statements of income, changes in stockholders equity's and cash flows for the three-month period then ended, as well as the accompanying consolidated interim financial statements of Itaú Unibanco Holding S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at March 31, 2016 and the related consolidated statements of income and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of the parent company and consolidated interim financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (ISRE 2410- Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent and consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the parent company and the consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Itaú Unibanco Holding S.A. and Itaú Unibanco Holding S.A. and its subsidiaries as at March 31, 2016 and the parent financial performance and cash flows, as well as the consolidated financial performance and the consolidated cash flows, for the three-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank.

Other matters

Statement of value added

We also have reviewed the interim statements of value added of Itaú Unibanco Holding S.A. and Itaú Unibanco Holding S.A. and its subsidiaries for the three-month period ended March 31, 2016, presented as supplementary information. These statements have been submitted to the same review procedures described in the second paragraph above and, based on our review, nothing has come to our attention that causes us to believe that these statements are not prepared consistently, in all material respects, with the interim financial statements taken as a whole.

São Paulo, May 2, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti
Contador CRC 1SP172940/O-6

ITAÚ UNIBANCO HOLDING S.A.

CNPJ. 60.872.504/0001-23 Listed Company NIRE. 35300010230

OPINION OF THE FISCAL COUNCIL

The members of the Fiscal Council of **ITAÚ UNIBANCO HOLDING S.A.**, after having examined the financial statements for the period from January to march 2016 and verified the accuracy of all items examined, and in view of the unqualified opinion of PricewaterhouseCoopers Auditores Independentes, understand that these documents adequately reflect the company's capital structure, financial position and the activities conducted during the period.

São Paulo (SP), May 2, 2016.

JOSÉ CARUSO CRUZ HENRIQUES
Alternate President

ALBERTO SOZIN FURUGUEM
Member

LUIZ ALBERTO DE CASTRO FALLEIROS
Member