

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

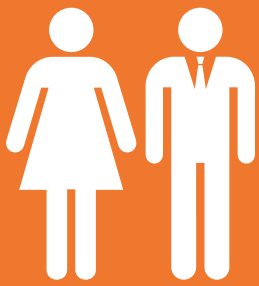
04

03

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)

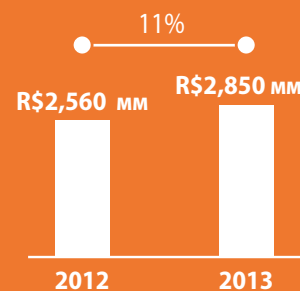


Human capital

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

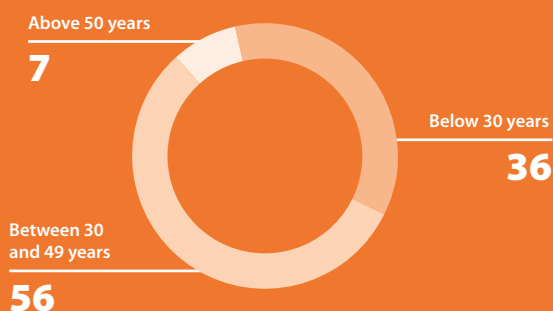



13,587
merits and promotions in 2013 (14.2% of employees)

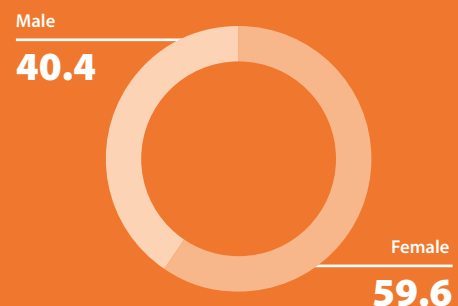


Itaú Business School
R\$185 MM
in training

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  Learn more
market value
(Source: Bloomberg)

**Average daily volume
of shares traded**

R\$326 MM

BM&FBovespa

R\$333 MM

NYSE

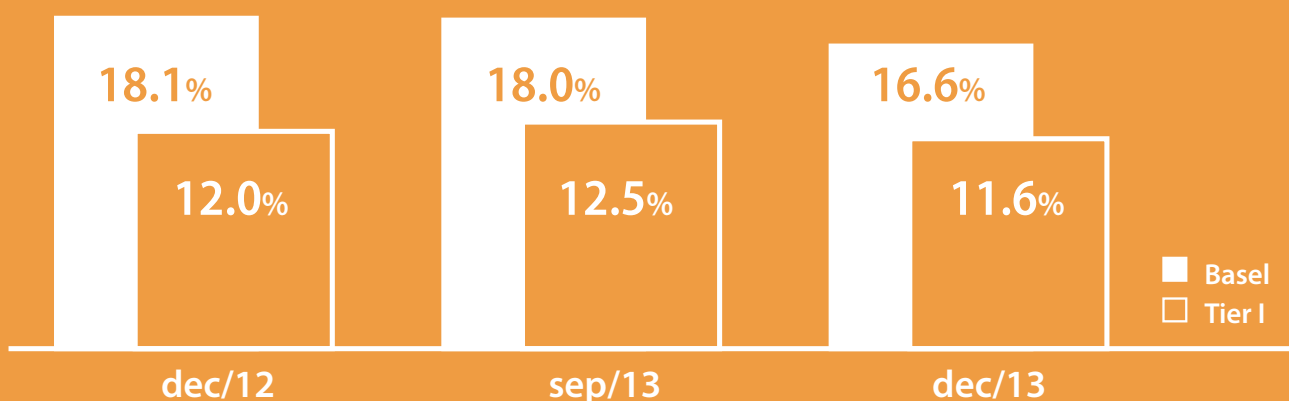
Our Shares – Highlights

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

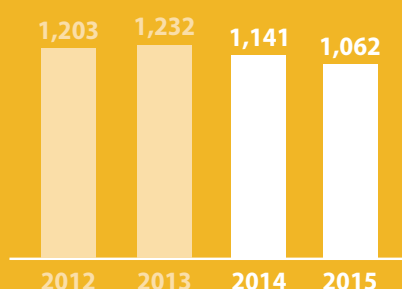
The only bank in Brazil to offer transfers between accounts via mobile phone by using the customer's personal contacts, with no need of branch or account number

Investments in IT

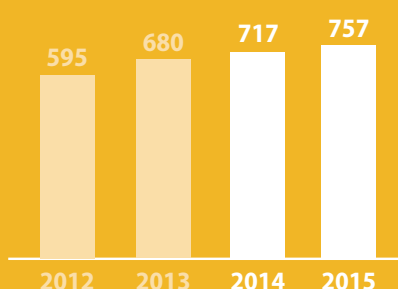
(from 2012 to 2015)

[Learn more](#)

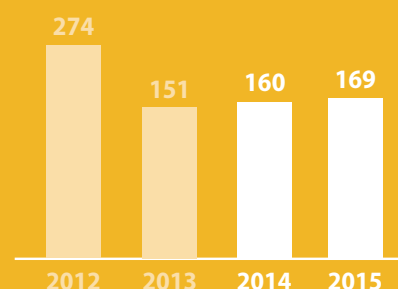
Internal Development of Software (in R\$ MM)



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

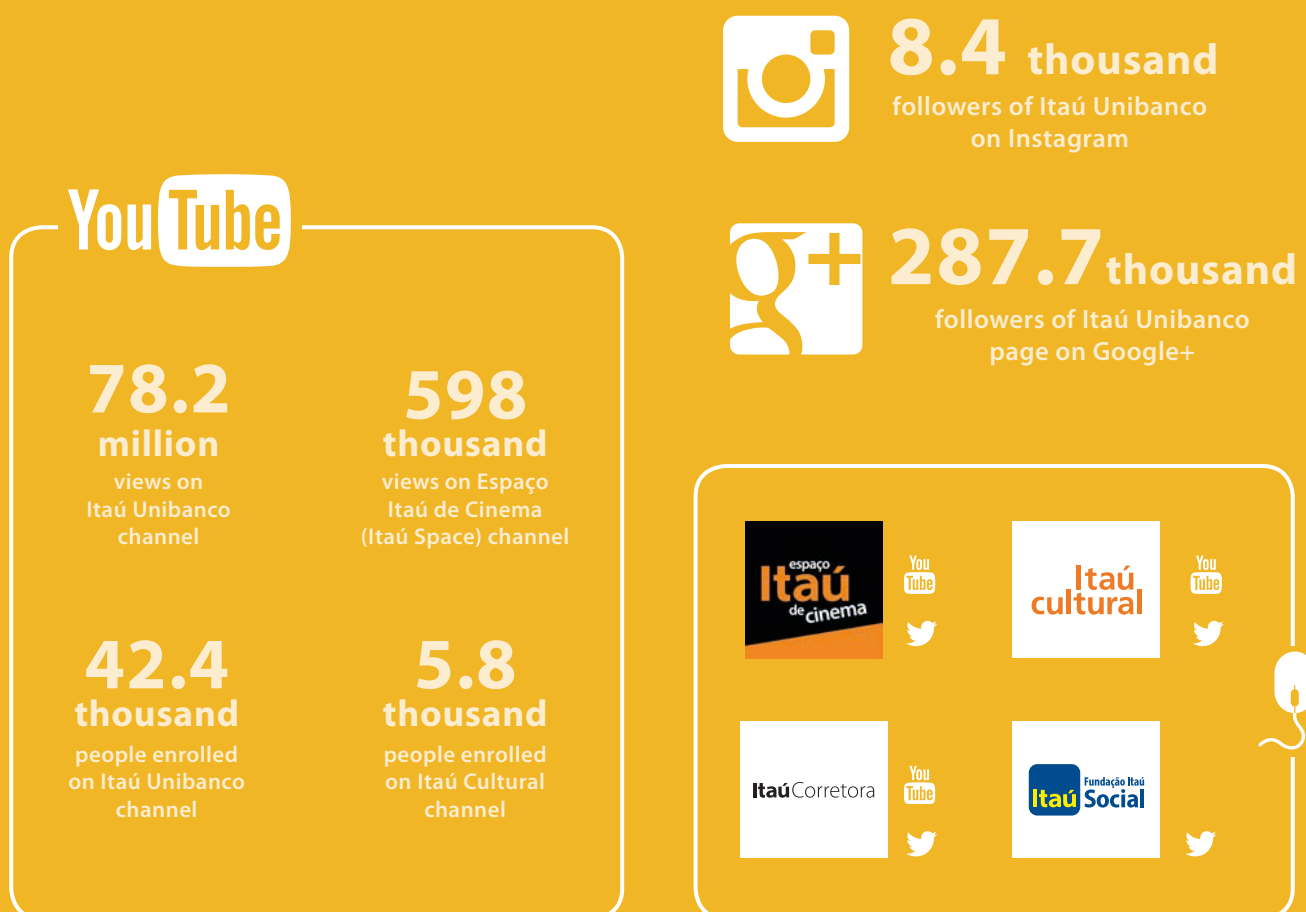
We invest in smart automations to provide our clients with more convenience. This improvement seeks to resolve requests on a simpler way, thereby improving our artificial intelligence.

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.



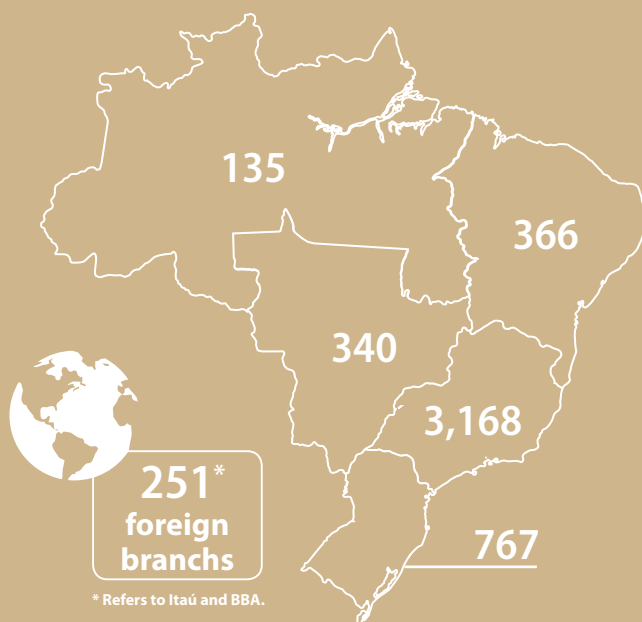


Manufactured capital



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.



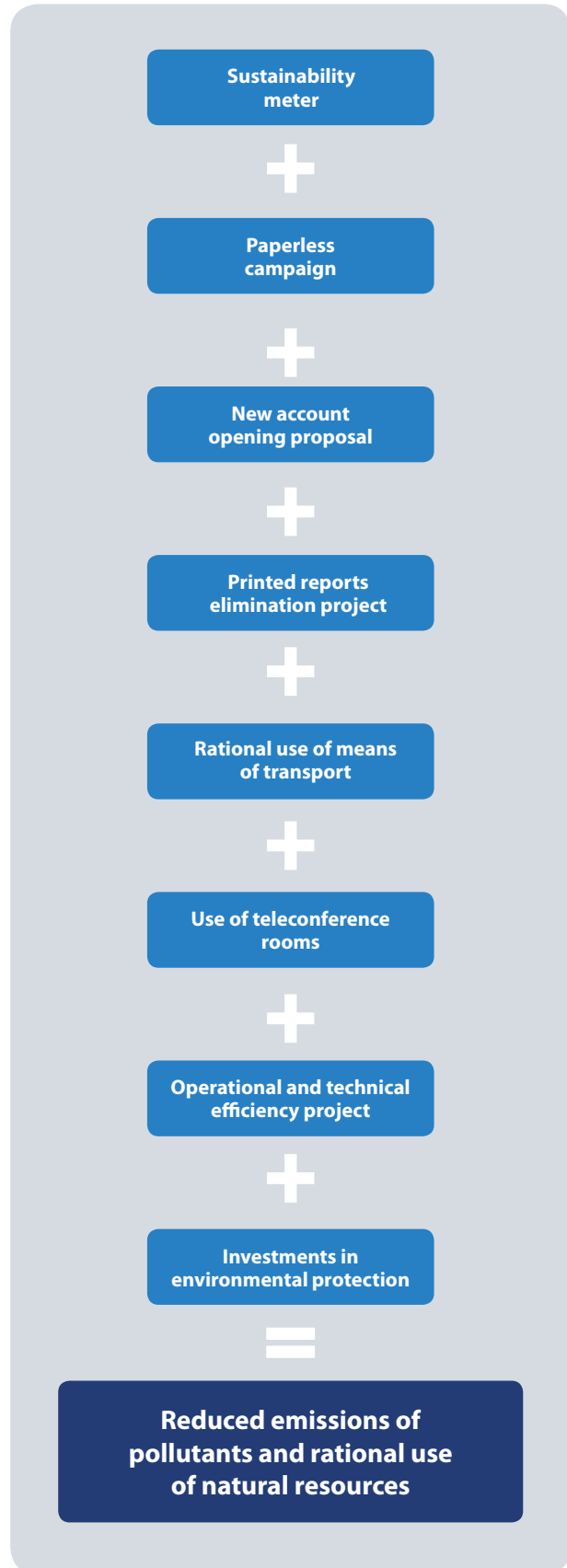
In addition to bringing about significant financial losses, events such as natural disasters, hurricanes, typhoons or tropical cyclones, also cause potential social, environmental and economic tragedies. Insurance policies, if properly taken out, are able to minimize the worsening of critical situations 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

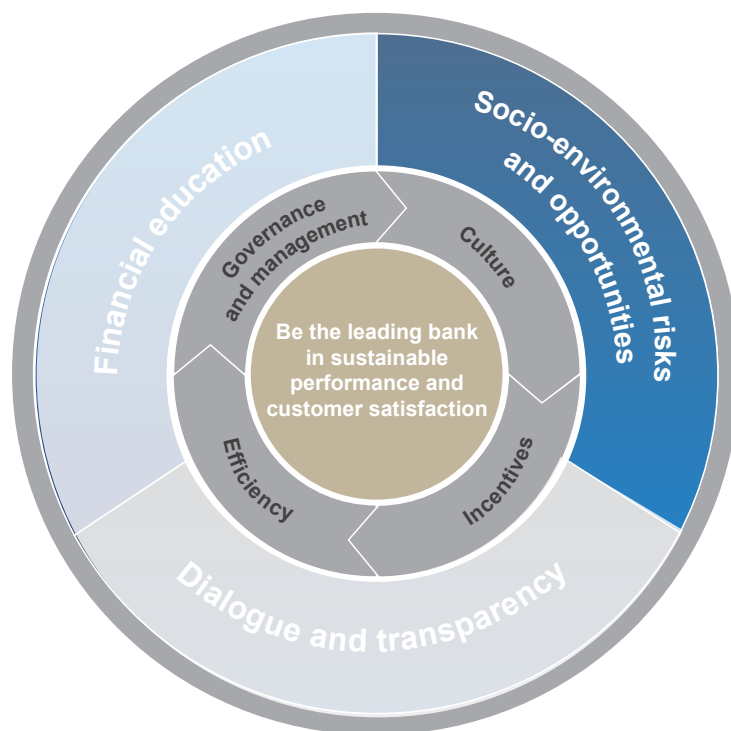
Investments

- 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

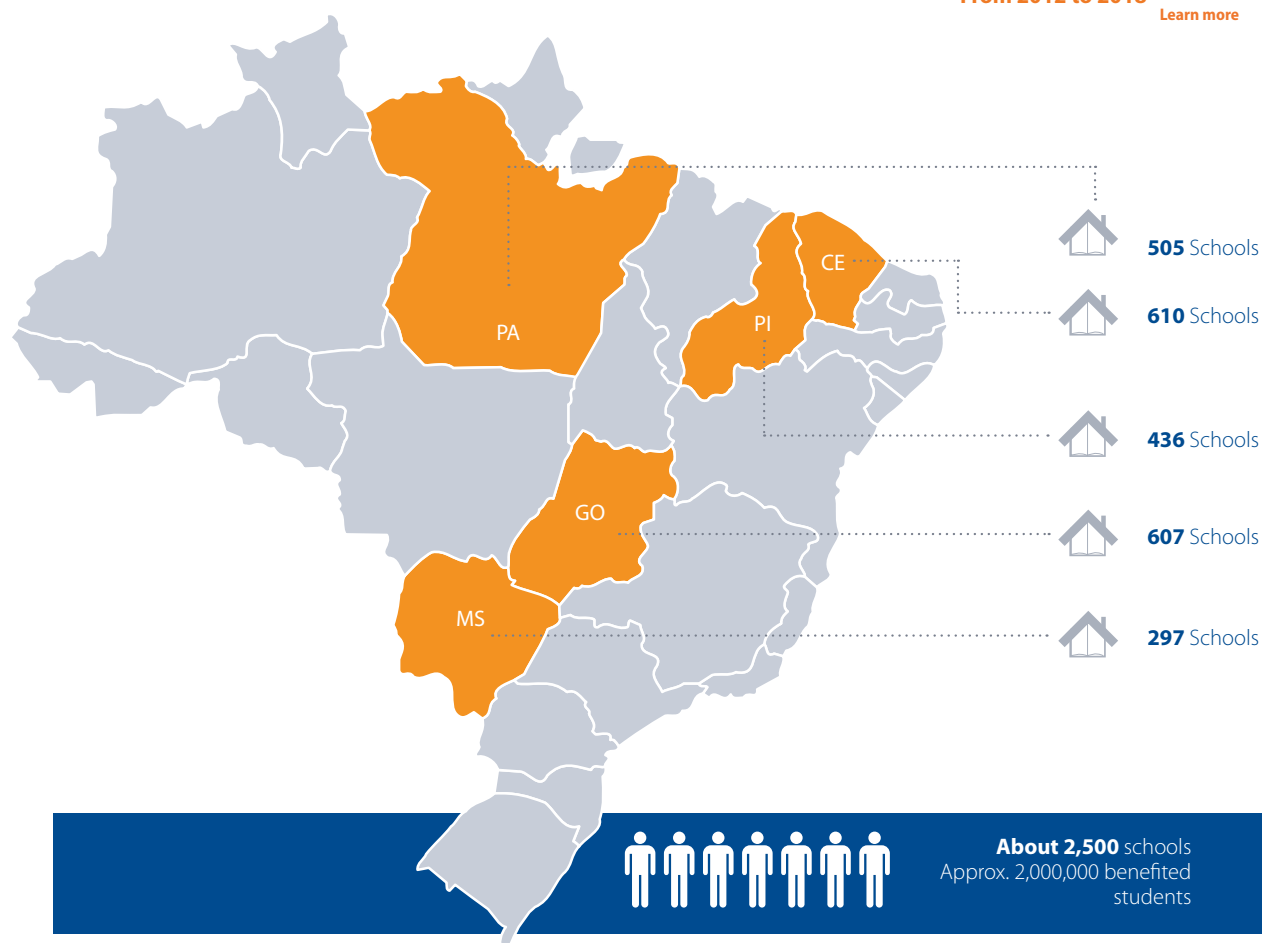
One of our priorities is to have a long-lasting relationship with our clients. If we want to be leaders in sustainable performance, we should care for the quality of our products and services, particularly the expedited resolution of demands and complaints, the improvement of processes and the understanding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