



ITAÚSA

ANNUAL REPORT 2012



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ABOUT THIS REPORT GRI 3.9

As a pure holding company, Itaúsa is responsible for overseeing the group's investment strategies

For the fourth consecutive year, Itaúsa – Investimentos Itaú S.A. (Itaúsa) is publishing its annual report. This report is consistent with Global Reporting Initiative (GRI) version 3.1 guidelines and indicators. It contains Itaúsa's results from January 1 to December 31, 2012, and provides consolidated information on the managerial and financial performance in Brazil and abroad of the four main companies in the Itaúsa Conglomerate: Duratex S.A. (Duratex), Elekeiroz S.A. (Elekeiroz), Itautec S.A. (Itautec) and Itaú Unibanco Holding S.A. (Itaú Unibanco). The previous version of the report was released in 2012, and contained information covering 2011.

GRI 2.1 | 3.1 | 3.2 | 3.3 | 3.6 | 3.7 | 3.8

Itaúsa has been releasing its annual reports since 2000. They are designed to communicate the company's financial results and outlook to the general public, customers, employees, shareholders and investors, and to provide information on Itaúsa's management model. During the reporting period there was no significant change in Itaúsa's size, structure or ownership, and no change to the scope and limits of the report.

GRI 2.9 | 3.5 | 3.10 | 3.11

Itaúsa is a pure holding company, and is responsible for setting the strategies of the Conglomerate and making macroeconomic planning decisions for the companies under its control. Accordingly, the profile and governance standard disclosures for the Conglomerate, under GRI reporting requirements, are given in this report. The economic, social and environmental performance indicators for the subsidiaries, which also adopt GRI methodology, are reported in each company's own annual report.

Duratex – www.duratex.com.br/ri

Elekeiroz – www.elekeiroz.com.br

Itautec – www.itautec.com.br/ri

Itaú Unibanco – www.itauunibanco.com.br

This report sets out how Itaúsa is managed in accordance with its core values and principles, and how these are consistent with the activities of the holding company and its subsidiaries. It also describes the management approach to those criteria identified as relevant to the materiality determination process.

The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and are available from the Securities and Exchange Commission of Brazil (CVM). These statements, as well as our socio-environmental reporting, have been audited by PricewaterhouseCoopers (PwC). The data cited in this report cover the main activities of the holding company and the subsidiaries, and there was no need to restate the data which has appeared in previous reports. This report meets the standards required of GRI Application Level GRI A+.

GRI 3.13

For further information on the report, please use Contact Us on the www.itausa.com.br website. **GRI 3.4**

EVOLUTION OF THE ANNUAL REPORTS

Itaúsa's annual sustainability reports have undergone continuous improvement since they were first published. The GRI Application Level was C in 2009, B in 2010, and rose to A+ in 2011. The current report maintains the same level of reporting detail as that for 2011, demonstrating Itaúsa's ongoing commitment to disclose its results in accordance with GRI standards, and to continuously improve its reporting practices.

As a result of these improvements, the reports are now an important management tool for identifying risks and opportunities in engaging with stakeholders and for publicizing the subsidiary companies' best practices.

lishing a report that meets the singular needs of a holding company, while increasing the understanding of its activities and its role in relation to the group's companies.

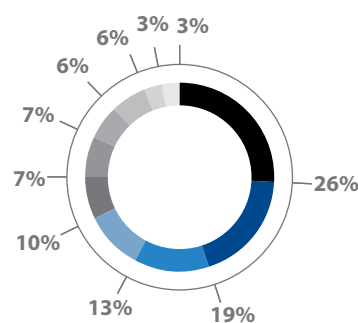
The first stage in this process was analyzing previously-released documents in order to understand and evaluate the commitments undertaken and the major themes presented. In the second stage, six managers and CEOs from Itaúsa group companies presented the themes they considered material to the annual report.

Itaúsa's presentations at annual public meetings held in partnership with the Association of Capital Market Analysts and Investment Professionals (Apimec), as well as the consolidation of the most relevant issues identified by the subsidiaries, provided a general indication of what information the report should look at. The areas that were considered of most importance are shown in the graph to the left.

The professionals involved in the meeting discussed the importance of an ethical, transparent management approach which engages with stakeholders. As a result of this meeting, Itaúsa gained insights into which information to use for reporting on the group's complex activities. **GRI 4.15**

In keeping with the process of continually improving its annual report, in 2013 Itaúsa will hold another Dialogue with Experts meeting to build on its ongoing relationship with society and to promote continuing dialogue with the group's stakeholders.

Most material themes



- Corporate governance
- Strategic planning
- Managing for sustainability
- Business performance
- Ethics and transparency
- Human resources
- Creation of value for shareholders
- Organizational culture
- Strong brands
- Investments

Materiality determination process

GRI 3.5 | 4.14 | 4.16 | 4.17

In 2011 Itaúsa began assessing an appropriate materiality level for the information to be presented in its annual reports. On January 31, 2012, Itaúsa conducted its Dialogue with Experts meeting to help decide what information should be included in the report. Twelve specialists, including consultants, financial sector professionals and media personnel, plus representatives from NGOs and other groups all attended this meeting. The participants discussed the challenges of pub-

THE ITAÚSA CONGLOMERATE

Itaúsa's integrated management promotes investments that are consistent with Brazil's development policies

HISTORY

Itaúsa operates in the industrial and financial services sectors. The company was formed to provide a central decision-making entity to manage a group of companies, all of which are leaders in their operating sectors. These specific companies are: Duratex, Elekeiroz and Itautec (industrial); and Itaú Unibanco (financial services).

1966

Creation of Banco Federal Itaú de Investimentos S.A., Brazil's first investment bank.

1970

The bank changes its name to Banco Itaú de Investimento S.A.

1973

The bank becomes known as Banco Itaú Português de Investimento S.A. and expands its investment banking activities. At the same time it accumulates a sizable stock portfolio and becomes a key shareholder of various financial institutions under the Itaú name.

1974

ITAÚSA

Banco Itaú Português de Investimento S.A. reformulates its goals and creates a holding company to oversee and support a group of more than 50 companies.

1991

The holding company changes its name to Itaúsa – Investimentos Itaú S.A., and becomes known in the market simply as Itaúsa.

1995

Banco Itaú acquires a controlling stake in Banco Francês e Brasileiro S.A. and creates Itaú Personnalité.

1997

Banco Itaú acquires Banco Banerj S.A.

1998

Banco Itaú acquires control of Banco do Estado de Minas Gerais S.A. and Banco del Buen Ayre, which changes its name to Itaú Argentina.

2000

Banco Itaú acquires control of Banco do Estado do Paraná S.A.

2001

Banco Itaú acquires Banco do Estado de Goiás S.A.

2002

Banco Itaú partners with BBA Creditanstalt to create Itaú BBA. Consulting firm Interbrand names Itaú the most valuable brand in Brazil. Elekeiroz acquires control of Ciquine Companhia Petroquímica, a Camaçari (BA)-based ethanol manufacturer.

2003

The ownership of Banco Itaú S.A. is restructured, resulting in the creation of Banco Itaú Holding Financeira S.A., which becomes responsible for controlling the financial services firms in the Itaúsa Conglomerate.

2006

Banco Itaú Holding Financeira S.A. acquires BankBoston's operations in Brazil, Chile, Uruguay and other Latin American markets.

2007

Banco Itaú Holding Financeira S.A. purchases BankBoston's private banking operations, as well as 100% of the equity in Miami-based BankBoston International, and BankBoston Trust Company Limited, based in Nassau in the Bahamas.

2008

The owners of Itaúsa and Unibanco Holdings announce an agreement to merge the financial operations of Itaú and Unibanco, which will create the largest privately-controlled financial conglomerate in the southern hemisphere. Duratex increases its market share in the bathroom fixtures segment by purchasing Ideal Standard, which has plants in Jundiaí (SP) and Queimados (RJ), and through the acquisition of Cerâmica Monte Carlo, based in Cabo de Santo Agostinho (PE).

2009

Duratex partners with Satipel to create the largest wood panels manufacturer in the southern hemisphere. Itaú Unibanco forms a joint-venture with insurer Porto Seguro by merging their respective home and auto insurance operations.

2010

In May Itaúsa purchases Bank of America Corporation's shareholdings in Itaú Unibanco, increasing its equity in Itaú Unibanco by about 1%.

2011

Itaúsa upgrades its Corporate Governance model. As part of this improvement process it begins preparations for the first Dialogue with Specialists meeting, which takes place in January 2012 and features the participation of various leading professionals.

2012

Duratex expands its operations by acquiring Metalúrgica Ipê Mipel and Thermosystem, plus a 37% equity stake in Tablemac. It also expands the operating capacity of its MDF (medium-density fibreboard) plant in Itapetininga (SP) and its MDP (medium-density particleboard) plant in Taquari (RS), as well as its ceramic and metal bathroom fixtures facilities in Queimados (RJ) and Jundiaí (SP), respectively. Itaútec acquires a 70% stake in BioLogica, which develops computational biometrics (fingerprint and facial recognition) software, while Itaú Unibanco buys out those shares in Redecard that it does not already own. Itaú Unibanco also enters into a joint-venture to create Banco Itaú BMG Consignado S.A.

PROFILE

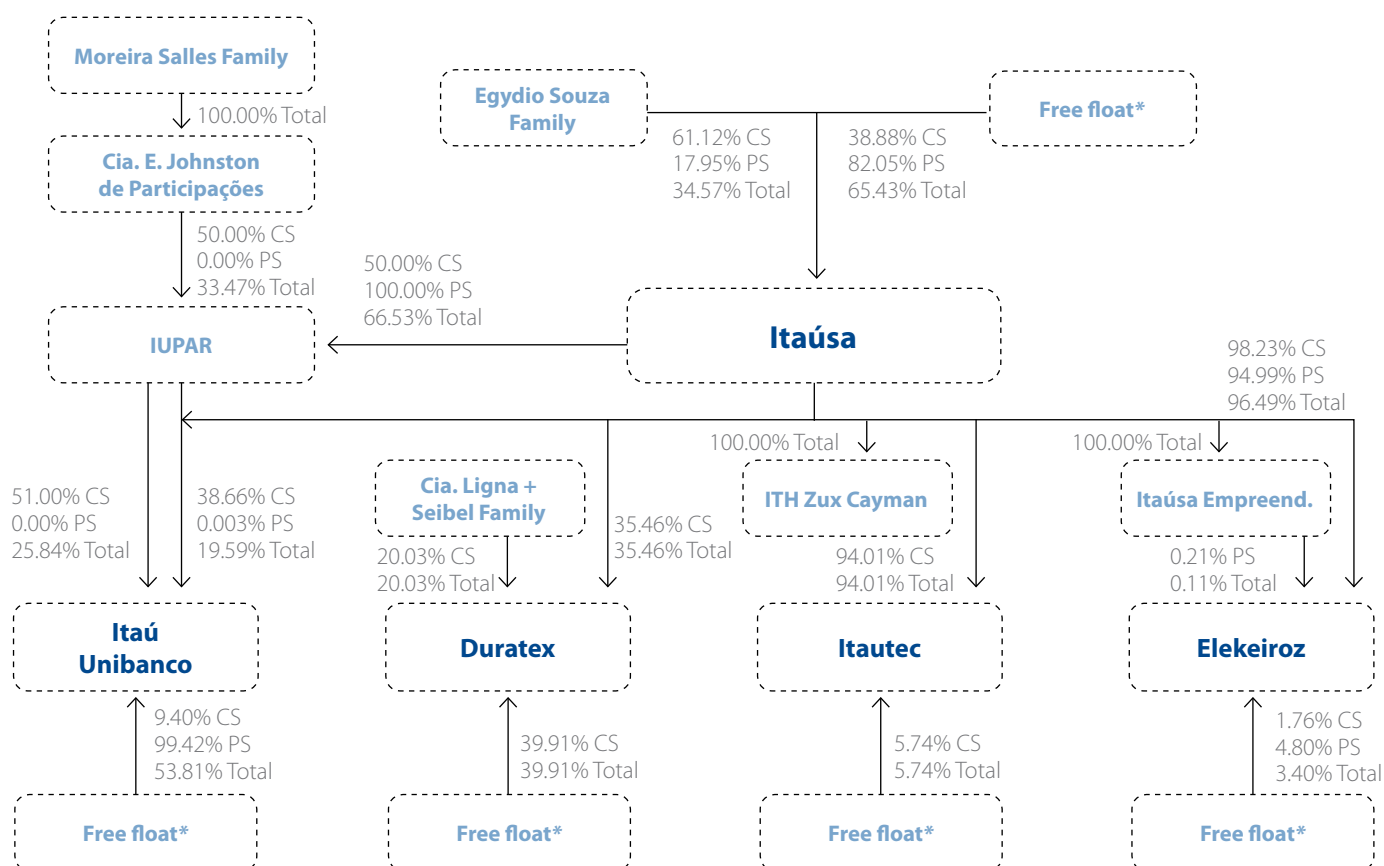
GRI 2.8

As a pure holding company, Itaúsa participates in all of the group companies' strategic decision making. The purpose of this participation is to ensure the group's companies are best able to conduct their activities and expand their business operations. Because of this relationship, the principles and values that guide Itaúsa – valuing people, business ethics and generating value for shareholders – are also fundamental to the practices of its subsidiaries. Itaúsa also develops and implements operating policies aimed at social responsibility, transparency in business, strengthening relationships and the pursuit of business growth and internationalization. To these ends, Itaúsa maintains a strong capital base and uses the most advanced management technology. **GRI 2.6**

Itaúsa also ensures that the subsidiaries can achieve high levels of productivity by empowering their employees and developing the technology needed to continuously improve the products and services they deliver to the market. It also preserves the operating autonomy of each company, allowing the adoption of strategies specific to sector requirements.

Itaúsa's Conglomerate companies are all publicly traded and enjoy substantial market share under brand names that are widely recognized and respected in Brazil and abroad. These subsidiaries are active in the industrial and financial services sectors, and like Itaúsa their administrative headquarters are located in the state of São Paulo. **GRI 2.4**

SHAREHOLDING STRUCTURE AT 12/31/2012 **GRI 2.3**



(*) Excluding shares held by majority owners and treasury shares.

ITAÚSA

At December 31, 2012

Number of shareholders: 27,829

Shareholders	Common shares		Preferred shares		Total	
Majority owners	1,140,652	61.12%	535,176	17.95%	1,675,827	34.57%
Free float	725,638	38.88%	2,445,995	82.05%	3,171,632	65.43%
Total shares outstanding	1,866,290	100%	2,981,170	100%	4,847,460	100%
Treasury	-		-		-	
Total shares issued	1,866,290		2,981,170		4,847,460	

In thousands

MAIN SUBSIDIARIES

GRI 2.2 | 2.7

As leaders in the industrial and financial services sectors, the Conglomerate's companies generated revenues of R\$52.3 billion in 2012, and together employed more than 113,000 people at year-end. In addition, of the nine Brazilian companies selected to be part of the 2012-2013 Dow Jones Sustainability World Index (DJSI) – a benchmark for companies with high standards of sustainability management – four are part of the Itaúsa Conglomerate: Itaúsa itself, Duratex, plus Itaú Unibanco and its Redecard subsidiary.

The activities of each of the companies in their respective markets are guided by the operating philosophy below. **GRI 4.8**

Itaúsa guides, encourages and supports these companies to ensure they integrate sustainability into the development of their businesses. This approach promotes the alignment of social, cultural and environmental practices to create shared value for society, shareholders, customers and employees.

Itaúsa's operating philosophy holds that the creation of value must focus on more than just financial success. It must also help to preserve natural resources, provide access to knowledge and culture, and reduce social inequalities. Itaúsa's sustainability management is a part of every business activity the group carries out.

Operating Philosophy



Strict, professional
investment management



Guaranteed **operating
autonomy** for subsidiaries

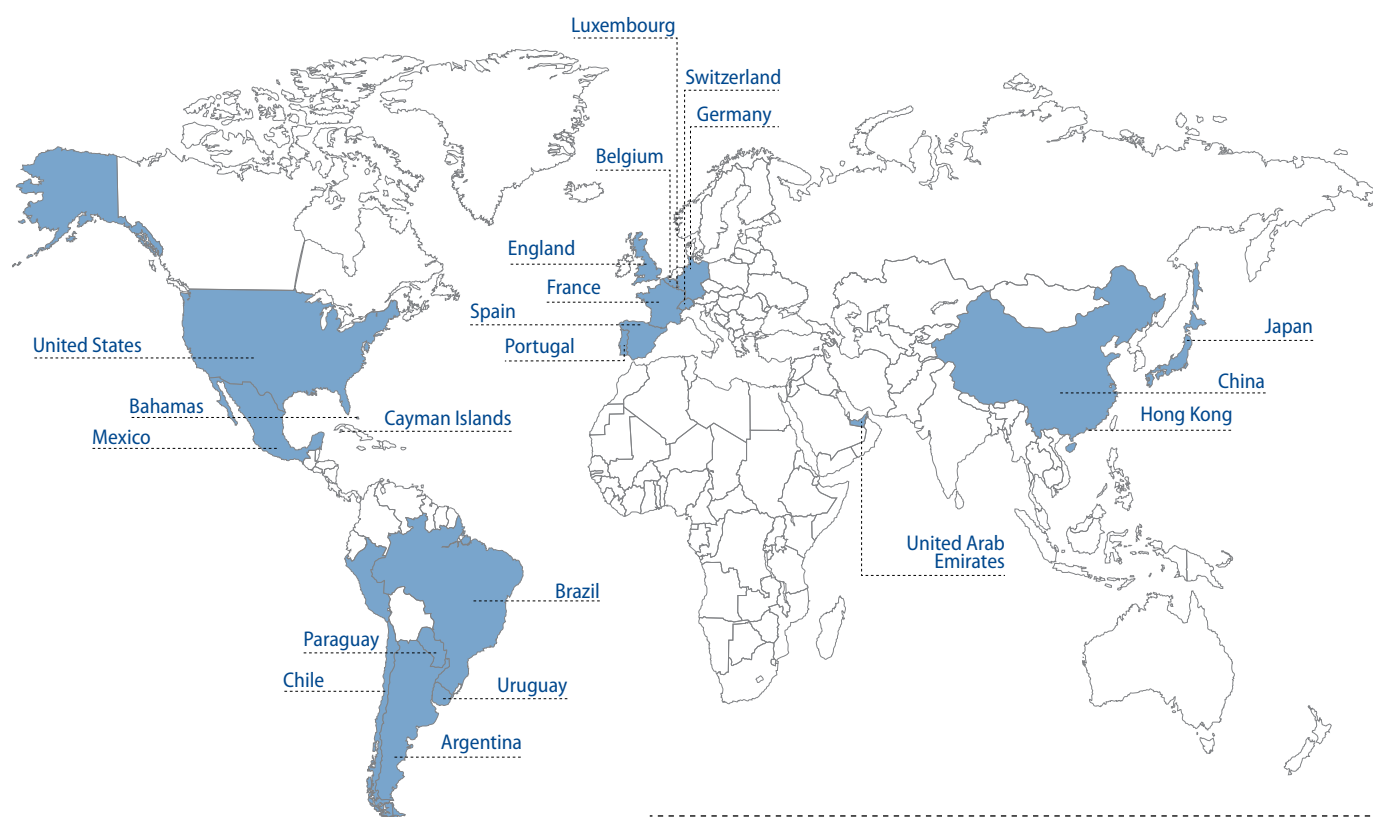


Participation in the strate-
gic decisions of subsidiaries



Diverse operations,
with a clear business focus

Through its subsidiary companies, Itaúsa is active in 21 countries. **GRI 2.5**



Germany	Itaú Unibanco
Argentina	Itaú Unibanco Duratex Itaútec
Bahamas	Itaú Unibanco
Brazil	Itaú Unibanco Itaútec Duratex Elekeiroz
Belgium	Duratex
Chile	Itaú Unibanco
China	Itaú Unibanco
United Arab Emirates	Itaú Unibanco
Spain	Itaú Unibanco Itaútec
United States	Itaú Unibanco Duratex Itaútec
France	Itaú Unibanco
Hong Kong	Itaú Unibanco
Cayman Islands	Itaú Unibanco Duratex
England	Itaú Unibanco
Japan	Itaú Unibanco
Luxembourg	Itaú Unibanco
Mexico	Itaú Unibanco Itaútec
Paraguay	Itaú Unibanco Itaútec
Portugal	Itaú Unibanco Itaútec
Switzerland	Itaú Unibanco
Uruguay	Itaú Unibanco

113,000

**employees are part of the
Conglomerate's companies**

Duratex

Founded 62 years ago, Duratex is the largest producer of industrialized wood panels in the southern hemisphere and a market leader in Brazil. It is also one of the world's ten largest manufacturers of bathroom fixtures, and markets its products in more than 30 countries under the Duratex, Deca, Hydra and Durafloor brands. One of Duratex's biggest competitive advantages is its high degree of forest self-sufficiency, with supply systems located close to its production facilities in southern and southeastern Brazil. The Company also has sales offices in the United States and Belgium, plus a metal fixtures plant in Argentina. Duratex recently increased its equity stake in Colombian firm Tablemac to 37%.

Elekeiroz

Elekeiroz manufactures chemical intermediates for industrial use, and is South America's only integrated producer of oxo alcohols, phthalic and maleic anhydrides, and plasticizers. It also produces unsaturated polyester resins, formaldehyde, urea formaldehyde concentrate and sulfuric acid. The Company's products are used in industries such as construction, automotive, paints and varnishes, and clothing. Elekeiroz has been in business for 118 years, and is recognized as a pioneer in the production of a wide variety of chemicals, and a leader in the research and development of sustainable products. Elekeiroz's two facilities in Brazil are strategically located to provide competitive advantages in the market. Its petrochemical complex in Camaçari (BA) is the largest in the country, while its other plant in Várzea Paulista (SP) is close to Brazil's largest consumer market.

Itautec

Itautec is one of Brazil's largest providers of automated banking and retail solutions, as well as personal and business computers and technology services. Based in the city of São Paulo, it has been active in the market for over 33 years. Itautec operates a computer services network serving more than 3,700 cities and towns through 30 representative outlets and 8 support laboratories. The Company is also active abroad through 6 subsidiaries in Argentina, Spain, the USA, Mexico, Paraguay and Portugal, which supply the international market with the brand's products and services. The manufacturing process and products at its factory in Jundiaí (SP) comply with the strictest quality and sustainability standards, such as the Restriction of Certain Hazardous Substances (RoHS), a European Community regulation which restricts the use of harmful chemical substances in equipment manufacturing.

Itaú Unibanco

Itaú Unibanco is a financial institution whose main subsidiaries are Itaú Unibanco S.A. and Itaú BBA S.A. Jointly controlled with Itaúsa, Itaú Unibanco operates in 19 countries as well as Brazil, has 4,121 branches, 906 banking services outlets and is widely recognized for its ability to innovate and invest in new technologies. Itaú Unibanco's shares are traded on the São Paulo and New York Stock Exchanges, and it is the only Latin American bank to be listed in the Dow Jones Sustainability Index, which began in 1999.

Itaú Unibanco is the largest privately-controlled financial institution in Brazil and one of the world's twenty largest banks by market value. The bank's market value was R\$150.6 billion at the end of 2012. During the year, a study conducted by consulting firm Interbrand named Itaú as the most valuable brand in Brazil for the ninth consecutive year, valuing it at R\$22.2 billion.

MESSAGE FROM THE CHAIRMAN OF THE BOARD GRI 1.1

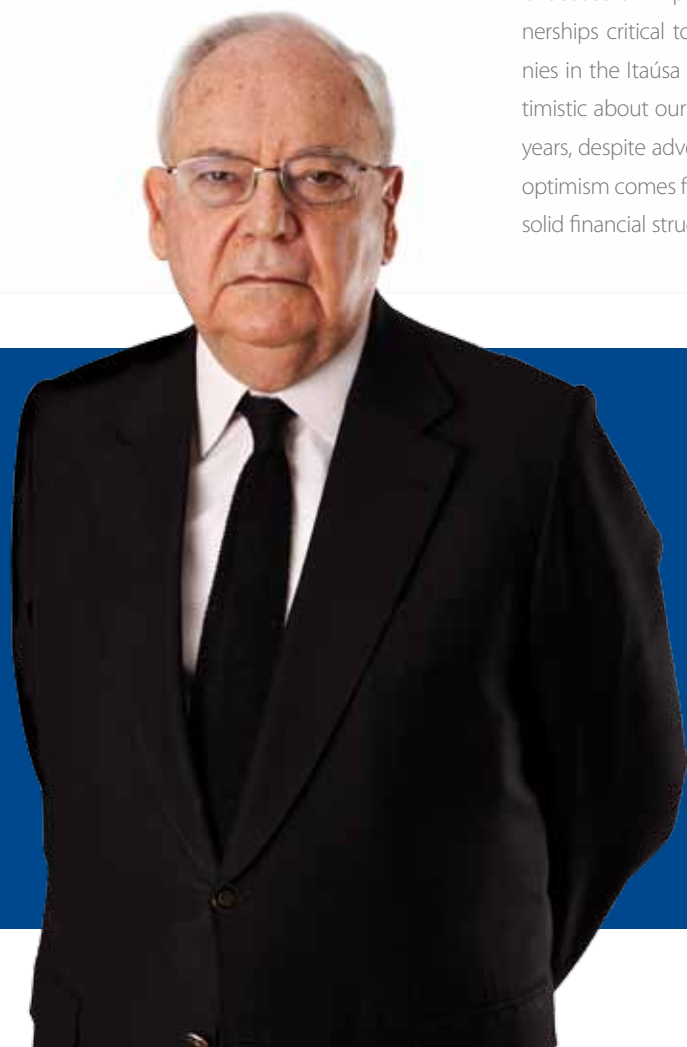
Our culture, which focuses on growth, influences Itaúsa's subsidiaries

When we think of sustainability we are thinking about the future. Our long-term vision, which is focused on implementing projects and partnerships critical to the growth of the companies in the Itaúsa holding, allows us to be optimistic about our performance in the coming years, despite adverse external conditions. This optimism comes from the fact that Itaúsa has a solid financial structure, strict ethical principles,

a substantial ability to generate capital for new investments, and invests in technological development. Accordingly, we look ahead assuredly to the successful execution of our strategies and action plans.

Our culture of focusing on growth has a substantial impact on our subsidiaries. We do not ignore the challenges posed by our expansion plans, whether domestic or international. But despite less favorable macroeconomic conditions in 2012, our principal subsidiaries posted significant results. For example, in 2012 Itaú Unibanco consolidated and extended its leading position among Brazil's privately-controlled financial institutions, while Duratex displayed outstanding performance, posting record production and profit figures.

Itaúsa acts as a pure holding company, and does not participate in the daily operations of its subsidiaries. It does, however, work in tan-



Carlos da Camara Pestana
Chairman of the Board

THE STRENGTHS OF OUR SUSTAINABILITY PLAN WERE RECOGNIZED BY THE DOW JONES SUSTAINABILITY INDEX

dem with their management by disseminating good conduct practices and helping them share experiences in an effort to drive growth. Itaúsa's Board meetings are not limited to merely assessing financial figures and management reports. On the contrary, they are attended by senior executives and managers from the subsidiaries, all of whom have the chance to discuss performance and achievements, as well as detail the challenges ahead and external conditions that affect their business.

Just as we value a clear understanding between the Itaúsa Board and Senior Management of the subsidiaries, we also pay particular attention to our relationship with external stakeholders such as regulators of capital markets, local authorities and the general public. Social investment strategies that help develop education and culture in Brazil, such as those undertaken by Fundação Itaú Social, Instituto Unibanco and Instituto Itaú Cultural

– all institutions related to Itaú Unibanco – demonstrate the importance of our role in the social advancement process required to improve living standards for all Brazilians.

Our sustainability efforts were recognized in 2012 when Itaúsa and three subsidiaries, Itaú Unibanco, Redecard and Duratex, were included in the New York Stock Exchange's Dow Jones Sustainability Index. This particular index is one of the world's most important reference points for sustainability, as it lists the market's best performing companies in the area of sustainability. However, we are well aware that our companies cannot rest on their laurels, and that they must maintain their continuous improvement initiatives. So we look confidently to the year ahead, but with continued determination to overcome a growing number of challenges and to improve all aspects of our performance, from financial results to sustainability.

MESSAGE FROM THE PRESIDENT GRI 1.1

We are committed to helping Brazil's continued growth, through the activities of our companies

One example of this is the fact that Itaúsa has been included in the New York Stock Exchange's Dow Jones Sustainability World Index for nine years running. This index seeks to guide the allocation of funding to organizations recognized for their corporate governance and sustainability. Only nine Brazilian companies were chosen for the 2012-2013 edition of the index, four of which are part of the Itaúsa Conglomerate: Itaú Unibanco, Redecard, Itaúsa itself, and Duratex, which made its first appearance on the list this year. In Brazil, Itaúsa was listed for the sixth consecutive year in the BM&FBovespa Corporate Sustainability Index, joining Itaú Unibanco and Duratex on an index which features 51 share types from 37 companies, and which covers 16 sectors.

As a pure holding company Itaúsa is committed to disseminating best practices, values and principles to guide its portfolio companies, while respecting the uniqueness and operating autonomy of each. This is a significant aspect of our management approach, and has proven essential in allowing us to derive value from our tangible and intangible assets, and to ensure continued value creation for our shareholders.

Through careful investment practices and the rational use of natural resources, we not only strive to contribute to Brazil's social development but also to help our companies achieve satisfactory results, even during periods of domestic and global instability such as we saw in 2012. As a result, despite inflationary pressures and falling interest, exchange rates during the year, Itaúsa posted R\$4.539 billion in net income.



Alfredo Egydio Arruda Villela Filho
President

Our continued successful performance means that we are able to maintain our commitment to help grow the country, through the performance of our subsidiaries. At the end of 2012 the companies in the Itaúsa group employed over 113,000 people, and had distributed a total of R\$12.8 billion in added-value to society, staff members, governments and shareholders. For example, Duratex and Itaú Unibanco invested R\$9 million and R\$197.5 million, respectively, in the promotion of social and cultural development in 2012. Elekeiroz and Itaútec also promoted a number of community development initiatives in the areas where they operate.

Our investments continue to make our companies stronger, maintaining their ability to help Brazilian development. In the Industrial sector, Duratex redesigned its logo and visual identity and invested R\$832 million to expand the capacity at its existing plants and acquire positions in new companies. In overseas markets Duratex purchased control of Colombian firm Tablemac as a major step in its international strategic growth plan, the initial focus of which is on Latin America. Domestically, Duratex entered the electronic showers and solar heating systems segment by acquiring Thermosystem. At the same time Elekeiroz and Itaútec invested R\$38 million and R\$76 million each to increase their research, development and innovation capacity.

In the financial services sector, Itaú Unibanco closed the year with approximately R\$1.4 trillion in assets under management. It also announced that it will invest R\$10.4 billion over the next three years to improve and expand its technology platform. Additionally, the bank acquired the remaining equity in Redecard through a R\$11.8 billion tender offer, and co-founded Banco Itaú BMG Consignado S.A., which operates in the supply, distribution and marketing of payroll loans in Brazil.

However, the Conglomerate faced immense challenges in 2012. In the Industrial sector Duratex increased its panel shipments by 16.1%, thanks to investments made in previous years. It also took another key step in consolidating its strategy of expanding its business to Colombia. Despite rising raw materials prices, Elekeiroz, a pioneer in the production of industrial chemicals, managed to grow its revenues. Facing an increasingly contested market and higher materials and components costs, Itaútec, which manufactures computers and ATMs (automated teller machines), diversified its portfolio and succeeded in maintaining its competitive capacity.

In the Financial Services sector declining interest rates and bank spreads increased Itaú Unibanco's need to reduce costs and optimize revenue streams. During the year, the bank's expenses rose just 1.8%, while its efficiency ratio improved 1.9%. The delinquency rate dropped below that of 2011, while income from services and insurance rose substantially.

The confidence our shareholders have in Itaúsa is due to our continued growth and the values and relationship practices we have developed over the years. One example of our emphasis on maintaining relationships was the 12th consecutive yearly meeting we held in partnership with the Association of Capital Market Analysts and Investment Professionals (Apimec), where we discussed our results on the basis of spreading our culture to the capital markets. APIMEC declared this to be one of the best meetings it held in 2012.

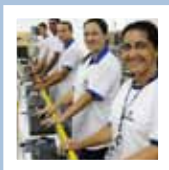
Our corporate governance practices can and will continue to evolve, as will the processes and tools needed to monitor the management of our companies. These are continuous and unending challenges to be sure, but we are prepared and motivated to meet them with quality, ethics and total transparency.

**WE HAVE EARNED THE TRUST
OF OUR SHAREHOLDERS BY
DELIVERING SUSTAINED GROWTH**

BUSINESS ETHICS



BUSINESS
ETHICS



CREATION
OF VALUE



VALUING
HUMAN CAPITAL

The activities of our main companies span the production of wood panels, ceramic and metal bathroom fixtures, chemicals, electronics – including computers, banking and retail automation and technology services – and extend to financial services. Each company enjoys operational and managerial autonomy, but all share Itaúsa's business ethics and follow its strategic sustainability directives, which focus on valuing people and generating lasting value for shareholders.

12

meetings with capital markets analysts have been conducted by Itaúsa since 2001

1997

was the year when 1997 Itaúsa created its Fiscal Council

780,000

pieces may be produced with the expansion of Duratex's manufacturing capacity

Itaúsa's leadership is supported by strategic committees, in addition to instruments such as its bylaws, Code of Ethics, the Shareholders' Agreement and other publicly disclosed commitments, all of which help consolidate best practices in corporate governance in Itaúsa and its subsidiaries. Improving our corporate governance is a continuous process, particularly with respect to how we value and incorporate elements related to the sustainable management of the Conglomerate. **GRI 4.9 | 4.10**

GOVERNANCE

Itaúsa's Board of Directors and related committees outline the strategies of the Conglomerate.

Part of what makes Itaúsa's management special is the Board of Directors' openness to dialogue. Representatives from the subsidiaries are encouraged to demonstrate how the business directives and principles of Itaúsa have been incorporated into the operations

of these companies, and to discuss their short, medium and long-term challenges and strategies. This promotes greater integration within the group, without interfering with the operational independence of each subsidiary.

Shareholder Meetings

Shareholders' Meetings are Itaúsa's senior governing body. Meetings are held annually in the first quarter of the year, at which time the shareholders review and approve the accounts, and elect members to serve on the Board of Directors. Members serve a one-year term.

Fiscal Council

Itaúsa's Fiscal Council was instituted in 1997 and has operated continuously since then under Law No. 6.404/76. Its responsibilities are to monitor and advise on the Conglomerate's activities, particularly with respect to the financial statements.

The Council consists of three to five members – some of whom must be professionals who are independent of the controlling group – plus an equal number of alternates. Members are elected each year at the Shareholders' Meeting, one of whom is appointed chair by the other Board members.

Composition of the 2012 Fiscal Council:

Chair

Tereza Cristina Grossi Togni

Advisers

José Carlos de Brito e Cunha

Paulo Ricardo Moraes Amaral

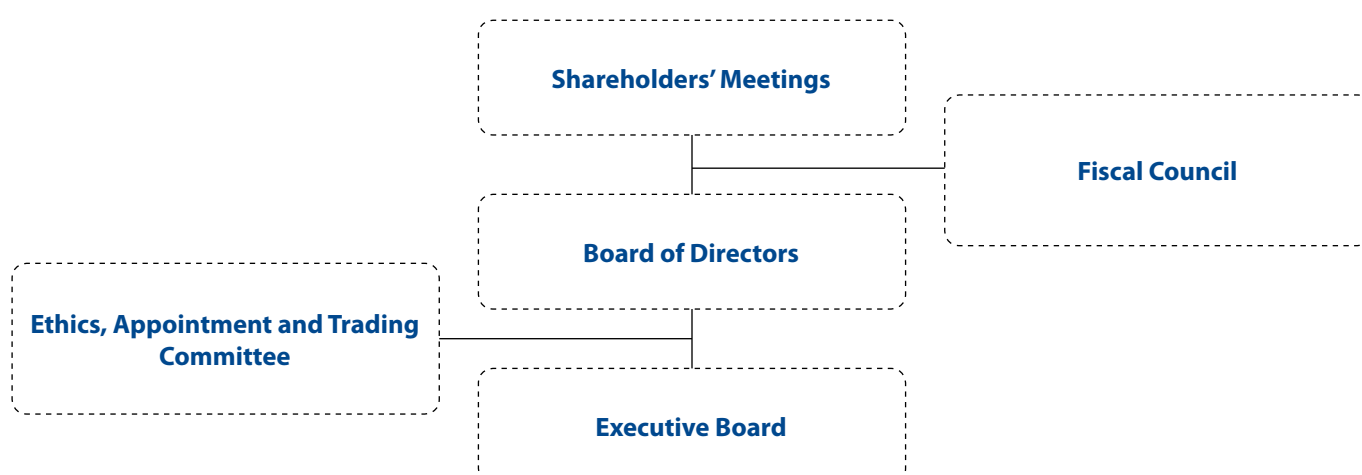
Alternates

José Roberto Brant de Carvalho

Luiz Antonio Careli

João Costa

GOVERNANCE STRUCTURE **GRI 4.1**



Board of Directors

The mission of the Board of Directors is to protect and value Itaúsa's assets, and to work at maximizing return on investment. The Board meets at least 4 times a year and is composed of 3 to 12 members, including a chairman and between 1 and 3 vice-chairmen chosen by the members themselves. The Board's responsibilities include establishing the overall direction of the business and deciding on strategic issues. These decisions are taken based on the interests of the sustainable, long term-growth of the Conglomerate.

The chairman of Itaúsa's Board of Directors does not take on the role of executive director. The Board has one independent member and four non-executive members. On the boards of the subsidiaries the number of non-executive members exceeds the minimum requirement for public companies. Itaúsa's positioning promotes balance and harmony between the controlling groups, which are composed primarily of family units. **GRI 4.2 | 4.3**

Composition of the 2012 Board of Directors:

Chair

Carlos da Camara Pestana

Vice-Chairs

Alfredo Egydio Arruda Villela Filho

Alfredo Egydio Setubal

Members

José Sergio Gabrielli de Azevedo
(independent)

Paulo Setubal Neto

Rodolfo Villela Marino

Alternate Members

Ricardo Egydio Setubal

Ricardo Villela Marino

Ethics, Disclosure and Trading Committee

Itaúsa has an Ethics, Disclosure and Trading Committee whose primary responsibility is to oversee the Policies of the Disclosure of Acts or Material Facts and the Trading Policies of each subsidiary company. Its scope covers a range of internal actions designed to improve the flow of information and ensure the ethical conduct of signatory officers and employees. A body with this responsibility became part of Itaúsa's governance in 2002, but its name was subsequently changed to more accurately reflect its activities and new management tools, such as the Code of Ethics which was approved in 2011.

The Committee reports to the Board of Directors and is responsible for receiving and investigating reports of possible ethical violations. Accordingly, all recommendations that pass through this committee are forwarded to the Board. It has a specific channel to receive reports, questions, interpretation issues, complaints and suggestions. The Committee ensures that all communications are conducted in anonymity and protected from reprisals. **GRI 4.4**

**AT OUR SUBSIDIARIES,
THE NUMBER OF INDEPENDENT,
NON-EXECUTIVE BOARD
MEMBERS EXCEEDS THE
MINIMUM NUMBER REQUIRED
BY THE LEADING REGULATIONS
FOR PUBLIC COMPANIES**

Among public companies in Brazil, Itaú Unibanco pioneered the creation and implementation of this particular governance structure. In addition, CVM Instruction No. 358 established the requirement for public companies to adopt a Disclosure Policy and Trading Policy. Itaúsa adopted both, and broadened the scope of Instruction 358 by creating separate committees, which was not a specific regulatory requirement.

Composition of the 2012 Ethics, Disclosure and Trading Committee:

Chair

Alfredo Egydio de Arruda Villela Filho

Members

Alfredo Egydio Setubal

Henri Penchas*

Ricardo Egydio Setubal

Rodolfo Villela Marino

Executive Board

The Itaúsa Board of Directors elects three to 15 members of the Executive Board, whose purpose is to manage and represent Itaúsa by establishing internal and operating rules consistent with the strategic directives set by the Board of Directors.

Composition of the 2012 Executive Board:

Executive Director and Chair

Alfredo Egydio Arruda Villela Filho

Vice-chairs

Henri Penchas*

Jairo Cupertino

Roberto Egydio Setubal

To learn more about the members of Itaúsa's Board of Directors, Fiscal Council, Executive Board and committees, including those which are responsible for socio-environmental issues, please see the reference form available at www.cvm.gov.br or visit www.itausa.com.br.

Risks and opportunities

GRI 1.2 | 4.11

As a pure holding company, Itaúsa's role is to promote the management of the group's shareholding structure. Accordingly, the risk factors that may influence its decision to invest in shares of companies are primarily related to the risk exposure of its subsidiaries.

The risk management assessment tools used by the subsidiaries are constantly being improved to determine priorities and facilitate decision making. In 2011, for example, Itaúsa conducted a comprehensive survey of the perceptions and experiences of business managers at Duratex and Itaútec, and used their responses to create a risk matrix. With the challenges arising from the macroeconomic changes that occurred in 2012, and which will no doubt extend well into 2013, the ability to manage risks and protect assets will be key to ensuring the sustainability of Itaúsa's businesses.

Similarly, Itaúsa's business opportunities are evaluated based on the economic sectors and business profiles of the subsidiaries. Itaúsa's Board of Directors analyzes opportunities in the areas of technology and innovation, and looks at improvements in operating efficiency.

49.98%

of Redecard's capital was acquired by Itaú Unibanco in one of the largest transactions on the São Paulo Stock Exchange in 2012

Risk management – subsidiaries

Duratex

Duratex has a risk management policy that identifies, evaluates, prioritizes and addresses possible risks to the business, while seeking to ensure sustainability and create value for shareholders. In 2011 this process was improved when the company conducted risk mapping, established mitigation actions and introduced its Risk Regulations.

Through its risk management, Duratex integrates technology, processes and people, and employs best practices in corporate governance. Each risk is continually assessed and is prioritized according to the level of vulnerability, probability of occurrence and financial impact on the business. When necessary, the company communicates clearly and objectively to all stakeholders the results of the risk management process. This contributes to an understanding of the current situation and the effectiveness of the company's action plans.

Elekeiroz

Elekeiroz regularly manages its operational risks in tandem with a range of employees, as well as with internal committees and Itaúsa. This systematic approach to risk management is designed to mitigate impacts, and anticipate and quickly adapt to changes by turning obstacles into opportunities. In 2012 the company increased its focus on employee safety and adopted specific strategies such as Senior Safety Visits, which involve department heads conducting inspections in various areas to assess if the workplace and employees are safe. Management innovation has also been effected: the company's Management Cockpit was expanded to allow participation at all managerial levels. This key managerial tool offers a set of indicators for monitoring operations and markets and gives a systemic view of business operations, which facilitates and speeds up decision making, in keeping with the company's strategies.

To minimize vulnerabilities, Elekeiroz's Governance and Risk Committee also manages and develops mechanisms to control and improve processes, consistent with company values.

Itautec

Itautec's risk management process is designed to identify issues that may impact negatively on the company's production activities and on its economic and socio-environmental performance. Itautec constantly assesses macroeconomic and sector changes that may influence its activities. It monitors key performance indicators and adopts a policy of continual focus on financial discipline and conservative cash management. Under the coordination of Itautec's Audit and Risk Management Committee, in 2012 the internal audit department conducted its second risk assessment. This led to improved procedures for monitoring the action plans adopted in 2011, which were designed to improve activities deemed critical to sustainable business development.

Itaú Unibanco

Risk management is an essential tool used by Itaú Unibanco for optimizing the use of its resources and selecting the best business opportunities to maximize value creation for shareholders. Itaú Unibanco's identification of risks seeks to map internal and external events that could affect the strategies of the business units or help meet their objectives through possible impacts on the bank's results, capital, liquidity and reputation. Accordingly, the bank applies the Precautionary Principle to the mapping of these events. The company has also established a committee structure which oversees risk and capital management. These committees report directly to the Board of Directors and their members are elected or appointed by the Board.

THE RISK MANAGEMENT AND ASSESSMENT TOOLS USED BY OUR SUBSIDIARIES ARE CONSTANTLY BEING IMPROVED, RESULTING IN BETTER PRIORITIZING AND MORE STREAMLINED DECISION-MAKING.

WE MANAGE ITAÚSA TO MAINTAIN EFFICIENT AND SUSTAINABLE PERFORMANCE, BASED ON THE HIGHEST STANDARDS OF CONDUCT AND A DEDICATION TO BUILDING CREATIVE AND POSITIVE INTERACTIONS WITH OUR STAKEHOLDERS AND THE COMMUNITIES IN WHICH WE OPERATE.

ETHICS AND TRANSPARENCY

GRI 4.8

The Itaúsa Code of Ethics was established in 2011 and guides the actions of the Conglomerate in generating lasting, sustainable value. The Code, and the ethical principles it enshrines, permeates the strategies, policies and practices of all Itaúsa subsidiaries.

It is a clear and objective statement of Itaúsa's commitments as well as the type of conduct required when interacting with employees, customers, consumers, suppliers, public agencies and other groups. **GRI 4.15**

The codes of ethics and conduct of the subsidiary companies are aligned with the Itaúsa Code of Ethics. In this way we ensure that exactly the same principles and values are practiced across all sectors. The Code of Ethics also establishes a direct channel for receiving reports, questions, interpretation issues, complaints and suggestions. Contact can be made anonymously. For more information, the Itaúsa Code of Ethics is available at www.itausa.com.br.

PRINCIPLES OF THE CODE OF ETHICS

- We adopt recognized corporate governance practices and direct Itaúsa with the utmost diligence, honesty, transparency and care.
- We do not put personal interests above the interests and values of the institution.
- We respect the legitimate interests of each party in any relationship, so that one never benefits at the expense of another, and we manage conflict and disagreement impartially and judicially.
- We keep stakeholders and the general public informed of Itaúsa's objectives, procedures and results.
- We make timely and accurate disclosures, and our statements, reports, releases and finances are reported with clarity and simplicity, to faithfully reflect Itaúsa's situation.
- We ensure the independence of our risk management, compliance and audit procedures.
- We protect non-public (restricted, confidential, secret and internal) information to avoid any leak that may harm Itaúsa, our stakeholders or the trusting relationships we enjoy with them.
- We do not use inside information for personal purposes.

Shareholders' Agreement

As part of the procedures enacted by the Board of Directors to ensure conflicts of interest are avoided, the controlling shareholders of Itaúsa have signed a Shareholders' Agreement which regulates their management of matters related to Itaúsa's key strategic elements. If you wish to learn more about this, the Agreement appears in the Corporate Governance section of our website: www.itausa.com.br. **GRI 4.5|4.6**

Meetings with analysts

Each year Itaúsa holds public meetings in partnership with Apimec-SP to present and discuss its results. Since 2001, 12 meetings have been held with these analysts. This initiative underlines the Conglomerate's commitment to improve its corporate governance, transparency and the dissemination of its culture to the capital markets.

All Conglomerate companies follow the same reporting procedures. Duratex and Itaú Unibanco have held analysts' meetings for the past 26 years and 17 years, respectively, while Elekeiroz and Itaútec take part in the Itaúsa meetings.

Itaúsa also provides the quarterly Shares in Focus newsletter to its shareholders. The Contact Us part of the Investor Relations website also provides a channel for stakeholders to contact management. **GRI 4.16**

ORGANIZATIONAL CULTURE

Itaúsa's organizational culture is based on valuing people, maintaining ethics in business and creating value for shareholders. It provides the framework for employees of the subsidiaries to be valued and see their role in the development of business. It also helps identify the needs and expectations of clients and consumers so we can improve the products and services we offer and create even greater shareholder value.

Itaúsa has consolidated these elements of its organizational culture into a distinctive corporate identity, which is evident through the various organizations with whom the group interacts.

STRATEGIC PLANNING

Itaúsa's strategic planning encompasses establishing and monitoring the implementation of the corporate values that guide its operations, development and management. At the same time, the operational autonomy of Itaúsa's subsidiary companies allows them to adopt and implement strategies specific to their business segments, and which are aligned with the requirements of their respective areas.

Following are the key strategies the group has implemented during the past year.

Duratex

In 2012 Duratex invested in growing its business through acquisitions. It signed a binding offer to acquire Thermosystem Indústria Eletro Eletrônica Ltda., adding the electronic showers and solar heating systems segment to its portfolio. It also acquired the bronze valves unit of Indústria Metalúrgica Jacaré Ltda. (Mipel), which expanded Duratex's product range and increased its annual production capacity to 780,000 pieces. The third acquisition was a 37% stake in Colombian wood panels leader Tablemac, which represents an important step in Duratex's internationalization plans.

In addition, Duratex maintained its organic growth by increasing the metal bathroom fixtures production capacity at its Jundiaí (SP) plant by 1.2 million pieces per year. In 2013 the company plans to open new units in the bathroom fixtures and wood panels segments.

Elekeiroz

Investments by Elekeiroz in 2012 totaled R\$38.4 million, of which R\$17.5 million was allocated to expand the production capacity of the Unsaturated Polyester Resins unit in Várzea Paulista (SP) by 30%. Monies were also used to develop programs to increase productivity, safety and environmental preservation. The company also created a new RDI area.



Elekeiroz



Duratex

Itautec

In 2012 Itautec invested R\$66.1 million in research and development, primarily directed to developing products in the retail and banking automation segments, including hardware and software. A further R\$10 million was invested in operating assets, including R\$4.9 million in information technology for the acquisition of equipment and software. The company also acquired 70% of BioLogica Sistemas Ltda., a Rio de Janeiro-based company active in fingerprint and facial recognition biometric software. This will allow Itautec to improve its customer safety product line, particularly in the banking automation segment.

Itaú Unibanco

In 2012 Itaú Unibanco announced a R\$10.4 billion investment plan for the technology area, which will run through 2015. Designed to create a multichannel customer service architecture, streamline processes and platforms and improve the quality and analysis of database content, the project will involve the allocation of about R\$2.3 billion to build a new data center in the city of Mogi Mirim (SP), R\$2.7 billion for data processing systems, R\$800 million for software and \$4.6 billion to develop internal systems. The bank expects this strategy to increase its capacity to meet customer demands, offer new products and services, and be prepared for market growth.

INVESTMENTS

Although Itaúsa's subsidiaries have operating autonomy, their investments are aligned with the Conglomerate's principles, values and overall vision for business development. Itaúsa's own investment strategy is based on the expectations, needs and requirements of each company, and is designed to create value for shareholders and support the social development of the country.

Duratex

Investments by Duratex in 2012 reached R\$832 million and were allocated to the maintenance of the business, and to new acquisitions to increase and diversify the Company's portfolio. The acquisition of 37% of Tablemac, the wood panels leader in Colombia, was an important step in Duratex's plans for internationalization. Domestically, Duratex purchased the Lupatech S.A. Mipel industrial valves manufacturing unit and signed a binding offer to acquire Thermosystem Indústria Eletro Eletrônica Ltda., which has about 7% of the electric showers manufacturing market.

In addition to these acquisitions, Duratex is also undergoing substantial organic growth. In the Deca Division, the Company is upgrading its Jundiaí (SP) plant to increase its metal bathroom fixtures production capacity to 1.2 million pieces per year. A new unit in the ceramic fixtures segment is slated to open during the year in Queimados (RJ), increasing the Company's annual production capacity to 2.4 million pieces. The Deca Division's production capacity for metal and ceramic bathroom fixtures is now 32.3 million pieces per year, a 20% increase over 2011.

70%

**of BioLogica Sistemas' capital was
acquired by Itautec in 2012**

R\$ 10.4 billion

**will be invested by Itaú Unibanco
to improve its technology platform**

Investments are also being made in the Wood Division. In 2013 the company plans to open its new MDF wood panels plant in Itapetininga (SP), which will have an annual production capacity of 520,000 cubic meters. In Taquari (RS), improvements in the production process will increase the MDP capacity from 230,000 to 670,000 cubic meters per year.

Elekeiroz

Investments by Elekeiroz in 2012 totaled R\$38.4 million, of which R\$17.5 million was allocated to expand the production capacity of the Unsaturated Polyester Resins unit in Várzea Paulista (SP) by 30%. Monies were also used to develop programs to increase productivity, safety and environmental preservation. The company also created a new research, development and innovation area.

Itautec

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Itaú Unibanco

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**ITAÚSA DEFINES AND
PROMOTES THE ALIGNMENT OF
ITS BUSINESS DEVELOPMENT
VISION WITH THE PRINCIPLES
AND VALUES IT HAS ADOPTED**

CREATION OF VALUE

GRI 4.12 | 4.13



BUSINESS
ETHICS



CREATION
OF VALUE



VALUING
HUMAN CAPITAL

The business activities of the subsidiaries generate jobs and are aligned with our policies for social development in Brazil.

The subsidiaries also minimize the environmental impact of their production processes. The economic and socio-environmental commitments of the subsidiaries, as well as our participation in industry associations and other organizations, meet the related criteria covering the specific activities of each company. This compliance is fully supported and encouraged by Itaúsa.

R\$30
billion

is Itaúsa's net equity
at the end of 2012

14.3%

was Duratex's net income expansion

16%

was Elekeiroz's net income
expansion in 2012



Itautec



Duratex – Botucatu

MANAGING FOR SUSTAINABILITY

Under our overall sustainability strategy, the action plans implemented independently by each Itaúsa company all apply a concern for environmental impacts, support for social development, care for their employees and a focus on creating value.

Proof of the success of our sustainability strategy was seen in 2012 when Itaúsa, Duratex, Itaú Unibanco and Redecard were included in the 2012-2013 DJSI World Index, a benchmark for companies with high standards of sustainability management. Only nine Brazilian companies are currently part of this select group, and four are Itaúsa group companies. Additionally, each of these subsidiaries publishes annual reports which apply the maximum GRI A Application Level. The GRI is an internationally recognized and accepted standard for reporting and comparability of corporate information.

Sustainability in the group's companies

A clear example of the alignment of management practices among Itaúsa and its subsidiaries is the periodic meetings that four group companies hold with specialists. These events occur at times specific to each company's operations, and are used to provide discussion and identification of the issues most important to their business. These meetings demonstrate the companies' commitment to open and transparent dialogue with their stakeholders.

Duratex

To strengthen its management and corporate governance, Duratex uses market benchmarks such as Ethos and GRI indicators, the Carbon Disclosure Project (CDP), the BM&FBovespa Corporate Sustainability Index (ISE) and the DJSI. In 2012 the company held the second edition of its Stakeholders' Meeting, a consultation process involving industry experts, staff members and senior management, to identify strategic issues and incorporate them into the company's sustainability strategy. Additionally, its management of environmental and security information is conducted with greater control and reliability through its use of the SAP Emissions Management and EHS modules.

The environmental management systems at its five plants received their Brazilian Regulatory Standards (NBR) and International Organization for Standardization (ISO) 14001:04 certification, and the company was featured in the Governance and Initiatives to Reduce Emissions sections of the Brazilian version of the Carbon Disclosure Project report. Additionally, in 2012 Duratex conducted a first diagnostic analysis of water availability for its plants in the state of São Paulo. This analysis is designed to determine each plant's risk regarding current and future water demand and availability, allowing Duratex to model scenarios that best meet its projects' needs.



Elekeiroz

Elekeiroz's sustainability management strategy is based on good governance practices and ensuring positive relationships with stakeholders as well as organizations which represent the petrochemical industry. The company is a signatory to the Responsible Care Program (RCP), which was developed by the International Council of Chemical Associations. The RCP has been overseen in Brazil by the Brazilian Chemical Industry Association (Abiquim) since the program began in 1992. Responsible Care seeks to comprehensively address issues of safety, health and the environment in the petrochemical industry, and now covers aspects such as social responsibility, quality and corporate protection.

In 2012 Elekeiroz participated in the Contemporary Bank Project by developing a line of Biopoli resins made with recycled raw materials from renewable sources. This project consists of building sustainable banking terminals, which in addition to resins, use solar panels, LED lights, energy-efficient air conditioning and protective film that filters out 80% of infrared radiation.

Itautec

Itautec's strategic management focuses on minimizing environmental impacts, supporting social development programs and recognizing its employees. At its plant in Jundiaí (SP) the Company runs a center for receiving and recycling computers, while its manufacturing process for Itautec brand desktop computers, notebooks and servers has the Restriction of Certain Hazardous Substances (RoHS) certification, a European Community standard which restricts the use of harmful chemicals in equipment manufacturing.

In 2012 the company invested in the promotion and integration of sustainability in its supply chain: in addition to visiting the facilities of its major suppliers to assess socio-environmental compliance, the Company held an event in Shanghai (China) and another in Taipei (Taiwan) for a total of about 50 suppliers who manufacture components. Discussions involved the challenges of integrating the principles of sustainability into a company's management model. The results of this event helped Itautec review its purchasing procedures and standards.

Itaú Unibanco

Through an extensive evaluation and analysis of stakeholder expectations and the bank's mission and values, Itaú Unibanco has developed a strategic roadmap to guide its sustainability management. The Company focuses on sustainability through financial education, dialogue and transparency, and on socio-environmental risks and opportunities. These same pillars also guide the efforts of Itaúsa and its subsidiaries, from the development of new products and services to investments in cultural and social activities through Fundação Itaú Social, Instituto Unibanco and Instituto Itaú Cultural.

Key initiatives during the year included Itaú BBA's incorporation of socio-environmental criteria into its analysis and evaluation of large scale project finance, compliance with voluntary agreements such as the Principles for Sustainability in Insurance (PSI) and the Principles for Responsible Investment (PRI), as well as helping people improve their relationship with money through various programs which provide financial education to clients and the general public.

**R\$ 4.5
billion**

was the net profit of Itaúsa in 2012

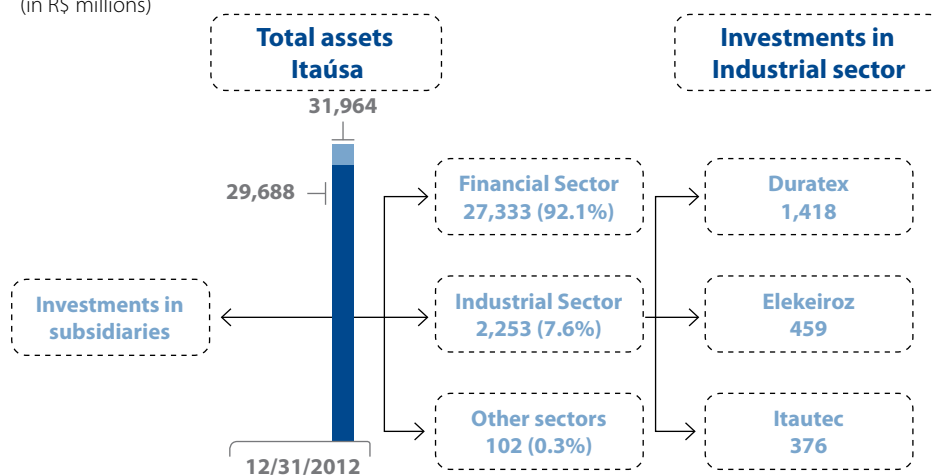
BUSINESS PERFORMANCE

Results and indicators – Itaúsa

As at December 31, 2012 Itaúsa posted R\$30 billion in net equity, R\$4.5 billion in net income and return on shareholders' equity of 15.2%.

Investment composition, by sector*

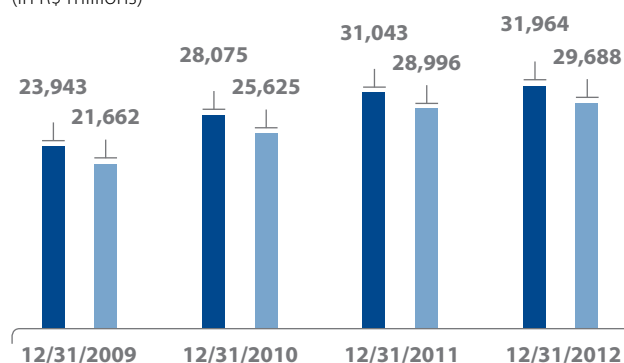
(in R\$ millions)



*Individual balance

Total assets*

(in R\$ millions)



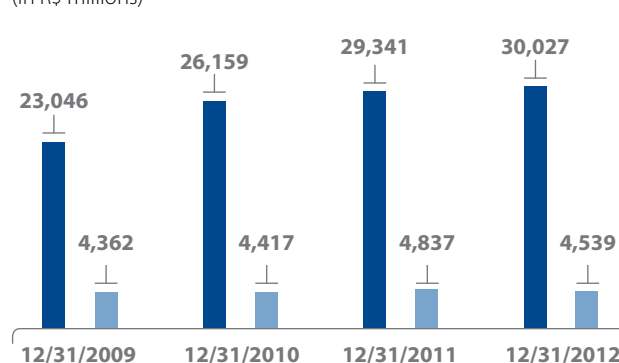
- Total assets [CAGR₍₀₉₋₁₂₎: 10.1%]
- Investments in subsidiaries [CAGR₍₀₉₋₁₂₎: 11.1%]

*Individual balance

CAGR - Compound Annual Growth Rate

Net equity and net income – Itaúsa*

(in R\$ millions)



- Net equity [CAGR₍₀₉₋₁₂₎: 9.2%]
- Net income (Jan – Dec)

*Individual balance

CAGR - Compound Annual Growth Rate

Main performance indicators – Itaúsa (in R\$ millions)	Parent		Subsidiaries		Consolidated	
	12/31/12	12/31/11	12/31/12	12/31/11	12/31/12	12/31/11
Net income	4,539	4,837	501	530	5,040	5,367
Net recurring income	4,787	5,040	484	514	5,271	5,554
Net equity	30,027	29,341	2,682	2,949	32,709	32,290
Annualized return on net equity (%)	15.2	17.5	17.7	18.3	15.4	17.6
Recurring annualized return on net equity (%)	16	18.3	17.1	17.8	16.1	18.2

Share performance indicators (in R\$)	12/31/2012	12/31/2011	+ / (-) in %
Net income – parent	0.94	1.00	(6.4)
Net recurring income – parent	0.99	1.04	(5.3)
Net equity – parent	6.19	6.05	2.3
Dividends/Interest on Net Equity (JCP)	0.34	0.33	2.8
Share price (preferred)	9.69	10.16	(4.7)
Market capitalization (in R\$ millions)	46,972	49,268	(4.7)

GRI EC1

Distribution of Value Added (in R\$ millions)	01/01/2012 to 12/31/2012	%	01/01/2012 to 12/31/2011	%
Income	(a) 46,605		48,211	
Expenses	(b) (23,207)		(26,272)	
Inputs acquired from third-parties	(c) (9,226)		(7,815)	
Gross value added	(d) = (a+b+c) 14,172		14,124	
Depreciation, amortization and depletion	(e) (1,470)		(1,455)	
Net value added produced	(f) = (d+e) 12,702		12,669	
Value added received in transfer	(g) 72		(152)	
Total value added for distribution	12,774		12,517	
Distribution of value added	12,774	100	12,517	100
Staff	3,367	26.36	3,237	25.86
Direct Remuneration	2,388		2,314	
Benefits	722		639	
FGTS Fund	257		284	
Tax, fees and contributions	4,009	31.38	3,577	28.58
Federal	3,643		3,199	
State	89		88	
Municipal	277		290	
Remuneration of equity in third-parties – rent	358	2.80	336	2.68
Remuneration of own equity	5,040	39.46	5,367	42.88
Dividends and interest on own equity paid/provisioned	1,294		1,308	
Retained profit/(loss) for the period	3,245		3,529	
Participation of minority shareholders in retained earnings	501		530	

Results - subsidiaries

Principal indicators (in millions)

	January to December	Financial Services Sector	Industrial Sector			
		Itaú Unibanco	Duratex	Elekeiroz	Itautec	Itaúsa ^{1 and 2}
Total assets	2012	957,154	7,759	678	1,076	364,017
	2011	818,136	6,814	654	1,176	312,002
Operating income	2012	125,484	3,394	900	1,545	52,325
	2011	124,877	2,970	777	1,542	51,381
Net income	2012	12,634	460	0	2	5,040
	2011	13,837	375	15	44	5,367
Net equity	2012	75,902	4,024	476	543	32,709
	2011	73,941	3,693	477	538	32,290
Annualized return on net equity (%)	2012	16.9%	11.9%	0.1%	0.3%	15.4%
	2011	20.0%	10.5%	3.1%	8.3%	17.6%
Internally-generated funds ³	2012	49,136	985	50	(25)	19,039
	2011	43,182	861	38	76	16,529

(1) Consolidated/Conglomerate figures are net of consolidation eliminations and unrealized earnings from intercompany transactions.

(2) The Itaúsa Conglomerate includes: the consolidation of 100% of its subsidiaries, and the proportional consolidation of retained shareholdings in jointly-controlled companies.

(3) Funds from operations given in the Statements of Cash Flows.

Duratex

Net revenue reached a record R\$3.4 billion for the year, representing annual growth of 14.3%. These figures were due to a 16.1% increase in shipment volumes in the Wood Division, which totaled a record 2,635,084 m³, in addition to unitary net income increases in both divisions. Brazil continues to be the company's primary market, accounting for about 96% of total sales during the year.

Elekeiroz

Net income for the year reached R\$899.8 million, up 16% from 2011. The ratio between total exports and net income rose from 12% in 2011 to 17% in 2012.

Itautec

Itautec posted net income of R\$1.5 billion in 2012, while consolidated net revenue from sales and services reached R\$1.5453 billion. Net revenues rose 0.2% year-on-year. All of the Company's units undertook major business advances during the year, which helped offset impacts on revenues and production costs resulting from macroeconomic changes in Brazil in 2012, which led to an earnings drop of R\$20 million per quarter beginning in 2Q12.

Itaú Unibanco

In 2012 Itaú Unibanco's net income was approximately R\$12.6 billion, an 8% drop from the previous year, while its return on equity was 16.9%. Total consolidated assets exceeded R\$950 billion, a 17% increase from 2011.

R\$957 million

**is the total consolidated assets of
Itaú Unibanco**

HUMAN RESOURCES

As at December 31, 2012 Itaúsa and its subsidiaries had over 113,000 employees, of whom 6,900 were overseas. Total remuneration paid, including salaries, charges and social benefits – including that paid to dependents – totaled R\$12.5 billion in the period. In addition, the group invested approximately R\$244 million in education, training and development programs in 2012. All relationships with employees of group companies are guided by the principles of the Itaúsa Code of Ethics (available at www.itausa.com.br – Get to Know Itaúsa).

Duratex

At the end of 2012 Duratex had a total of 10,600 employees, who received a combined R\$331.8 million in salaries. During the year Duratex invested R\$1.8 million in training and development programs for technical improvements and developing interpersonal skills. The company provides grants for undergraduate and postgraduate studies, as well as language courses.

Elekeiroz

As at December 31, 2012 Elekeiroz had 755 employees, who received a total of R\$83 million in salaries, benefits and supplementary pension plans, plus training, education and participation in professional development programs.

Itautec

Itautec had 5,177 staff members at year-end, all of whom are eligible to receive development training through courses given by the Itautec Leadership Academy, the Itautec Online Academy and the Sales School, plus grants for specialization, postgraduate, MBA and language course work. In 2012 the Company paid out R\$351.9 million in salaries and benefits and invested R\$407,000 in employee training. It also completed the Performance Management process by conducting a 360-degree assessment of all managers as well as individual appraisals of all other employees. This evaluation involved an assessment of whether employees displayed the conduct defined by the Company, and an assessment of the individual results achieved in the previous year. The findings of the evaluation help the Company to make meritocratic decisions regarding professional development and career alignment.

Itaú Unibanco

Itaú Unibanco invested over R\$241.5 million to provide training, skills development and continuing education to its approximately 97,000 employees. It paid out a further R\$9.2 billion in salaries and benefits during the year. Its staff management approach values meritocracy and adopts appraisal processes that recognize and reward employees whose performance best follows the guidelines, principles and values practiced by the company.

CREATION OF VALUE FOR SHAREHOLDERS

Itaúsa and its major subsidiaries are publicly traded companies that adopt best corporate governance practices and deliver good economic and socio-environmental results while creating investment capacity and value for their shareholders. The management of these firms is based on sustainable practices that create jobs and contribute to Brazil's growth and social development.

Capital markets

Index

Itaúsa plays a prominent role on the São Paulo Stock Exchange (BM&FBovespa). It is listed on Corporate Governance Level 1 and on the Socio-environmental Investment Exchange (BVSA), and is part of the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO₂). Itaúsa is also included in three indices that reflect good governance practices: the Corporate Governance Index (IGC), the Corporate Governance Trade Index (IGCT) and the Special Tag Along Stock Index (ITAG).

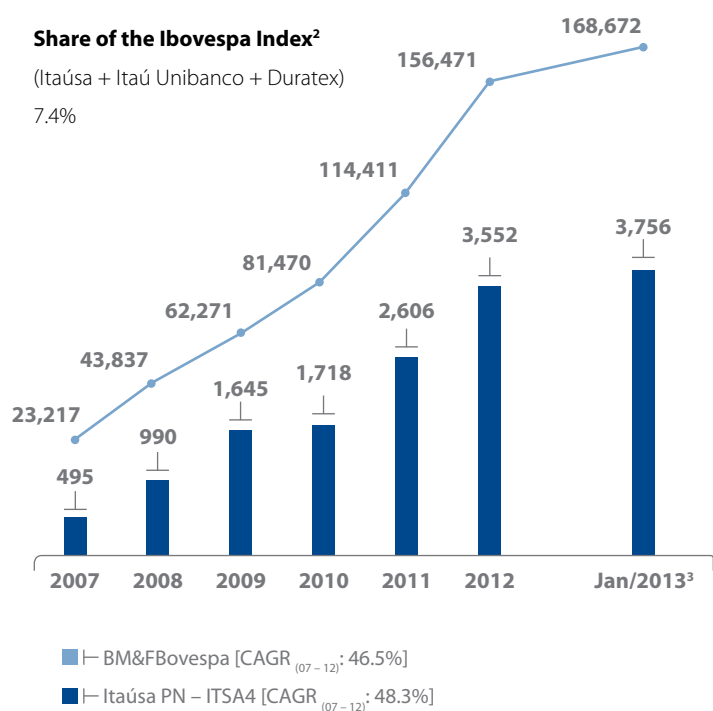
In 2011 Itaúsa took an important step towards increasing transparency and improving its relationship with shareholders by voluntarily adopting the Abrasca (Brazilian Association of Public Companies) Code for Self-Regulation and Best Practices.

Share price performance

Performance of Itaúsa Preferred Shares (PN) – ITSA4

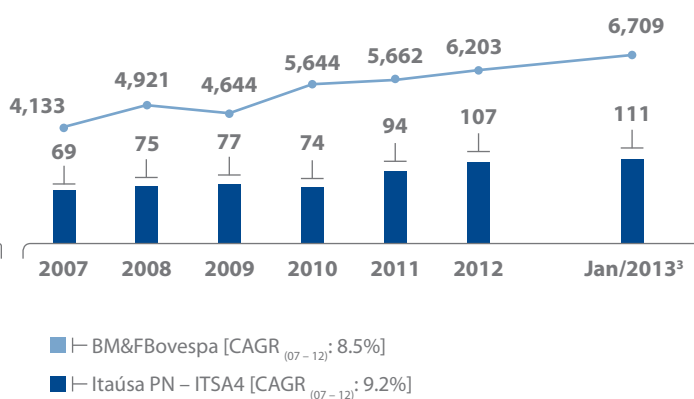
Number of trades on the BM&FBovespa¹

(in thousands)



Average Daily Trading Value

(in R\$ millions)



(1) São Paulo Stock Exchange

(2) Portfolio: Jan-Apr 2013

(3) For better comparability we multiplied the month of January by twelve.
CAGR – Compound Annual Growth Rate

PN – Preferred Shares

CAGR – Compound Annual Growth Rate

Itaúsa price discount

One of the indicators most widely used by capital markets analysts, shareholders and investors to evaluate an investment in Itaúsa is the difference between Itaúsa's market value and the theoretical market value derived

through the sum of its parts. Itaúsa's "Fair value" is the total market value of all its shareholdings in listed companies. The difference between this figure and Itaúsa's actual market value is called the price discount.

Itaúsa Price Discount

(in R\$ millions)

12/28/2012				
	MV x VP	Market Value ⁽¹⁾	Share (%)	Market Value ⁽²⁾
Itaú Unibanco Holding	2.0x	150,598	36.78	55,395
Duratex	2.0x	8,123	35.46	2,880
Itautec	0.8x	408	94.01	383
Elekeiroz	0.5x	234	96.6	226
Other net assets and liabilities				-20
Total – Itaúsa ⁽³⁾			Not Including Control Premium	58,864
Itaúsa market value ⁽⁴⁾	1.6x			46,972
Discount (%) ⁽⁵⁾				-20.2

Free float at 12/31/2012 ⁽⁷⁾	725,630,000 common shares	38.88%
	2,445,995,000 preferred	82.05%

(1) Market capitalization of companies controlled by Itaúsa⁽⁶⁾.

(2) Market value of the sum of its parts, or the portion held by Itaúsa in each Company it controls.

(3) Theoretical market value of Itaúsa, based on the sum of the market value of the shares the company holds in its subsidiaries.

(4) "Real" market value, or the value determined by the trading price of Itaúsa shares⁽⁶⁾.

(5) Price discount on the day it was calculated, as the price of listed companies can vary daily.

(6) Used for calculating the average price of the most liquid stock on the final day of the period.

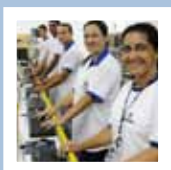
(7) Not including shares held by controlling shareholders or treasury shares.

OUR CONCERN FOR ENVIRONMENTAL
IMPACTS, SOCIAL DEVELOPMENT
AND VALUE CREATION IS INTEGRAL
TO OUR MANAGEMENT STRATEGY

VALUING HUMAN CAPITAL



BUSINESS
ETHICS



CREATION
OF VALUE



VALUING
HUMAN CAPITAL

Itaúsa and its subsidiaries are
leaders in the markets in which they
operate. Their solid, well-positioned
brands embody ethical and transparent
business practices, as well as respect
and value creation for all stakeholders.

R\$22
billion

is Itaú Unibanco's
brand value

6 For
years

Itaúsa has been part of the
Bovespa Corporate Sustainability
Index (ISE)

33 years

is the time Itautec has been acting
in the technology market

ITAÚSA

 Duratex

 Elekeiroz

 Itaú

 Itaútec

STRONG BRANDS

Itaúsa

For the ninth consecutive year Itaúsa was included in the Dow Jones Sustainability World Index portfolio. It also led the financial services sector for the sixth consecutive year, scoring the sector's highest marks in twelve sustainability criteria.

Itaúsa was also chosen to be in the 2012-2013 BM&FBovespa Corporate Sustainability Index, the sixth consecutive year it has been part of this metric.

Duratex

Duratex's major brands include Duratex itself, Deca and Hydra (bathroom fixtures), and Durafloor (wood panels). In 2012 the company redesigned its logo to strengthen the union of its segments and reflect aspects such as innovation, design, quality and sophistication. The *Casa & Mercado* (House and Market) magazine's Top of Mind Award was given to Deca and Durafloor as the brands in their segment that were most popular with consumers.

Elekeiroz

Elekeiroz's products are not sold directly to the end consumer. Rather, the company produces petrochemical intermediates which are used as raw materials by other companies in different segments of the industrial chain. Product acceptance results from strict technical specifications and end performance. Elekeiroz is recognized by the market as a trustworthy supplier which adopts sustainable practices in its operations and conducts activities that benefit society. Although the company is well over one hundred years old, it remains competitive and modern by adopting best market practices.

Itaútec

The Itaútec brand is recognized for the quality and safety of its products, which represent reliability and innovation. The company's reputation has been developed over 33 years of solid performance in the market, and a constant focus on demonstrating the values in which the company believes. Through advertising and communication campaigns, in 2012 it achieved one of its main objectives: to show consumers that it operates and specializes in three different segments using the same integration and sophistication in its technology solutions.

Itaú Unibanco

Itaú Unibanco seeks to be an agent of transformation in the lives of individuals, society and the country. The company has been widely recognized by the market as having a strategy that goes well beyond advertising initiatives. For the ninth consecutive year Itaú was named the most valuable brand in Brazil by consulting firm Interbrand, which estimated its value at R\$22.2 billion. This evaluation is based on an assessment of the ability of the brand to generate financial results, influence the clients' selection process, and to ensure demand over time.

AWARDS AND RECOGNITION GRI 2.10

DURATEX

- Abrasca Award, 14th edition, in the 2012 Pulp & Paper sector's Distinction category. The Award was given to Duratex as the best example of value creation in 2011.
- Top Mobile Award, one of the Brazilian furniture sector's most prestigious awards. This was the fifth consecutive time that Duratex has won this award, placing it first in the MDP and MDF Panels categories in the Industry Suppliers segment.
- Deca and Durafloor were the most familiar brands in their segments as judged by the public. This distinction was recognized by the 15th edition of the Top of Mind Award, which was awarded to Duratex by *Casa & Mercado* magazine.
- Best Company in the Building Supplies and Decoration segment – first annual *Época Negócios* 360° Award, a special publication from Editora Globo.
- Winner in the Building Supplies and Decoration segment, 12th annual *Valor 1000* magazine Awards, published by *Valor Econômico* newspaper.
- Best Company in the Building Supplies and Decoration segment – winner of Melhores da Dinheiro 2012 Award, a special publication from *IstoÉ Dinheiro* magazine.
- The Forestry area of Duratex was voted best in the wood and pulp sector in the 2012 Biggest and Best ranking carried out by *Exame* magazine.
- Idea Awards – Gold Medal for its Twin Shower Spa in the Baths and Spas category.
- Pini Award, first place in the Ceramic and Metal Fixtures categories.

ITAUTEC

- During the year Itautec received three Latin America awards from *World Finance* magazine: Best Automated Banking Branch Technology, in recognition of its delivery capacity at all points of customer contact within the bank branch environment; Best Retail Banking Systems Technology Provider, for its expertise in developing solutions focused on customer processes; and Best Security Technology Company, in recognition of its ability to deliver security, monitoring and fraud prevention solutions to its clients.
 - For the fourth consecutive year Itautec was the highest ranked Latin American company in the FinTech 100, placing 34th. This annual survey features the top one hundred technology providers to financial services companies worldwide.
- ### ITAÚ UNIBANCO
- Best Trade Finance Bank in Brazil, Best Investment Bank and Best Emerging Market Banks in Latin America, according to Global Finance magazine, one of the world's most prestigious economics and finance publications.
 - Sixth consecutive time the bank has won the Best Managed Companies in Latin America award, presented by *Euromoney* magazine, whose rankings are based on a survey of leading market analysts and institutions in Latin America.

tions and implementations in IT and telecoms at financial institutions, Itaú Unibanco was awarded prizes in the Internet Banking, e-commerce, Social Networks, Commercial Client Mobile and Security categories, while Itaú BBA won in the Workflow, Risk Analysis Tools and Product Redesign categories.

- First place among the 50 largest Brazilian banks by assets in *Exame* magazine's 2012 Biggest and Best ranking.
- First place among Latin American financial institutions in the 2012 list of Top 1000 World Banks published by *The Banker* magazine and the Financial Times newspaper.
- Recognized as one of the 150 Best Workplaces (Great Place to Work Institute in partnership with *Época* magazine), as a Young Persons' Dream Company (Cia. De Talentos), and one of the Best Companies to Work For (*Você S/A Guide*).
- One of 21 companies whose operating model for sustainability and corporate social responsibility appears in the *Exame Sustainability Guide*.
- First place since 2007 in the Banks category in the Top of Mind Internet – Datafolha/UOL survey, which recognizes professionals and brands that value online media.
- Itaú BBA ranked first in the ANBIMA (Brazilian Association of Financial and Capital Markets Entities) distribution ranking for debentures transactions.
- Itaú BBA ranked first by Thomson Reuters for its role as financial adviser in 50 transactions.

GRI CROSS-REFERENCE TABLE

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SOCIAL AND ENVIRONMENTAL INFORMATION INCLUDED IN THE ANNUAL REPORT FOR 2012

To the Board of Directors
Itaúsa - Investimentos Itaú S.A.
São Paulo- SP

Introduction

We have been engaged by Itaúsa - Investimentos Itaú S.A. ("Itaúsa") to present our limited assurance report on the compilation of the social and environmental information included in the Annual Report for 2012 of Itaúsa - Investimentos Itaú S.A. for the year ended December 31, 2012.

Management's responsibility for the Annual Report for 2012

The management of Itaúsa is responsible for the preparation and fair presentation of the social and environmental information included in the Annual Report for 2012, in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-G3.1) and for such internal control as it determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the social and environmental information included in the Annual Report for 2012, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issue of an Assurance Report related to Sustainability and Social Responsibility", approved by the Fed-

eral Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical requirements, including independence requirements, and perform our engagement to obtain limited assurance that the social and environmental information included in the Annual Report for 2012, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the social and environmental information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation and presentation of the social and environmental information included in the Annual Report for 2012, other circumstances of the engagement and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

(a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Annual Report for 2012 of Itaúsa;

(b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers in charge of the preparation of the information;

(c) interviews with the managers responsible for the information through visits to the administrative unit of Itaúsa;

(d) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the Annual Report for 2012; and

(e) comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included tests to assess compliance with the criteria and guidelines of the Global Reporting Initiative (GRI-G3) applied in the preparation of the social and environmental information included in the Annual Report for 2012. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the social and environmental information included in the Annual Report for 2012. Consequently, we were not able to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement, the objective of which is the issue of an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the social and environmental information included in the Annual Report for 2012. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, the materiality and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement data reported for prior years, nor future projections and goals.

Conclusion

Based on the procedures performed, described herein, no matter has come to our attention that causes us to believe that the social and environmental information included in the Annual Report for 2012 of Itaúsa - Investimentos Itaú S.A. has not been compiled, in all material respects, in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-G3.1).

São Paulo, April 26, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Manuel Luiz da Silva Araújo
Contador CRC 1RJ039600/O-7 "SP"

GLOBAL REPORTING INITIATIVE CERTIFICATION



Statement GRI Application Level Check

GRI hereby states that **Itaúsa S.A. - Investimentos Itaú S.A.** has presented its report "Annual Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 18 April 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large, stylized globe background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Itaúsa S.A. - Investimentos Itaú S.A. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 9 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

INDICATORS TABLE GRI 3.12

As Itaúsa is a pure holding company and has no operations of its own, the financial, social and environmental performance indicators of its subsidiaries are given in the annual reports of each company. These reports should be consulted by those seeking to locate this information. For more information, please see "About this report" on page 3.

Profile indicators

1. Strategy and Analysis		See page(s) in this Report
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	11 – 14
1.2	Description of key impacts, risks, and opportunities.	19 – 20
2. Organization Profile		See page(s) in this Report
2.1	Name of the organization.	3
2.2	Primary brands, products, and/or services.	8 – 10
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	7
2.4	Location of organization's headquarters.	7
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	9
2.6	Nature of ownership and legal form.	7
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	8 – 10
2.8	Scale of the reporting organization.	7 – 10
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	3
2.10	Awards received in the reporting period.	38
3. Report Parameters		See page(s) in this Report
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	3
3.2	Date of most recent previous report (if any).	3
3.3	Reporting cycle (annual, biennial, etc.)	3
3.4	Contact point for questions regarding the report or its contents.	3
3.5	Process for defining report content, including: a) determining materiality, b) prioritizing topics within the report, and c) identifying stakeholders the organization expects to use the report.	3 and 4
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, and suppliers).	3
3.7	State any specific limitations on the scope or boundary of the report. See completeness Principle for explanation of scope.	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	3

3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, and measurement methods).	3
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	3
3.12	Table identifying the location of the Standard Disclosures in the report.	42 to 50
3.13	Policy and current practice with regard to seeking external assurance for the report.	3, 39 and 40

4. Governance, Commitments, and Engagement Governance		See page(s) in this Report
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	17 and 18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	18
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	18
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	18
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	22
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	22
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Itaúsa contends that it is sufficient for group executives to be appraised only in the main subsidiaries.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	8 and 21
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	17
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	17
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	19 – 20
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	25 – 28
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: a) has positions in governance bodies, b) participates in projects or committees, c) provides substantive funding beyond routine membership dues or d) views membership as strategic.	25 – 28
4.14	List of stakeholder groups engaged by the organization.	4
4.15	Basis for identification and selection of stakeholders with whom to engage.	4 and 21
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	4 and 22
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	4

Economic Performance Indicators

Aspect: Economic Performance			See page(s) in this Report
Core	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings, and payments to capital providers and governments.	30
Core	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not material
Core	EC3	Coverage of the organization's defined benefit plan obligations.	Not material
Core	EC4	Significant financial assistance received from government.	Not material
Aspect: Market presence			See page(s) in this Report
Additional	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not material
Core	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not material
Core	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Not material
Aspect: Indirect economic impacts			See page(s) in this Report
Core	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not material
Core	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not material

Environmental performance indicators

Aspect: Materials			See page(s) in this Report
Core	EN1	Materials used by weight or volume.	Not material
Core	EN2	Percentage of materials used that are recycled input materials.	Not material

Aspect: Energy			See page(s) in this Report
Core	EN3	Direct energy consumption by primary energy source.	Not material
Core	EN4	Indirect energy consumption by primary source.	Not material
Additional	EN5	Energy saved due to conservation and efficiency improvements.	Not material
Additional	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not material
Additional	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not material
Aspect: Water			See page(s) in this Report
Core	EN8	Total water withdrawal by source.	Not material
Additional	EN9	Water sources significantly affected by withdrawal of water.	Not material
Additional	EN10	Percentage and total volume of water recycled and reused.	Not material
Aspect: Biodiversity			See page(s) in this Report
Core	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not material
Core	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not material
Additional	EN13	Habitats protected or restored.	Not material
Additional	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not material
Additional	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not material
Aspect: Emissions, effluents and waste			See page(s) in this Report
Core	EN16	Total direct and indirect greenhouse gas emissions by weight.	Not material
Core	EN17	Other relevant indirect greenhouse gas emissions by weight.	Not material
Additional	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not material
Core	EN19	Emissions of ozone-depleting substances by weight.	Not material
Core	EN20	NO, SO, and other significant air emissions by type and weight.	Not material
Core	EN21	Total water discharge by quality and destination.	Not material
Core	EN22	Total weight of waste by type and disposal method.	Not material
Core	EN23	Total number and volume of significant spills.	Not material
Additional	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not material

Additional	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not material
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Aspect: Products and services**See page(s) in this Report**

Core	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Not material
Core	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not material

Aspect: Compliance**See page(s) in this Report**

Core	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not material
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Aspect: Transport**See page(s) in this Report**

Additional	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not material
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Aspect: Overall**See page(s) in this Report**

Additional	EN30	Total environmental protection expenditures and investments by type.	Not material
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Labor practices and decent work performance indicators**Aspect: Employment****See page(s) in this Report**

Core	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Not material
Core	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not material
Additional	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not material

Aspect: Labor/Management relations**See page(s) in this Report**

Core	LA4	Percentage of employees covered by collective bargaining agreements.	Not material
Core	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Not material

Aspect: Occupational health and safety**See page(s) in this Report**

Additional	LA6	Percentage of total workforce represented in formal joint management – worker health and safety committees – that help monitor and advise on occupational health and safety programs.	Not material
Core	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender.	Not material

Core	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not material
Additional	LA9	Health and safety topics covered in formal agreements with trade unions.	Not material

Aspect: Training and education**See page(s) in this Report**

Core	LA10	Average hours of training per year per employee by gender, and by employee category.	Not material
Additional	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not material
Additional	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Not material

Aspect: Diversity and equal opportunity**See page(s) in this Report**

Core	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Not material
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Aspect: Diversity and equal opportunity**See page(s) in this Report**

Core	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not material
Core	LA15	Return to work and retention rates after parental leave, by gender.	Not material

Human rights performance indicators**Aspect: Investment and procurement practices****See page(s) in this Report**

Core	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not material
Core	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Not material
Additional	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not material

Aspect: Non-Discrimination**See page(s) in this Report**

Core	HR4	Total number of incidents of discrimination and corrective actions taken.	Not material
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Aspect: Freedom of association and collective bargaining**See page(s) in this Report**

Core	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not material
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Aspect: Child labor			See page(s) in this Report
Core	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not material
Aspect: Forced and compulsory labor			See page(s) in this Report
Core	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not material
Aspect: Security practices			See page(s) in this Report
Additional	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not material
Aspect: Indigenous rights			See page(s) in this Report
Additional	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not material
Aspect: Assessment			See page(s) in this Report
Core	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not material
Aspect: Remediation			See page(s) in this Report
Core	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not material
Society performance indicators			
Aspect: Local community			See page(s) in this Report
Core	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not material
Aspect: Corruption			See page(s) in this Report
Core	SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not material
Core	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not material
Core	SO4	Actions taken in response to incidents of corruption.	Not material
Aspect: Public policy			See page(s) in this Report
Core	SO5	Public policy positions and participation in public policy development and lobbying.	Not material

Additional	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not material
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Aspect: Anti-Competitive behavior**See page(s) in this Report**

Additional	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not material
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Aspect: Compliance**See page(s) in this Report**

Core	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not material
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Core	SO9	Operations with significant potential or actual negative impacts on local communities.	Not material
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Core	SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not material
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Product responsibility performance indicators**Aspect: Customer health and safety****See page(s) in this Report**

Core	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not material
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Additional	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not material
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Aspect: Product and service labeling**See page(s) in this Report**

Core	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not material
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Additional	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not material
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Additional	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not material
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Aspect: Marketing communications**See page(s) in this Report**

Core	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not material
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Additional	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not material
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Aspect: Customer privacy			See page(s) in this Report
Additional	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not material

Aspect: Compliance			See page(s) in this Report
Core	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not material

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Our special thanks to the people who authorized the use of their images for this report, and to all staff members who contributed to the report.

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