

**INCREASE IN CAPITAL BY PRIVATE SUBSCRIPTION OF SHARES
AS PER OF THE BOARD OF DIRECTORS**

(ATTACHMENT 30-XXXII OF CVM INSTRUCTION N. 481/09)

1. State the amount of the increase and of the new capital stock

Capital stock increased by R\$ 740,000,015.80, from R\$ 36,405,000,000.00 to R\$ 37,145,000,015.80.

2. Inform whether the increase will be made by means of: (a) conversion of debentures into shares or other debt securities in shares; (b) exercise of subscription rights or warrants, (c) contribution of profits or reserves; or (d) subscription of new shares

The increase in capital stock will be executed through a subscription of new shares.

3. Explain in detail the reasons for such increase and its legal and economic consequences

The capital increase is justified by the intention of the management to maintain the high liquidity to enable (i) increases in shareholding interests in controlled companies, (ii) the capacity to make investments that add value and (iii) reduction of indebtedness.

We do not expect any legal consequences. As to the economic consequences, management considers that, since the shareholders are secured preemptive rights in the subscription of new shares on a pro rata basis to the shares currently held by them, they may be favored with the possibility of a gain from the difference between the market price and subscription value.

4. Provide a copy of the Fiscal Council Report, if applicable:

“OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of **ITAÚSA - INVESTIMENTOS ITAÚ S.A.** have examined the Proposal the increase in the capital stock, within the limit of the Authorized Capital, of R\$ 36,405,000,000.00 to R\$ 37,145,000,015.80 through the issue of 121,311,478 new book entry shares with no par value, being 46,341,899 common and 74,969,579 preferred shares, for private subscription in the period from March 2 to March 31, 2017 at the unit price of R\$ 6.10; in accordance with the aforesaid proposal, the establishment of the price has been made pursuant to the criteria set forth in item III, Paragraph 1 Article 170 of Law 6,404/76 as amended by Law 9,457/97, having as parameter the average weighted quotation of the preferred shares on the BM&FBOVESPA for the period from October 14, 2016 to February 10, 2017, adjusted with a discount of approximately 30%.

Pursuant to the legal and normative provisions, the members of the Fiscal Council are of a favorable opinion of approving this proposal to increase the capital Board of Directors of ITAÚSA. São Paulo (SP), February 13, 2017. (signed) Tereza Cristina Grossi Togni – President; Alexandre Barenco Ribeiro, Flavio Cesar Maia Luz, José Maria Rabelo and Paulo Ricardo Moraes Amaral – Councilors.”

5. In case of capital increase by means of subscription of shares

a. Describe the use of funds

The proceeds of this capital increase will be used to maintain high liquidity to enable (i) increases in shareholding interests in controlled companies, (ii) the capacity to make investments that add value and (iii) the reduction of indebtedness.

b State the number of shares issued of each type and class

121,311,478 new book-entry shares with no par value will be issued, of which 46,341,899 will be common shares and 74,969,579 preferred shares, in proportion to the common and preferred shares representing the capital stock.

c. Describe the rights, advantages and restrictions ascribed to the shares to be issued

The subscribed shares shall be entitled to full benefits including dividends and/or interest on capital that may be declared for account of the fiscal year 2017.

d. State whether related parties, as defined by accounting rules that regulate the subject, will subscribe shares in the capital increase, specifying the respective amounts when such amounts are already known

The controlling interests intend to exercise their preemptive rights, being entitled to subscribe 41,436,237 common shares, of which 28,742,669 are common shares and 12,693,568 are preferred shares.

e. State the issue price of the new shares

The shares issued will be subscribed at the price of R\$ 6.10 per share.

f. State the par value of the shares issued or, in case of shares with no par value, the portion of the issue price that shall be allocated to the capital reserve

The shares issued do not have a par value and all the amount of the issue price shall be allocated to the capital reserve.

g. Provide the opinion of the management members regarding the effects of the capital increase, especially regarding the dilution caused by the increase

Since this is a private subscription, upon adherence of all shareholders, there will be no dilution. The table below shows the history of the three prior issues and the adherence of all shareholders during the preemptive rights period:

Year	Type	Shares Issued	Shares Subscribed in the Preemptive Right Period	%
2015	ON	17,210,555	16,994,805	98.7%
	PN	27,565,565	26,640,973	96.6%
2014	ON	32,340,304	31,632,632	97.8%
	PN	51,659,696	49,392,011	95.6%
2013	ON	53,308,194	52,472,516	98.4%
	PN	85,153,346	81,969,172	96.3%

h. State the criterion for the calculation of the issue price and justify, in detail, the economic aspects that determined the choice

The price (R\$ 6.10 per share) was determined in compliance with the criteria provided in clause III of Paragraph 1 of Article 170 of Law No. 6,404/76, as amended by Law No. 9,457/97, having as parameter the weighted average quoted price of the preferred shares on the BM&FBOVESPA in the period between October 10, 2016 to February 10, 2017 (120 days as in previous years).

As to the setting of a single issue price for common and preferred shares, the Company notifies that it has met the recommendations of CVM Guidance Opinion 05/79. This examines the matter extensively, concluding that the difference is only acceptable when two conditions are present on a cumulative basis: different pricing and significant liquidity.

In the specific 120 days period adopted for establishing the average, the trading volume in common shares exceeded R\$ 1 million on only nine days while the average daily trading volume of preferred shares exceeded R\$ 154 million.

Finally, the trading volume in common shares amounted to just 0.35% of the amount transacted in preferred shares if the full 120 days period is taken into account.

Setting the quoted price at stock exchange of preferred shares as a criterion for determining the only issue price takes into consideration the high liquidity of this type of the Company's shares, which trading volume and figures are substantial, thus being a representative parameter to properly determine the price of all shares.

i. In case the issue price has been set at a premium or a discount in relation to market price, identify the reason for such premium or discount and explain how it was determined

The issue price was set at a discount of approximately 30% of R\$ 8.82, which is the weighted average quoted price of preferred shares at BM&FBOVESPA in the period from October 14, 2016 to February 10, 2017, resulting in a price of R\$ 6.10 per share.

The discount is justified by the volatility of the Brazilian capital market and with the purpose of encouraging the adherence of non-controlling interests to the subscription of their rights.

Historically, the Company considers the weighted average for the 120 days period in order to estimate the issue price of the shares, applying a discount to avoid nullifying the effect of the increase in capital during troughs in share prices on the Stock Market.

Also worthy of consideration is that from the economic point of view, the discount is practically neutral since if the entire spectrum of shareholders adheres to the capital call (or sells preemptive rights), no one loses and no one wins. The practical effect is that the same equity is divided into a greater number of shares, detrimental to neither company nor shareholders. Nor the market which automatically self-adjusts to events.

This neutrality can be observed when the degree of adherence to ITAÚSA's capital calls is verified in practice – over recent years being above 95%.

j. Provide copies of all reports and studies that provided grounds for the determination of the issue price

Study for the determination of the issue price

The table below comprises the quoted prices of the common and preferred shares traded at BM&FBOVESPA.

To determine the price, we adopted the weighted average quoted price over the 120 days immediately prior to February 10, 2017 of the preferred shares that have greater liquidity with a free float of over 83% of the total preferred shares as at January 31, 2017, reflecting the optimum market price of the company.

Considering the volatility of the Brazilian capital markets with the possibility of variations in the stock price during the subscription preemptive period, and with the purpose of encouraging the adherence of non-controlling interests to the subscription of their rights, Itaúsa has decided to set the issue price at a discount of approximately 30% in relation to the average price of the last 120 days prior to February 10, 2017. This level of discount is in line with the discounts set in the capital increases of the last three years.

Weighted average quoted price of preferred shares over the 120 days before February 10, 2017:

Weighted average quoted price of Itaúsa PN				
Start Date	End Date	Amount	Volume R\$	Average R\$
October 14, 2016	February 10, 2017	1,438,364,500	12,690,764,922.00	8.82

Source: Economatica.

QUOTED PRICES OF ITAÚSA AT BM&FBOVESPA

ON				
Date	Number of transactions	Qty of securities	Volume R\$	Closing R\$
10.14.2016	96	44,700	374,187.00	8.35
10.17.2016	88	70,400	592,370.00	8.40
10.18.2016	155	107,300	904,489.00	8.45
10.19.2016	101	66,900	569,374.00	8.53
10.20.2016	93	38,500	329,845.00	8.52
10.21.2016	89	51,300	439,342.00	8.61
10.24.2016	70	25,000	214,858.00	8.51
10.25.2016	73	51,500	435,046.00	8.39
10.26.2016	53	13,900	117,990.00	8.46
10.27.2016	71	50,600	432,264.00	8.54
10.28.2016	68	29,500	253,247.00	8.56
10.31.2016	150	91,400	809,802.00	8.86
11.01.2016	98	39,600	348,350.00	8.82
11.03.2016	125	48,700	422,984.00	8.60
11.04.2016	118	33,600	291,545.00	8.67
11.07.2016	113	66,200	584,920.00	8.81
11.08.2016	110	50,400	446,556.00	8.86
11.09.2016	171	94,000	820,252.00	8.81
11.10.2016	209	178,000	1,524,657.00	8.44
11.11.2016	173	118,800	986,114.00	8.22
11.14.2016	104	37,700	311,874.00	8.21
11.16.2016	203	80,800	675,799.00	8.41
11.17.2016	198	55,700	466,607.00	8.20
11.18.2016	72	37,000	310,442.00	8.42
11.21.2016	131	63,600	541,891.00	8.55
11.22.2016	175	62,100	531,936.00	8.60
11.23.2016	149	29,200	249,099.00	8.49
11.24.2016	49	13,200	111,673.00	8.42
11.25.2016	60	19,100	159,571.00	8.40
11.28.2016	105	46,600	390,098.00	8.54
11.29.2016	70	26,800	224,315.00	8.34
11.30.2016	144	70,700	589,467.00	8.25
12.01.2016	259	221,000	1,772,954.00	7.99
12.02.2016	260	199,000	1,571,261.00	7.91
12.05.2016	69	19,200	151,849.00	7.85
12.06.2016	2,142	314,400	2,541,573.00	8.11
12.07.2016	87	34,100	275,851.00	8.17
12.08.2016	64	23,400	190,647.00	8.17
12.09.2016	246	51,500	416,700.00	8.09
12.12.2016	212	128,400	1,013,306.00	7.80
12.13.2016	81	45,200	358,799.00	7.96
12.14.2016	72	30,700	244,460.00	7.96
12.15.2016	86	32,700	258,103.00	8.00
12.16.2016	76	36,700	291,671.00	7.92
12.19.2016	99	43,100	336,989.00	7.85
12.20.2016	186	72,500	567,152.00	7.82
12.21.2016	135	50,700	398,044.00	7.80
12.22.2016	495	334,700	2,542,320.00	7.84
12.23.2016	70	28,200	218,356.00	7.79
12.26.2016	88	112,900	884,941.00	7.79
12.27.2016	64	17,900	140,345.00	7.82
12.28.2016	35	15,400	121,435.00	7.92
12.29.2016	74	30,000	238,979.00	8.03
01.02.2017	58	20,400	163,911.00	8.06
01.03.2017	123	59,200	484,836.00	8.25
01.04.2017	425	264,800	2,207,249.00	8.27
01.05.2017	140	148,200	1,243,269.00	8.43
01.06.2017	90	29,800	251,260.00	8.41
01.09.2017	45	14,900	126,272.00	8.50
01.10.2017	148	51,500	431,434.00	8.26
01.11.2017	80	27,900	232,724.00	8.33
01.12.2017	170	45,200	386,373.00	8.51
01.13.2017	67	17,400	148,106.00	8.45
01.16.2017	52	13,300	112,973.00	8.53
01.17.2017	105	39,200	336,829.00	8.60
01.18.2017	51	18,600	160,894.00	8.62
01.19.2017	64	26,000	222,990.00	8.55
01.20.2017	61	56,100	482,468.00	8.60
01.23.2017	121	56,000	490,485.00	8.76
01.24.2017	81	40,400	354,975.00	8.74
01.26.2017	130	80,900	711,386.00	8.91
01.27.2017	84	30,700	273,032.00	8.89
01.30.2017	64	16,100	141,240.00	8.73
01.31.2017	77	37,400	327,773.00	8.78
02.01.2017	92	40,900	362,240.00	8.81
02.02.2017	96	77,700	686,324.00	8.87
02.03.2017	130	57,200	513,554.00	9.05
02.06.2017	252	196,100	1,748,684.00	8.80
02.07.2017	141	58,300	525,829.00	9.00
02.08.2017	87	76,700	692,852.00	9.04
02.09.2017	154	44,500	406,147.00	9.10
02.10.2017	103	56,700	520,606.00	9.23

Source: Economática.

Weighted Average Quoted Price of Itaúsa ON				
Beginning date	End date	Qty of securities	Volume R\$	Average R\$
10.14.2016	02.10.2017	5,356,600	44,743,414.00	8.35

Source: Economática.

PN				
Date	Number of transactions	Qty of securities	Volume R\$	Closing R\$
10.14.2016	38,283	25,422,000	225,621,831.00	8.90
10.17.2016	36,017	24,131,100	216,326,432.00	8.98
10.18.2016	37,353	29,224,900	264,122,135.00	9.10
10.19.2016	23,369	21,124,200	191,858,758.00	9.04
10.20.2016	33,516	19,950,800	181,681,207.00	9.08
10.21.2016	14,088	13,694,400	123,683,842.00	9.01
10.24.2016	19,447	16,438,200	148,359,145.00	8.96
10.25.2016	17,277	14,270,700	126,287,775.00	8.84
10.26.2016	14,792	11,344,400	100,530,516.00	8.86
10.27.2016	31,162	23,844,900	215,427,025.00	9.05
10.28.2016	26,519	18,955,400	171,827,302.00	9.07
10.31.2016	65,077	34,129,100	319,724,779.00	9.44
11.01.2016	37,526	25,831,200	240,970,981.00	9.23
11.03.2016	40,064	20,552,300	188,408,954.00	9.05
11.04.2016	54,698	26,489,200	244,702,609.00	9.23
11.07.2016	35,839	18,862,600	178,208,127.00	9.45
11.08.2016	25,872	22,845,400	217,651,989.00	9.50
11.09.2016	32,284	19,720,000	183,715,325.00	9.30
11.10.2016	63,078	39,560,500	354,239,856.00	8.82
11.11.2016	58,930	43,771,200	379,531,936.00	8.58
11.14.2016	41,537	26,369,500	226,675,123.00	8.57
11.16.2016	49,937	23,935,500	210,130,161.00	8.85
11.17.2016	39,200	28,994,000	254,733,950.00	8.64
11.18.2016	27,199	16,483,600	145,074,582.00	8.78
11.21.2016	22,989	20,328,600	180,946,308.00	8.87
11.22.2016	29,976	25,132,100	223,893,227.00	8.87
11.23.2016	26,121	21,054,200	184,638,598.00	8.71
11.24.2016	11,025	8,019,300	69,677,927.00	8.64
11.25.2016	18,569	11,580,800	99,149,713.00	8.60
11.28.2016	14,985	14,288,000	123,631,769.00	8.68
11.29.2016	22,355	14,839,100	127,238,281.00	8.51
11.30.2016	29,030	26,194,400	226,579,363.00	8.61
12.01.2016	48,222	30,868,900	255,254,107.00	8.17
12.02.2016	32,805	21,516,800	176,048,068.00	8.20
12.05.2016	21,777	13,092,200	107,141,500.00	8.16
12.06.2016	27,840	14,471,000	119,958,662.00	8.34
12.07.2016	21,726	17,842,100	149,144,899.00	8.36
12.08.2016	19,566	13,952,500	116,924,094.00	8.35
12.09.2016	19,967	17,204,900	145,078,070.00	8.40
12.12.2016	39,777	17,035,700	138,831,046.00	8.07
12.13.2016	34,649	20,817,900	169,637,920.00	8.11
12.14.2016	27,006	19,400,100	158,321,116.00	8.06
12.15.2016	29,473	18,626,100	149,900,779.00	8.06
12.16.2016	19,291	13,925,200	112,104,303.00	8.02
12.19.2016	16,269	19,205,400	152,804,747.00	7.88
12.20.2016	17,800	16,129,500	128,392,154.00	7.96
12.21.2016	14,110	12,132,200	96,495,041.00	7.96
12.22.2016	19,706	16,533,700	132,206,062.00	8.02
12.23.2016	30,418	18,617,700	147,589,578.00	7.90
12.26.2016	9,082	5,268,700	42,141,900.00	8.00
12.27.2016	11,651	5,099,700	40,706,080.00	7.97
12.28.2016	16,301	10,462,600	84,485,518.00	8.08
12.29.2016	26,712	14,193,100	116,654,402.00	8.28
01.02.2017	7,629	4,137,500	33,955,118.00	8.21
01.03.2017	31,591	17,053,000	144,973,430.00	8.57
01.04.2017	12,043	8,688,900	74,581,780.00	8.62
01.05.2017	27,980	15,646,300	135,912,555.00	8.70
01.06.2017	26,548	11,044,800	95,800,098.00	8.67
01.09.2017	14,887	9,271,200	81,169,766.00	8.76
01.10.2017	15,718	9,390,500	81,785,391.00	8.70
01.11.2017	16,792	12,464,800	108,864,543.00	8.76
01.12.2017	38,207	21,806,300	196,289,150.00	9.00
01.13.2017	26,613	10,502,900	94,005,797.00	8.91
01.16.2017	15,108	9,610,800	85,491,850.00	8.91
01.17.2017	27,680	14,769,800	133,714,333.00	9.09
01.18.2017	29,760	14,365,100	130,044,063.00	9.04
01.19.2017	17,310	10,109,100	91,155,771.00	9.03
01.20.2017	18,182	11,927,400	108,576,604.00	9.13
01.23.2017	26,317	13,566,900	125,609,643.00	9.36
01.24.2017	36,537	15,137,800	140,374,178.00	9.25
01.26.2017	27,349	17,755,200	165,333,594.00	9.29
01.27.2017	18,562	10,121,900	94,396,988.00	9.28
01.30.2017	29,031	11,993,900	110,000,990.00	9.17
01.31.2017	65,622	20,575,400	190,047,915.00	9.28
02.01.2017	37,582	17,109,100	159,516,038.00	9.32
02.02.2017	23,671	13,057,200	121,221,786.00	9.31
02.03.2017	30,272	16,172,200	153,188,454.00	9.49
02.06.2017	21,169	13,491,300	127,219,138.00	9.35
02.07.2017	31,902	18,014,800	171,942,498.00	9.48
02.08.2017	27,457	14,213,400	135,346,556.00	9.56
02.09.2017	30,171	13,867,100	133,642,206.00	9.63
02.10.2017	32,462	18,722,300	181,535,117.00	9.72

Weighted Average Quoted Price of Itaúsa PN				
Beginning date	End date	Qty of securities	Volume R\$	Average R\$
10.14.2016	02.10.2017	1,438,364,500	12,690,764,922.00	8.82

k. State the quoted price of each type and class of share of the company in the markets where they are traded, identifying:

The tables below show, for the periods indicated, the quoted prices adjusted by events, such as reverse split, bonus and subscription.

i - Minimum, average and maximum quoted price of each year, for the past three years:

Year	ON (R\$)			PN (R\$)		
	Minimum	Average	Maximum	Minimum	Average	Maximum
2014	6.37	7.71	9.71	5.96	7.46	9.34
2015	6.32	7.66	9.05	6.18	7.59	9.09
2016	5.74	7.56	8.97	5.68	7.75	9.63

Source: Economatica.

ii - Minimum, average and maximum quoted price of each quarter, for the past two years:

Quarter	ON (R\$)			PN (R\$)		
	Minimum	Average	Maximum	Minimum	Average	Maximum
1Q/2015	7.42	8.02	8.68	7.41	8.00	8.64
2Q/2015	7.69	8.41	9.05	7.66	8.43	9.09
3Q/2015	6.37	7.27	8.27	6.18	7.17	8.31
4Q/2015	6.32	6.95	7.56	6.20	6.77	7.36
1Q/2016	5.74	6.56	7.84	5.68	6.53	7.95
2Q/2016	6.83	7.28	7.91	6.90	7.43	8.10
3Q/2016	7.12	8.09	8.64	7.38	8.38	8.87
4Q/2016	7.50	8.28	8.97	7.86	8.63	9.63

Source: Economatica.

iii - Minimum, average and maximum quoted price of each quarter, for the past six months:

6 months	ON (R\$)			PN (R\$)		
	Minimum	Average	Maximum	Minimum	Average	Maximum
Ago-16	7.92	8.33	8.60	8.19	8.61	8.87
Set-16	8.00	8.26	8.64	8.12	8.48	8.84
Out-16	8.00	8.42	8.90	8.22	8.86	9.44
Nov-16	8.11	8.52	8.97	8.44	8.92	9.63
Dez-16	7.50	7.92	8.25	7.86	8.13	8.50
Jan-17	7.95	8.54	8.95	8.16	8.93	9.38

Source: Economatica.

iv – Average quoted price for the past 90 days:

90 days	ON (R\$)			PN R(\$)		
	Minimum	Average	Maximum	Minimum	Average	Maximum
November 13, 2016 to February 10, 2017	7.50	8.36	9.28	7.86	8.69	9.77

Source: Economatica.

l. State the issue prices of shares in capital increases performed in the last three (3) years

Year	Issue price	Issued price adjusted
2015	R\$ 6.70	R\$ 5.54
2014	R\$ 6.25	R\$ 4.70
2013	R\$ 6.50	R\$ 4.88

(*) for the sake of better comparability, consider the stock bonus

m. Present the percentage of potential dilution resulting from the issue

The percentage of potential dilution resulting from the issue is 1.612198% for common as well as for preferred shares.

n. State the terms, conditions and forms of subscription and payment of the shares issued

The shareholders may exercise their preemptive right to subscribe from March 2 to March 31, 2017, in the proportion of 1.6386161% of the shares of the same type they hold as of February 20, 2017.

The shares subscribed must be paid at the time of subscription in cash or by offsetting credits resulting from the second installment of the “Additional Interest on Capital” declared by ITAÚSA on February 13, 2017, will be paid on April 6, 2017.

The shareholders with the securities custody of Itaú will receive prints already filled out, by means of which they may subscribe shares and elect to subscribe unsubscribed shares remaining, by executing and delivering these prints in any branch of Itaú, together with the corresponding payment or authorization to debit their respective checking accounts. For convenience purposes, holders of accounts in Itaú may also exercise their subscription rights through *Bankline service* (business days from 9 a.m. to 6 p.m.).

The shareholders who hold shares deposited in the Central Depositária de Ativos (Depositary Center) of BM&FBOVESPA must exercise their respective rights through their custodians and in accordance with the rules and terms established by the BM&FBOVESPA Depositary Center itself.

Subscribed shares will be free for negotiation in up to 3 business days following the meeting of the Board of Directors which shall verify this subscription and ratify the increase in the capital stock.

o. State whether the shareholders will be entitled to preemptive right to subscribe the new shares issued and provide details about the terms and conditions to which such right is subject

The shareholders may exercise their preemptive right to subscribe from March 2 to March 31, 2017, in the proportion of 1.6386161% to the shares of the same type they hold as at February 20, 2017.

The stockholders who do not wish to exercise their preemptive rights to subscribe may assign them or negotiate them on the Stock Exchange.

p. Inform the proposal of the management for the treatment of potential remaining unsubscribed shares

The stockholders that opted for subscription of share fractions may do so at the same price and under the same conditions, exclusively on the following dates: **1st apportionment**, April 6 and April 7, 2017, in the proportion of the subscribed shares in the period for exercising preemptive rights; and **2nd apportionment**, April 13 and April 17, 2017 in the proportion of the subscribed shares in the 1st apportionment together with those subscribed during the period for the exercising of preemptive rights, the stockholders with shares registered in book entry form at Itaú being able to contact any branch of Itaú, stockholders using the *Bankline service* (business days from 9 a.m. to 6 p.m.), while stockholders with shares registered at BM&FBOVESPA's Central Asset Depository subscribing the shares through their custody agents (Brokerage Houses).

q. Describe in detail the procedures to be adopted in case there is a provision for partial ratification of the capital increase

There is no provision for partial ratification of the capital increase.

r. In case the issue price of the shares is, totally or partially, realized on assets

i. Provide a full description of the assets will be accepted

ii. Clarify the relation between the assets and its corporate purpose

iii. Provide a copy of the appraisal report on the assets, if available

Not applicable.
