

2013 integrated report

Itaú Unibanco Holding S.A.



**Be the leading
bank in sustainable
performance
and customer
satisfaction**

About this report

We are proud to present the **first year of integrated report presentation**, as proposed by the International Integrated Reporting Council (IIRC). Our purpose is to provide readers with a reporting that connects, on a streamlined basis, our organization's most relevant information and that aligns our strategy to the different types of capitals.

Over this report we will refer to links so you can have access to other sources of information and get a deeper understanding of the topic in hand.

To assure the completeness and reliability of the information stated in this report, our financial statements, as well as our corporate and other reporting, which served as basis for this document, are in compliance with the International Financial Reporting Standards (IFRS) and were duly audited accordingly.

In the **Background** chapter, we highlight our corporate culture based on the Our Way of Making It Happen and the circumstances in which we operate in Brazil and abroad. We also show how our corporate governance structure is important to create value over time.

In the **Business model** chapter, we present the flow of our operations and highlight the main resources used to create value.

Through the material issue management we correlate our risks and opportunities to external and internal factors that may impact our performance.

The process adopted to **determine material matters** is in line with our strategies and decision-making process. Upon applying our materiality criterion, we determine, among others, which issues should be addressed in this report.

Our information is presented into categories called capitals – a presentation model proposed by the **Framework** for integrated reporting, published by the IIRC. Our capitals were further divided into six categories: human, financial, intellectual, manufactured, natural, and social and relationship. We also use performance indicators to make understanding these capitals an easier task.

At the end of this report, we highlight our main **business strategies**. Based on these capitals, we show our commitment to create shared value for employees, clients, shareholders and society, so as to ensure the longevity of our business.

As we know that reporting is an ongoing work in progress, we expect to always provide our stakeholders with relevant information.

PLEASE STATE YOUR OPINION

We are available to respond your queries about the Integrated Report. Please send your suggestions with the topics you want to see addressed in the next Integrated Report.



Talk to us:
relacoes.investidores@itau-unibanco.com.br



Navigation icons



Human
capital



Financial
capital



Intellectual
capital



Manufactured
capital



Natural
capital



Social and
relationship
capital



Talk to us



Learn more

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Accountability

We make available all reports and publications required to serve our several stakeholders in our investor relations website (multiplatform).

Learn more



Integrated communication with a vision of the future



The International Integrated Reporting Council (IIRC) was created as an initiative of the international movement known as Accounting for Sustainability (A4S) and the Global Reporting Initiative (GRI). IIRC's mission is to lead the conceptual framework creation process to help organizations to integrate their financial, social, environmental and other information.

In 2013 we adhered to the integrated reporting Pilot Programme, promoted by the IIRC. We attended the main world Pilot Program conferences, in Amsterdam and Frankfurt, where we consolidated a business network. In Brazil, we are part of and actively engage in the integrated reporting work group, composed of pioneering business. All these initiatives have contributed to the development of a new integrated reporting model.

In addition to being a need clearly stated by the stakeholders, the integrated reporting is an opportunity for a more objective reporting, connecting strategies to results, with a vision in the short-, medium- and long-term.

We have carried out actions that helped the preparation of this reporting over this year. Additionally, we share with our employees how important sustainability is to business and the new integrated mindset incorporated into our working practices.

We conducted 22 meetings in 2013, of Brazilian Association of Investment Professionals and Capital Markets Analysts (National Apimec). In these events, our results and other organization-related issues are submitted to the market, our shareholders and other stakeholders.

Every year we hold the Leaders Meeting, an event gathering all Itaú Unibanco's leaders with the purpose of submitting the main results for the period, sharing experiences and reviewing the organization's strategies to the future. The Open Doors Program expands the methodology adopted in the Leaders Meeting to all employees, thereby reinforcing the integrated mindset in our organization.

External sources



Learn more

Actions supporting our integrated reporting

2008

We submitted the **main sustainable challenges**, from the viewpoint of our experts, after the merger with Unibanco.



See other
communication sources



2009

We created the **audiobook** – our CD-format (audio) annual report to our audience with special needs.

2011

Paperless: aligned with our commitment of sustainable performance, we decided not to print any corporate reporting.

2013

We submitted our first integrated reporting initiative, the **Integrated Report**.

2010

We prepared our first annual report under the new international accounting model (**IFRS**). In 2012 we submitted the best financial statements under IFRS, according to the Company Reporting ranking.

2012

Our Annual Report Magazine has changed and now is called Sustainable Performance Magazine.

Message to stakeholders

Sustainable performance

When we talk about sustainable performance, we are referring to the perennial results, results that will carry through generations. For a company with the size and business diversity such as Itaú Unibanco, carrying through time means to remain as the people's choice. Employees, clients, shareholders and the society itself all want to share the company's results in the aspects that are valuable for each of them. Therefore, one needs to go beyond the mere operation, that is, beyond than worrying about the bottom line of the balance sheet or dividends to stakeholders.

Corporate governance

Companies, governments and the society increasingly understand the importance of sustainability to business and the development of the country. In the day-to-day of companies, the sustainability issue has increasingly impacted business. As a way to address this topic, we have widely integrated it to the bank's strategy, not only in timely actions and products, but also by way of a consolidated governance. We were thus able to internalize social and environmental issues, identify business areas capable of leading the way and periodically monitor our performance accordingly.

Engagement with stakeholders

Stakeholders are the parties with which we have interdependent relationships, such as communities, institutions, individuals, governments, clients, shareholders and suppliers. The engagement with these stakeholders has enabled us to gain learning to perfect our decision-making process and improve our capacity to generate shared value. In addition, we believe that cultivating mutual trust and respect with stakeholders is clearly the seed for a sustainable performance.



Denise Hills
*Superintendent
of Sustainability*

Engagement with stakeholders

The road towards sustainability demands creative minds capable of carrying out the change required in the economy, which challenges the leadership concept itself. This great integration and interactivity phenomenon cause us to begin living differently and look at the world from a wider perspective, rather than from our limited reality. As the role of a leader comes increasingly closer to the image of a broadcaster of ideas, the contact with communities becomes an invaluable experience to these professionals. Developing the capacity to approach a number of challenges from different perspectives, by way of interacting with different stakeholders, is, therefore, a very much in demand feature. The conventional hierarchy has lost its appeal among members inside an organization's structure, and has made room for a leadership connected to its stakeholders.

Strategic focus points

We are preparing ourselves to meet an increasingly demanding market. In addition to becoming organized in a simpler and expeditious manner, these changes also provide for an environment more favorable for us to focus on the things which are, in fact, the priorities. Objectivity is what will lead us towards our desired level. In addition, the commitment and engagement of all our employees are the key factors to promote this development. People are the ones who will in fact put in practice the sustainable performance, which is aimed at taking us towards even more distinguished levels.

The three strategic focus areas that drive our sustainability management are financial education, socio-environmental risks and opportunities, and dialogue and transparency, established based on the analysis of our vision and Our Way of Making It Happen, our corporate policies, and the voluntary

commitments and agreements to which we are signatories. We also conduct surveys and meetings with our stakeholders to learn their demands, and hear from senior management on their expectations for the bank's performance.

Leadership

Sustainability leaders are not only the executives at high levels of authority or the spokespersons who show their commitment to the topic, but also all those professionals attentive to current social and environmental challenges, who are able to engage people and stimulate discussion, changes in behavior and new perceptions. We are not saying that the traditional areas related to the topic are left with no role to play. These areas remain with the important mission to be the focus points, from which concepts and actions are broadcasted. Nevertheless, the business leaders must be the process drivers themselves.

We need to decide on what type of company we are in order to determine the type of shareholder we will attract. Shareholders need to believe in the potential generation of the company's value and, therefore, this report shows the way our accountability is connected and how we create value to all stakeholders.

Alexsandro Broedel Lopes
Chief Accounting Officer



The image shows a modern glass-fronted building. A large, semi-transparent orange banner is positioned across the upper portion of the image, featuring the word "Background" in a large, white, sans-serif font. The building's glass reflects the surrounding urban environment, including a street with cars, palm trees, and other buildings. In the foreground, there are some reddish-brown plants. The overall scene is bright and clear, suggesting a sunny day.

Background

About Itaú Unibanco

The origins of our bank dates back to 1924, when Banco Unibanco was founded by the Moreira Salles family. Banco Itaú was founded in 1944 by the Egydio de Souza Aranha family, and started operating as Banco Itaú S.A. in 1973 only. In 2008 these two institutions merged to create Itaú Unibanco

Our culture



[Learn more](#)

Our corporate culture is manifested in **Our Way of Making It Happen**, a set of ten attitudes that direct how our teams conduct their business and act to consolidate our vision. It is reinforced to our staff members through a number of internal initiatives, such as campaigns in our communication channels and events, in addition to being a part of the employee evaluation process.

Our brand



[Learn more](#)

We are Brazil's most valuable brand, with estimated value of R\$19.3 billion according to consulting firm Interbrand. This analysis is based on the ability of the brand to create value over time, influence the selection process of customers, and ensure the longevity of business.

Awards and recognitions in 2013



[Learn more](#)

- **Best image in the Brazilian market** – we are one of the 100 companies with the best reputation in Brazil according to a survey disclosed by Exame.com.
- **Best insurance company in Brazil** – we were elected, through Itaú Seguros, the best insurance company in Brazil according to the Reactions Latin America Awards.
- **Bank of the year** – we were recognized as the bank of 2013 in Brazil according to The Banker, one of the most acknowledged publications of the world financial market.
- **Best company to start a career** – we received the highest grade in the survey conducted on the best companies to start a career published by Você S/A magazine.
- **Exame Sustainability Guide** – we are the first financial institution to be recognized by the Exame Guide as the most sustainable company of the year.

Our operations

Operations in Brazil and abroad







[Learn more](#)



Operation focused on Latin America



[Learn more](#)

	 Total Assets* (R\$ billion)	 Total Credit* (R\$ billion)	 Branches and CSBs (amounts)	 Total Employees (amounts)
Chile	31.1	24.1	98	2,542
Colombia	0.5	0.1	0	45
Uruguay	9.8	4.4	26	1,180
Paraguay	7.0	4.1	31	731
Argentina	5.0	3.5	91	1,696
Mexico	0.1	0.0	1	37
Latin America	53.5	36.3	247	6,231
Itaú Unibanco Holding	1,105.7	412.2	4,991	95,696
Percentage representation (%)	4.8	8.8	4.9	6.5

* BR GAAP.

Governance

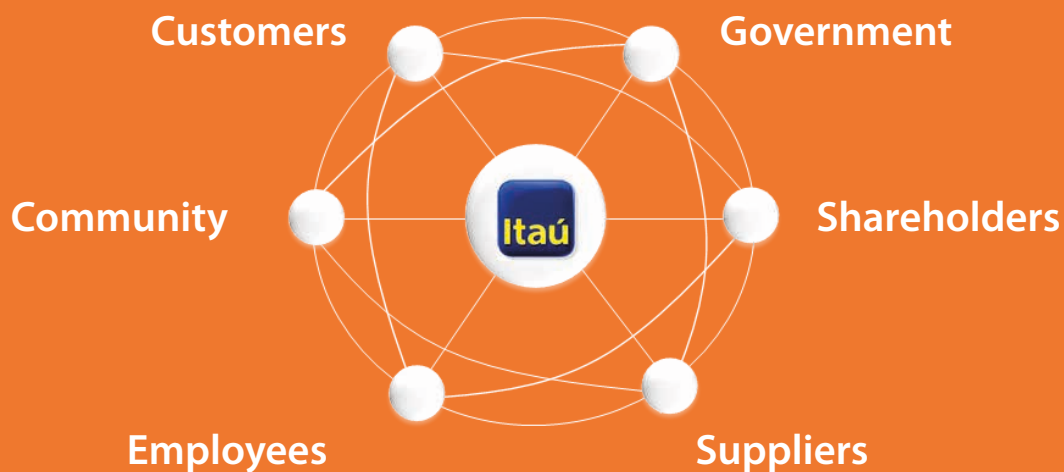
[Learn more](#)

How our governance structure supports the creation of value over time

It directs the business

Creates value

Leads to long-term success



It is reflected on the company's market value, benefitting our several stakeholders.

Strengths of our structure

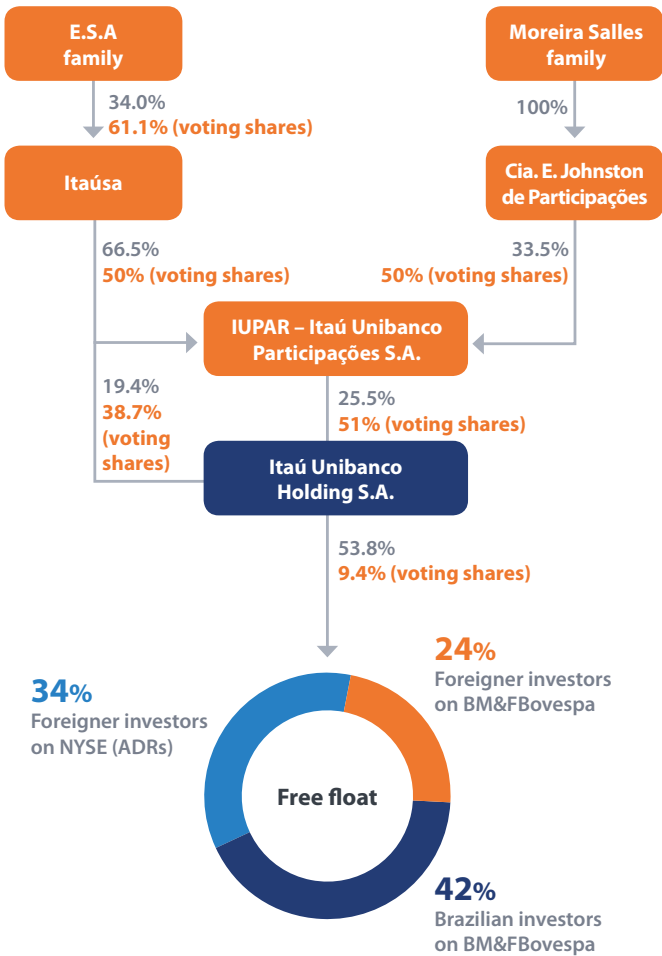
- Family ownership ensuring long-term view
- Professional management team
- Broad shareholder base (free float of 53.77% with strong foreign investor presence)
- Strong corporate governance

The bank of the future

- Implementing a customer satisfaction-oriented culture that is business-driven and seeks a simplified operational structure.
- Maximizing shareholder returns, aiming at firm-wide growth.
- Being the preferred bank for top talents at every level.
- Creating an atmosphere that inspires creativity, entrepreneurialism and the exchange of ideas.
- Pursuing technological edge.

We ensure the integrity of our products and services through our governance processes. We evaluate the financial conditions, legal and tax aspects, risks, and externalities, among others, with the purpose of ensuring the capacity to create value for our shareholders and investors.

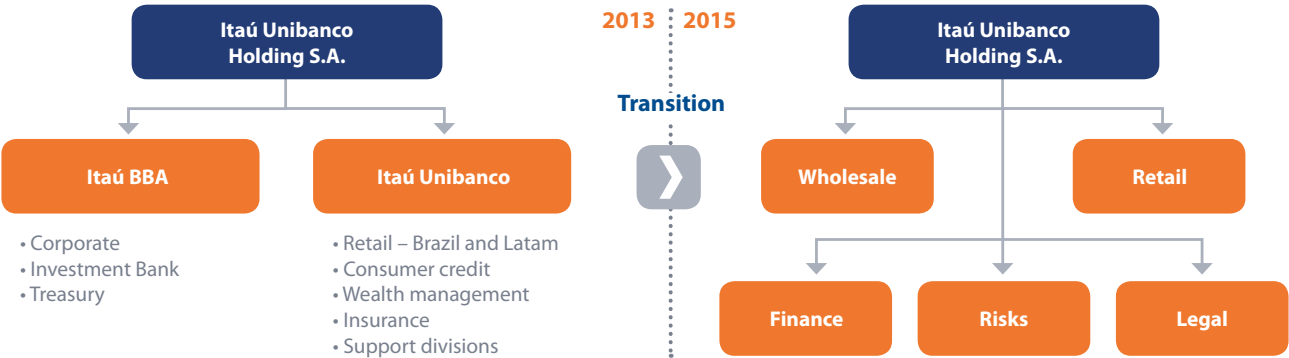
Our ownership structure



Our governance structure



Succession planning and management structure



Performance built on ethics

How attitudes and decisions we make built our reputation

Ethics is the ground for the good behavior of a company. It is translated into transparency and simplicity in the relationship with clients, in the quality of services we provide and products we offer, in the concerns about the financial performance, and in the social and environmental responsibility, among others. Reputation has increasingly become a decisive factor to choose products and services.

The six variables that comprise a company's reputation (by order of importance)



Quality
of the
commercial
offering



Economic
and financial
results



Innovation



Corporate
**ethics and social
responsibility**



Internal
reputation



Company's
**international
dimension**

Why is this important to the bank?

It generates credibility, which turns this trust into reputation, ensuring the continuity of the company in the market. Based on ethics, we build a trustworthy, fair and transparent work environment and increasingly improve our offer of products and services. Operating at the highest ethical levels that have always guided and distinguished our organization is as important as ensuring sustainable performance.

Among the factors that determine the level of accountability and governance are:

- ethical behavior
- transparency and good governance practices
- responsibility to employees
- commitment to the environment
- contributions to the community

How does this inspire us?

The Code of Ethics not only guides the teams, but also inspires the bank's operations in a larger scenario, with all its relationship groups. The More Transparency and Conscientious Use of Money programs, for example, show our intention to understand the client's needs and improve their experience with the bank. The same can be said with regards to our suppliers: when we base our assessment to engage a partner on objective and fair criteria it is because we want to build a quality relationship with this partner.

When we support the inclusion and exchange of different experiences it is because we aim at building an encouraging innovative work environment. We uphold meritocracy and offer equal improvement opportunities and recognition initiatives to whomever stands out.

Principles of our Code of Ethics



Principle of identity
What distinguishes us from other companies.



Principle of interdependence
We interact with our stakeholders and society, aiming at sharing with them values and actions that foster common good.



Principle of good faith
Trust generates trust
We act in good faith and take responsibility for our actions and choices.



Principle of excellence
Ongoing search for higher quality
We constantly improve the quality of our work and cultivate atmospheres that are motivational and conducive to collaboration.

Our business



Economic and financial performance

Macroeconomic outlook

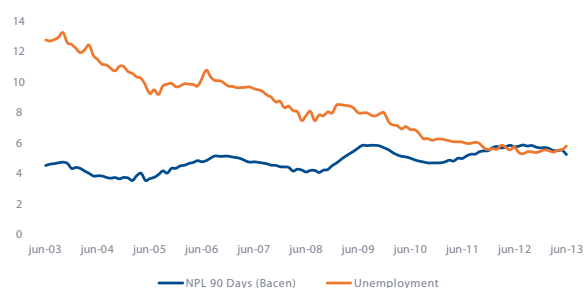
[Learn more](#)

	2011	2012	2013	2014 ²	2015 ²
World Economy					
GDP – World (%)	3.9	3.2	2.8 ²	3.5	3.5
Brazilian Economy					
GDP – Brazil (%)	2.7	1.0	2.2 ²	1.9	2.2
Fx Rate (R\$/US\$)	1.88	2.04	2.36	2.55	2.55
Unemployment Rate (%)	6.0	5.5	5.4 ²	5.8	6.0

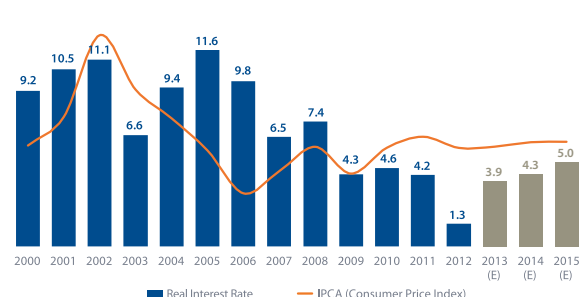
Brazil – favorable macroeconomic outlook

[Learn more](#)

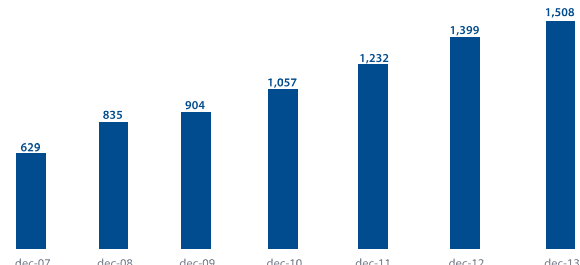
Delinquency x Unemployment (%)¹ and ³



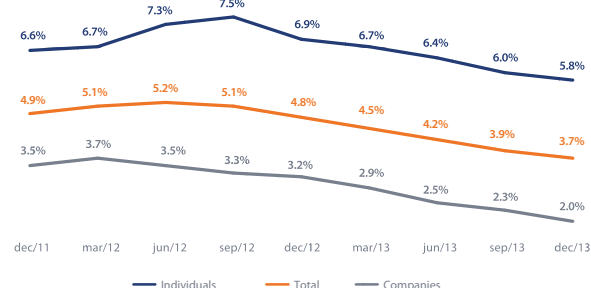
Real Interest Rates | Selic/IPCA (%)¹



Total Free Credit (R\$ million)¹



NPL Ratio (90 days overdue)⁴



1. Source: Central Bank of Brazil

2. Source: IMF

3. Info updated annually

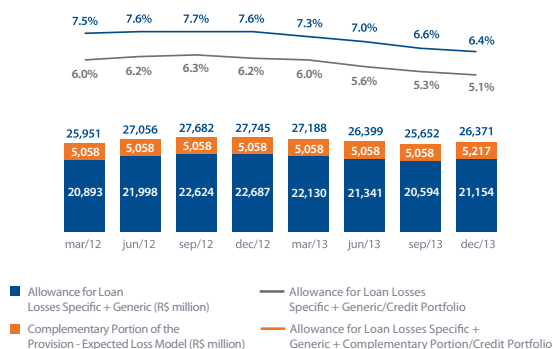
4. Values based on portfolio of Itaú Unibanco Holding



Learn more

Credit portfolio and delinquency evolution

Allowance for Loan Losses and Loan Portfolio



Non-Performing Loans (Delinquency Ratios and Non Performing Loans) – R\$ MM	Dec/12	Sep/13	Dec/13
Non-Performing Loans – 60 Days (a)	20,791	17,982	18,065
Non-Performing Loans – 90 Days (b)	17,563	15,134	15,120
Credit Portfolio (c)	366,285	387,04	412,235
NPL Ratio [(a)/(c)] x 100 over 60 Days (%)	5.70	4.60	4.40
NPL Ratio [(b)/(c)] x 100 over 90 Days (%)	4.80	3.90	3.70
Coverage:			
Non-Performing Loans – 60 Days (%)	133	143	146
Non-Performing Loans – 90 Days (%)	158	170	174

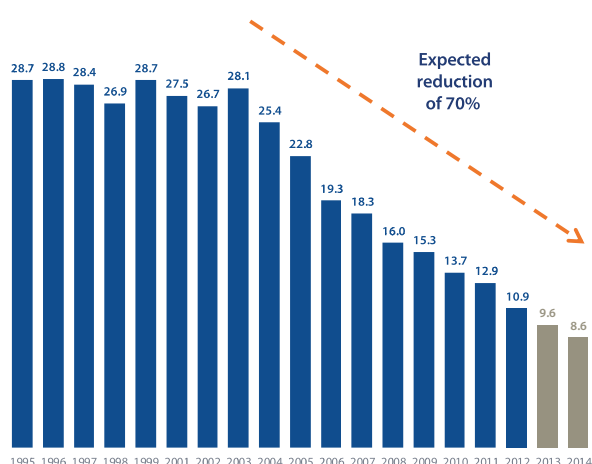
(a) Loans overdue for more than 60 days and that do not accrue revenues.
 (b) Loans overdue for more than 90 days.
 (c) Endorsements and sureties not included.



Learn more

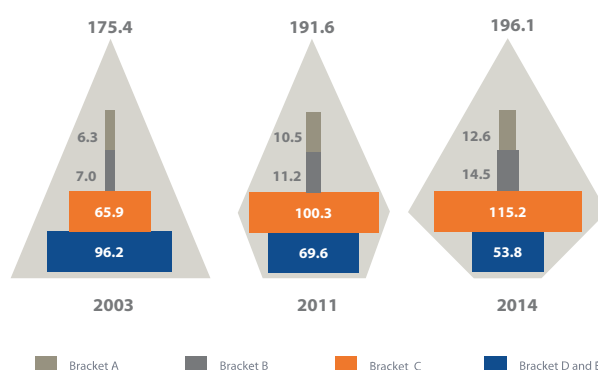
Brazil's fast changing consumer profile

Poverty (% population)³



More Consumers, More Credit Needed³

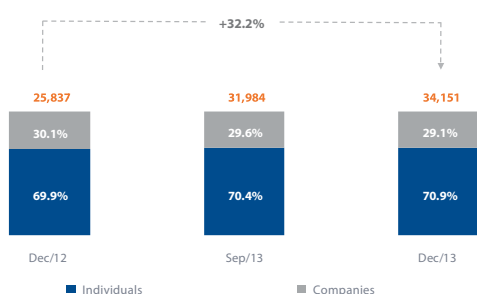
Brazilian Population (in million)



Learn more

Mortgage lending

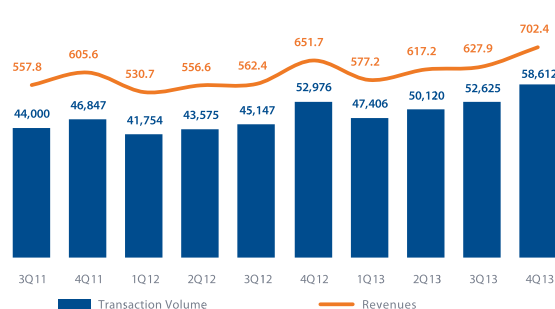
Mortgage Lending Evolution (R\$ million)



Learn more

Credit card operations

Credit Card Operations (R\$ million)



1. Source: Central Bank of Brazil and Itaú Unibanco Holding's expectations.

2. Source: IMF.

3. Source: FGV, Itaú Unibanco. The definition of socioeconomic classes (family income from all sources): Bracket E – from R\$0 to R\$1,013; Bracket D – from R\$1,013 to R\$1,618; Bracket C – from R\$1,618 to R\$6,977; Bracket B – from R\$6,977 to R\$9,097; and Bracket A – over R\$9,097.

Financial highlights

Statement of added value



[Learn more](#)

Capitals	Shared Value	% Distributed in	
		2012	2013
Human	Remuneration and Vocational Training	34	34
Social and Relationship	Taxes, Fees and Contributions	25	26
Financial Intellectual Manufactured Natural	Investment in Modernization Return of Capital Brand Solidification Reduction of Natural Resources Consumption	41	40
Value Distributed* – R\$ Million		37,017	41,869

* Brazilian GAAP.

Net Income



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R\$16,522 MM

2012 – R\$13,191

2011 – R\$14,610

Banking Product Net of Losses on Loans and Claims



[Learn more](#)

R\$64,517 MM

2012 – R\$59,818

2011 – R\$58,204

Banking Service Fees



[Learn more](#)

R\$22,712 MM

2012 – R\$18,944

2011 – R\$19,410

ROE



[Learn more](#)

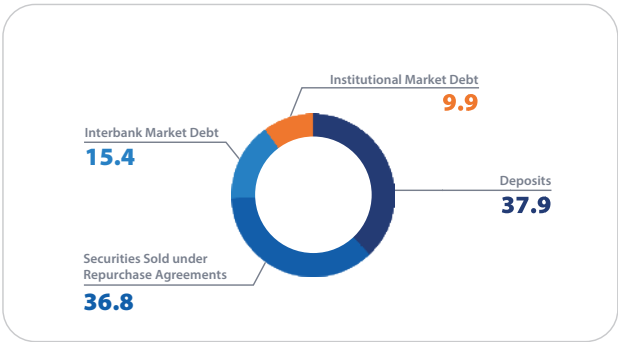
20.90%

2012 – 16.60%

2011 – 20.50%

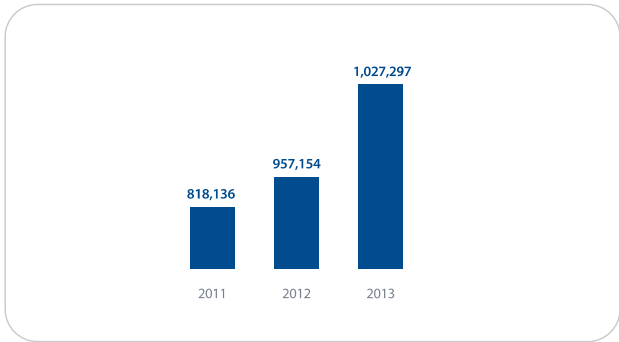
Main Sources of Funds

[Learn more](#)



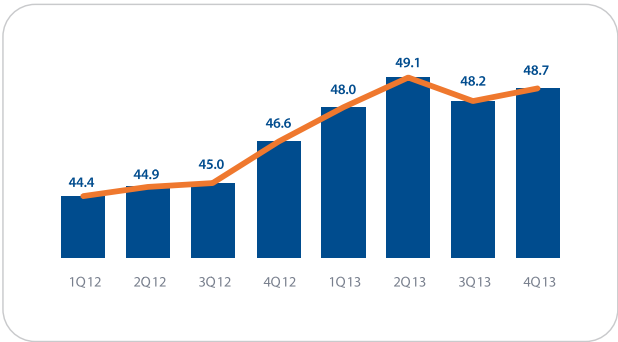
Total Asset

[Learn more](#)



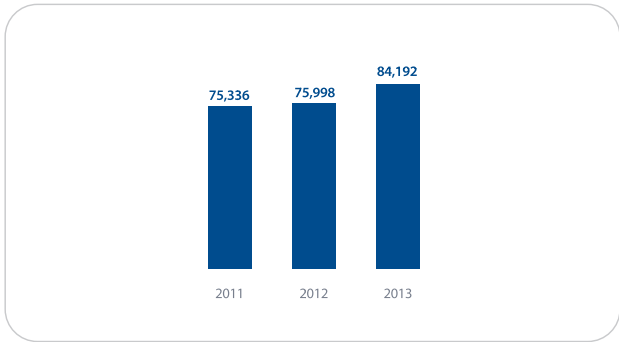
Efficiency Ratio

[Learn more](#)



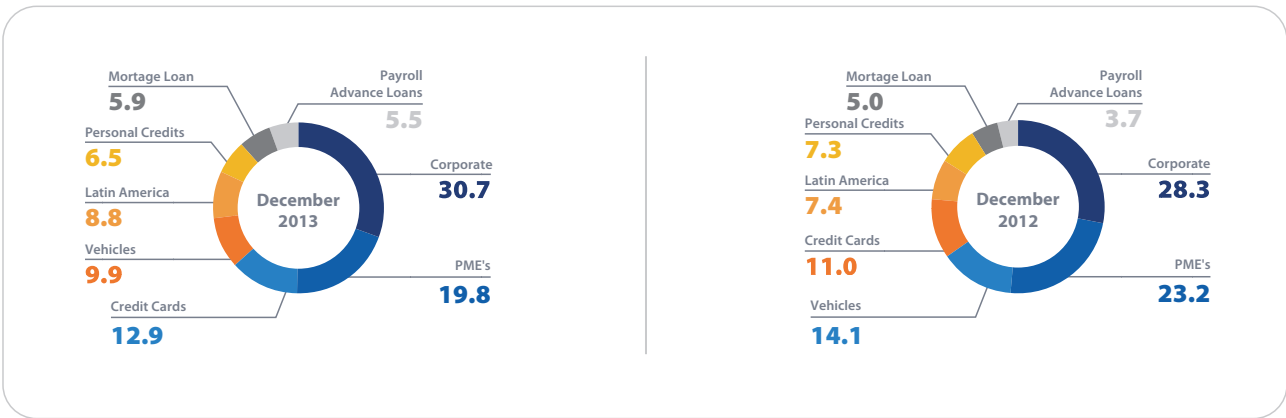
Stakeholder's Equity

[Learn more](#)



Evolution of the Mix of Loan Portfolio

[Learn more](#)



Business model

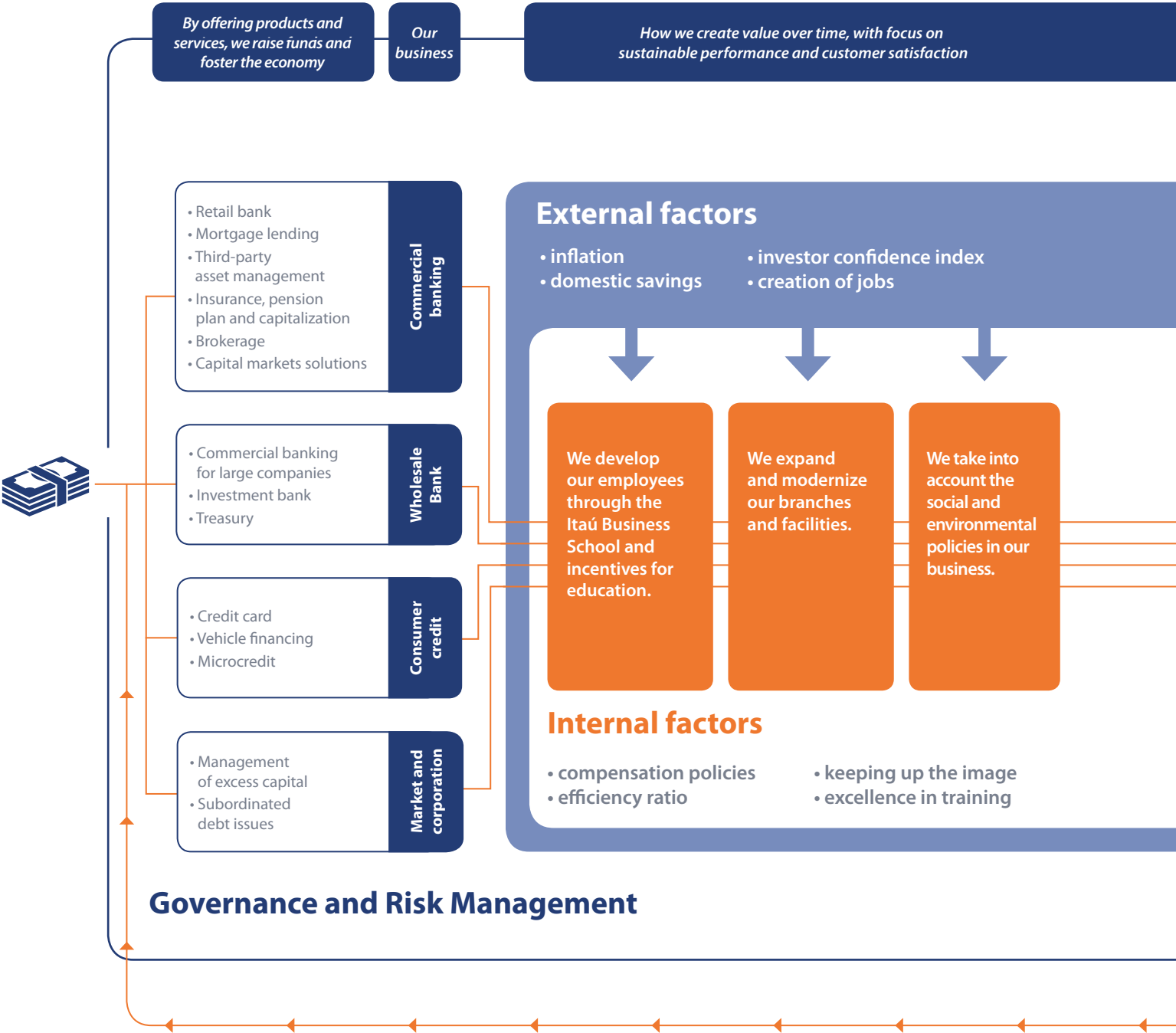
[Learn more](#)

“The business model is defined as the system chosen by an organization to change its inputs into products and results, by way of operational activities, aiming at creating value over time”

(Adjusted source: Framework)

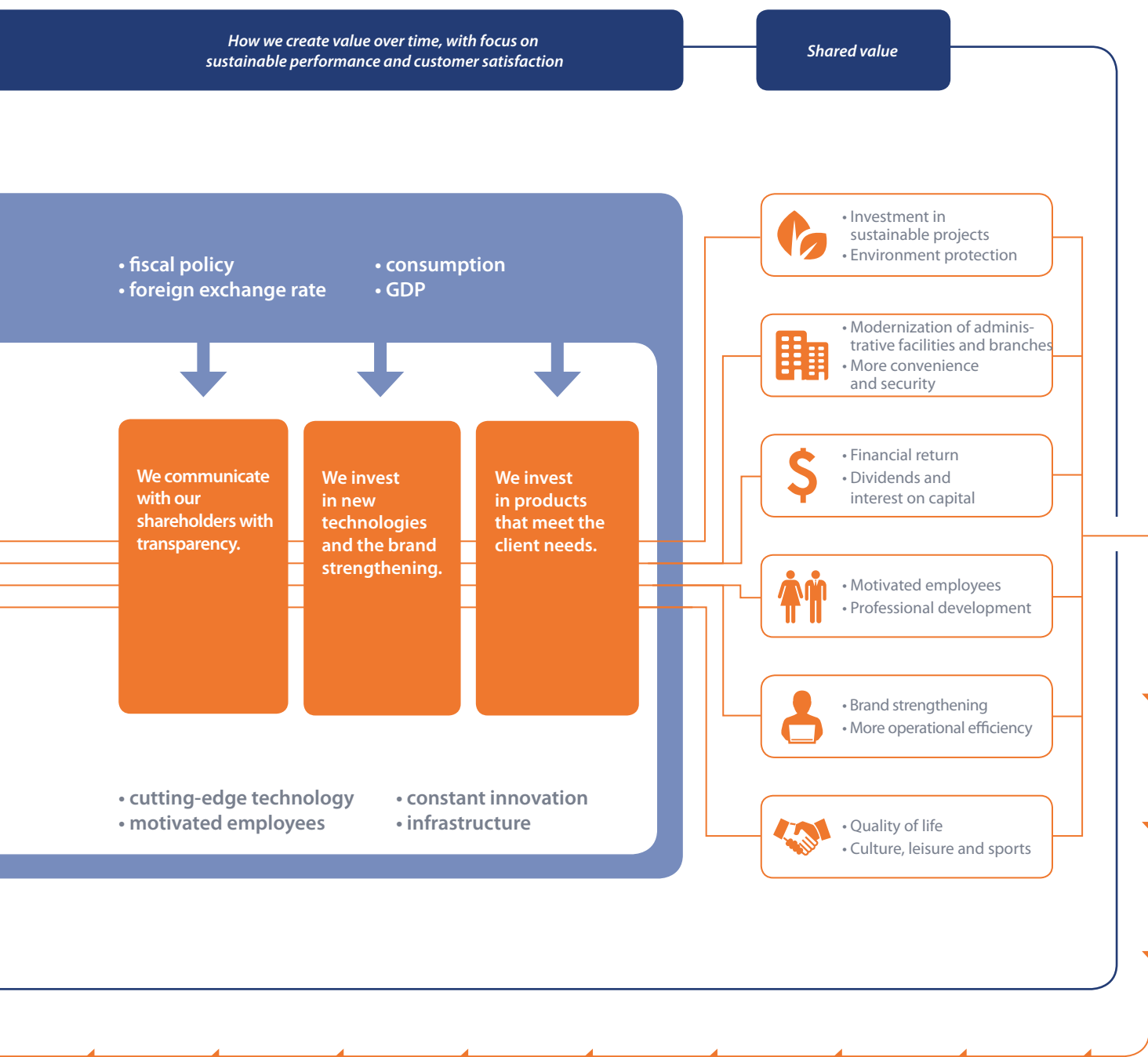
	How We Create Value	Our Business	Main Risks
Commercial banking	We offer a wide range of banking products and services for our diversified base of consumers and commercial clients. Our product portfolio meets the customer needs by offering credit and investments, as well as services such as insurance, foreign exchange and brokerage and others.	<ul style="list-style-type: none"> • Retail banking • Real estate • Third-party asset management • Insurance, pension plan and capitalization • Brokerage • Capital markets solutions 	Credit, operational, underwriting and competition factor risks
Itaú BBA	We are the wholesale, investment and institutional treasury bank responsible for the banking operations of the corporate and investment banking segment.	<ul style="list-style-type: none"> • Commercial banking for large companies • Investment bank • Treasury 	Credit, market, operational, and competition factor risks
Consumer credit	We are leaders in the segments of credit cards and financing of light vehicles, motorcycles and trucks in Brazil. Microcredit operations are important to consolidate our strategy of being transformation agents in society, as we help low-income entrepreneurs to have the chance to expand and develop their own businesses in their communities.	<ul style="list-style-type: none"> • Credit card • Vehicle financing • Microcredit 	Credit, operational, and competition factor risks
Market and corporation	We provide services to all of Itaú Unibanco, supporting customer transactions, as well as cash management and institutional positions. We are responsible for ensuring liquidity, setting base prices for the commercial, wholesale, retail and capital market areas, generating income through active management of market risks and structuring and executing the Itaú Unibanco group's own capital funding.	<ul style="list-style-type: none"> • Management of excess capital • Subordinated debt issues 	Credit, market, liquidity and operational risks

Our business model



Some of our partnerships





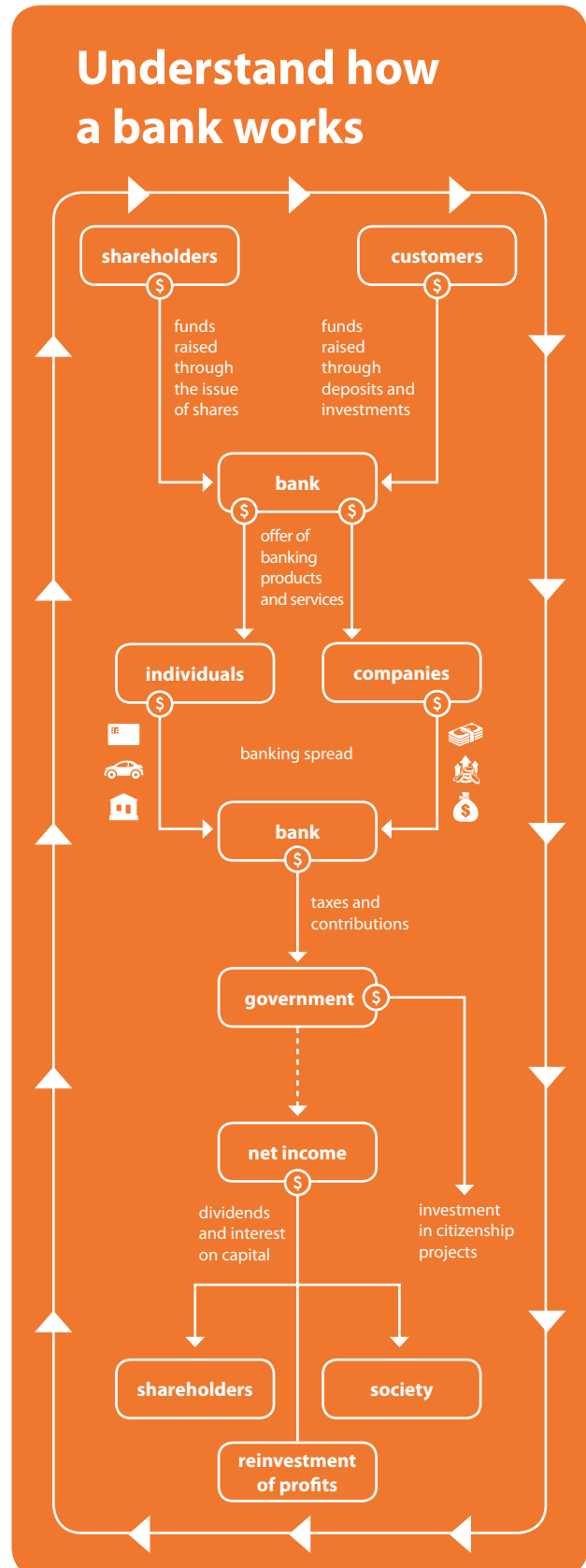
What is a bank for

Banks are public or private financial institutions that intermediate financial operations for a number of economic agents. By way of offering products and services banks raise funds of investors and savers and use those same resources for financing and loans to individuals and companies. Banks charge interest for this intermediation of funds, which acts as payment on these funds lent, such as: mortgage lending, vehicle financing, rural loans, among others. The difference between the remuneration paid by banks to people and companies who apply and save their money and how much these banks charge to lend that same money is called banking spread. The spread is used to pay taxes and social contributions to the government, to pay on third-parties' capital, as dividends and interest on capital and to reinvest the profits by the banks themselves.

Besides brokering credit and investment banks are essential for the economy, particularly in commercial activities, since they also ease the payment process. Considering the social aspect, banks have an important role in providing the population knowledge and financial solutions, with the goal of helping businesses and individuals to have a healthier relationship with money.

In Brazil banks are regulated by the Central Bank of Brazil (Bacen), and their main roles are issuing money, balancing the volume of funds outstanding and regulating the financial system, thus ensuring its soundness.

In summary, we can say that the banks have three important roles in our society: protecting and generating profits to the individuals' and companies' savings, financing consumption and investments, and processing payments and receipts, all on an ethical way and taking into account any socio-environmental impacts.



Management of material matters

“An integrated report should provide concise and relevant information to evaluate an organization’s ability to create value over time”

(Adjusted source: Framework)

Material matters are the ones that may significantly impact the organization and the stakeholders’ evaluations in connection with the ability to create value over time.

The management of material matters provides for the identification of matters that actually or potentially affect our strategies and business model and capitals. Accordingly, we are able to manage any relevant issues, establish targets and action plans, as well as prioritize matters that most interest our stakeholders.

We adopt the criteria below to determine material topics and matters: identification of relevant issues, priority of matters that most potentially affect the organization, and assurance of material issues.

1 > Identification

The identification of relevant issues has considered the following topics and audiences:

- Main guidelines announced by our leaders in the 2013 Leaders Meeting
- Valuation study conducted by an external advisory firm
- A financial sector study of the GRI (Sector Publication Financial Services – G4)
- Sustainability strategy defined in 2011
- 213 media highlights by way of the Media Exposure Quality Index (IQEM) tool

2 > Priority

The topics identified were given priority in view of the criteria as follows:

- Influence on the stakeholders’ appraisal
- Relevance for the decision-making process
- Economic, social and environmental impacts

Due to the heterogeneous nature of the Itaú Unibanco’s business model, materiality was built up based on which material topics should be deemed relevant and, most importantly, comprehensive enough to represent all our operations.

3 > Assurance

The topics addressed were given assurance by the Disclosure Committee and the top management, on an internal basis, and also by external advisory firms, and defined as material topics:

- Relationships with clients and employees
- Social and environmental risks and opportunities
- Governance
- Efficiency
- Financial return

Risk management

[Learn more](#)

We consider **risk management** as an essential tool to enhance the use of our resources and help us select business opportunities to optimize the creation of value to stakeholders.

The purpose of risk identification is to map the internal and external events that may affect our strategies, with potential impact on our results, capitals, and reputation. We highlight below the main **risks associated with our business**:

Credit risk – possibility of incurring losses associated with the failure to fulfill financial obligations, the depreciation of the borrower's credit-worthiness arising from a rating downgrade, reduced gains or compensation, advantages granted to the counterparty upon renegotiation of an agreement or collection costs.

Market risk – possibility of incurring losses arising from the variations in market values of positions held by a financial institution, including the risks of transactions subject to variations in foreign exchange and interest rates, and in equities and commodities prices.

Liquidity risk – defined as the occurrence of imbalances between assets and liabilities, or a mismatch between payments and receipts, which may affect an institution's payment capabilities, taking into consideration the different currencies and settlement terms of its rights and obligations.

Image risk – possibility of incurring losses arising from an adverse perception of the image of the institution.

Operational risk – possibility of incurring losses resulting from failure, deficiency or inadequacy of internal processes, people and systems or from external events. This definition includes legal risk, coupled with any inadequacy or deficiency of contracts entered into by the institution, as well as penalties due to non-compliance with laws and punitive damages to third parties arising from the activities undertaken by the institution.

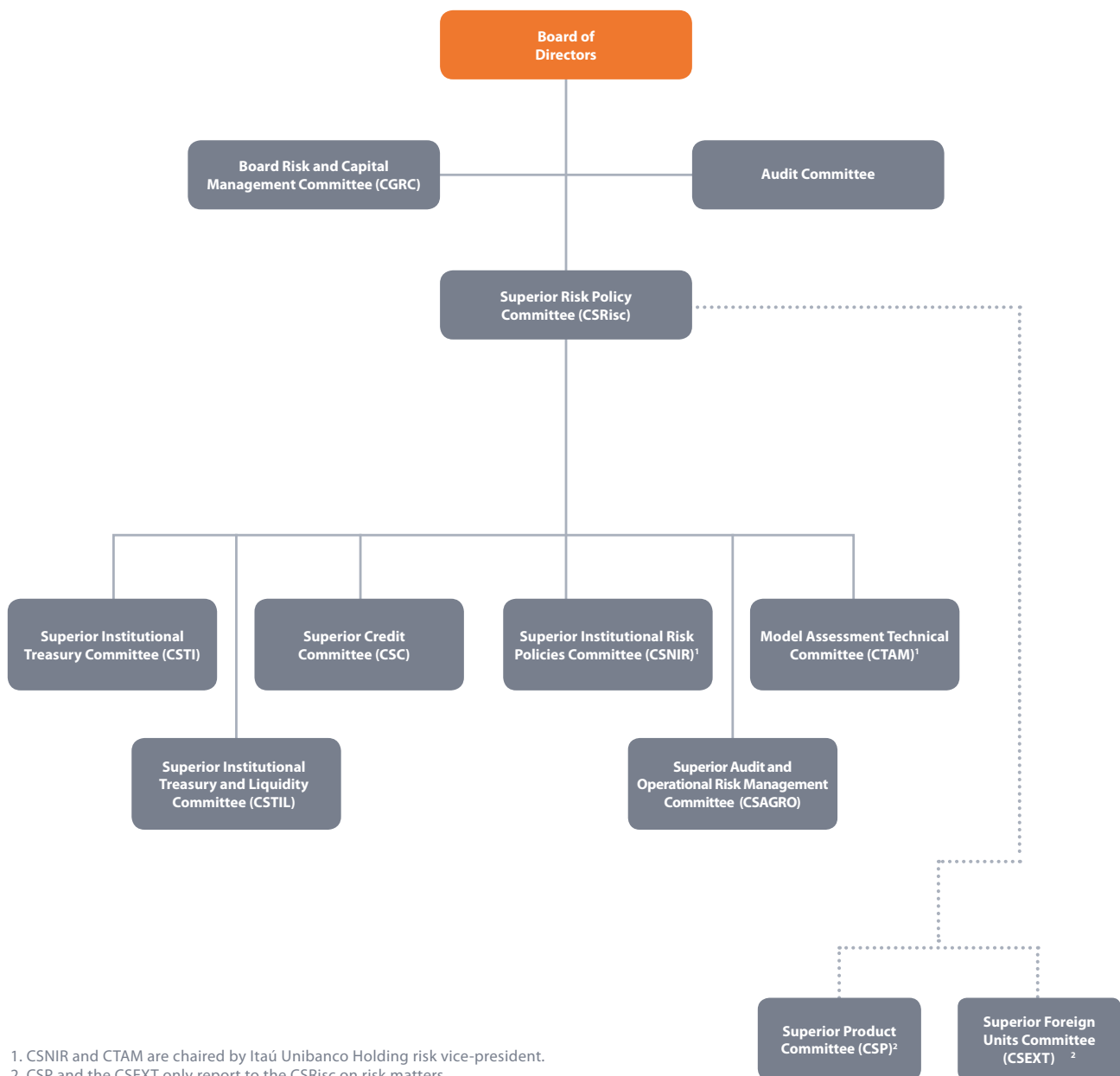
Underwriting risk – possibility of incurring losses arising from insurance, pension plan and capitalization operations that contradicts the organization's expectations, directly or indirectly associated with the technical and actuarial bases for calculation of premiums, contributions and provisions.

Competition factor risk – possibility of incurring losses arising from a competitive adverse environment, which may limit the institution's capacity to keep or increase our client base, business and margin on banking products and services.

Risk management processes are spread throughout our organization, aligned with the guidelines of the **Board of Directors** and top management. Our risk management is performed in a centralized way by an independent unit, which reports to the Board of Directors. We determine the overall purposes of risk management by establishing targets and limits applicable to our business to ensure that these risks

are managed in accordance with our risk appetite and current policies, and optimizing and expediting the corporate decision-making process, accordingly.

Our risk management is structured in conformity with Brazilian and foreign regulations and is in line with the best market practices. The commissions below are part of our governance structure of risk management:



Our capitals

Aqui você tem o Itaú
de segunda a sexta
das 12h às 20h.

Crédito Itaú

Ser consciente não é deixar
de comprar e, sim,
saber escolher.

Atendimento Itaú Uniclass e Itaú Emp

04

03

“Capitals are stocks of value that, in one way or another, become inputs to an organization’s business model. They are increased, decreased or transformed through the activities and outputs of the organization, being improved, consumed, changed, destroyed or otherwise affected by these activities and outputs”

(Adjusted source: Framework)

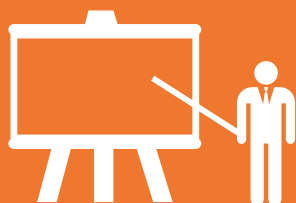
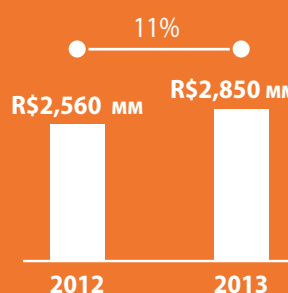


Human capital

R\$10,667 MM  [Learn more](#)

salaries, charges and benefits (↑ **7.6%** compared to 2012)

Profit Sharing (PLR)



Around **2 MM**  [Learn more](#)
hours invested in training in 2013



13,587
merits and promotions in 2013 (14.2% of employees)

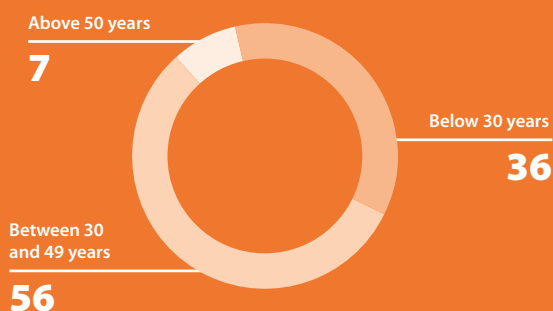


Itaú Business School
R\$185 MM
in training

Age (%)



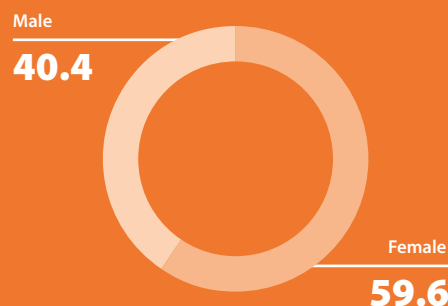
[Learn more](#)



Gender (%)



[Learn more](#)



“It is composed of people’s competencies and experiences, and their motivations to ethically and responsibly innovate, develop and improve processes, goods and services through their ability to lead, manage and collaborate” (Adjusted source: Framework)

Our human capital is one of the greatest assets we have, because we believe that everything starts with our employees and the way we relate to them. The strength of our corporate culture, the appreciation based on meritocracy and the investments in the employees’ professional development are some of the initiatives that add value over time.

Our corporate culture is manifested in Our Way of Making It Happen. In this set of attitudes we define our purposes, which are formally established and guided for the short-, medium- and long-term. We always seek to realize our vision to be the leading bank in sustainable performance and customer satisfaction.

The market we work in is defined by each institution’s capacity to attract, develop and retain talents. We believe that **meritocracy** helps to our creating value because nothing is more important to attracting and developing great talents than a truly meritocratic environment.

All employees are involved in some performance evaluation model and have targets established in accordance with the characteristics of each business. To generate value, our practices should be aligned with the organization’s principles.

Satisfied employees who identify with the organization’s values and strategies work with motivation and are encouraged to develop and offer products and services adequate to the clients’ needs. It is essential that we promote increasingly healthy and enduring relationships, based on transparency, financial education and the offer of fair financial solutions.

The **Itaú Business School** offers training and qualifications to ensure the business sustainability, always aligned with our organization’s vision, culture, values and strategy. In the challenge of searching for innovation, the e-learning distance (EAD) area develops and implements actions through e-learning modules, web-based conferences, DVDs, books, handbooks, chats, and communities of practice, among others. Our performance is clearly defined as focused on the technical and behavioral development of leaderships and teams, taking into account the business specificities and corporate needs.

Top management’s activities are carried out by highly qualified executives with large market experience, often achieved while performing outstanding roles in public institutions, private companies and international and teaching careers. Accordingly, short-, medium- and long-term decisions and strategies are more assertive, and we become more efficient in creating value.

In 2013 we focused on streamlining process and providing efficiency and innovation to products and services. By December 2013, R\$185 MM were invested in-person trainings and e-learning distance trainings, in addition to providing incentives for the undergraduate and graduate courses.

In the medium- and long-term, we expect to enhance the technical and behavioral development of our employees through people management and business programs, and supporting and ongoing alignment actions with our values.



Financial capital

R\$157 bi  Learn more

market value

(Source: Bloomberg)

**Average daily volume
of shares traded**

R\$326 MM

BM&FBovespa

R\$333 MM

NYSE

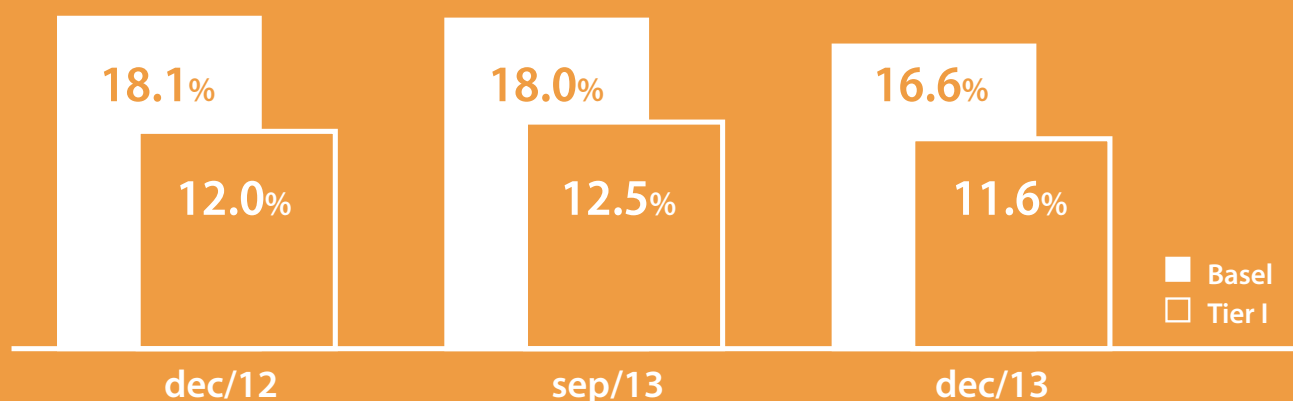
Our Shares – Highlights

Learn more

	2012	2013	Variation (%)
Net Income per Share	2.54	3.31	30
Book Value per Share	14.93	16.34	9.4
Number of Outstanding Shares	4,970.2	4,952.2	(0.2)
Dividends/Interest on Capital per Share	1.00	1.03	3.4

Basel Ratio Evolution

Learn more



“It is a pool of funds obtained through financing, such as deposits, debt issues, and investment fund management, which will be available to our clients for use in the production of goods or the provision of services”

(Adjusted source: Framework)

Our management of these funds ensures the continuity of our business, the offer of financial return to shareholders and clients and other benefits to further stakeholders. Our management is aligned with our vision to be the leading bank in sustainable performance and customer satisfaction. The success of our vision makes us part of the financial choices made by our current and prospective clients over their lifetimes, ensuring results to our shareholders and the longevity of our business.

Our ability to raise funds is dependent on a number of factors, including credit ratings, economy conditions and the perception of emerging markets in general by investors and Brazil.

Our **main types of financing** comprise deposits, securities sold under repurchase agreements and interbank and institutional market debts.

Another significant type of funding is through common and preferred shares issued in Brazil, mainly traded on **BM&FBovespa**. In addition to the Brazilian market, in April 1998 we were listed on the Buenos Aires stock exchange, by way of the Argentine Certificates of Deposits (CEDEAR), and in February 2002 we became a company listed in the United States through our American Depositary Receipts (ADRs) traded on the New York Stock Exchange (NYSE). Since 2011 we have disclosed our financial statements under IFRS in conformity with the US legislative requirements, including the Sarbanes-Oxley Act of 2002.

To ensure that these resources are safely managed, Brazilian financial institutions have adhered to the Basel Accord, introduced in 1988, with the official denomination of International Convergence of Capital Measurement and Capital Standards. In Brazil, the 1988 Accord was implemented by Resolution No. 2,099 of August 17, 1994. In order to ensure the continuity of business, this resolution established a minimum capital requirement for financial institutions, in view of the high risk level associated with asset operations.

The minimum capital is evaluated based on the added value of assets and exposures not included in the balance sheet, such as financial guarantees, letters of credit and foreign exchange agreements and interest, which are weighted in accordance with the respective risk categories.

We are subject to the regulation and supervision of a number of entities in accordance with the countries and segments in which we operate. The activities of these supervision entities are relevant for our business structuring and have a direct impact on our growth strategies. We describe the main entities regulating and inspecting our activities in Brazil as follows: National Monetary Council (Brazilian acronym, CMN), Central Bank of Brazil (Bacen), Brazilian Securities Commission (CVM), National Council of Private Insurance (CNSP) and the Superintendency of Private Insurance (SUSEP).



Intellectual capital



R\$19.3 bi 

[Learn more](#)

Brazil's most valuable brand



[Learn more](#)

Present in over 1 million points of sale in 89% of the Brazilian territory



100% 

[Learn more](#)

Brazilian brand

- Accepted nationwide
- Conversion of bonus into mobile credits



Itaú tokpag

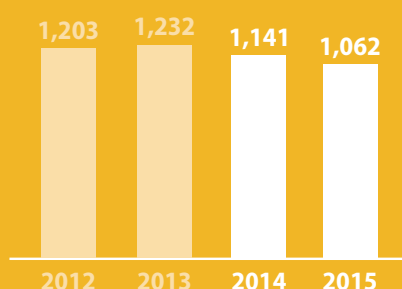
The only bank in Brazil to offer transfers between accounts via mobile phone by using the customer's personal contacts, with no need of branch or account number

Investments in IT

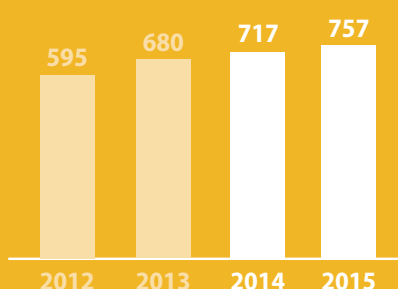
[Learn more](#)

(from 2012 to 2015)

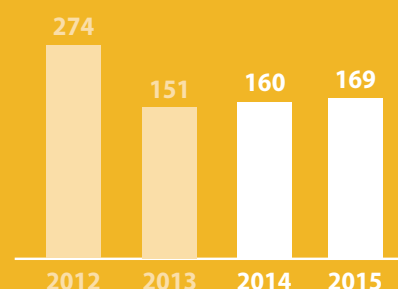
Internal Development of Software (in R\$ MM)



Equipment and Data Processing Systems (in R\$ MM)



Acquisition of Software (in R\$)



“Composed of the reputation achieved by the organization, the know-how of our employees and the development of new technologies”

(Adjusted source: Framework)

Brand and reputation

A brand is the symbolic representation of an entity, something that permits its prompt identification. The strength of our brand is able to sustain value over time and create a sound basis for the offer of new products, in addition to retain and prospect clients.

An organization's reputation is built on the direct and indirect experiences provided to its stakeholders. We understand that the alignment between discourse, practice and ethical and transparent performance is essential to improve the trust placed by our relationship groups. The outcome of this relationship is the increased capacity to generate value and the strengthening of our brand.

Social networks are important channels for disclosing our brand and communicating with stakeholders. On our webpages people may comment on and propose improvements to the services provided; it is one of the major ways to be close to society. We have over 6.6 million fans on Facebook only – the largest number of followers in the world in the financial sector.

In the last years we have taken significant actions that show how the card market is essential to our group. At first, the acquisition of Redecard, one of the largest acquiring companies in the Brazilian segment of electronic payments means. The restructuring of the Redecard brand to **Rede** is part

of our strategy to expand business in the digital area, focused on technology, modernity and agility. To consolidate our leadership, in 2013 we launched a new brand called Hiper and purchased Credicard.

Hiper is our own card brand – 100% Brazilian and with nationwide coverage – accepted in all establishments with a Rede terminal, former Redecard. This corresponds to over one million points-of-sale deployed throughout the Brazilian municipalities. This launching was the first major initiative to strengthen the synergy between the bank (issuer) and Rede (acquirer).

In May 2013, we entered into an agreement with Banco Citibank S.A. for the purchase of Credicard and Citifinancial brands and operations. Accounting for the offer and distribution of financial products and services, personal loans and mainly credit cards, Credicard and Citifinancial have a base of approximate 4.8 million credit cards. The operation was concluded in December 2013 after all regulatory approvals applicable to this type of business were obtained.

We are leaders in the Brazilian credit card sector with Itaucard and Hipercard, in own operations, partnerships and associations with large companies, such as Carrefour, FIAT, Ford, Magazine Luiza, Marisa, Pão de Açúcar, TAM, TIM, Vivo, Volkswagen, and Walmart. This shows that this market is a very relevant asset for us.

Employees' educational level

The higher the **educational level** of our employees, the better the generation of value for the company and the society will be. We believe this provides new ideas and proposals for improvements, therefore making our service more efficient to diversified stakeholders, in addition to providing a more active positioning in relation to social issues. The employees' professional development is directly related to the differentiated offer of products and services and to the development of technology supporting the longevity of our business, therefore providing competitive edge.

Technology trends

The intensive use of technology and electronic distribution channels provides a significant contribution to the growth of sales and services, which is one of our most important competitive edges. When we empower our employees, we make a direct investment in the development and maintenance of the information systems we use. We highlight below the main initiatives related to this topic:

Electronic payment

We want to provide more easiness of payment through a bar code read by a mobile application, thus replacing the manual typing of the document number.

Itaú Unibanco in social networks



6.6
million
fans on Itaú
Unibanco page

1
million
people's likes on
Itaucard page

534 thousand
people's likes on Itau
Universitários page

517
thousand
people's likes on
Itaú Cultural page

136
thousand
people's likes on
Itaú Social page



186.5
thousand
followers on
Itaú Unibanco page

61.2
thousand
followers on
Itaú Cultural page

16.4
thousand
followers on
Itaú Corretora page

8.9
thousand
followers on
Itaú Social page

Smart digital service

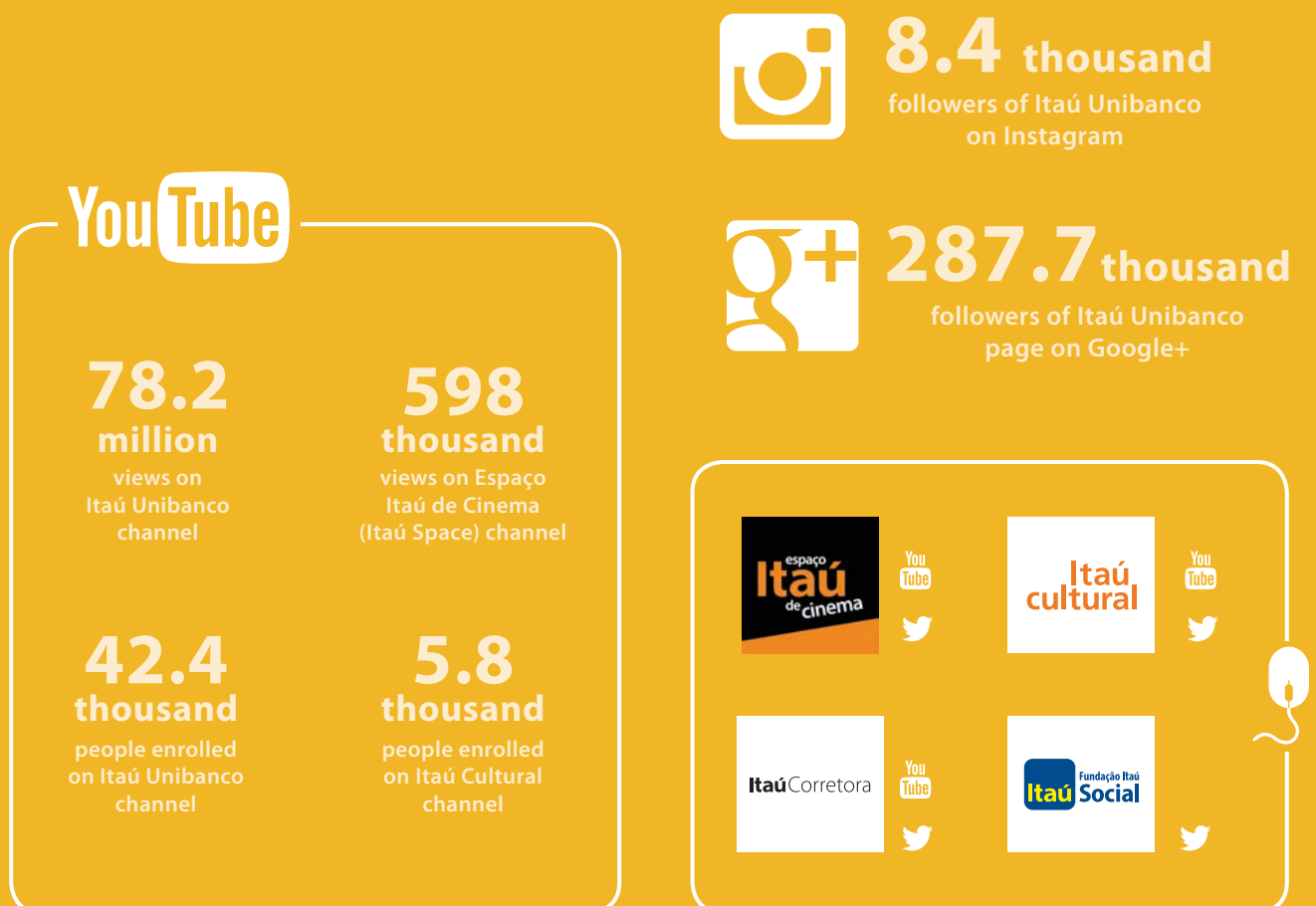
We invest in smart automations to provide our clients with more convenience. This improvement seeks to resolve requests on a simpler way, thereby improving our artificial intelligence.

Geolocation

By way of a mobile application, which geographically locates the client, we offer products and services that meet their possible needs. For example, if the client is at the airport, the application will suggest that they take on travel insurance.

Big data and cloud computing

Big data is type of technology developed to improve our information systems, which provides for a larger volume of data storage and more speed in information processing. Cloud computing provides for the remote access to data and information, by way of servers anywhere in the world, without the need of specific programs.



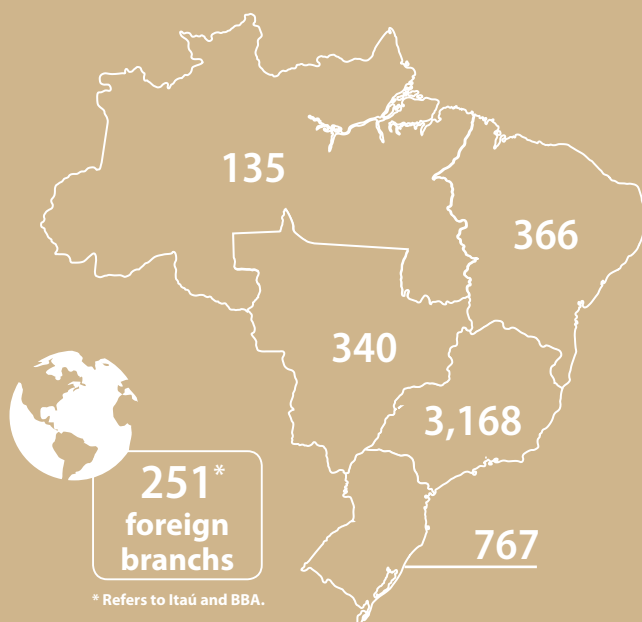


Manufactured capital



Branches

[Learn more](#)



R\$2.53 bi

invested in the modernization of our infrastructure, including:



Branches with differentiated service



Shopping-mall model branches



Administrative facilities in Brazil and abroad

New Data Center



[Learn more](#)

Main Purposes

R\$3 bi

in investments
(from 2012 to 2015)



Largest green data center in Latin America (LEED-certified)



Expected 43% reduction in energy consumption



“It is composed of equipment and physical facilities available to be used by the organization to offer products and provide services” (Adjusted source: Framework)

Our equipment and facilities provide our employees and clients with more comfort, convenience and safety, among other differentials. We continuously invest in the improvement of our infrastructure, which is essential to the efficacy and efficiency of our business model.

We completed the installation of biometric readers at all branches, and part of our ATMs was enabled to authenticate our clients, thus replacing the use of passwords and magnetic cards. This change in the client service at branches strengthens our commitment to meet all our clients' needs.

We have an “operation confirmation/formalization” process, carried out through our electronic means, which enables the client to electronically sign contracts at our ATMS or at other service channels, such as internet and mobile, and saves the client from having to physically go to the branch.

We highlight the payment of accounts with cards from other banks at our ATMs. Pioneering in the market, this new means of payment contributes to the prospection of new clients and to a reduction in cash transfers. In addition, our ATMs, connected to the world's main

brands of payment means, provide for international withdrawals. This is a significant functionality that will meet the large demands related to the World Cup and Olympic Games to be held in Brazil.

We have implemented new branch models, called “shopping mall model”, with different opening hours, from 12:00 a.m. to 8:00 p.m., with exclusive service for Itaú clients from 5:00 p.m. Our branches in the Morumbi and Ibirapuera shopping malls use this new, more modern and close layout, which was inspired in a store design, with attractive and comfortable open space, aligned with the concept of change and with an innovative conception. The environment was designed for the team to be able to strengthen the relationship and win over the client, providing an increasingly better service.

Our plan is to complete new facilities, such as the Tatuapé Administrative Center (CAT 2) and the new data center in Mogi Mirim, by 2014, and these buildings will be LEED-certified, due to their complying with good construction practices; accordingly, we will be able to reduce electricity consumption. This strengthens our commitment with ecoefficiency.



Natural capital

Eco-efficiency



[Learn more](#)

5.80%

reduction in travels
and transport



[Learn more](#)

The Itaú bikes contributed to
over **2.2 MILLION** trips

14.28% savings in expenses
on electricity, water and gas



2.4 million paper print-outs were
eliminated through the review
of processes

65,584* kg of **CO₂** is the volume
of emissions prevented with the use
of Itaú shared transport



[Learn more](#)

* Estimated

“All renewable and nonrenewable environmental resources that provide goods or services that support the past, current or future prosperity of an organization. We mean air, water, land, minerals, forests and biodiversity” (Adjusted source: Framework)

As a financial agent, we relate with several economy sectors and, therefore, we have the potential to influence changes in society. With our focus on social and environmental risks and opportunities, we seek to manage our business by taking into account market trends, regulations and demands from stakeholders.

We take into account environmental variable in our processes in our business through formal policies and procedures. We also have specialized governance structure and to ensure the implementation of these policies and the proper management of environmental risk. We highlight below other initiatives related to this topic:

Loans and financing

We take into account our **Social and Environmental Risk Policy** for credit granting analysis. The risks associated to climate changes are taken into account for financing of projects, such as project finance, following the **Equator Principles** and the new **Performance Standards of the International Finance Corporation (IFC)**, in which climate changes is one of the main addressed topics.

In 2008 and 2009 we were elected by the world's largest financial institutions to hold the office of **Chairman of the Steering Committee of the Equator Principles**, validating our global influence in the promotion of good social environmental and sustainability practices. As a member of this Committee, we currently lead a number of initiatives, such as the strategic review process, strengthening our voluntary commitment to the management of credit and social environmental risks.

Investments

Our challenge is to integrate social and environmental criteria into the third-party wealth management process. In this process, a strict control of risk analysis is carried out by a specialized team that offers support to the managers of funds. In addition, we adopt different investment strategies to ensure the performance and respect the profile of each investor-client.

We were the first large investment manager in Brazil to adhere to the **Principles for Responsible Investment (PRI)**. Launched in 2006, the PRI is an initiative designed by institutional investors, together with the United Nations Organization (UNO), to guide the financial and capital markets to integrate social and environmental and governance issues to investment processes. Since then, we have worked to spread these principles throughout our markets.



Insurance

The relation between the insurance industry and the climate issues is one of the variables most impacting the essence of this business. Our role is to cooperate to mitigate risks, reducing the effects to accommodate our current and future clients in view of the operational exposure connected to some aspects of the climate change.

We adhered to the **Principles for Sustainable Insurance (PSI)** through Itaú Seguros. Launched in June 2012, during the United Nations Conference on Sustainable Development – Rio+20, it is a UNO initiative promoting the integration of social, environmental, and governance issues in the activities of the insurance sector.



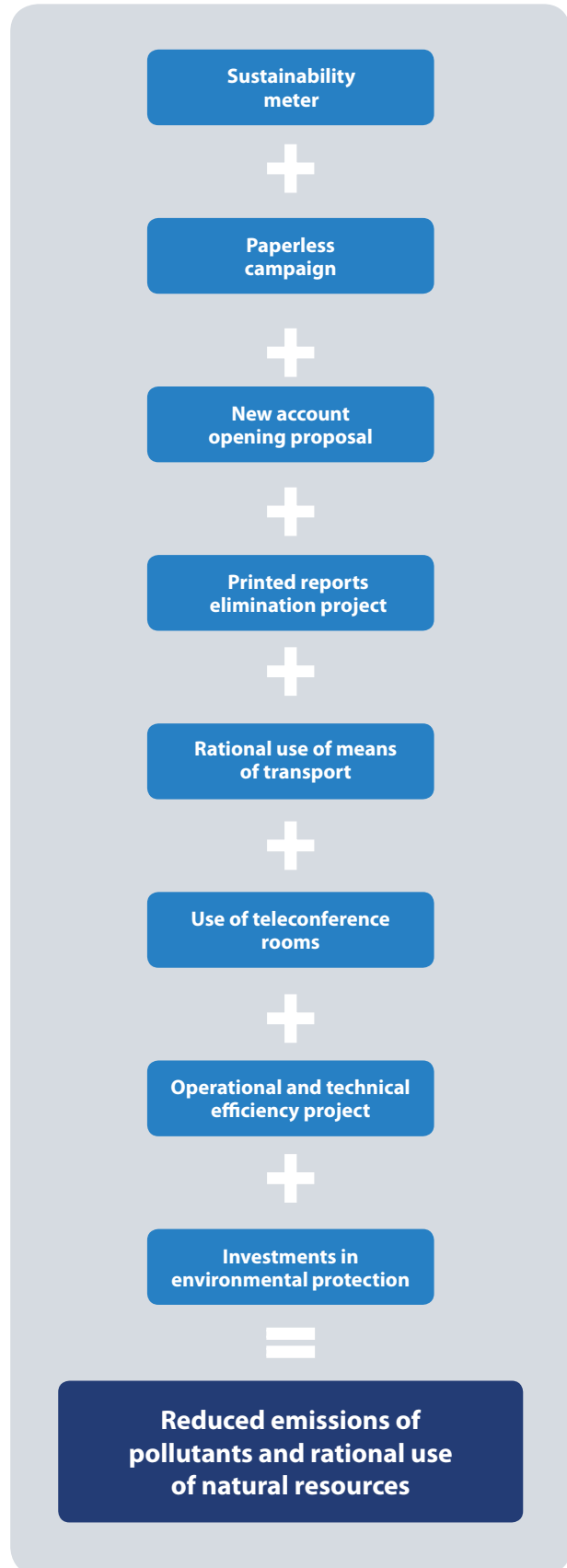
In addition to bringing about significant financial losses, events such as natural disasters, hurricanes, typhoons or tropical cyclones, also cause potential social, environmental and economic tragedies. Insurance policies, if properly taken out, are able to minimize the worsening of critical situations by paying compensation to our clients that count on the protection offered by our insurance solutions and knowledge in risk management.

In addition to the aforementioned risks, we are able to reflect on new products, technologies and services that may be developed and offered to clients to mitigate and provide guidance on risk management. Topics such as carbon credit, renewable energy, forest concession via sustainable management, climate vulnerability of agricultural cultures and urban planning, among others, are opportunities for our acting and strengthening our role.

Our causes

We believe and support the continuous improvement of public education, as well as the appreciation and disclosure of the Brazilian arts and sports that reflect our cultural identity.

We make ongoing investments in programs and initiatives to reduce the environmental impact of our activities, with measures that improve the efficiency of internal processes and reduce the consumption of natural resources, such as:



Socio-Environmental risks and opportunities [Learn more](#)

Seeking business opportunities and managing socio-environmental risks by taking into account market trends, regulations and demands from clients and the society.

Major environmental initiatives incorporated into our business:

Credit

- Social and environmental risk analysis
- Specific credit lines
- Sustainable mortgage lending

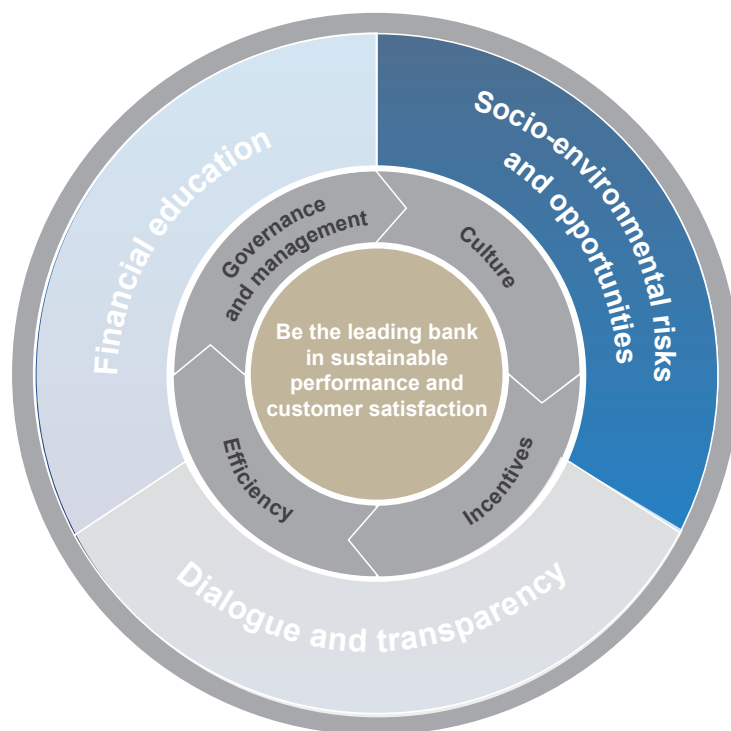
Investments

- Analysis by sector and precification
- Social and environmental funds

Insurance

- Socio-environmental risks underwriting

Environmental valuation



Business sustainability

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

The only Latin bank to make up the Dow Jones Sustainability Index since it was created

Índice de Sustentabilidade Empresarial **ISE**

We make up the index since its creation in 2005

FT
FINANCIAL TIMES

Elected the most sustainable bank in Americas in 2012

guia EXAME
Sustentabilidade 2013

2013 sustainable company of the year

Voluntary commitments

PACTO NACIONAL
Pela Erradicação do Trabalho Escravo

Programa Brasileiro GHG Protocol

CDP
DRIVING SUSTAINABLE ECONOMIES

AccountAbility

INSTITUTO **ETHOS**

THE GLOBAL COMPACT

UNEP **Finance Initiative**
Innovative financing for sustainability

PRI

PSI
Principles for Sustainable Insurance

EQUATOR PRINCIPLES

Global Reporting Initiative™



Social and relationship capital

Social responsibility (in R\$ MM) 
[Learn more](#)

Projects	Number	Incentivized (R\$ MM)	Not Incentivized (R\$ MM)	Total (R\$ MM)
Education and Health	458	51.6	132.3	183.9
Culture	153	103.6	75	178.6
Sports	15	19.3	0	19.3
Urban Mobility	5	0	40.9	40.9
Total	631	174.5	248.2	422.7



Over **4 MM**
books were
distributed in 2013



[Learn more](#)



4.33 MM
people visited our
movie theaters

Major projects and social initiatives



Itaú Criança



“Comprises the relationships with our employees, clients, shareholders, investors, society, government, regulatory bodies, suppliers and other stakeholders, and the ability to share value to enhance the individual and collective well-being” (Adjusted source: Framework)

Employees

In our journey towards a sustainable performance, the starting point is our employees, one of the pillars to achieve our objective to generate shared value to all our relationship groups, ensuring the longevity of our business. Our compensation and benefits policy is aligned with the market practices, collective bargaining and other agreements. Among the main benefits granted to our employees, we highlight:

Benefits

- Variable compensation linked to each employee's differentiated performance
- Medical and dental assistance
- Private pensions
- Group life insurance
- Psychosocial assistance
- Preferential service when using bank products and services
- Ethics and Ombudsman
- Psychological support, health, security and financial education programs

Clients

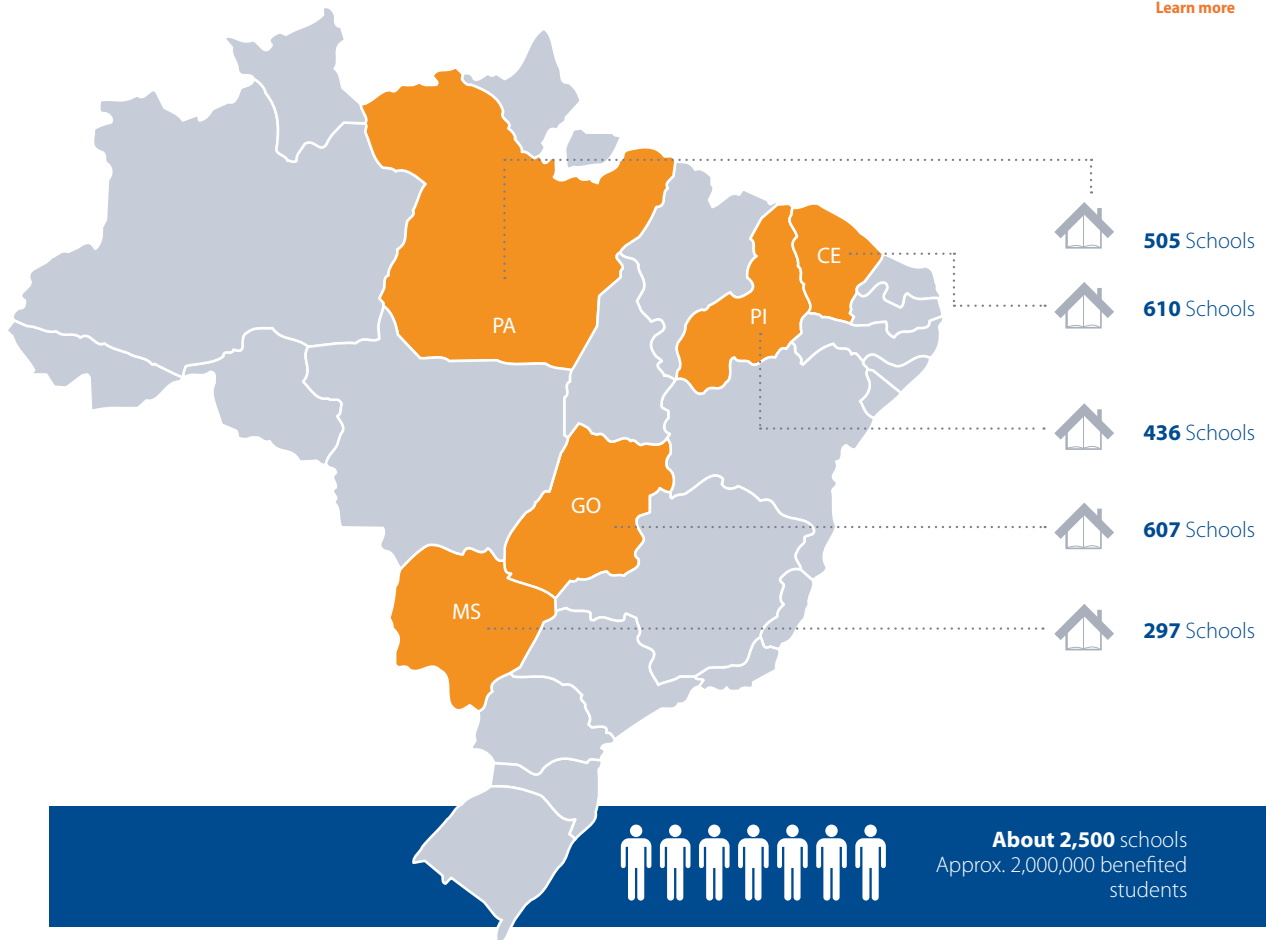
One of our priorities is to have a long-lasting relationship with our clients. If we want to be leaders in sustainable performance, we should care for the quality of our products and services, particularly the expedited resolution of demands and complaints, the improvement of processes and the understanding of the needs of those who are the reason for our existence.

Accordingly, we seek to map all key points valued by our clients to achieve our purpose of being the leading bank in customer satisfaction.

What do our clients value most?

- **Agility** > Fast and efficient solutions and directs responses to queries.
- **Trust** > Our clients' trust is the foundation for our having a long-term relationship.
- **Convenience** > More than understanding, we need to offer easiness and convenience to our clients.
- **Closeness** > Clients want the bank to know their needs and momentum in life and that it offers a fair solution to their profile.
- **Solution** > Our clients understand that some failures may occur. But they do expect any issue to be settled with agility, readiness and courtesy.
- **Transparency** > We want to listen to what our clients have to say about their relationship with the bank and we want to get through to them on a simple and objective way, so that all points related to our products, services and assistance become increasingly clear.

PROMISING YOUNGSTER
ProEMI/JF
From 2012 to 2018



Out of the total clients registering any complaint, the major part offer us the opportunity to sort them out before resorting to consumer protection agencies. Those clients who resort to the consumer protection agencies represent a small percentage, but no less important. Therefore, these figures may affect our image, generate financial losses and reduce the satisfaction perceived by our clients.

The Central Bank monthly discloses a ranking of the number of complaints in connection with entities breaching any regulation in their dealings with customers. Compared to other market players, we have recorded a lower position in the ranking of complaints registered with Procon (the Brazilian consumer protection bureau). We recorded the

lowest level in the history of our participation in the ranking, a result of our process of continuously following up our clients' satisfaction levels. We noticed significant improvements for reducing the number of complaints.

Civil lawsuits filed against us are basically related to alleged understated inflation adjustments to savings accounts in connection with economic plans implemented by the Brazilian government and to revisions of contracts and compensations for property damages and pain and suffering. We have made our best efforts to mitigate these lawsuits and strengthen our purpose of being the leading bank in client satisfaction.

Shareholders and investors

Transparency is our main guiding principle in relationships with shareholders and investors. We provide special attention to the communication platform focused on these groups, with ongoing investments in these channels and in the quality of the services provided.

Being transparent is directly related to good corporate governance, which is concerned about creating an efficient set of mechanisms to ensure that the management behavior is always aligned with the shareholders' interests.

We seek to transmit, with quality and transparency, the vision of our business and our ability to generate value over time through conference calls, meetings and social media.

We are a publicly-held company whose shares trade on stock exchanges in Brazil, the United States and Argentina. On the BM&FBovespa our trading symbol is ITUB (ITUB3 – Common, and ITUB4 – Preferred); on the NYSE and the Buenos Aires Stock Exchange (BCBA) our shares trade through deposit receipts (ADRs on the NYSE and CEDEARs on the BCBA).

Society

In the course of our business, we relate to different segments of society and give priority to those relationships aligned with the generation of value to stakeholders. All our social investments focus on the well-being and how to improve conditions of life, education and culture, thus showing our concern about society. We highlight below the main initiatives related to this topic:

Culture **changes people**, and therefore we encourage and promote different types of cultural manifestations.

Itaú Space was created in 1995. There are currently **8 facilities** in 6 cities in Brazil, totaling **56 viewing rooms**. We also work in **partnership with society**. The *Escola no Cinema* (school goes to the movies) project, for example, opens the rooms for public school teachers to use movies as an **education means** to pupils.

At the *Cine Materna* (movies with mommies), mothers have the chance to go to special sessions with their babies. On Saturdays, teachers willing to widen their cinema horizons may see a movie session free of charge in the cities of São Paulo, Porto Alegre, Curitiba, Rio de Janeiro, Brasília and Salvador. In addition, Itaú's clients and employees have **50% off** in their movie tickets.

When we talk about the Itaú Child program, every year we invite our employees and the whole society to engage in an important cause we support: **ensuring the rights of child and adolescents**.

Generating financial results is not enough for us, because we are also concerned with shared values. It is this belief that governs our performance in relation to society. We want to be partners in the development of people, the society and in the countries in which we operate and, through ongoing dialogue, understand their expectations and ethically and responsibly act in view of these new challenges. Accordingly, we will become ever a **transformation agent**.

Government and regulatory bodies

We have an open and ongoing relationship with public bodies and a relevant participation in the public policies discussions, in order to develop a partnership that will bring benefits to all.

Our relationship with the government and regulatory bodies is guided by ethics and transparency. We offer our help for competent authorities to assess, with more quality, the demands of the market in which we operate.

Suppliers

We are concerned about selecting suppliers that share the best social and environmental practices. We seek to align our ethical and moral values with the companies we engage by demanding their adhesion to our **Code of Ethics**. We have a relationship guided by dialogue and transparency. We provide our guidelines on supplier approval, engagement and evaluation processes.

Business strategy



How we guarantee the creation of shared value for employees, clients, shareholders and society

The Board of Directors is responsible for determining our strategies. These strategic decisions are supported by the Strategy Committee, which provides data and information on strategic business issues. The Committee is mainly responsible for assessing investment opportunities and budget guidelines, and supporting the decisions made by the Executive Directors.

The strategic pillars defined by the Board of Directors and the Strategy Committee for our business are as follows:

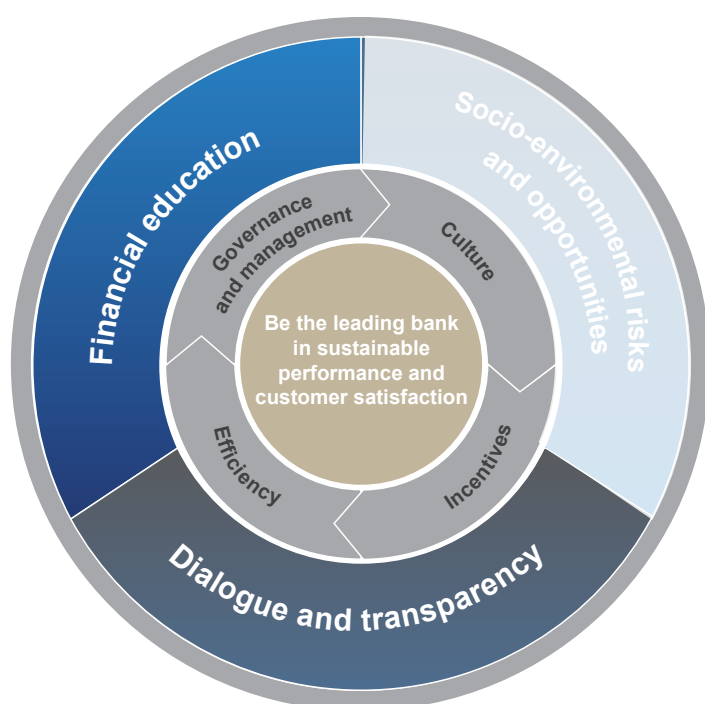
- Expanding our operations in Brazil and in the world.
- Ongoing focus on efficiency.
- Expanding our loan operations, keeping the portfolio quality.
- Implementing an integrated risk management approach, aimed at sustainable growth and higher profitability.
- Strengthening our relationships according to client segmentation.
- Simplify to grow.

Major commitments driving our business strategy



[Learn more](#)

In addition to the Social and Environmental Risk Policy, our strategy is also aligned with two other principles, which, together, make up our **sustainability roadmap**.



Financial education

Understanding people's needs in order to offer knowledge and fair financial solutions, contributing for individuals and companies to have a healthy relationship with money.

Dialogue and transparency

Building relationships of trust to improve our business and create shared value.

Targets and challenges

Human capital

- Using new learning solutions (recorded classes, forums, games and web-based trainings), with new educational strategy and visual identity for all business segments.
- Being the preferred bank for top talents at every level.
- Leading in a shared way through the talent and expertise of our team focusing on meritocracy.
- Reviewing contents and materials related to the benefits offered by the organization, seeking to deepen the employees' knowledge and satisfaction.
- Empowering employees of the banking self-regulation signatories to improve client service.
- Attracting and retaining committed and ethical professionals, who have a business-owner attitude and are proud of the organization.



Natural capital

- Capturing and transmitting images of checks and digital documents.
- Reducing energy consumption levels by 3% for 2014 and 4% to 2015.
- Virtualizing and consolidating storage and servers.
- Mitigating social and environmental risks and promoting business opportunities by translating the social and environmental variables into the bank's reality.
- Expanding the replacement of CRT to LCD monitors and increasing the number of virtual desktops (VDI).



Manufactures capital

- Implementing facial biometry.
- Opening branches in Brazilian cities with over 40 thousand inhabitants.
- Completing the facilities of the Tatuapé technology center and the first phase of the new data center (a 59,815 m² building).
- Completing the second phase of the new data center (105,815 m²) by 2020 and finalizing the project in 2035 (151,815 m²).



Financial capital

- Achieving an operational efficiency level enough to provide for a cost reduction in operations with companies in the in 2014/2015 period.
- Being the leader in sustainable performance and client satisfaction, with annual productive gain of 10%.
- Consolidating the payroll loan operations, keeping 30% p.a. growth.
- Expanding the client base by 5% p.a.
- Expanding the total loan portfolio, from 10% to 13%, with reduction in the risk profile and, as a result, a reduced Allowance for Loan Losses, between R\$13 billion and R\$15 billion.
- Keeping the growth of sale of products not related to the credit segment, and increase revenues by 20% p.a.



Intellectual capital

- Becoming the leader in evolution of payment means, seeking to promote a change in the market.
- Providing mobiles for self-employed professionals and entrepreneurs.
- Withdrawals at ATMs via password received via SMS in the mobile.
- Disseminating Tokpag, an application that provides for the transfer of amounts by using contacts at the mobile only.
- Renovating terminals and launching new products, such as E-Rede with anti-theft application.



Social and relationship capital

- Increasing the level of trust of our audience and minimizing the risk to our image.
- Offering the right product, to the right client, at the right channel.
- Maximizing shareholder returns, aiming at firm-wide growth.
- Improving the Efficiency Ratio between 0.5 to 1.75 p.p.
- Improving a customer satisfaction-oriented culture, that is business-driven and search for a simplified operational structure.



Report on review

of certain accounting and financial information

included in the Integrated Report

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

Introduction

In accordance with your request, we have reviewed certain accounting and financial information included in the Integrated Report of Itaú Unibanco Holding S.A. ("the Company") as at December 31, 2013. This Integrated Report is the responsibility of the Company's management. Our responsibility is to issue a report on this information based on our review.

Scope of review

The purpose of our review was to verify the procedures used for the collection and preparation of certain accounting and financial information included in the Integrated Report and to obtain evidence about the integrity and adequacy of this information based on a comparison with the Company's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the Company's consolidated financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN GAAP).

The accounting and financial information which was subject to our review is as follows:

- Net Income in accordance with IFRS at December 31, 2013, 2012 and 2011;
- ROE in accordance with IFRS at December 31, 2013, 2012 and 2011;
- Total Assets in accordance with IFRS at December 31, 2013, 2012 and 2011;
- Total Assets in accordance with BACEN GAAP at December 31, 2013;
- NPL Ratio (90 days overdue);
- Banking Service Fees in accordance with IFRS at December 31, 2013, 2012 and 2011;
- Net Interest Margin in accordance with IFRS at December 31, 2013, 2012 and 2011;
- Main Sources of Funds in accordance with IFRS at December 31, 2013;
- Evolution of the mix of loan portfolio in accordance with IFRS at December 31, 2013 and 2012;
- Statement of Added Value in accordance with BACEN GAAP at December 31, 2013 and 2012.

This review consisted mainly of: (a) inquiries of management responsible for the accounting and financial areas of Itaú Unibanco Holding S.A. with regard to the collection and preparation process applied to the accounting and financial information mentioned above and included in the Integrated Report; and (b) obtaining evidence about the integrity and adequacy of this information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accounting and financial information referred to above has not been properly included in the Integrated Report as at December 31, 2013.

São Paulo, March 31, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcos Paulo Putini
Contador CRC 1SP212529/O-8

