



**International Conference Call**  
**2020 Earnings Results**  
**February 23<sup>rd</sup>, 2021 – 11:30 (BRT)**

**Operator:** Good morning ladies and gentlemen, thank you for standing by and welcome to ITAÚSA's conference call to discuss 2020 results. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time.

Should you require assistance during the call, please press the star followed by zero. As a reminder, this conference is being recorded. The file will be available at the Company's website at [www.itausa.com.br](http://www.itausa.com.br), at the Investor Relations section.

This conference call and the slide presentation are being transmitted via internet as well. You can access the webcast by logging on to the Company's website, [www.itausa.com.br](http://www.itausa.com.br).

Before proceeding, let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from that anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks and other factors.

I inform that, during the presentation, the questions can be sent by webcast and it will be answered at the section of Questions and Answers.

With us today we have:

- Mr. Alfredo Egydio Setubal – CEO and Investor Relations Officer at Itaúsa
- Mr. Henri Penchas – Chairman of the Board of Directors at Itaúsa
- Mrs. Priscila Grecco Toledo – CFO at Itaúsa
- Mr. Bruno Salem Brasil – Investor Relations Manager at Itaúsa
- Mr. Renato Lulia Jacob – Head of IR and Market Intelligence at Itaú Unibanco
- Mr. Pedro Zahran Turqueto – Vice President of Strategy at Copagaz
- Mrs. Mariana Espírito Santo – Investor Relations Director at Alpargatas
- Mrs. Natasha Utescher – Investor Relations Manager at Duratex

It is now my pleasure to turn the call over to Mr. Alfredo. Sir, you may now begin.

**Mr. Alfredo Setubal:** thank you, good morning. It's a pleasure to be here. Thanks for the participation of ... [momentaneous silence] ...

OK, we have on page 3 the agenda of the conference call that we are going to cover in the next hour: First the scenario; second the highlights of Itaúsa's portfolio; third Itaúsa's results; fourth we have a presentation of Copagaz – the new investment that we started to participate this year –; and at the end the Q&A session.

Going to page 5, we had a very difficult environment last year, especially in the first semester of 2020 due to the pandemic of the coronavirus, but we take some actions in our company and also in the Holding, the bank supported clients with R\$50 billion renewed of loans, especially for the sector of individuals with R\$38 million and small and medium-sized companies with R\$12 billion that we renewed for a longer loans supported the clients during especially worst period of the pandemic.

We also supported clients providing credits during this period when our portfolio of credit has shown some growth, especially in big companies, and also in vehicles and real estate loans.

We, of course, in all the companies we work hard in terms of cost and expenses to reduce and to preserve margins and be more efficient. From June and July on, we started to see more results from the companies, all the companies, the industrial started recovering. And related to the real estate, Duratex had some very good second semester, and also the same with Alpargatas, and even the bank has more revenues as the economy restarted some level activity.

In all the companies we accelerated our digital business, e-commerce for the industrial sector, digital for clients of the bank in terms of opening new accounts, new apps for clients, so we improved a lot in terms of digital penetration in all the businesses, in all the companies that we have participation. And of course, we gave support to all the employees of our companies, for their families, and fortunately we had very few cases of the disease among our employees during this period.

On pages 6 we show some actions that we took last year to help the country to fight the pandemic. Itaúsa and the family that controls Itaúsa and all the companies that we have participation we have combined donation of R\$1.5 billion for supporting actions, donation, and making Itaúsa Group the biggest private donator among all the companies and families in the country.

We created a Corporate Governance Commission to support the governance of all the companies that we have participation and also at the Itaúsa level. We made our adherence to the Pact of Integrity and Against Corruption of from Ethos Institute – the most recognized Institute in Brazil related to this issue – so we signed their pact, and also, we became part of the Financial Times Index for Good for companies with good ESG reference and index. So, we were very happy to also participate in this new index that Itaúsa can show their capabilities.

On page 7 we have a challenging year for most of the companies of course, and we tried to have an efficient capital allocation for this period. In the case of the bank, we unlocked the investment value, especially related to XP – the company that the bank is giving its stake to the shareholders of the bank –, we invested a lot in digital strategy also in the bank to face the new challenges for the competition and also to help clients to use more digital apps and facilitate the use of the bank, digital... new digital accountants, and so on.

In the case of Alpargatas, we continued divesting and focusing our investment in Havaianas brand and Osklen, and we did a big focus on e-commerce both in Brazil and outside Brazil in terms of e-commerce, and we increased a lot Havaianas e-commerce, and, for example, in the international markets around 40% of our sales already is through the e-commerce in many countries.

In Duratex, we continue to increase efficiency, we continue our investment in the dissolving wood pulp unit, the investment is in the schedule, we expect that in March/April of next year to start the operations, and it's on schedule. So, we are very happy that we could maintain the rhythm of the investment during the last year even considering the adverse conditions that we have had.

And in the case of Duratex, also we finished the integration of Cecri – that was the company that we bought at the end of 2019 – with the Ceúsa – that we bought some years ago –, and we finished this integration with very sound results for the company.

NTS continues its constant and predictable cash flow, and the company continues to perform very well.

On page 8 we have the allocation of the new investments on Copagaz, that we're going to talk more in details about this investment with Pedro, that is here with us today to talk about the deal and the company and so on. And we are very happy and confident that it is a good investment, and we will have very good results for the coming years with the company.

And also, the XP that we are going to have a direct investment as the Bank restructured its participation in XP giving the investment to the shareholders of Itaú Unibanco, as all of you know, and Itaúsa will have 15% of the capital of XP and will be the second largest investment of Itaúsa in terms of portfolio, just after the bank and above the industrial investments that we have in the portfolio.

Going to page 10, the highlights that we have in our companies during last year. Starting with Itaú Unibanco, we grew our loan portfolio by 20%, especially in vehicles and small and medium-sized companies, and also in large companies, especially during the beginning of pandemic for large companies in the first semester of last year.

We continue to decrease and control our general expenses, we reduced by 2.3% and continue to invest a lot in reduction of expenses and use of more technology in our operations. We focused a lot, as I said, in the digital transformation of the bank in terms of digital customers, online opening accounts, we had a vortical increase in digital transactions with our new and former customers. We bought a company (Zup) to accelerate this technologic company that bring us more than 2.000 engineers and people to accelerate our systems and apps for the coming years, so we also increased the team inside the bank, so we finished the year with more than 3.700 new employees, totally concentrated in improving our digital and technology investment for the bank.

In terms of results, due to the level of increase of provisions that we made for loans losses and from the reduction of the economic activity during this last year, especially in the first semester, the result of the bank reduced from 27% from 2019 with a result of 19.1% recurrent result for the bank. That, at the end, was a good result considering all the adversities that we faced during the year.

The loan portfolio increased, as I said, the bank supported the customer basis, and giving credit and renewing credit our portfolio increased 20% and ended at a total of R\$373 billion in terms of credits for customers.

On page 11 we see the highlights for Alpargatas. We increased in all the regions the volume and the market share of the company, especially we used the digital e-commerce to increase our participation. We continue to divest and focusing in Havaianas and Osklen. We finished the write-off of investments that we had in Argentina, we sold all the investments there, we sold the Mizuno operation in Brazil, so we are just now with Havaianas and Osklen in our portfolio.

We had a difficult first semester, as I said, but we had a very good second semester, especially last quarter was very good, and so we were able to finish almost in the same level of net income of 2019, around R\$450 million and also the EBITDA of the company at the same level. So, also a very good result considering the circumstances.

On page 12, highlights of Duratex. Duratex had a very difficult second quarter, but from June/July we started the recovery, we had a very good result, and all the factories finished the year with full production, the company was the big cherry of the real estate boom here in Brazil, and we are able to increase results by almost 93% compared to 19, and we finished the year with a recurrent net income of R\$528 million against 275 in 2019.

EBITDA also increased a lot last year, to R\$1.3 billion, that's a record level for Duratex. For both, Alpargatas and Duratex and the bank, we continue to see a recovery in 2021, so we expect the good results from the second semester to continue in this first semester for all the investments that we have.

In the case of NTS, we have an increase of 6%, we received R\$232 million from dividends and refund of capital from NTS, 10% above the number that we received in 2019, and continue to be a good investment in terms of cash flow for Itaúsa.

On page 15 we talk about the main metrics and results of the company. We released a net recurring income of R\$7.2 billion with a reduction of 26% compared to 2019, especially because of the reduction of the results of our main investment – that is Itaú Unibanco – that, as I showed before, released a reduction of results around 37%. We finished [unintelligible] stockholders' equity of R\$57 billion.

On page 16 we see the capital structure. We have debt, 2% of our asset are debt, still low compared to the potential of Itaúsa. We have here at the corner of the right side of this page 16 the amortization schedule for these debentures that we issued, the last one was in December 2020 to face the investment in Copagaz of 1.3 billion, it was a very good deal for us, it was a 10-year debenture with a cost that we consider very good of interbank rate plus 2.4%.

On page 17 we continue the practice of distributing the dividends that we receive from the bank. Of course, last year the dividend received by the bank was lower because of the limitations of the Central Bank imposed to the

banks of only distribution of 25%, and we passed through all these dividends to our shareholders, R\$1.7 billion were distributed to our shareholders with a dividend yield of 5.5%. It continues to be one dividend yield highest among the companies that are listed in the B3 here in Brazil.

On page 18 we see that the sum of the parts of our portfolio values R\$127 billion at the end of the year, and the market capitalization of the company was almost R\$99 billion, what means a discount of 22.7% considering the market value of the sum of the parts.

Yesterday we approved – the Board of Directors of Itaúsa – a buyback program of 250 million shares for the next 18 months, and we consider it may be a big opportunity for the company to buy back shares considering the perspectives of the companies that we invest and the discount – that is very high in our view – considering the portfolio that we have. So, we opened again a buyback program of 50 million common shares and 200 million preferred shares.

On page 19 we see that the company continues to be a very attractive investment, especially for individuals here in Brazil. We finished the year with 886,000 shareholders, mostly individuals in this number, and we already have more than 920,000 individual shareholders by the end of January.

We are improving our corporate website to attend the demand for both institutional investors and especially the individuals, to attend their demand. We are launching in these coming days a new website, more easily, more information more tools, and more simulators for the individuals and institutional investors can use this site, and also, we are improving and increasing our social media networks to approach more information and be closer to our base of individual shareholders.

Now I'll pass through the word to Pedro Zahran Turqueto, that is Strategic Vice-President of Copagaz, that will talk about the company and the rationale of the acquisition of Liguigás by Copagaz and the investment of Itaúsa in this company.

Please, Pedro, go on.

**Pedro Turqueto:** thank you all for you though who stop a good morning everybody. My name is Pedro Zahran Turqueto, I'm VP of Strategy and Marketing of Copagaz.

Here in the page 22, I'm going to talk a little bit about Copagaz and Grupo Zahran, that is the Holding that used to be the owner of Copagaz before the entrance of Itaúsa.

Grupo Zahran has 2 branches of businesses: we have [unintelligible] broadcast in radio stations and website in the Middle East of Brazil, and the energy side that has the Copagaz as the biggest company on that area.

The company was founded 65 years ago by Ueze Zahran and his brothers in Campo Grande, estate of Mato Grosso do Sul, Brazil, we passed these 65 years without doing any acquisition, so we grew organically by this time. At the year of 2019, we started looking for an investor to help us to acquire Liguigás – that used to be a company from Petrobras, that is a state-controlled company –, and the family decided to join with Itaúsa because we thought that we had the same ethical principles and also a long-term strategy.

Here in the page 23, I'm am going to talk a little bit about what we do. So, we are a distributor of LPG, we have plants that are nearby refineries, and refineries in Brazil is basically from Petrobras, these plants are linked by pipes to the refineries, we got the LPG from the refineries, and we call these refineries that are linked by pipes as a "primary plant", so in that plan to we transport the LPG for our secondary plants that are not linked by pipe because they are far away from the refineries in cities like Goiânia, Cuiabá, Campo Grande, and on that plant we have 2 types of businesses: we sell gas by cylinders and by trucks. In the business of cylinders, we have 5,000 resellers from all around the country, these resellers have the [unintelligible] of Copagaz or Liguigás and they do the last mile for the final clients.

And in the bulk business, we build tanks in the companies – and the companies could be a restaurant, malls, industries –, and we do the logistics of this gas in order to provide the products for the clients.

In the next page, I'm going to talk a little bit what is Copagaz before the acquisition of Liquigás. We used to have 9% of the market share in the year of 2020, we used to sell 660,000 tons of LPG per year, 26 of this amount by cylinders and the rest by bulk. Our revenue used to be R\$2.75 billion, our EBITDA used to be R\$138 million and our net profit about R\$50 million.

In the next page, I'm going to talk a little bit what is Liquigás before the acquisition. They used to sell 1.5 million tons per year, they used to have 21% of the market share, around 60 billion of net revenue and R\$250 million of EBITDA.

On page 26, I'm going to talk about the reasons why we decided to acquire Liquigás. So, first of all, it was a unique opportunity in Brazil, so with 9% of the market share it's going to be very hard for us to survive in this market because scale is very important here, and the landscape of this market is to open the midstream. So, on that term, as commodities, if you have scale it is going to be very important for us in order to have good terms to buy LPG.

There is an optimization of logistic footprint, so Liquigás operate in areas that we don't operate, there is a lot of scales and synergies, so Liquigás used to be a company from Petrobras, so there was a lot of bureaucracy in order to fulfill what is a state-controlled company needs. The scale in this industry, as I told before, is very important as well, so we are going to gain a lot of scale.

There is something that we didn't perceive when we bought the company; that there is an opportunity of new use of LPG in Brazil, so we have an old regulation here that doesn't allow us to produce energy or use the product in motors, and there is the fact that Liquigás used to spend a lot in modernization of their plants, so they have state-of-art units, so it's very important for us.

In the next page, I'm going to talk a little bit what is the Copagaz plus Liquigás, what is the company post-acquisition. You can see in the map that Copagaz didn't use to work in North of the country, and Liquigás has a good position over there, and the companies together we will sell 1.88 million tons of LPG per year; that number makes us the biggest player in Brazil with 25% of the market share.

In the next page, I'm going to talk a little bit about the macro highlights of the combined companies. So, we are going to have 5,000 resellers all around the country, 15,000 points of sales, more or less 10 million households served per month, 4 LPG cylinders delivered per second, over 30,000 companies served, up more than 19,000 direct and indirect jobs generated, 8 billion in revenues, 1.6 billion in tax paid, the company is going to be market leader in Brazil and the largest LPG distributor in Latin America.

In the next page, I show the volume of both companies in 2019 and 2020, of the companies combined. You can see that in the year of 2020, you have 2.2 million tons sold, this is a fact that originated by the change of consumption during the pandemic, so people started to cook more at home and use more gas, so we have a growth on the consumption. We have a growth also in the net revenue to R\$8.8 billion, and in 2019 here – this is a number of 2 years ago – the companies together had R\$350 million EBITDA and R\$157 million in net profit.

In the page 30, I'm going to talk a little bit about the capturing of synergies and where are these synergies. We have 25% of these synergies in footprint and logistics. We have 37% of the synergies in SG&A, 25% in procurement, 9% in IT, and 2% in administrative costs.

In the next slide, I'm going to talk a little bit about what is going to be our goal here in long term. LPG is basically a fossil fuel, you can provide LPG from buyer refineries as well, but mainly it came from natural gas or oil, but the burn of LPG is a clean burn. So, in our gas, the LPG is going to be the energy of transition that is going to guide us from the world that consumes a lot of fossil fuel to a world that use more renewable energy.

As I told before, we reach more than 10 million houses in Brazil, which more than 30,000 companies, so we have a lot of data here and we are going to generate these data and try to provide products for these clients, products and solve problems to them analyzing these data.

We also have opportunities here in midstream. We have a lack of infrastructure here in Brazil in the Northwest and in the North of the country, so there is an opportunity here for us to verticalize, and there is a lot of LPG terminals ports and start the trading of the gas.

In the last page, I'm going to talk a little bit about what we are going to do in the next years. So, we are very focused right now in the capture of the synergies. The entrance of Itaúsa changed our governance, so we are improving a lot our governance, we have a Board that is in the business and 3 of these Board members are appointed by Group Zahran and 2 of them from Itaúsa, so we are learning a lot about the governance of Itaúsa and they are improving our internal governance as well.

We have a new brand; we are going to launch a new brand and we are also going to stay with the brand of Copagaz and Liquigás, and both brands are very important and have a lot of recognition in the country and we have to use that correctly in order to have gains for the company.

We have this project of digital transformation, we already started that, and we are going to invest a lot on this subject. And we are hunting for new LPG suppliers, we know that Petrobras will sell some refineries, we know that this market will open sometime in the near future, so we already started buying LPG from Bolivia and from Argentina as well, and we are looking for new providers of our raw material.

So, basically it is that. I'm going to send to Alfredo.

**Alfredo Setubal:** Thank you, Pedro.

We're going to the last part of our representation before the Q&A session.

On page 34, commitment to long-term and value creation. On page 35, we see the Itaúsa in the capital markets performance of our shares in the last years, of course, in the recent period more affected by the reduction of results, especially from the bank, that is our largest investment.

On page 36, some differentials of Itaúsa. I think we have a very active portfolio management now with an M&A group, and we work with a very disciplined capital allocation and focus on value creation for our shareholders. We have, in our view, a consistent portfolio in terms of sustainability of the business in the long term. We have a long-term vision for the investments that we make, we look for cash generation and consistent results from our companies that we invest, and we continue to look for companies to get not only cash generation, strong cash generation, but also leading brands and leading market shares.

In the capital markets, we continue to have a very good payout, very attractive, as I said, 5.5 that puts Itaúsa also in the level of the largest companies with the best payout in the Stock Exchange in Brazil, and we also participate in the main indexes of companies, especially those here in Brazil and outside related to ESG performance.

We have a very important commitment for a long time, along our history, for decades on the ESG activities, we have a good, important look here on capital in all of our companies, we have good corporate governance practices in all the companies that we invest in terms of ethical and reputation of our partners.

And on the last page, what we expect for 2021: economy still volatile, with slow growth, but we consider that our companies will perform well even though this environment. Duratex will continue to benefit from the real estate boom in Brazil. Alpargatas also will continue to get benefit from the consumption area, we expect the company to also – like Duratex – have a very good year. And the bank will get the benefits from this recovery from economy with more credits, reduction of costs and we see strong growth in terms of digital transformation.

We expect in the coming months to end the restructuring of Itaú Unibanco in terms of XP and we at Itaúsa will become direct investors of XP with 15% of the shares of XP and this investment will be the second largest in our portfolio.

With that, we pass to the last part of our conference call, that is the Q&A session.

## Question & Answer Session

**Operator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press star key followed by 1 on your touchtone phone and now. If at any time you would like to remove yourself from the questioning queue, press star followed by 2.

Please, restructure questions to 2 at a time.

Our first question comes from Tito Labarta, with Goldman Sachs. Please, Tito, you may ask.

**Tito Labarta:** Hi, thank you. Good morning everyone, thank you for the call and taking my question.

My question is on the stake that you will be getting in the XP. I just wanted to get your thoughts and intentions with that take, you know, you will think to keep that or sell it down overtime?

And then also how you think about the potential share class swap where you would receive [unintelligible] shares instead of the new [unintelligible] you have and potential loss of voting rights? Just kind of your thoughts on that, if that's a concern to you. Any color you could give on that would be helpful. Thank you.

**Alfredo Setubal:** Thank you for your question, it's a very interesting question. I think the deal that Itaú Unibanco made with XP in the past – when we became through the shareholders of XP –, the deal was that at the end of many years the bank will get the control of XP.

This deal was changed by the Central Bank at the end of the approval and the Central Bank prohibited the bank to assume the control of XP in the future. That condition changed all the business or the rationale of the business. Of course, we accepted this, and we keep the investment in XP even though we are not going to get the control of XP at the end.

So, when the bank decided to change this and pass through the shares of XP to its shareholders, it doesn't make sense anymore for Itaúsa and for the shareholders of the bank to maintain these multiple voting shares of XP. So, we accepted, and we approved with XP in a shareholders' agreement – that we made with them last month – that we will accept the proposal of XP and we vote favorably in the shareholders' meeting of the XPart company to have the shares absorbed by XP in the common shares and not multiple voting shares.

And why is that? Because Itaúsa and [new part] level we don't see this investment as strategic, so we don't need the multiple voting shares and we prefer also to have a share with more liquidity in the market, so we have to remember that Itaú has almost 500,000 shareholders, so all these shareholders will receive shares of XPart and, at the end, of XP. So, it's important for them to have liquidity to sell at the time they want to sell these investments in the market.

So, that's the main reason because we negotiate with XP to receive only common shares of XP after all this incorporation of the XPart in XP Inc.

**Tito Labarta:** Thank you, this is very helpful. And just to clarify, I think you have a lot to think until October, you mentioned this wouldn't be a strategic position in XP. I mean, do you think it's something that you would sell right away, you would sell overtime? Just how you would view that investment, I guess is a minority [unintelligible] as investment? How would you think about potentially getting rid of that stake overtime?

**Alfredo Setubal:** We consider XP a very good investment. We like the case, we think XP will continue to grow in the market, to continue to grow its profitability, so we see XP as a very good investment for Itaúsa's shareholders and we are very happy to have that part of our portfolio.

But at the same time, in our material fact we wrote that XP is not a strategic investment for Itaúsa because we are making investments and diversification in sectors not related to financial service-companies. So, the idea that we have is that in the coming years, without any rush to do that, we can reduce or even sell all the participation that we have in XP and use this capital to buy new companies or to buy back shares of Itaúsa or to pay debt or to pay dividends.

I think we can use this investment, the capital result from this sale in many ways that will benefit our shareholders through investments, through reduction of debt or repurchase of shares.

I think we have no hurry to do that, we, as I said, we believe that XP is a very good investment and we will help XP in their performance and to help them in the Board of Directors – that we have 2 members there, we continue to have 2 members of there –, so we will continue to help XP to have a very good performance, to be a lead company in the investment sector, and we will reduce as we think the price is correct or we have other opportunities to use this capital in benefit of the value creation of our shareholders.

**Tito Labarta:** OK, thank you, that's very helpful.

**Alfredo Setubal:** We have a question here related to the XP also, an investor that came from the web:

“How the shareholders of Itaú will keep these shares?”

What will happen is: the first step, after the restructure of the bank, a new company will be created, and this new company will be XPart. XPart will have the same shareholders of Itaú Unibanco – these almost 500,000 shareholders that I mentioned before –; the second step is the incorporation of the XPart company in XP Inc. So, at the end, all the shareholders of Itaú Unibanco will receive shares of XP Inc, that is tradeable in the NASDAQ, and probably XP also will establish a BDR program here at B3 for the shareholders can be able also to sell the XP shares here at B3.

So, it is like a bonus, or it is like a dividend that the shareholders of Itaú Unibanco will receive.

I don't know if Renato Lulia can complete this explanation.

**Renato Lulia:** Absolutely. Thank you very much, Alfredo, and thank you for the question.

Just to clarify the second part of the question, Alfredo, that Renata asks whether it would be a dilution or a bonus insurance from Itaú; it's neither/nor, which means that it's not going to be either a dilution of the current investor base of Itaú Unibanco, nor the bank will issue a bonus in order to give its current shareholders a participation in XPart.

What's going to happen is, Alfredo just explained, we are going to, as soon as we get the regulatory approvals, Itaú Unibanco's spinoff its participation in XP, which means that for every share that you hold on Itaú Unibanco you are going to also have one share on XPart.

It's important to mention as well that until the moment that, as Alfredo mentioned, that either XPart is listed in B3 or XPart is consolidated with XP and therefore the investors on XPart get an XP share, the participation on XP is still going to be traded inside Itaú, which means if you hold an Itaú share even post-spinoff, Itaú is going to be traded at B3 including XP.

Once we have clarity about either the date that XPart will be listed on B3 or XPart will be consolidated and merged with XP, we're going to announce to the market what's going to be the X date, and from that moment on, you were going to have one share of Itaú Unibanco and one share of XPart.

I hope that clarifies it, but just to be absolutely clear, there will be no dilution nor a bonus issuance for Itaú; it's simply a spinoff of XP participation on the bank.

**Operator:** Our next question comes from Jason Mollin, with Scotia Bank. please Jason, you may go ahead.

**Jason Mollin:** Hi, thank you. Well, I will speak on the same team for now. I just wanted to ask about tagalong rights for Itaú Unibanco shareholders in XP and how that would work. I did read something about that tagalong rights.

And Secondly, about the strategic outlook for the portfolio, investment portfolio of Itaú Unibanco, you've mentioned for some years now – particularly when you were making some of the more recent acquisitions – that the strategy



would be to maintain Itaú at about 90% of asset. Now post-XP spinoff, we calculate using market prices that Itaú Unibanco would be around 69% of NAV and XPart would be around 20 – so indeed, as you mentioned, the second largest, and then we have Duratex at around 4.5% and Alpargatas at about 6-5.8% -, and I think from what you are saying about strategically XP is not a long-term investment or you don't see it strategically in the long term being held, I guess another option that you didn't mention but I think indirectly I see the discount that Itaú is trading at to a NAV, but could this also (this cash) at some point be used to actually increase the stake in Itaú Unibanco and would it just be a matter of what the discount to NAV is, if makes sense for Itaú, if there are some tax issues and etc. that justifies some discount in my opinion.

But maybe you could provide some color, tagalong, and how do you see the long-term positioning of Itaú Unibanco as part of the asset base at Itaú, and should it go back to 90%?

**Alfredo Setubal:** Hi, Jason, thanks for your question. We signed already with XP Inc a shareholders' agreement, and in this shareholders' agreement, as we released, we have some opportunities to sell parts of the stake that we have at XP if we wanted to do that.

For example, we have some block trades opportunities, I think it was 6 per year if we decided to sell and we think we have a good price or a good opportunity to use that money, so we have this opportunity to sell through block trades. And also, we have the opportunity, if XP decides to make an offer in the international market, we can participate with them in a secondary basis and then in a primary basis, so we have both ways to sell if we decide it and when we decide to sell any stake at XP; through the XP deals in the market or through block trades that we can do standalone if we decided to do that.

In the case of the [unintelligible], yes, the stake of the bank will reduce, as you said, to around 70%, 75%, it depends of course on the quotation of the shares, but we believe that in the coming years only by the growth of the bank, the results of the bank, the bank is so huge, so big that compares to all other stakes that we have together that we believe that along the years this stake in the bank will also be around the 90% that we had before.

But of course, it will not be very, very soon, but we believe that this probably will happen in some years organically, only by the results of the bank we will take the bank to this level of around 90%. I don't know, if not [unintelligible].

But we continue to invest in other companies, we are not considering increasing our participation in the bank, this will depend a lot on price opportunity that maybe we can have, but we don't see increase in our portfolio at this moment in shares of the bank.

As I said, we believe in XP, we will help XP through the Board of Directors to continue the pace of growth and the investment area, we think XP is a wonderful case, that's the reason the bank bought the XP in the past, some years ago, but of course, as we mentioned, XP is not a strategic investment for Itaú – that wants to diversify outside the financial service complex – because we have this concentration already in the bank that will continue to increase the concentration, as I explained before, and also because we see, as controllers of shareholders, in the long term it's very difficult for us to remain as shareholders of XP, because XP and Itaú Unibanco are competitors in the market of investment market and investment banking, and XP has a bank and probably will increase their shares in other banking products, so the conflict of interests between Itaú and XP will increase along the years, so that's another reason that we think it's important to reduce or even to sell all the investments that we have in XP in the coming years.

I think that's all. I answered all your 3 points, I think so.

**Jason Mollin:** Yes, thank you very much. I appreciate it.

**Operator:** This concludes today's question answer session. Mr. Alfredo, at this time you may proceed with your closing statements.

**Alfredo Setubal:** Thank you all for the participation. I think we had a very good conference call. We are very confident in the investments that we have, I think all the companies will have a very good year with the recovery

of the economy, with all the actions that we took and are taking in these companies. So, we are very confident that we are going to have a very good year in terms of performance of our companies and probably we are going to receive more dividends from the companies, from the bank and we will continue the practice of passing through the dividends that we receive from the bank to the shareholders of Itaúsa.

We are confident that our dividend yield will continue to be very good compared with most of the companies in the B3 that are traded here in the market. So, we are very confident that we are going to have a very good year and we are very confident in the investments that we make and that we have, and we continue to look for more investments, if appears a good investment that makes sense, in a good price that makes sense to the value creation of Itaúsa for our shareholders.

Thank you for your participation and see you in the next conference call related to the first semester results of the year. Thank you, bye-bye.

**Operator:** that does conclude our Itaúsa's 2020 results conference for today. Thank you very much for your participation.