# Itau Unibanco Holding S.A. ADR (ITUB)

*Updated October 1st, 2026 by Felix Martinez*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $8.53 | **5 Year Annual Expected Total Return:** | 11.5% | **Market Cap:** | $98.9 B |
| **Fair Value Price:** | $9.00 | **5 Year Growth Estimate:** | 5.0% | **Ex-Dividend Date:** | 11/04/26 |
| **% Fair Value:** | 95% | **5 Year Valuation Multiple Estimate:** | 1.1% | **Dividend Payment Date:** | 12/08/26 |
| **Dividend Yield:** | 6.7% | **5 Year Price Target** | $11 | **Years Of Dividend Growth:** | 5 |
| **Dividend Risk Score:** | F | **Sector:** | Financial Services | **Rating:** | Hold |

## Overview & Current Events

Itaú Unibanco Holding S.A. is headquartered in Sao Paulo, Brazil. The company trades on the New York Stock Exchange with the ticker symbol ITUB. The company was formed when Banco Itaú and Unibanco decided to merge in November 2008. Since then, Itaú has been the most prominent financial conglomerate in the Southern Hemisphere, the world's tenth-largest bank by market value, and the largest Latin American bank by assets and market capitalization. The bank has operations across South America and other places like the United States, Portugal, Switzerland, China, Japan, etc. Itaú currently employs over 96,000 people worldwide and has a market capitalization of $98.9 billion. The company pays a dividend monthly but at different rates. Itaú Unibanco reports its earnings in Brazilian Real currency. This report will convert all financial numbers into United States Dollars.

On August 3rd, 2026, Itaú Unibanco reported second-quarter results for 2026. The company reported a recurring managerial result of R$12.4 billion (approximately US$2.40 billion) for the second quarter of 2026, up 1.0 percent from the prior quarter and 7.8 percent year-over-year. Operating revenues reached R$48.0 billion (about US$9.28 billion), while the managerial financial margin rose to R$33.5 billion (US$6.48 billion). The annualized recurring return on equity stood at 24.3 percent on a consolidated basis and 25.7 percent in Brazil. The total credit portfolio, including guarantees and private securities, grew 2.7 percent quarter-over-quarter to R$1.52 trillion (roughly US$294 billion), with solid expansion in mortgages, payroll loans, and corporate lending.

Credit quality remained stable, with the 90-day nonperforming loan ratio holding at 1.9 percent. Cost of credit increased modestly to R$10.1 billion (US$1.96 billion), representing 2.7 percent of the average loan portfolio. Non-interest expenses rose 3.3 percent, and the efficiency ratio improved slightly to 37.4 percent consolidated (35.5 percent in Brazil). For the first half of 2026, the recurring managerial result totaled R$24.7 billion (approximately US$4.78 billion), a 9.1 percent increase year-over-year, delivering an annualized ROE of 24.5 percent.

The bank maintained its full-year 2026 guidance ranges for credit portfolio growth, financial margin with clients, cost of credit, and other key metrics, while modestly adjusting the expected growth in commissions, fees, and insurance results. Itaú ended the quarter with a Common Equity Tier 1 ratio of 12.3 percent and a total BIS capital ratio of 15.4 percent.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $0.52 | $0.54 | $0.48 | $0.44 | $0.24 | $0.52 | $0.58 | $0.68 | $0.68 | $0.73 | ***$0.90*** | ***$1.15*** |
| **DPS** | $0.21 | $0.22 | $0.46 | $0.53 | $0.19 | $0.12 | $0.15 | $0.20 | $0.38 | $0.39 | ***$0.59*** | ***$0.68*** |
| **Shares**[1] | 9849 | 9818 | 9774 | 9785 | 9793 | 9780 | 9800 | 9800 | 9900 | 9900 | ***9900.0*** | ***9900.0*** |

Itaú Unibanco has seen its earnings increase at a compound annual growth rate of 3.8% for the past ten years. We have estimated a modest EPS growth rate of 5.0% for the next five years. This will put 2031 earnings at $1.15 per share. The growth will be driven by a more considerable increase in demand for deposits and loans. Another driver in earnings growth is that Itaú Unibanco positions itself as a regional money center in Latin America.

[1] Share count is in millions.

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The company's dividend is very inconsistent because it is converted to USD, but it recently grew its dividend.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 9.1 | 11 | 13.0 | 14.3 | 17.3 | 7.2 | 8.2 | 10.3 | 7.3 | 10.2 | ***9.5*** | ***10.00*** |
| **Avg. Yld.** | 4.4% | 6.2% | 6.1% | 4.6% | 0.9% | 1.4% | 0.9% | 2.8% | 7.6% | 7.6% | ***6.7%*** | ***6.0%*** |

For the ten-year average, shares have traded with an average P/E ratio of 10.8x earnings. However, we think a PE of 10x is fair. At the current price, Itaú currently has a P/E of 9.5x this year's earnings. The dividend yield was as high as 6.2% in 2017 and as low as 1.1% in 2010. Since the dividend has been increased for the year, Itaú Unibanco's current yield is 8.2%, so it is still much higher than the ten-year average of 4.3%.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

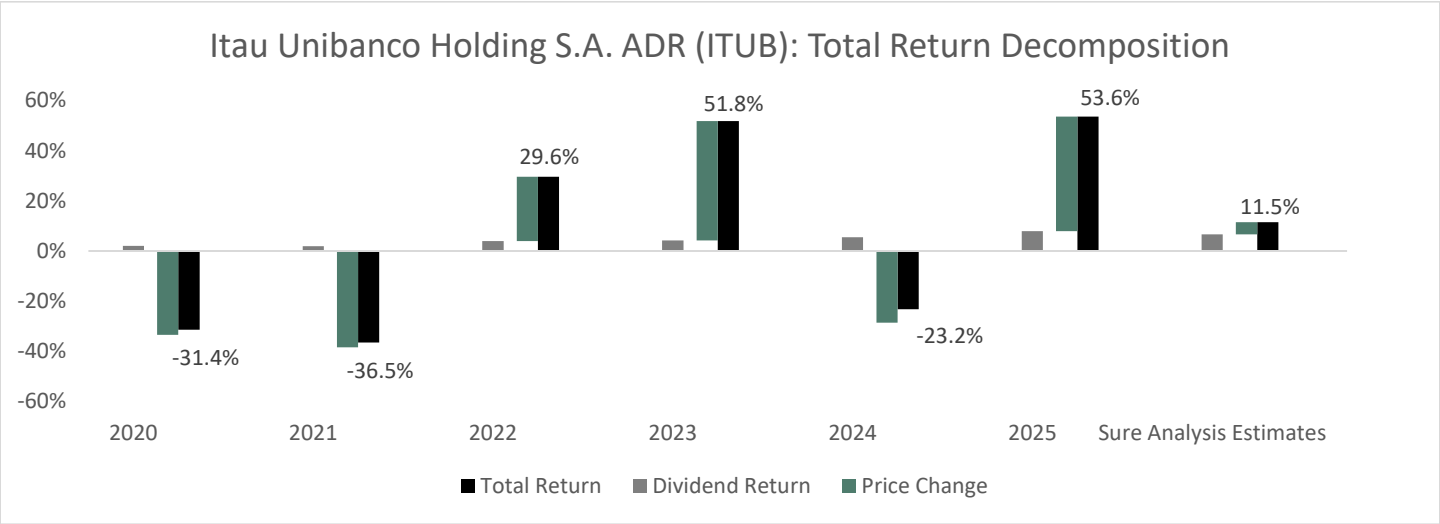
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 40% | 41% | 96% | 120% | 79% | 23% | 26% | 29% | 56% | 53% | ***66%*** | ***60%*** |

Itaú Unibanco does not have an economic moat. Bank moats are achieved through cost advantages like funding, operational, credit, and regulatory. Also, bank moats are created in the banking system in which the company operates. The Brazilian banking system is flawed because of its unfriendly regulatory prospects, worsening macroeconomic prospects, and bleak political conditions. Itaú does have a competitive advantage as it is the largest bank in Latin America. During the Great Recession, Itaú Unibanco saw earnings decrease from $0.57 a share in 2007 to $0.46 per share in 2008, which fell by -19%. However, in 2019, the company reported earnings of $0.57 a share, or an increase of 24%. The stock price shows a different story. The stock price dropped -62.6% in ten months from high to low. Itaú has an S&P Credit Rating of BB-, which is not an investment-grade rating. The Debt-to-Equity ratio (D/E) is 1.5, which is a good level. Overall, Itaú Unibanco has a satisfactory Balance Sheet.

## Final Thoughts & Recommendation

Itaú has a decent balance sheet to withstand economic headwinds. However, earnings have been very volatile throughout the past ten years, affecting investors' total return rate. We anticipate a return rate for the next five years to be about 11.5% per year. However, we rate Itaú Unibanco as a hold at the current price.

## Total Return Breakdown by Year




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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 32,951 | 33,011 | 27,474 | 28,237 | 18,372 | 22,624 | 26,880 | 29,650 | 29560 | 30288 |
| SG&A Exp. | 11,599 | 12,742 | 11,708 | 11,370 | 8,327 | 8,528 | 10,078 | 10,400 | 10380 | 10643 |
| D&A Exp. | 937 | 991 | 981 | 903 | 731 | 786 | 930 | 1,132 | 1200 | 1354 |
| Net Profit | 6,235 | 7,251 | 6,853 | 6,877 | 3,702 | 4,969 | 5,760 | 6,633 | 7658 | 8222 |
| Net Margin | 18.9% | 22.0% | 24.9% | 24.4% | 20.2% | 22.0% | 21.4% | 22.4% | 25.9% | 27.2% |
| Free Cash Flow | 6,965 | 6,155 | 7,390 | 7,825 | 10,616 | 9,475 | 23,558 | 13,680 | -56 | 5,013 |
| Income Tax | 3,939 | 2,300 | 1,367 | 870 | -1,927 | 2,571 | 1,318 | 1,167 | 1012 | 807 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets ($B) | 415 | 433 | 401 | 407 | 388 | 371 | 439 | 524 | 462 | 562 |
| Cash & Equivalents | 38,992 | 44,247 | 40,700 | 38,812 | 36,924 | 39,303 | 39,850 | 47,060 | 42670 | 49602 |
| Goodwill & Int. | 5,239 | 5,849 | 4,988 | 4,900 | 3,333 | 3,788 | 684 | 4,814 | 3882 | 4417 |
| Total Liabilities ($B) | 374 | 390 | 362 | 370 | 359 | 342 | 4,371 | 483 | 426 | 523 |
| Long-Term Debt | 69,550 | 67,451 | 59,049 | 69,402 | 56,643 | 56,681 | 51,436 | 92,420 | 83020 | 64607 |
| Shareholder's Equity | 36,892 | 39,643 | 35,295 | 34,023 | 27,504 | 27,428 | 80,191 | 39,190 | 34150 | 37484 |
| LTD/E Ratio | 1.89 | 1.70 | 1.67 | 2.04 | 388 | 2.07 | | 2.36 | 2.43 | 2.76 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 1.7% | 1.7% | 1.6% | 1.7% | 0.9% | 1.3% | 1.4% | 1.4% | 1.6% | 1.6% |
| Return on Equity | 19.1% | 18.9% | 18.3% | 19.8% | 12.0% | 18.1% | 19.5% | 17.8% | 19.9% | 22.8% |
| ROIC | 6.2% | 6.6% | 6.6% | 6.7% | 3.8% | 5.8% | 5.8% | 5.4% | 6.1% | |
| Shares Out. | 9,849.0 | 9,818.0 | 9,774.0 | 9,785.0 | 9,793.0 | 9,780.0 | 9,859 | 9,867 | 9869 | 11189 |
| Revenue/Share | 3.35 | 3.36 | 2.81 | 2.89 | 1.87 | 2.30 | 2.73 | 3.01 | 3.00 | 2.71 |
| FCF/Share | 0.71 | 0.63 | 0.76 | 0.80 | 1.08 | 0.96 | 2.39 | 1.39 | -0.01 | 0.45 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*


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