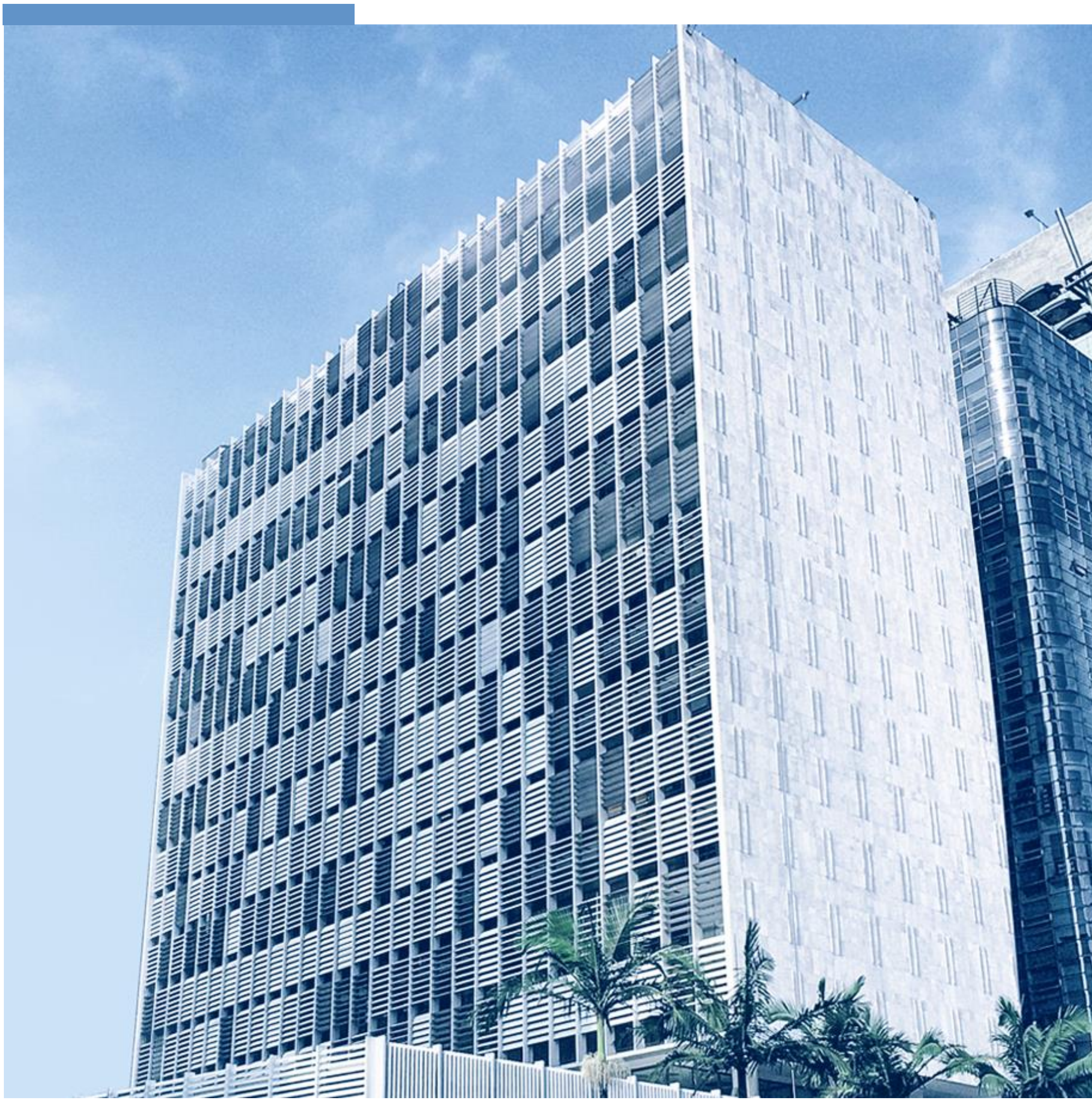
ITAÚSA



Itaúsa Headquarters | Paulista Avenue - São Paulo/Brazil

Interim Financial Statements

June 30, 2020

Contents

Management Report

We present the Management Report and the individual and consolidated Financial Statements of Itaúsa S.A. (Itaúsa) for the second quarter of 2020 (2Q20). The Financial Statements were prepared in accordance with the standards established by the Accounting Pronouncement Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), as well as the International Financial Reporting Standards (IFRS).

Independent auditor's report

The Financial Statements were reviewed by PricewaterhouseCoopers Auditores Independentes (PwC) and have received an unqualified opinion from the external auditor. The Financial Statements were approved by the Fiscal Council. The Financial Statements were made available to the market on the websites of Itaúsa, B3 S.A. – Brasil, Bolsa, Balcão ("B3"), and the CVM.

1. Message from Management

The disclosure of data on the economic activity by central economies and major emerging markets has confirmed that the COVID-19 pandemic has triggered a sharp downturn in the global growth. The monetary and tax incentives adopted have increased market liquidity. However, the business environment in emerging markets, including Brazil, is expected to remain challenging, given the uncertainty level and aversion to risks levels deemed still high.

In Brazil, market expectations still indicate a poor performance of the Brazilian economy in the short term, with GDP expecting to decrease by 5.6% in 2020, as measured by market consensus for economic activity as outlined in the Focus Market Readout disclosed by the Central Bank of Brazil ("Bacen"). Bacen's response has been to operate carefully to maintain the proper liquidity level in the economy, consecutively cutting the basic interest rate (currently at 2.00% per year) to keep inflation under control, which has been under the target (12-month IPCA to June 2020 totaled 2.13%).

The investees of the portfolio operating in this environment, except for NTS, which has take-or-pay contracts, experienced impacts on their operations over the quarter, whether driven by the increase in the allowance for loan losses with loan operations, as in the case of Itaú Unibanco, or by sales decrease and lower dilution of fixed costs due to restrictions imposed to the retail and plant idle capacity, such as in the case of Alpargatas and Duratex.

The investees have responded focusing on mitigating the negative economic effects on their operations, through the progress in digital channels, rationalization of costs, optimization of processes and assets, or elimination of complexities and technology and process automation investments made over the past few years.

Still regarding its portfolio, the acquisition process of Liquigás by the Acquiring Group, in which Itaúsa is part, is still under review of the Brazilian antitrust authority (CADE).

It is worth mentioning that, in spite of the financial market volatility brought by the COVID-19 pandemic, the fall in the Brazilian basic interest rate has driven investors, particularly individuals, to the stock exchange, which is reflected on Itaúsa's investors base totaling over 750,000 individual investors at the end of the quarter.

2. Itaúsa Highlights

Itaúsa's name changed

On June 17, 2020, the Extraordinary General Stockholders' Meeting approved the change of the company's name to Itaúsa S.A. In the latest years, Itaúsa has significantly improved its Management Model and the way it manages its investment portfolio. Management believes that this change is in line with the Company's current moment and allows for a better disclosure and development of the Itaúsa brand in the market and in society.

Itaúsa and its controlling stockholders have donated R$100 million to fight the coronavirus effects on Brazilian society

On May 19, 2020, aiming at supporting public health activities and contribute to the new coronavirus (COVID-19) pandemic relief efforts, Itaúsa announced a R$50 million donation to the "Todos pela Saúde" (All for Health) alliance. Additionally, its controlling stockholders, members of the Setubal and Villela families, have also donated R$50 million to this alliance. Itaúsa's management and its controlling stockholders state that this action corroborates the Company's commitment to social responsibility, as it seeks to contribute to reducing the pandemic impacts on Brazilian society.

For more details on the "Todos pela Saúde" alliance, as well as the allocation of resources, please visit: https://www.todospelasaude.org

New Integrated Report is disclosed

Itaúsa published in June a new edition of its Integrated Report, a document prepared based on the guidelines of the International Integrated Reporting Council (IIRC). With a framework designed to approach the main Capitals of the Company, the senior management has actively taken part of the document development, which enables the reader to better understand the factors that affect the ability of creating value over time.

This publication is available on Itaúsa, CVM and B3 websites or directly by clicking on the link: http://www.itausa.com.br/en/financial-information/integrated-and-annual-report.

Itaúsa is selected for the first time to make up the FTSE4Good index

FTSE4Good

In June 2020, the London Stock Exchange confirmed that Itaúsa made up for the first time the FTSE4Good index, which measures the performance of companies adopting Environmental, Social and Corporate Governance (ESG) practices. The FTSE4Good index is used by investors and capital market players as a benchmark for the so called responsible investments.

Itaúsa's inclusion in the index strengthens its commitment to ESG issues and makes it a benchmark to companies that seek to be supported by a more sustainable business development and to reaffirm their ongoing effort in improving management practices.

Increased interest in Alpargatas' capital stock

Between March 19, 2020 and April 16, 2020, Itaúsa acquired 1,789,900 preferred shares of Alpargatas S.A. (ALPA4) through a trade on the stock exchange, at the average price of R$22.72 per share. This move resulted in the increase of its ownership interest in the total capital of Alpargatas S.A., except for treasury shares, by 0.3% to reach 29.2%, and reinforces Itaúsa's trust in the long-term value creation of this investment.

Subsequent Event

Corporate Governance Comission set up

On July 6, 2020, aimed at strengthening and improving discussions on Corporate Governance at Itaúsa, a Corporate Governance Comission was set up, with the scope to assist Management in guiding and identifying opportunities to improve the Company's Governance System.

3. Itaúsa's economic performance

As a holding company, Itaúsa's results are basically derived from its Equity in the Earnings of Investees, determined based on the net income of its investees and revenues from investments in financial assets. The main indicators of results are shown in the table below:

	R$ million			R$ per share		
	1H20	1H19	Change	**6/30/2020**	6/30/2019	Change
PROFITABILITY						
Net income	**1,610**	4,921	-67.3%	**0.19**	0.59	-67.3%
Recurring net income	**2,499**	4,692	-46.7%	**0.30**	0.56	-46.7%
Return on Equity (annualized)	**6.0%**	18.7%	- 12.7 p.p.			
Recurring Return on Equity (annualized)	**9.4%**	17.8%	- 8.5 p.p.			
BALANCE SHEET (1)						
Total assets	**56,548**	56,449	0.2%			
Stockholders' equity	**52,896**	52,362	1.0%	**6.29**	6.23	1.0%
CAPITAL MARKET						
Market Value (2)	**80,660**	108,415	-25.6%			
Average Daily Traded Volume (ADTV) on B3 (3)	**326**	319	2.2%			

(1) For better comparability, all periods include the merger of Itaúsa Empreendimentos.

(2) Calculated based on the closing price of preferred shares in the last day of the period.

(3) Includes Itaúsa's preferred shares (ITSA4)

Pro-Forma Individual Result of Itaúsa [(1)]

As a result of the merger of wholly-owned subsidiary Itaúsa Empreendimentos into Itaúsa, carried out on August 30, 2019, the Individual Statement of Income of Itaúsa, presented in the pro-forma table below, had the 2019 figures adjusted in the lines for better comparability of the data submitted, without, however, resulting in any change in profit.

R$ million	2Q20		2Q19		Δ%	1H20		1H19		Δ%
INVESTEES' RESULTS IN ITAÚSA	**1,469**	100%	**2,560**	99%	**-42.6%**	**2,742**	100%	**5,044**	109.2%	**-45.6%**
FINANCIAL SECTOR	1,424	97%	2,446	96%	-41.8%	2,755	100%	**4,852**	96.2%	**-43.2%**
NON-FINANCIAL SECTOR	46	3%	116	4%	-60.2%	(11)	-1%	**198**	13.4%	**-105.6%**
ALPARGATAS	-		15		-100.0%	12	1%	31	2.1%	-61.3%
DURATEX	-		25		-100.0%	26	2%	33	2.2%	-21.2%
NTS [(2)]	46		76		-39.1%	(49)	-3%	134	9.1%	-136.7%
OTHER COMPANIES	(1)	0%	(2)	0%	-50.0%	(2)	0%	(6)	-0.4%	-
RESULTS OF ITAÚSA	**(33)**		**(42)**		**-21.4%**	**(252)**		**(330)**		**-23.6%**
FINANCIAL INCOME / EXPENSES	(8)		(12)		-33.3%	(19)		(21)		-9.5%
ADMINISTRATIVE EXPENSES	(24)		(29)		-17.2%	(62)		(63)		-1.6%
TAX EXPENSES	(2)		(4)		-50.0%	(173)		(249)		-30.5%
OTHER OPERATING REVENUES	1		3		-	2		3		-
INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION	**1,436**		**2,518**		**-43.0%**	**2,490**		**4,714**		**-47.2%**
INCOME TAX / SOCIAL CONTRIBUTION [(3)]	(8)		(109)		-92.7%	9		(22)		-
RECURRING INDIVIDUAL NET INCOME	**1,428**		**2,409**		**-40.7%**	**2,499**		**4,692**		**-46.7%**
NON-RECURRING RESULTS	**(830)**		**26**		**-**	**(889)**		**229**		**-488.2%**
ITAÚSA'S RESULTS	(49)		27		-	(49)		27		-
FINANCIAL SECTOR	(779)		-		-	(771)		209		-468.9%
NON FINANCIAL SECTOR	(2)		(1)		-	(69)		(7)		885.7%
NET INCOME	**598**		**2,435**		**-75.4%**	**1,610**		**4,921**		**-67.3%**

(1) For better comparability, all periods include the merger of Itaúsa Empreendimentos in the Statement of Income.

(2) Includes dividends/interest on capital received, adjustment to fair value of shares and expenses on time installment of the amount invested and respective foreign exchange variation.

(3) In 2019, the Company no longer recognizes deferred tax assets on tax losses carried forward and temporary differences.

Results of Investees, as Recorded by Itaúsa

Recurring equity in the earnings of investees in 2Q20 totaled R$1,469 million, down 42.6% on a year-on-year basis, and was mainly driven by the performance below of **Itaú Unibanco**'s results caused by lower Interest Margin, depreciation of the Brazilian real against the U.S. dollar in the period, with impact on the subsidiaries' results abroad, and higher Expected Loan Llosses in connection with the change in the macroeconomic scenario driven by the pandemic effect. This effect was partially offset by the 4.9% decrease in General and Administrative Expenses. Facing a challenging scenario of restrictions to retail operations in Brazil and abroad imposed by COVID-19, **Alpargatas** experienced a drop in sales in both geographical locations (-19.6%), as well as negative impacts driven by plant idle capacity, increase in the allowance for loan losses and finance expenses, partially offset by the increase in online sales, positive effect of foreign exchange variation and control over expenses. **Duratex**'s sales were also impacted, particularly in April 2020, by the same reasons mentioned above, and costs were affected by plant idle capacity, increase in the allowance for loan losses and lower fair value of the biological asset, which were partially mitigated by the full consolidation of Cecrisa's results as of 4Q19. At last, the gains recorded at Itaúsa arising from the investment in **NTS** were adversely impacted by the effect of the foreign exchange variation on the time installment of the invested amount denominated in U.S. dollars.

Equity in the Earnings of Investees in 2Q20 was affected by significant non-recurring events, which totaled negative result of R$781 million. Noteworthy are the donations for COVID-19 relief efforts made by all investees, impairment of goodwill and intangible assets of investments made by Itaú Corpbanca, favorable decision towards the exclusion of ICMS in the calculation basis of PIS/COFINS by Alpargatas and Duratex, and expenses, such as foreign exchange variation and restructuring related to the Dissolving Wood Pulp (DSW) project.

Further information on the operations of each investee is available in Section 5 (Comments on the Performance of Investees).

Itaúsa's results

Administrative expenses totaled R$24 million in 2Q20, down 17.2% on a year-on-year basis, mainly driven by the reversal of the provision for New Business projects, recognized exclusively in 2Q20, partially offset by increased expenses from share depositary services due to the 200% increase in the stockholder base over the prior few months (see section "Capital Markets" below).

Finance Result totaled R$8 million in expenses in 2Q20, down 33.3% on a year-on-year basis, mainly driven by the effect of lower interest rate on net debt and update of contingent liabilities.

Net Income totaled R$598 million in the quarter, down 75.4% on a year-on-year basis, driven by the challenging scenario of the results delivered by all investees – particularly Itaú Unibanco – and the non-recurring effects shown below. Recurring net income was R$1,428 million, down 40.7% from 2Q19.

Reconciliation of Recurring Net Income

	2Q20	2Q19	**1H20**	1H19
Recurring Net income	**1,428**	**2,409**	**2,499**	**4,692**
Addition/(Exclusion) of Non-Recurring Effects D = (A + B + C)	**(830)**	**26**	**(889)**	**229**
Own (A)	**(49)**	**27**	**(49)**	**27**
Donation to the Program "Todos pela Saúde"	(50)	-	(50)	-
Disposal of interest in Itaú Unibanco Centro Empresarial	-	28	-	28
Others	1	(1)	1	(1)
Arising from Ownership Interest in the Financial Sector (B)	**(779)**	**-**	**(771)**	**209**
Change of treasury shares	1	2	130	211
Itaú Corpbanca Goodwill Impairment	(543)	-	(543)	-
Donation to the Program "Todos pela Saúde"	(312)	-	(312)	-
Mark to Market of Collateralized Securities	-	-	(115)	-
Others	75	(2)	69	(2)
Arising from Ownership Interest in the Non-Financial Sector (C)	**(2)**	**(1)**	**(69)**	**(7)**
Alpargatas	7	(1)	(53)	(8)
Duratex	(9)	-	(16)	1
Net Income	**598**	**2,435**	**1,610**	**4,921**

Main Indicators of Itaúsa Conglomerate Companies

The main indicators of Itaúsa Conglomerate companies, based on the Consolidated Financial Statements under IFRS, were presented below:

	January to June	Itaú	Alpargatas	Duratex
Operating revenues [(1)]	**2020**	**84,244**	**1,428**	**2,208**
	2019	94,674	1,666	2,217
Net income [(2)]	**2020**	**5,182**	**81**	**28**
	2019	13,274	86	93
Recurring Net Income [(4)]	**2020**	**7,592**	**79**	**71**
	2019	13,281	141	89
Stockholders' equity [(2)]	**2020**	**131,681**	**2,852**	**4,722**
	2019	129,914	2,457	4,728
Annualized return on average equity (%) [(2) (3)]	**2020**	**8.0%**	**5.9%**	**1.2%**
	2019	21.7%	7.1%	4.0%
Annualized recurring return on average equity (%) [(3) (4)]	**2020**	**11.7%**	**5.7%**	**3.0%**
	2019	21.7%	11.7%	3.8%
Internal fund generation [(5)]	**2020**	**34,372**	**110**	**401**
	2019	28,471	275	468
Interest of Itaúsa in companies [(6) (7)]	**2020**	**37.4%**	**29.2%**	**36.6%**
	2019	37.5%	28.5%	36.7%

(1) Operating revenue by area of operations was obtained as follows:
- Itaú Unibanco Holding: Interest and similar income, dividend income, adjustments to fair value of financial assets and liabilities, banking service fees, income from insurance, private pension and capitalization operations before claim and selling expenses and other income.
- Alpargatas and Duratex: Sales of products and services.

(2) Net Income, Stockholders' Equity and ROE correspond to the amounts attributable to controlling stockholders.

(3) Represents the ratio of net income for the period and the average equity ((Jun '2020 + Mar´2020 + Dec´2019)/3).

(4) Correspond to the amounts attributable to controlling stockholders (proforma).

(5) Refers to funds arising from operations as reported by the statement of cash flows.

(6) Represents the direct/ indirect Itaúsa interest in the Capital of Companies

(7) The Interest presented consider the outstanding shares.

4. Capital Markets

Share performance

Itaúsa's preferred shares (traded on B3 under ticker ITSA4) closed the second quarter of 2020 at R$9.59, up 9.6% in the period, when adjusted by earnings, whereas Ibovespa, B3's main index, increased by 30.2% in the same period. In the last 12 months, Itaúsa's shares adjusted by earnings and Ibovespa index have dropped by 20.3% and 5.9%, respectively.

The daily average financial volume of Itaúsa's preferred shares traded in the second quarter of 2020 was R$311 million, with an average of 43,000 daily trades, up 20.0% and 65.6%, respectively, on a year-on-year basis.

A broader stockholder base

On June 30, 2020, Itaúsa had 754,900 stockholders (of which 99.4% individual stockholders), up 202.1% on a year-on-year basis.

Return to stockholders

On May 29, 2020, Itaúsa announced the quarterly dividend payout schedule for 2020, which the record date and payment dates are indicated in the table on this page.

Quarterly Dividends Schedule	
Record Date	Payout Date
May 29, 2020	July 1, 2020
August 31, 2020	October 1, 2020
November 30, 2020	January 4, 2021
February 26, 2021	April 1, 2021

Additionally, the Company's Board of Directors, in the meeting held as of this date, resolved upon the payment of interim dividends, in the amount of R$168,2 million (R$0.0200 per share), based on the stockholding position at the end of the end of August 17, 2020, to be paid on August 26, 2020.

Investors who remained as stockholders for the last 12-month period ended June 30, 2020 were entitled to receive R$0.8698 per share as earnings paid/declared (gross) which, divided by the share quoted on June 30, 2020, resulted in a 9.1% dividend yield.

In view of the investee's activities downturn, market conditions and regulatory measures (such as temporary restriction on dividend distribution above the minimum statutory imposed by the Central Bank of Brazil on financial institutions, according to Resolution No. 4,820/20), the cash inflow received by Itaúsa is expected to decrease, which would also lead to a temporary reduction in the dividends paid out by the Company. This information was announced on the Material Fact on May 11, 2020, which should be consulted for further clarification.

The complete history of earnings paid and payable can be accessed at: http://www.itausa.com.br/en/itausa-in-the-stock-market/dividends

Holding discount

Discount is an indicator resulting from the difference between the market price ascertained for Itaúsa's shares and the theoretical value obtained through the sum of the market values of the parts that compose the holding company's investments. On June 30, 2020, Itaúsa's shares were traded at a 20.3% discount, down 150 bps on a year-on-year basis.

Part of this discount can be justified in view of the holding company's maintenance expenses, taxes levied on a fraction of the earnings received (tax inefficiency), and risk assessment, among other factors. Itaúsa's management believes that the discount reduction may be driven by the improvement in some of these factors and a better market perception of the foundations that justify it. However, it understands that the current level does not reflect the proper indicator level.

Market capitalization on June 30, 2020, based on the price of the most liquid share (ITSA4), was R$80.7 billion, whereas the sum of interests in investees at market value totaled R$101 billion

The Investor Relations department discloses information about the discount on a monthly basis on its website, which may be received by email. To receive it, please register on http://www.itausa.com.br/pt/cadastre-se.

5. Comments on the Performance of Investees

Itaú Unibanco Holding S.A.

Highlights of Operations

Since the onset of the crisis, Itaú Unibanco has sought to support its clients with complete and sustainable solutions

Within the context of having to adjust to the new scenario, Itaú Unibanco has set up the 60+ and Travessia (Crossing) programs to address its clients' indebtedness using a structured approach, providing individuals and companies with some respite during these adverse economic times, and ensuring that they enjoy sustainable conditions over time by offering adjusted grace periods, extended loan terms and guarantees. These customized solutions include extending loan terms and offering new credit lines with reduced rates. These programs have impacted 1,8 million people and 200,000 very small and small companies, totaling R$ 52 billion of flexible portfolio reprofiling[1] and R$ 31 billion in new loans[2].

In partnership with the government and trade associations, Itaú Unibanco has provided a credit line to finance payroll and the National Support Program for Very Small and Small Companies (Pronampe). Itaú Unibanco has provided financing of R$1.6 billion under its emergency line of credit to meet the payroll expenses of very small, small and middle-market companies. Itaú Unibanco was the first private bank to offer Pronampe, providing R$3.6 billion to approximately 36,000 very small and small companies to strengthen business and minimize the impacts of the COVID-19 pandemic, with a fully digital experience by signing up the credit directly through the Itaú Empresas app on the clients' cell phones.

Social distancing has driven the use of digital channels

Itaú Unibanco currently has 13.5 million individual account holders who constantly access its digital channels. Over the last three months the bank has acquired over one million new users on its digital channels, with a special mention for the higher participation of clients over the age of 60 who have had accounts for more than 4 years.

The number of accounts opened using the app has doubled in the last six months to approximately one million accounts in the first half-year. To further encourage this change in behavior Itaú Unibanco is continuing to invest in new functionalities, strengthening communication using digital methods and SMS and providing tutorials on how to use the functionalities of the app. In the first half of 2020, it launched around 30 new functionalities on its digital channels, worthy of note being the record time for implementing payroll financing via the internet.

[1] From March 16 to June 30, 2020

[2] From March 16 to July 17, 2020.

Results

R$ million (except where indicated)	1Q20	1Q19	Δ%	1H20	1H19	Δ%
Operating Revenues	23,476	28,753	-18.4%	37,448	57,049	-34.4%
Net Income[3]	1,723	6,527	-73.6%	5,182	13,274	-61.0%
Recurring Net Income[3]	3,808	6,534	-41.7%	7,592	13,281	-42.8%
ROE	5.3%	21.0%	- 15.7 p.p.	8.0%	21.7%	- 13.7 p.p.
Recurring ROE	11.7%	21.0%	- 9.4 p.p.	11.7%	21.7%	- 10.0 p.p.
Loan Portfolio[4]	814,532	677,961	20.1%	814,532	677,961	20.1%

Net income[3] totaled R$ 1,723 million in 2Q20, down 73.6% on a year-on-year basis. The result was impacted by the non-recurring effects, totaling R$2,085 million, mainly driven by the impairment of goodwill and intangible assets in Itaú Corpbanca and the donation made to fight the COVID-19 pandemic to the "*Todos pela Saúde*" (All for Health) alliance. Excluding these effects, Net Income would decrease by 41.7%, mainly due to lower Interest Margin and higher Expected Loan Losses.

In the second quarter of 2020, Operating Revenues dropped 18.4% on a year-on-year basis, mainly driven by the 42.9% depreciation of the Brazilian real against the U.S. dollar in the period, which impacted the subsidiaries' results abroad. Excluding this effect, Operating Revenues was down 7.7% on a year-on-year basis, and the main factors leading to this result are as follows:

I. An 8.9% decrease in **Interest Margin** due to the impact of the drop in the basic interest rate, new overdraft regulation, change in the mix of retail products to products with lower spreads, and greater share of large companies in the loan portfolio, in addition to higher interest expenses in connection with the foreign exchange variation in the period; and

II. **7.7% decrease in Commissions and Fees and Result of Insurance Operations**, driven by the downturn in economic activity, which resulted in a 22.8% fall in revenues from credit and debit cards, partially offset by the 19.3% increase in income from fund management.

Expected Loss on Financial Assets and Claims increased by R$2.5 billion on a year-on-year basis, mainly driven by higher expected losses due to the change in the macroeconomic scenario and its impacts on the financial prospects of customers as a result of the effects of the pandemic.

General and Administrative Expenses were up 44.6 % in the second quarter of 2020. Excluding non-recurring effects of impairment of goodwill and intangible assets in Itaú Corpbanca and the donation to fight COVID-19 to the "Todos pela Saúde" (All for Health) alliance, General and Administrative Expenses were down 4.9% mainly driven by lower expenses on personnel, publicity and advertising, as well as travel and to those related to selling credit cards, due to the lower economic activity in the period.

Capital management and liquidity

Capital management is vital, since it is a key element through which the bank seeks to optimize the application of funds and ensure the business soundness. At the end of June 2020, Tier I capital ratio was at 12.1%, 385 bps above the minimum required by the Central Bank of Brazil.

For further information on Itaú Unibanco's results, please access: www.itau.com.br/relacoes-com-investidores

[3]Attributable to the controlling stockholder.
[4]Loan Portfolio with Financial Guarantees Provided and Corporate Securities.

Highlights of Operations

Alpargatas has worked to ensure the continuity of operations and its employees' health and safety amid the effects of the COVID-19 pandemic. In the face of the closure of physical sales channels and potential change in the behavior of customers, the Company has operated focused on improving its share via online channels, with e-commerce sales grown in all regions (+164% in 2Q20). Among other actions, Alpargatas has held the first fully online sales convention with a record of people impacted. The culture of austerity progress process, which comprises the VIP 100% (Value Improvement Program) and ZBB (Zero-Base Budgeting) projects, has been under consolidation and bringing opportunities for optimizing resources. With regard to preservation of liquidity, worth mentioning is the Company's raising funds of over R$1.3 billion, which led to a cash position of R$2.7 billion at the end of June, thus reducing the risk of pressure on liquidity in a hypothetical scenario of extreme stress on cash flows.

Results

Consolidated net revenue dropped 19.6% in 2Q20, as a result of the worsening of the COVID-19 pandemic crisis, which hit the Company's operations in Brazil and in the world, partially offset by the positive effect of the foreign exchange variation on part of the revenue in foreign currency.

R$ million (except where indicated)	1Q20	1Q19	Δ%	1H20	1H19	Δ%
Net Revenue	680.5	846.8	-19.6%	1,427.6	1,665.8	-14.3%
EBITDA	132.2	103.2	28.1%	123.4	240.5	-48.7%
Net Income[5]	54.0	33.0	63.6%	81.0	86.0	-5.8%
Recurring Net Income[6]	25.0	68.0	-63.2%	79.0	141.0	-44.0%
ROE[5]	7.7%	5.4%	2.3 p.p.	5.8%	7.1%	- 1.3 p.p.
Recurring ROE[6]	3.6%	11.0%	- 7.4 p.p.	6.6%	7.1%	- 0.5 p.p.

In 2Q20, the net revenue of **Brazil** operations, represented by brands Havaianas, Mizuno and Osklen, totaled R$365 million, down 35% on a year-on-year basis, mainly driven by the lower sales volume as a result of the closure of physical stores caused by the COVID-19 pandemic, partially offset by the increased volume via online channels and the phased-in reopening of the economy. **Sandals International** recorded net revenue of R$316 million, up 12% on a year-on-year basis, mainly driven by the foreign exchange variation in the period, partially offset by the lower sales volume in all regions. Gross profit was down 16% in the same period, mainly driven by the worse performance of operations in Brazil, which were hard hit by the pandemic over the quarter, with major effects on the sales volume due to closure of physical shops, increased allowance for loan losses and lower dilution of fixed costs caused by the reduced level of production in the manufacturing plants.

Recurring EBITDA for the 2Q20 was down by 42.2% to R$64.7 million, mainly driven by the effects of the pressure from COVID-19 on the Company's operations, partially offset by the better management of the Company's costs and expenses. Major non-recurring items that impacted the 2Q20 are related to the recognition of the final and unappealable decision in connection with the lawsuit claiming the exclusion of ICMS from the PIS and COFINS calculation basis and of the COVID-19 related expenses.

In 2Q20, recurring net income was R$25.0 million, down 63.2% on a year-on-year basis, as a result of the factors mentioned above.

Operating cash generation in the last 12 months was R$5 million, and net cash position at the end of June 2020 was R$153.4 million.

For further information on Alpargatas' results, please access: https://ri.alpargatas.com.br

[5] Attributable to the controlling stockholder.
[5] Attributable to the controlling stockholder (pro forma).

Duratex

Highlights of Operations

Duratex has made headway in measures aimed to reach a balance between its employees' health and safety and the continuity of its operations against the backdrop of the pandemic restrictions. The units that had suspended operations in April 2020, as well as those that had reduced production capacity, have resumed their normal levels of operations as a result of the continuous monitoring process for adjusting demand. The Company's strong commercial position amid the crisis scenario, the expeditious resumption of operations in manufacturing plants, and the strengthening of client relations have contributed to the market share gain and the Company's exposure to previously more restricted markets. Aimed to ensure proper liquidity, Duratex has raised funds of over R$1 billion in the quarter, in addition to continuing to focus on the optimization of assets operations by reducing operating costs and expenses and carrying out a strategic inventory management.

Results

Consolidated net revenue in 2Q20 totaled R$1,046 million, down 8.6% on a year-on-year basis, driven by the lower volume of the Wood and Deca divisions, as a result of the effects of the COVID-19 pandemic, partially offset by the higher volume of the Ceramic Tiles division, due to the inclusion of Cecrisa's results and the Company's strong commercial share in the period.

R$ million (except where indicated)	1Q20	1Q19	Δ%	1H20	1H19	Δ%
Net Revenue	1,046.4	1,144.7	-8.6%	2,208.0	2,217.2	-0.4%
EBITDA	147.0	286.9	-48.8%	413.4	515.7	-19.8%
Net Income	(23.6)	69.4	-134.0%	28.4	93.3	-69.5%
Recurring Net Income	2.2	69.5	-96.8%	71.1	88.7	-19.9%
ROE	-2.0%	5.9%	- 7.9 p.p.	1.2%	4.0%	- 2.8 p.p.
Recurring ROE	0.2%	5.9%	- 5.7 p.p.	3.0%	3.8%	- 0.8 p.p.

The **Wood Division**'s net revenue totaled R$555.3 million in 2Q20, down 20.9% on a year-on-year basis, mainly driven by the lower volume shipped, as a result of the effect of the COVID-19 pandemic, with major impacts recorded mainly in Brazil and Latin America, where Duratex's operations enjoy better market share.

The **Deca Division**'s net revenue totaled R$324.4 million, down 15.9% on a year-on-year basis, driven by the fall of 16.1% in shipped volume, mainly impacted by the effects of the COVID-19 pandemic, partially offset by the reopening of construction materials shops and the strengthening of the division's commercial strategy, with a better share in diversified markets.

The **Ceramic Tiles Division**'s net revenue totaled R$166.7 million, up 193% on a year-on-year basis, mainly driven by the full consolidation of Cecrisa's results, partially offset by the effects of the COVID-19 pandemic.

EBITDA in 2Q20 totaled R$147.0 million, down 48.8% on a year-on-year basis, mainly driven by the lower result from the fair value of the biological assets and expenses on the Dissolving Wood Pulp (DWP) project. Excluding these effects, recurring EBITDA would be down 44.2%, mainly driven by the effects of the COVID-19 pandemic, with impacts on the sales volume due to closure of shops, increased allowance for loan losses and lower dilution of fixed costs, the reduced level of production in the manufacturing plants, partially offset by the better management of Duratex's costs and expenses, and the full consolidation of Cecrisa's results. Recurring net income totaled R$2.2 million in the period, down 96.8%, mainly driven by the aforementioned facts.

Net debt was R$2.180 million at the end of June 2020 and represented 2,55 times the adjusted recurring EBITDA for 12 months, thus indicating a slight increase in the Company's leverage level on a year-on-year basis, mainly driven by lower cash generation, as a result of the worse economic scenario, and the investments in progress.

ℹ *For further information on Duratex's results, please access: www.duratex.com.br/ri.*

Highlights of Operations

NTS has undertaken an ongoing monitoring of the effects of the COVID-19 pandemic, with employees from its corporate functions still working from home. Following all health and safety protocols, some of the field operations were resumed, or kicked off, in June 2020. NTS has undertaken efforts to hire technical staff and adjust its training courses to be carried out online. Concurrently to the pandemic scenario, it is worth mentioning that in 2Q20 Petrobrás started the binding phase of the process to divesting interest in NTS.

Results

In 2Q20, net revenue totaled R$1,147 million, up 4.6% on a year-on-year basis, mainly driven by the annual inflation adjustment of gas ship-or-pay agreements. Net income in 2Q20 totaled R$601 million, up 7.1% on a year-on-year basis, caused by a more favorable net finance result, mainly driven by lower financial expenses as a result of debt restructuring and lower basic interest rate.

R$ million	1Q20	1Q19	Δ%	1H20	1H19	Δ%
Net Revenue	1,147	1,097	4.6%	2,295	2,181	5.2%
Net Income	601	561	7.1%	1,203	1,099	9.4%

Dividends and interest on capital

In the April-June 2020 period, Itaúsa received dividends and interest on capital, gross, from NTS in the amount of $46.7 million. In the first half of 2020, the amount received had totaled R$95.3 million.

ℹ *For further information on NTS's results, please access: https://ri.ntsbrasil.com*

6. People management

Itaúsa Conglomerate had the support of approximately 112,400 employees on June 30, 2020, including 13,900 employees in foreign units. Its dedicated structure, intended to carry out the holding company's activities, had 87 professionals on that same date.

7. Independent Auditors – CVM Instruction No. 381

Procedures adopted by the Company

The policy adopted by Itaúsa, its subsidiaries and parent company, to engage non-audit services from our independent auditors is based on the applicable regulations and internationally accepted principles that preserve the auditors' independence. These principles include the following:(a) an auditor cannot audit their work; (b) an auditor cannot hold managerial positions at their client's; and (c) an auditor cannot promote the interests of their client.

In the January-June 2020 period, the independent auditors PricewaterhouseCoopers Auditores Independentes provided the following non-audit services, equivalent to 5.3% of total external audit fees due to the same auditors, as set forth in CVM Instruction No. 381:

Investee Duratex: Review of accounting and tax bookkeeping files, service engaged on April 30, 2020, in the amount of R$169,000.

Independent Auditors' Justification - PwC

The provision of the aforementioned non-audit services does not affect the independence or the objectivity of the external auditor of Itaúsa and its subsidiaries. The policy adopted for providing non-audit services to Itaúsa is based on principles that preserve the independence of the Independent Auditors, all of which were considered in the provision of the referred services.

8. Acknowledgements

We thank our stockholders for their trust, which we always try to repay by obtaining results differentiated from those of the market, and our employees, for their talent and dedication, which have enabled the sustainable growth of business.

ITAÚSA S.A.

ITAÚSA'S MANAGEMENT

BOARD OF DIRECTORS

Chairman

Henri Penchas

Vice-Chairman

Alfredo Egydio Setubal
Ana Lúcia de Mattos Barretto Villela

Members

Paulo Setubal Neto
Rodolfo Villela Marino
Victório Carlos De Marchi

Alternative members

Edson Carlos De Marchi
Ricardo Egydio Setubal
Ricardo Villela Marino

FISCAL COUNCIL

President

Tereza Cristina Grossi Togni

Members

Eduardo Rogatto Luque
Flavio César Maia Luz
Isaac Berensztejn
Marco Tulio Leite Rodrigues

Alternative members

Carlos Eduardo de Mori Luporini
Felício Cintra do Prado Júnior
Guilherme Tadeu Pereira Júnior
João Costa
Vicente José Rauber

EXECUTIVE BOARD

Chief Executive Officer

Alfredo Egydio Setubal [*]

Executive Vice-Presidents

Alfredo Egydio Arruda Villela Filho
Roberto Egydio Setubal
Rodolfo Villela Marino

Managing Officers

Frederico de Souza Queiroz Pascowitch
Maria Fernanda Ribas Caramuru
Priscila Grecco Toledo

[*] *Investor Relations Officer*

Accountant

Sandra Oliveira Ramos Medeiros
CRC 1SP 220.957/O-9

ITAÚSA S.A.

Balance Sheet

(In millions of Reais)

	Note	Parent company 06/30/2020	Parent company 12/31/2019	Consolidated 06/30/2020	Consolidated 12/31/2019
ASSETS					
Current assets					
Cash and cash equivalents	4	990	1,091	2,630	2,369
Marketable securities	5	1,191	1,213	1,191	1,213
Trade accounts receivable	6	-	-	1,093	1,135
Inventories	7	-	-	963	853
Dividends and interest on capital	8	175	171	172	141
Income tax and social contribution for offset		392	336	515	434
Other taxes for offset		2	2	79	91
Other assets	9	35	23	156	145
Total current assets		**2,785**	**2,836**	**6,799**	**6,381**
Non-current assets					
Long-term receivables		866	862	3,020	3,663
Biological assets	10	-	-	1,184	1,544
Judicial deposits		31	38	98	104
Employee benefits		10	11	117	121
Deferred income tax and social contribution	11	786	777	1,072	1,108
Other taxes for offset		-	-	15	17
Right-of-use assets	12	11	12	333	567
Other assets	9	28	24	201	202
Investments	13	52,789	54,766	51,582	53,040
Property, plant and equipment	14	104	103	3,684	3,669
Intangible assets	15	4	4	729	723
Total non-current assets		**53,763**	**55,735**	**59,015**	**61,095**
TOTAL ASSETS		**56,548**	**58,571**	**65,814**	**67,476**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable		2	6	628	631
Personnel expenses		28	26	200	174
Debts	16	-	-	1,079	806
Debentures	17	3	6	7	72
Income tax and social contribution payable		-	-	14	58
Other taxes payable		171	8	259	89
Dividends and interest on capital	19.4.2	400	397	401	485
Leases	12	2	2	19	23
Other liabilities	9	42	7	268	238
Total current liabilities		**648**	**452**	**2,875**	**2,576**
Non-current liabilities					
Debts	16	-	-	1,497	879
Debentures	17	1,200	1,200	2,398	2,398
Leases	12	9	10	331	561
Provisions for contingencies	18	1,341	1,338	1,755	1,673
Deferred income tax and social contribution	11	-	-	171	213
Other taxes payable		-	-	116	127
Employee benefits		-	-	75	72
Other liabilities	9	454	339	705	620
Total non-current liabilities		**3,004**	**2,887**	**7,048**	**6,543**
TOTAL LIABILITIES		**3,652**	**3,339**	**9,923**	**9,119**
EQUITY					
Capital	19.1	43,515	43,515	43,515	43,515
Capital reserves		398	529	398	529
Revenue reserves	19.2	10,491	12,950	10,491	12,950
Carrying value adjustments	19.3	(1,508)	(1,762)	(1,508)	(1,762)
Total equity attributable to controlling stockholders		**52,896**	**55,232**	**52,896**	**55,232**
Non-controlling interests		-	-	2,995	3,125
Total equity		**52,896**	**55,232**	**55,891**	**58,357**
TOTAL LIABILITIES AND EQUITY		**56,548**	**58,571**	**65,814**	**67,476**

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A.

Statements of Income

(In millions of Reais, unless otherwise indicated)

	Note	Parent company				Consolidated			
		04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
			Restated		Restated		Restated		Restated
Net revenue	20	-	-	-	-	1,046	1,143	2,208	2,214
Cost of products and services	21	-	-	-	-	(778)	(797)	(1,551)	(1,588)
Gross profit		-	-	-	-	**268**	**346**	**657**	**626**
Operating income and expenses									
Selling expenses	21	-	-	-	-	(173)	(169)	(355)	(331)
General and administrative expenses	21	(25)	(28)	(63)	(62)	(88)	(86)	(189)	(175)
Equity in the earnings of investees	13	642	2,485	1,951	5,114	628	2,460	1,902	5,084
Other income and expenses	22	(1)	73	47	113	(3)	83	42	115
Total Operating income and expenses		**616**	**2,530**	**1,935**	**5,165**	**364**	**2,288**	**1,400**	**4,693**
Profit before finance result and income tax and social contribution		**616**	**2,530**	**1,935**	**5,165**	**632**	**2,634**	**2,057**	**5,319**
Finance result									
Finance income	23	38	59	53	122	73	85	155	180
Finance costs	23	(48)	(47)	(387)	(347)	(117)	(104)	(565)	(459)
Total Financial Result		**(10)**	**12**	**(334)**	**(225)**	**(44)**	**(19)**	**(410)**	**(279)**
Profit before income tax and social contribution		**606**	**2,542**	**1,601**	**4,940**	**588**	**2,615**	**1,647**	**5,040**
Income tax and social contribution									
Current income tax and social contribution	24	-	-	-	-	(10)	(18)	(29)	(37)
Deferred income tax and social contribution	24	(8)	(107)	9	(19)	4	(118)	9	(23)
Total Income tax and social contribution		**(8)**	**(107)**	**9**	**(19)**	**(6)**	**(136)**	**(20)**	**(60)**
Profit for the period		**598**	**2,435**	**1,610**	**4,921**	**582**	**2,479**	**1,627**	**4,980**
Profit attributable to controlling stockholders		598	2,435	1,610	4,921	598	2,435	1,610	4,921
Profit attributable to non-controlling interests		-	-	-	-	(16)	44	17	59
Basic and diluted earnings per share (in Brazilian reais)									
Common	25	0.07	0.29	0.19	0.59	0.07	0.29	0.19	0.59
Preferred	25	0.07	0.29	0.19	0.59	0.07	0.29	0.19	0.59

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A.

Statements of Comprehensive Income

(In millions of Reais)

	Parent company				Consolidated			
	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Profit for the period	**598**	**2,435**	**1,610**	**4,921**	**582**	**2,479**	**1,627**	**4,980**
Other comprehensive income								
Items that will be reclassified to profit or loss (net of taxes)								
Equity in other comprehensive income	408	29	243	77	-	-	-	-
Adjustment to the fair value of financial assets	-	-	-	-	321	172	(194)	250
Hedge	-	-	-	-	(496)	(3)	(1,451)	(47)
Foreign exchange variation on foreign investments	-	-	-	-	583	(140)	1,888	(126)
Items that will not be reclassified to profit or loss (net of taxes)								
Equity in other comprehensive income	7	(51)	11	(50)	-	-	-	-
Remeasurement of post-employment benefits	-	-	-	-	7	(51)	11	(50)
Total Other comprehensive income	**415**	**(22)**	**254**	**27**	**415**	**(22)**	**254**	**27**
Total comprehensive income	**1,013**	**2,413**	**1,864**	**4,948**	**997**	**2,457**	**1,881**	**5,007**
Attributable to controlling stockholders	1,013	2,413	1,864	4,948	1,013	2,413	1,864	4,948
Attributable to non-controlling interests	-	-	-	-	(16)	44	17	59

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A.
Statements of Changes in Equity

(In millions of Reais)

	Attributable to controlling stockholders							
	Capital	Capital reserves	Revenue reserves	Carrying value adjustments	Retained earnings	Total Parent Company	Non-controlling interests	Total Consolidated
Balance on December 31, 2018	43,515	633	12,706	(1,711)	-	55,143	2,936	58,079
Transactions with stockholders								
Reversal of expired dividends	-	-	2	-	-	2	-	2
Dividends and interest on capital from previous year	-	-	(6,429)	-	-	(6,429)	-	(6,429)
Transactions with subsidiaries and jointly-controlled companies	-	(208)	75	-	-	(133)	-	(133)
Other comprehensive income								
Equity in other comprehensive income	-	-	-	27	-	27	-	27
Profit for the period	-	-	-	-	4,921	4,921	59	4,980
Appropriation								
Legal reserve	-	-	246	-	(246)	-	-	-
Dividends and interest on capital for the year	-	-	-	-	(1,169)	(1,169)	-	(1,169)
Dividends and interest on capital (revenue reserve)	-	-	2,031	-	(2,031)	-	-	-
Statutory reserves	-	-	1,475	-	(1,475)	-	-	-
Balance on June 30, 2019	43,515	425	10,106	(1,684)	-	52,362	2,995	55,357
Balance on December 31, 2019	43,515	529	12,950	(1,762)	-	55,232	3,125	58,357
Transactions with stockholders								
Change in non-controlling interests	-	-	-	-	-	-	(57)	(57)
Reversal of expired dividends	-	-	2	-	-	2	-	2
Dividends and interest on capital from previous year	-	-	(3,729)	-	-	(3,729)	(90)	(3,819)
Transactions with subsidiaries and jointly-controlled companies	-	(131)	40	-	-	(91)	-	(91)
Other comprehensive income								
Equity in other comprehensive income	-	-	-	254	-	254	-	254
Profit for the period	-	-	-	-	1,610	1,610	17	1,627
Appropriation								
Legal reserve	-	-	81	-	(81)	-	-	-
Dividends and interest on capital for the period	-	-	-	-	(382)	(382)	-	(382)
Dividends and interest on capital (revenue reserve)	-	-	122	-	(122)	-	-	-
Statutory reserves	-	-	1,025	-	(1,025)	-	-	-
Balance on June 30, 2020	43,515	398	10,491	(1,508)	-	52,896	2,995	55,891

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A.
Statements of Cash Flows

(In millions of Reais)

	Note	Parent company 01/01 to 06/30/2020	Parent company 01/01 to 06/30/2019	Consolidated 01/01 to 06/30/2020	Consolidated 01/01 to 06/30/2019
Cash flows from operating activities					
Adjustments for reconciliation of profit					
Profit before income tax and social contribution		1,601	4,940	1,647	5,040
Equity in the earnings of investees		(1,951)	(5,114)	(1,902)	(5,084)
Provisions for contingencies		1	149	34	168
Interest and foreign exchange and monetary variations, net		179	5	296	94
Depreciation, amortization and depletion		3	2	283	322
Changes in the fair value of biological assets		-	-	(121)	(97)
Allowance for estimated losses on doubtful accounts		-	-	28	5
Proceeds from the sale of investments, property, plant and equipment and intangible assets		-	(27)	-	(27)
Other		-	-	(33)	36
		(167)	**(45)**	**232**	**457**
Changes in assets and liabilities					
(Increase) decrease in trade accounts receivable		-	-	25	50
(Increase) decrease in inventories		-	-	(75)	(154)
(Increase) decrease in other taxes for offset		(49)	7	(62)	8
(Increase) decrease in other assets		177	316	169	298
Increase (decrease) in other taxes payable		162	(5)	192	(13)
Increase (decrease) in trade accounts payable		(3)	2	15	(49)
Increase (decrease) in personnel expenses		2	3	26	(100)
Increase (decrease) in other liabilities		(213)	(473)	(237)	(374)
		76	**(150)**	**53**	**(334)**
Cash from operations		**(91)**	**(195)**	**285**	**123**
Payment of income tax and social contribution		-	-	(83)	(46)
Interest paid on debts and debentures		(26)	(39)	(92)	(157)
Net cash (used in) provided by operating activities		**(117)**	**(234)**	**110**	**(80)**
Cash flows from investing activities					
Acquisition of investments		(41)	(95)	(41)	(95)
Disposal of investments		1	-	1	-
(Increase) Decrease of capital in investee companies		-	-	(211)	-
Acquisition of property, plant and equipment and intangible and biological assets		(4)	(10)	(218)	(232)
Disposal of property, plant and equipment and intangible and biological assets		-	-	13	4
Interest on capital and dividends received		3,947	6,577	3,866	6,488
Net cash provided by investing activities		**3,903**	**6,472**	**3,410**	**6,165**
Cash flows from financing activities					
(Acquisition) disposal of treasury shares		-	-	5	2
Interest on capital and dividends paid	19.4.2	(3,886)	(6,513)	(4,063)	(6,710)
Proceeds from debts and debentures	16.2 e 17.2	-	-	1,641	1,198
Amortization of debts and debentures	16.2 e 17.2	-	-	(824)	(757)
Amortization of lease liabilities	12.2	(1)	-	(29)	(34)
Net cash used in financing activities		**(3,887)**	**(6,513)**	**(3,270)**	**(6,301)**
Foreign exchange variation on cash and cash equivalents		-	-	11	-
Net increase (decrease) in cash and cash equivalents		**(101)**	**(275)**	**261**	**(216)**
Cash and cash equivalents at the beginning of the period		1,091	936	2,369	2,421
Cash and cash equivalents at the end of the period		990	661	2,630	2,205
		(101)	**(275)**	**261**	**(216)**

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A.

Statements of Value Added

(In millions of Reais)

	Parent company		Consolidated	
	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Revenue	-	-	**2,733**	**2,766**
Sales of products and services	-	-	2,742	2,746
Allowance for estimated losses on doubtful accounts	-	-	(28)	(5)
Other revenue	-	-	19	25
Inputs acquired from third parties	**(99)**	**(46)**	**(1,784)**	**(1,722)**
Cost of products and services	-	-	(1,385)	(1,378)
Materials, electric energy, outsourced services and other	(99)	(46)	(399)	(344)
Gross value added	**(99)**	**(46)**	**949**	**1,044**
Depreciation, amortization and depletion	(3)	(2)	(283)	(322)
Value added generated, net	**(102)**	**(48)**	**666**	**722**
Value added received through transfer	**2,127**	**5,353**	**2,178**	**5,381**
Equity in the earnings of investees	1,951	5,114	1,902	5,084
Finance income	53	122	155	180
Other revenue	123	117	121	117
Total undistributed value added	**2,025**	**5,305**	**2,844**	**6,103**
Distribution of value added	**2,025**	**5,305**	**2,844**	**6,103**
Personnel	**31**	**16**	**425**	**413**
Direct compensation	28	16	343	333
Benefits	2	-	59	59
Government Severance Pay Fund (FGTS)	1	-	21	20
Other	-	-	2	1
Taxes, fees and contributions	**169**	**267**	**401**	**498**
Federal	168	267	368	486
State	-	-	26	6
Municipal	1	-	7	6
Return on third parties' capital	**215**	**101**	**391**	**212**
Interest	215	101	391	212
Return on capital	**1,610**	**4,921**	**1,627**	**4,980**
Dividends and interest on capital	504	3,200	504	3,200
Retained earnings	1,106	1,721	1,106	1,721
Non-controlling interests in retained earnings	-	-	17	59

The accompanying notes are an integral part of these financial statements.

ITAÚSA S.A. (current company's name of Itaúsa – Investimentos Itaú S.A.)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
at June 30, 2020
(In millions of reais, unless otherwise stated)

1. OPERATIONS

Itaúsa S.A. ("ITAÚSA") is a publicly-held company, organized and existing under the laws of Brazil, and it is located at Av. Paulista, 1.938, 5° andar, Bela Vista, in the city of São Paulo, State of São Paulo (SP), Brazil.

The Annual and Extraordinary Stockholders' Meeting held on June 17, 2020 approved the change of the company's name to Itaúsa S.A. from Itaúsa – Investimentos Itaú S.A.

The shares of ITAÚSA are recorded at the Level 1 of Corporate Governance of B3 S.A. – Brasil, Bolsa, Balcão, under the ticker symbols "ITSA3" for the common shares and "ITSA4" for the preferred shares. In addition to the Bovespa Index, Ibovespa, ITAÚSA shares are part of some segment portfolios at B3, including the Corporate Governance Index (IGC) and the Corporate Sustainability Index (ISE). Furthermore, in view of our recognized corporate sustainability, ITAÚSA also makes up the FTSE4Good (London Stock Exchange) and the Dow Jones Sustainability World Index (DJSI).

The corporate purpose of ITAÚSA is to hold equity interests in other companies, in Brazil or abroad, for investment in any sectors of the economy, including through investment funds, disseminating among its investees its principles of appreciation of human capital, governance, and ethics in business, and creation of value for its stockholders on a sustainable basis. ITAÚSA is a holding company controlled by the Egydio de Souza Aranha family, which holds 63.27% of the common shares and 18.13% of the preferred shares, making up 33.64% of total capital.

Through its controlled and jointly-controlled companies and other investments, ITAÚSA participates in the markets of financial services ("Itaú Unibanco Holding"), wood panels, bathroom fixtures and fittings, ceramic tiles and electric showers ("Duratex"), footwear, apparel and sports products ("Alpargatas") and transportation of natural gas through pipelines ("NTS"). For further information, please see note 26 "Segment Information".

The investment portfolio of ITAÚSA is composed of the following entities:

	Country of incorporation	Activity	Holding % (Direct and Indirect)	
			06/30/2020	12/31/2019
Joint ventures				
Itaú Unibanco Holding S.A. ("Itaú Unibanco")	Brazil	Holding company/Financial institution	37.39%	37.45%
IUPAR - Itaú Unibanco Participações S.A. ("IUPAR")	Brazil	Holding company	66.53%	66.53%
Alpargatas S.A. ("Alpargatas")	Brazil	Footwear, apparel and sports products	29.19%	28.88%
Controlled companies				
Duratex S.A. ("Duratex")	Brazil	Wood panels and bathroom fixtures and fittings	36.63%	36.65%
Itautec S.A. ("Itautec")	Brazil	Holding company	100.00%	100.00%
ITH Zux Cayman Ltd. ("ITH Zux Cayman")	Cayman Islands	Holding company	100.00%	100.00%
Financial assets				
Nova Transportadora do Sudeste S.A. – NTS ("NTS")	Brazil	Transportation of natural gas	7.65%	7.65%

These parent company and consolidated interim financial statements were approved by the Board of Directors on August 10, 2020.

2. BASIS OF PREPARATION AND PRESENTATION

2.1. Statement of compliance

The Individual and Consolidated Financial Statements of ITAÚSA have been prepared in accordance with the accounting pronouncement CPC 21 (R1) – Interim Financial Statements and the international accounting standard *IAS 34 - Interim Financial Reporting*, issued by the *International Accounting Standards Board* – IASB and presented in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information Report (ITR).

The presentation of the parent company and consolidated statements of value added is required by Brazilian Corporate Law and by the accounting practices adopted in Brazil that are applicable to publicly-held companies. The Statement of Value Added was prepared in accordance with the criteria defined in the Accounting Pronouncement CPC 09 – Statement of Value Added, however, the International Financial Reporting Standards - IFRS do not require the presentation of this statement. As a consequence, according to the IFRS, this statement is presented as additional information, without prejudice to the Financial Statements as a whole.

Management has assessed ITAÚSA's and its investees' capacity to keep on operating as a going concern and is convinced that, despite the impacts and uncertainties of the length of time and scope of the COVID-19 pandemic, these companies are able to remain in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainty that might give rise to significant questions on its capacity to continue operating. Accordingly, these Interim Financial Statements have been prepared based on the business continuity assumption.

All the relevant information to these Financial Statements, and only this information, is evidenced and is consistent with the information used by ITAÚSA in its activities.

These Interim Financial Statements have been prepared based on principles, methods and criteria consistent with those adopted in the previous fiscal year ended December 31, 2019, except for the new accounting standards adopted from January 1, 2020 on, as described in Note 2.6.1.

In order to avoid repeating information already disclosed in the Complete Financial Statements as of December 31, 2019, certain notes are not being presented or are presented in less detail. As a result, these Interim Financial Statements should be read jointly with the Complete Financial Statements approved by Management and disclosed to CVM on February 17, 2020. Please see below the list of notes to these financial statements as of December 31, 2019 under this scope:

Note	Description	Situation
3	Summary of significant accounting policies	(a)
4.3	Capital management	(b)
10	Other taxes for offset and payable	(b)
15.4	Impairment test (investment)	(a)
16.5	Revision of the useful life of assets	(a)
17.4	Impairment test (intangible assets)	(c)
18	Trade accounts payable	(b)
22.2.1	Capital reserves	(b)
22.2.2	Revenue reserves	(c)
22.3	Treasury shares	(b)
29	Share-based payment	(b)
30	Employee benefits	(b)

(a) Note to the financial statements not disclosed, since it is identical to that presented in the Financial Statements as of December 31, 2019.
(b) Note to the financial statements not disclosed, since the change in the period was deemed immaterial by ITAÚSA's Management.
(c) Note to the financial statements presented with reduced contents when compared to the Financial Statements as of December 31, 2019.

2.2. Measurement basis

The parent company and consolidated financial statements have been prepared under the historical cost convention, except for: (i) certain financial assets and liabilities that were measured at fair value, as stated in note 3.1.1; (ii) liabilities of the defined benefit that are recognized at fair value limited to the recognized assets; and (iii) biological assets measured at fair value through profit or loss, as stated in note 10.

2.3. Functional currency and translation of balances and transactions in foreign currency

The parent company and consolidated financial statements have been prepared and are being presented in Brazilian reais (R$), which is functional and presentation currency, and all balances are rounded to millions of reais, unless otherwise stated.

The definition of the functional currency reflects the main economic environment where ITAÚSA and its controlled companies operate.

The assets and liabilities of subsidiaries with a functional currency that is different from the Brazilian real, when applicable, are translated as follows:

- Assets and liabilities are translated at the foreign exchange rate of the balance sheet date;
- Income and expenses are translated at the monthly average foreign exchange rate;
- Foreign currency translation gains and losses are recorded in the "Other comprehensive income" account.

Foreign currency transactions are translated into the functional currency using the foreign exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end/period foreign exchange rates are recognized in Finance result.

2.4. Use of estimates and judgments

In the preparation of the financial statements, the management of ITAÚSA and its controlled companies are required to use judgments, estimates and assumptions that affect the balances of assets, liabilities, income and expenses in the periods presented and in subsequent periods.

The judgments, estimates and assumptions are based on information available on the date of the preparation of the financial statements, in addition to the experience from past and/or current events, and also taking into consideration assumptions related to future events. Additionally, when necessary, the judgments and estimates are supported by opinions prepared by experts. These estimates are periodically reviewed and their results may differ from the originally estimated amounts.

The estimates and assumptions that have a significant risk that is likely to cause a material adjustment to the amounts in the financial statements within the coming years are as follows:

- Recognition of deferred taxes (Notes 11 and 24);
- Determination of the fair value of financial instruments, including derivatives (Note 3.1.2);
- Provisions, Contingent assets and liabilities (Note 18);
- Determination of the fair value of biological assets (Note 10);
- Recognition of assets and liabilities related to pension plans; and
- Analysis of impairment of assets.

2.5. Consolidation of the financial statements

The consolidated financial statements have been prepared in accordance with the standards established by CPC 36 (R3)/ IFRS 10 – Consolidated Financial Statements.

ITAÚSA consolidates its controlled companies from the moment it obtains the control over them. The financial statements of the controlled companies are prepared on the same base date as those of ITAÚSA using consistent accounting policies and practices. When necessary, adjustments are made to the financial statements of the controlled companies to adapt their accounting practices and policies to ITAÚSA's accounting policies.

Minority interests amounts, arising from subsidiaries whose ownership interest held by ITAÚSA does not correspond to total capital stock, are stated separately in the Balance Sheet under "Minority Interests" and in the Statement of Income under "Net income attributable to non-controlling stockholders".

Intercompany transactions, balances and unrealized gains and losses on transactions between consolidated companies were eliminated.

2.6. Adoption of the new and revised accounting standards

Continuing the permanent process of revision of the accounting Standards, IASB and, consequently, the Accounting Pronouncements Committee (CPC) issued new standards and revisions of the existing standards.

2.6.1. Revised standards and interpretations that have already been issued by CPC and that have been adopted by ITAÚSA and its controlled companies since January 1, 2020

CPC 00 (R2) / Conceptual Framework – Conceptual Framework for Financial Reporting

CPC 00 (R2) was approved in November 1, 2019 to amend CPC 00 (R1) – Conceptual Framework, issued in 2011. Main amendments were as follows: (i) it sets out the objective of general purpose financial reporting; (ii) the qualitative characteristics of useful financial information; (iii) improving definitions of an asset, a liability, income and expenses; (iv) criteria for including financial assets and liabilities in the financial statements and guidance on when to remove them; (v) measurement bases and guidance on when to use them; and (vi) concepts and guidance on presentation and disclosure.

Upon adoption of the standard, ITAÚSA and investees did not record material impacts on its financial statements accordingly.

Revision of Technical Pronouncements of CPC 14

This revision sets out amendments in a number of pronouncements, interpretations and guidance as a result of: (i) amendments in a number of CPCs driven by the issue of CPC 00 (R2) / Conceptual Framework; (ii) the amended definition of business combinations in CPC 15 / IFRS 3; and (iii) the amended denomination of CPC 06 (R2) / IFRS 16 to Leases.

Upon adoption of the standard, ITAÚSA and investees did not record material impacts on its financial statements accordingly.

2.7. Restatement of the financial statements

Based on the guidance contained in OCPC 07 - Evidence in the Disclosure of General Purpose Accounting and Financial Reports, ITAÚSA is restating the Statement of Income for June 30, 2019 for the purpose of better presenting its accounting information, always based on the faithful representation, materiality and relevance of the information.

Please find below the items in the Statement of Income restated for better presentation of balances:

	Parent company						Consolidated					
	04/01 to 06/30/2019			01/01 to 06/30/2019			04/01 to 06/30/2019			01/01 to 06/30/2019		
	Published	Reclassification	Restated	Published	Reclassification	Restated	Published	Reclassification	Restated	Published	Reclassification	Restated
Operating income and expenses												
Selling expenses	-	-	-	-	-	-	(170)	1	(169)	(331)	-	(331)
General and administrative expenses	(27)	(1)	(28)	(58)	(4)	(62)	(87)	1	(86)	(172)	(3)	(175)
Tax expenses	(2)	2	-	(246)	246	-	(2)	2	-	(245)	245	-
Other income and expenses	74	(1)	73	114	(1)	113	85	(2)	83	113	2	115
	2,530	-	2,530	4,924	241	5,165	2,286	2	2,288	4,449	244	4,693
Profit before finance result and income tax and social contribution	**2,530**	-	**2,530**	**4,924**	**241**	**5,165**	**2,632**	**2**	**2,634**	**5,075**	**244**	**5,319**
Finance result												
Finance income	59	-	59	122	-	122	88	(3)	85	182	(2)	180
Finance costs	(47)	-	(47)	(106)	(241)	(347)	(105)	1	(104)	(217)	(242)	(459)
	12	-	12	16	(241)	(225)	(17)	(2)	(19)	(35)	(244)	(279)
Profit before income tax and social contributi	**2,542**	-	**2,542**	**4,940**	-	**4,940**	**2,615**	-	**2,615**	**5,040**	-	**5,040**
Profit for the period	**2,435**	-	**2,435**	**4,921**	-	**4,921**	**2,479**	-	**2,479**	**4,980**	-	**4,980**

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

3.1. Financial instruments

ITAÚSA and its controlled companies maintain operations with financial instruments. These instruments are managed by means of operational and internal control strategies aimed at ensuring credit, liquidity, security and profitability.

3.1.1. Classification of financial instruments

We present below the classification and measurement of financial assets and liabilities:

			Parent company				Consolidated			
			06/30/2020		12/31/2019		06/30/2020		12/31/2019	
	Note	Levels	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets										
Fair value through profit or loss										
Upon initial or subsequent recognition										
Cash and cash equivalents	4									
Financial investments		2	990	990	1,091	1,091	2,442	2,442	2,156	2,156
Marketable securities	5	3	1,191	1,191	1,213	1,213	1,191	1,191	1,213	1,213
			2,181	**2,181**	**2,304**	**2,304**	**3,633**	**3,633**	**3,369**	**3,369**
Amortized cost										
Cash and cash equivalents	4									
Cash in kind and bank deposits		2	-	-	-	-	188	188	213	213
Customers	6	2	-	-	-	-	1,093	1,093	1,135	1,135
Dividends and interest on capital	8	2	175	175	171	171	172	172	141	141
Judicial deposits		2	31	31	38	38	98	98	104	104
Other assets	9	2	63	63	47	47	357	357	347	347
			269	**269**	**256**	**256**	**1,908**	**1,908**	**1,940**	**1,940**
Total of Financial assets			2,450	2,450	2,560	2,560	5,541	5,541	5,309	5,309

	Note	Levels	Parent company 06/30/2020 Fair value	Parent company 06/30/2020 Carrying amount	Parent company 12/31/2019 Fair value	Parent company 12/31/2019 Carrying amount	Consolidated 06/30/2020 Fair value	Consolidated 06/30/2020 Carrying amount	Consolidated 12/31/2019 Fair value	Consolidated 12/31/2019 Carrying amount
Financial liabilities										
Fair value through profit or loss										
Upon initial or subsequent recognition										
Debts	16	2	-	-	-	-	89	89	486	486
			-	-	-	-	**89**	**89**	**486**	**486**
Amortized cost										
Trade accounts payable		2	2	2	6	6	628	628	631	631
Personnel expenses		2	28	28	26	26	200	200	174	174
Debts	16	2	-	-	-	-	2,487	2,487	1,199	1,199
Debentures	17	2	1,213	1,203	1,221	1,206	2,415	2,405	2,485	2,470
Leases	12.2	2	11	11	12	12	350	350	584	584
Dividends and interest on capital	19.4.2	2	400	400	397	397	401	401	485	485
Other debts	9	2	512	496	326	346	989	973	838	858
			2,166	**2,140**	**1,988**	**1,993**	**7,470**	**7,444**	**6,396**	**6,401**
Total of Financial liabilities			**2,166**	**2,140**	**1,988**	**1,993**	**7,559**	**7,533**	**6,882**	**6,887**

3.1.2. Fair value of financial instruments

For determining fair value, ITAÚSA and its controlled companies project the discounted cash flows of the financial instruments until the termination of the operations according to contractual rules, also taking into consideration their own credit risk in accordance with CPC 46 / IFRS 13 – Fair Value Measurement. This procedure may result in a carrying amount that is different from its fair value mainly because the period for the settlement of the instruments is long and their costs are different with respect to the interest rates that are currently adopted for similar contracts, as well as the daily change in interest rates of futures traded in on B3.

The operations with financial instruments that present a carrying amount that is equivalent to the fair value arise from the fact that these financial instruments have characteristics that are substantially similar to those that would be obtained if they were traded in the market.

Management decided to record certain loans and financing as liabilities at fair value through profit or loss. The adoption of fair value is justified by the need for preventing the accounting mismatch between the debt instrument and the hedging instrument contracted, which is also measured at fair value through profit or loss.

The additional information on the assumptions used in the determination of the fair value of relevant financial instruments, which differ from the carrying amount or that are subsequently measured at fair value, are disclosed below taking into consideration the terms and the relevance of each financial instrument:

- Derivatives: (i) the fair value of the interest rate swap is calculated at the present value of the estimated future cash flows based on the yield curves adopted by the market; and (ii) the fair value of the swap and Non-Deliverable Forward (NDF) related to future foreign exchange contracts are determined based on the foreign exchange rates discounted at present value.

- Debts and debentures: they are measured by means of a pricing model that is individually applied to each transaction, taking into consideration the future flows of payment, based on contractual conditions, discounted to present value at rates obtained by means of market interest rate curves. Accordingly, the market value of a security corresponds to its payment amount (redemption amount) carried to present value by the discount fator.

- Other debts (NTS acquisition): they are measured by means of a pricing model, taking into consideration the future flows of payment, based on contractual conditions, discounted to present value at rates obtained by means of future market interest rate curves.

Additionally, the 7.65% interest in NTS (Note 5) is recorded in the "Marketable securities" account, measured at fair value through profit or loss and whose hierarchy level is three. The fair value of the investment is calculated based on the cash flows related to ITAÚSA discounted to present value at a rate that corresponds to the cost of equity that, on June 30, 2020, is 13.7% (13.6% on December 31, 2019). The assumptions considered for the calculation of the cost of equity take into consideration: (i) country risk; (ii) US treasury bill risk-free rate (maturing in 10 years); (iii) market risk premium; (iv) leverage beta including companies with similar business models; and (v) inflation differences between foreign (US) and domestic markets.

3.1.3. Derivatives

In operations with derivatives, there are no checks, monthly settlements or margin calls, and all contracts are settled upon their maturities and measured at fair value through profit or loss, taking into consideration market conditions regarding terms and interest rates. On June 30, 2020 and December 31, 2019 only Duratex recorded derivative operations.

We present below the types of the contracts in effect:

- Broad Consumer Price Index (IPCA) swap + Fixed rate x CDI rate: contracts whose purpose is to turn debts indexed to the IPCA + fixed interest rates into debts indexed to the CDI rate; and

- NDF (Non Deliverable Forward): contract whose purpose is to Mitigate the foreign exchange exposure. In this operation, the contract is settled upon its respective maturity date, taking into consideration the difference between the forward foreign exchange rate (NDF) and the foreign exchange rate at the end of the period (Ptax).

We present below a table containing the main information regarding the derivatives:

		Consolidated							
		Notional (R$)		Fair value		Profit or loss			
Derivatives	Position	06/30/2020	12/31/2019	06/30/2020	12/31/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Swaps									
US$	Asset	-	3	-	3	-	(7)	-	21
Fixed rate	Asset	-	385	-	395	(5)	1	-	6
IPCA + Fixed rate	Asset	89	94	98	103	4	3	9	5
CDI	Liability	(89)	(482)	(89)	(486)	-	-	-	-
NDF									
R$ x US$	-	245	107	245	106	3	(1)	1	1

3.2. Risk Management

Because the results of ITAÚSA are directly related to the operations, the activities and the results of its investees, ITAÚSA is exposed mainly to the risks of the companies in its portfolio.

Through its senior management, ITAÚSA participate on board of directors and supporting committees of the investees, in addition to the presence of independent members with experience in the respective markets in which they work, good risk management and compliance practices are stimulated, including integrity. Examples of this work are the participation of ITAÚSA's management members: (i) on the Risk and Capital Management Committee of Itaú Unibanco; (ii) on the Audit and Risk Management Committee of Duratex; and (iii) on the Statutory Audit Committee of Alpargatas.

ITAÚSA follows the guidelines contained in the Risk Management Policy approved by the Board of Directors where the following is defined: (i) the main management and risk control guidelines, in line with the risk appetite established by the Board of Directors; (ii) the methodology of the risk management process; (iii) the guidelines and guidance to the Compliance and Corporate Risks Department in the implementation of the integrity program; and (iv) the reviews of ITAÚSA's rules, forwarding them, when necessary, for the analysis and approval of the Board of Directors. Additionally, the controlled companies that do not have their own policy must follow the terms of the Risk Management Policy in accordance with their respective management structure.

ITAÚSA has a Sustainability and Risks Committee aimed at assessing instruments to hedge/mitigate identified risks, such as possible insurance policies taken out.

3.2.1. Market risks

Market risks involve mainly the possibility of variations in interest and foreign exchange rates. These risks may result in the reduction of the value of assets and in the increase of their liabilities due to the rates negotiated in the market.

With respect to foreign exchange rate risks, the controlled company Duratex has an Indebtedness Policy that establishes the maximum foreign currency-denominated amount that may be exposed to variations in the foreign exchange rate. Due to the risk management procedures, management carries out periodical assessments of foreign exchange exposures for the purpose of mitigating them, in addition to maintaining economic hedge mechanisms aimed at protecting most of its foreign exchange exposure.

With respect to interest rate risks, they are those that can cause ITAÚSA and controlled companies to undergo economic losses due to adverse changes in these rates. This risk is continuously monitored by management for the purpose of assessing any need to contract derivative operations to protect ITAÚSA against the volatility in interest rates. With respect to financial investments, the earnings are indexed to the variation in the CDI rate and redemption assured by issuing banks, based on contractually agreed rates agreed for investments in CDBs, or on the value of the quota on the redemption date for investment funds.

3.2.1.1. Sensitivity analysis

The purpose of the sensitivity analysis is to measure the impact of the changes in market variables on each representative financial instrument. However, the settlement of the transactions involving these estimates may result in amounts that differ from those estimated due to the subjectivity inherent to the process used in the preparation of these analyzes.

The information presented in the table contextually measures the impact on the results of ITAÚSA and its controlled companies due to the changes in each risk described until maturity date these operations. The probable scenario (base scenario) and two other scenarios are presented under the terms determined by CVM Instruction No. 475/08, representing the deterioration of the risk variable by 25% (possible) and 50% (remote). The probable scenario was defined by means of assumptions available in the market (B3 and Bloomberg).

	Parent company					
	Index/ Currency	Risk	Projected rates	Probable scenario	Possible scenario (+25%)	Remote scenario (+50%)
Liabilities						
Other debts (Acquisition of NTS)	US$	Increase of the U.S. dollar	R$5.20	(15)	91	197
Total				**(15)**	**91**	**197**

	Consolidated					
	Index/ Currency	Risk	Projected rates	Probable scenario	Possible scenario (+25%)	Remote scenario (+50%)
Liabilities						
Other debts (Acquisition of NTS)	US$	Increase of the U.S. dollar	R$5.20	(15)	91	197
Loans IPCA + Fixed	CDI	Increase of CDI	7.49% p.y.	(12)	12	41
Swap - IPCA + Fixed x CDI				12	(12)	(41)
Loans US$	US$	Increase of the U.S. dollar	R$5.44	-	(61)	(122)
NDF - US$ x BRL	US$	Reduction of the U.S. dollar	R$5.44	-	61	122
Total				**(15)**	**91**	**197**

3.2.2. Credit risk

Credit risk is the possibility of ITAÚSA and its controlled companies not exercising their rights. This description is related mainly to the accounts below and the maximum exposure to credit risk is reflected by their accounting balances:

(a) Customers

The controlled company Duratex has a formalized credit granting policy for the purpose of establishing the procedures to be followed upon the granting of credit in commercial operations of sale of products and service in both domestic and foreign markets. For the granting of credit, customers are classified taking into consideration the length of time of registration and their payment histories and, among other matters, their Financial Statements are assessed for the purpose of identifying their payment ability associated with a default probability.

The credit limit may be defined based on a percentage of net revenue, equity or a combination of both, also taking into consideration the average volume of the monthly purchases, but always supported by the assessment of the economic and financial, documental, restrictive and behavioral situation of the customer. In accordance with the credit limit, financial guarantees are established and the credit limits are periodically assessed in order to maintain the diversification of its portfolio and reduce its risk exposure. There is no significant risk of concentration of customer credit.

(b) Cash and cash equivalents

ITAÚSA and its controlled companies have formalized policies for the management of funds with financial institutions that are aimed at ensuring liquidity, security and profitability for the funds. Internal policies determine that the financial investments must be made with fist-class financial institutions and with no concentration of funds in specific investments, in order to maintain a balanced proportion that is less subject to losses. Management understands that the financial investment operations contracted do not expose ITAÚSA and its controlled companies to significant credit risks that may generate material losses in the future.

3.2.3. Liquidity risk

This is the risk that ITAÚSA and its controlled companies will not have sufficient liquid funds to honor their financial commitments due to the mismatch of terms or volumes of expected receipts and payments.

The controlled company Duratex has an indebtedness policy whose purpose is to define the limits and parameters of indebtedness and the minimum available funds, which is the highest of the following two amounts: (i) sum equivalent to 60 days of consolidated net revenue for the past quarter; or (ii) debt service plus dividends and/or interest on capital expected for the following six months.

Additionally, management monitors the continuous expectations of liquidity requirements to ensure that it has sufficient cash to meet the operational needs, particularly the payment of dividends, interest on capital and other obligations assumed.

ITAÚSA and its controlled companies invest the cash surplus by choosing instruments with appropriate maturities or adequate liquidity to provide sufficient margin with respect to the expectations of the outflow of funds.

For the purpose of maintaining the investments at acceptable risk levels, new investments or increases in interests are discussed in joint meetings of the Executive Board and the Board of Directors of ITAÚSA.

The table below shows the maturities of financial liabilities in accordance with the undiscounted cash flows:

	Parent company				
	Less than one year	Between one and two years	Between three and five years	Over five years	Total
Debentures	3	400	800	-	1,203
Trade accounts payable	2	-	-	-	2
Personnel expenses	28	-	-	-	28
Leases	2	4	4	1	11
Dividends and interest on capital	400	-	-	-	400
Other debts	42	454	-	-	496
	477	**858**	**804**	**1**	**2,140**

	Consolidated				
	Less than one year	Between one and two years	Between three and five years	Over five years	Total
Debts	1,079	870	577	50	2,576
Debentures	7	400	1,399	599	2,405
Trade accounts payable	628	-	-	-	628
Personnel expenses	200	-	-	-	200
Leases	19	22	27	282	350
Dividends and interest on capital	401	-	-	-	401
Other debts	268	705	-	-	973
	2,602	**1,997**	**2,003**	**931**	**7,533**

The forecast budget, which was approved by management, shows the ability and cash generation for meeting obligations.

3.2.3.1. Covenants

The controlled company Duratex has some Debt and debenture contracts that are subject to some covenants in accordance with the usual market practices and which, when they are not complied with, may result in an immediate disbursement or early maturity of an obligation with defined flow and frequency. We present below a description of the financial covenants of the controlled company:

(a) Debts

Contracts with BNDES

- EBITDA (*) / Net finance cost: equal to or higher than 3.00;
- EBITDA (*) / Net operating income: equal to or higher than 0.20;
- Equity / Total assets: equal to or higher than 0.45.

Agreement with Caixa Econômica Federal (Export Credit Note)

- Net debt / EBITDA (*): below or equal to 6.5 up to June 30, 2021 and lower or equal to 4.0 after such period

(b) Debentures

- Net debt / EBITDA (*) lower than or equal to 4.0

(*) EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization).

The maintenance of the covenants is based on the financial statements of the controlled company Duratex and, should the above mentioned contractual obligations be not complied with, Duratex must offers additional guarantees.

On June 30, 2020 and December 31, 2019 all aforementioned contractual obligations were fully met.

4. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and banks	-	-	**188**	**213**
Financial investments	**990**	**1,091**	**2,442**	**2,156**
Fixed income	-	-	1	75
Bank Deposit Certificate - CDB	-	-	1,412	958
Investment funds	990	1,091	1,029	1,123
Total	**990**	**1,091**	**2,630**	**2,369**

5. MARKETABLE SECURITIES

	Parent company and Consolidated
Balance on 12/31/2018	**1,030**
Valor justo	231
Redução de capital	(48)
Balance on 12/31/2019	**1,213**
Valor justo	(22)
Balance on 06/30/2020	**1,191**

This refers to the 7.65% interest of ITAÚSA in the capital of NTS acquired on April 4, 2017. Since ITAÚSA does not have a significant influence over the decisions on the financial and operational policies of NTS, the investment is classified as a financial asset in accordance with CPC 48 / IFRS 9 – Financial instruments, and measured at fair value through profit or loss in Finance result. For further information on the assumptions used in fair value calculation, please see Note 3.1.2.

In 2020, ITAÚSA recorded dividends and interest on capital from NTS, in contra-entry to income under “Other income and expenses” in the amount of R$95 (R$83 in 2019) (Note 22).

Management periodically monitors any risks of impairment of Marketable securities. Taking into consideration the nature of these assets and the history of loss, ITAÚSA did not recognize any impairment losses on the above mentioned assets.

6. TRADE ACCOUNTS RECEIVABLE

	Consolidated							
	06/30/2020							
		Overdue						
	To fall due	Within 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	Over 180 days	(-) Allowance for estimated losses on doubtful accounts	Net balance
Local customers	867	17	7	11	25	63	(99)	891
Foreign customers	112	34	20	10	8	5	(6)	183
Related parties	19	-	-	-	-	-	-	19
Total	**998**	**51**	**27**	**21**	**33**	**68**	**(105)**	**1,093**

	12/31/2019							
		Overdue						
	To fall due	Within 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	Over 180 days	(-) Allowance for estimated losses on doubtful accounts	Net balance
Local customers	904	27	4	3	11	67	(81)	935
Foreign customers	115	25	9	7	6	8	(2)	168
Related parties	32	-	-	-	-	-	-	32
Total	**1,051**	**52**	**13**	**10**	**17**	**75**	**(83)**	**1,135**

There are no real encumbrances, guarantees offered and/or restrictions to the trade accounts receivable amounts. No customer individually represents more than 10% of trade accounts receivable or revenue.

The balance of trade accounts receivable and the allowance for estimated losses on doubtful accounts include the impacts of the COVID-19 pandemic, as mentioned in Note 29 to these financial statements under "Duratex".

The exposure of ITAÚSA and its controlled companies to credit risks related to trade accounts receivable are disclosed in Note 3.2.2.

6.1. Allowance for estimated losses on doubtful accounts

As required by CPC 48 / IFRS 9 – Financial instruments, a detailed analysis of the balance of trade accounts receivable must be made and, in accordance with the simplified approach, an allowance for estimated losses on doubtful accounts is recognized to cover any losses on the realization of these assets.

We present below the changes in the allowance for estimated losses on doubtful accounts:

	Consolidated	
	06/30/2020	12/31/2019
Opening balance	**(83)**	**(87)**
Acquisition of companies	-	(11)
Recognitions	(29)	(11)
Write-offs	7	26
Closing balance	**(105)**	**(83)**

7. INVENTORIES

	Consolidated	
	06/30/2020	12/31/2019
Finished products	490	427
Raw materials	281	267
Work in progress	144	139
General storeroom	123	125
Advance to suppliers	9	2
(-) Estimated loss on the realization of inventories	(84)	(107)
Total	**963**	**853**

On June 30, 2020 and December 31, 2019, the controlled companies had no inventories offered in guarantee.

The changes in the allowance for estimated losses on doubtful accounts on the realization of inventories are presented below:

	Consolidated	
	06/30/2020	12/31/2019
Opening balance	**(107)**	**(27)**
Acquisition of companies	-	(37)
Recognitions	(30)	(99)
Reversals	27	23
Write-offs	27	33
Foreign exchange	(1)	-
Closing balance	**(84)**	**(107)**

8. DIVIDENDS AND INTEREST ON CAPITAL RECEIVABLE

	Parent company						
	Investments					Marketable securities	
	Subsidiaries		Jointly-controlled entities				
	Duratex	Itautec	Itaú Unibanco	IUPAR	Alpargatas	NTS	Total
Balance on 12/31/2018	**185**	**-**	**47**	**38**	**-**	**-**	**270**
Dividends	-	-	3,922	3,403	-	152	7,477
Interest on capital	28	1	1,300	1,035	-	11	2,375
Receipts	(184)	-	(5,178)	(4,426)	-	(163)	(9,951)
Balance on 12/31/2019	**29**	**1**	**91**	**50**	**-**	**-**	**171**
Dividends	-	2	1,257	984	9	91	2,343
Interest on capital	52	-	865	688	-	3	1,608
Receipts	(81)	-	(2,041)	(1,722)	(9)	(94)	(3,947)
Balance on 06/30/2020	**-**	**3**	**172**	**-**	**-**	**-**	**175**

	Consolidated				
	Investments			Marketable securities	
	Jointly-controlled entities				
	Itaú Unibanco	IUPAR	Alpargatas	NTS	Total
Balance on 12/31/2018	**47**	**38**	**-**	**-**	**85**
Dividends	3,922	3,403	-	152	7,477
Interest on capital	1,300	1,035	-	11	2,346
Receipts	(5,178)	(4,426)	-	(163)	(9,767)
Balance on 12/31/2019	**91**	**50**	**-**	**-**	**141**
Dividends	1,257	984	9	91	2,341
Interest on capital	865	688	-	3	1,556
Receipts	(2,041)	(1,722)	(9)	(94)	(3,866)
Balance on 06/30/2020	**172**	**-**	**-**	**-**	**172**

9. OTHER ASSETS AND LIABILITIES

		Parent company				Consolidated			
		Current		Non-current		Current		Non-current	
	Note	06/30/2020	12/31/2019	06/30/2020	12/31/2019	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Other assets									
Prepaid expenses		9	9	17	18	19	15	17	18
Pension plan assets (DB Plan)		1	1	1	1	6	6	10	12
Disposal of PPE	9.1	-	-	-	-	11	13	72	73
Disposal of investments		-	-	-	-	-	-	18	18
Disposal of investment property		-	-	-	-	16	22	-	-
Development of forest operations		-	-	-	-	-	-	9	10
Advance to employees		8	1	-	-	17	11	-	-
Indemnifiable assets		-	-	-	-	-	-	17	17
Amounts withheld in acquisitions of companies		-	-	-	-	2	2	32	31
Sale of electricity		-	-	-	-	5	8	-	-
Held-for-sale assets		-	-	-	-	48	48	-	-
Other assets		17	12	10	5	32	20	26	23
Total		**35**	**23**	**28**	**24**	**156**	**145**	**201**	**202**
Other liabilities									
Advances from customers		-	-	-	-	40	28	6	6
Profits to be distributed to stockholders in special partnerships		-	-	-	-	-	12	-	-
Acquisition of reforestation areas		-	-	-	-	19	3	-	-
Trade accounts payable to stockholders in special partnerships		-	-	-	-	5	31	89	89
Acquisitions of companies		-	-	-	-	28	28	67	125
Freight and insurance payable		-	-	-	-	31	28	-	-
Commissions payable		-	-	-	-	15	20	-	-
Warranties, technical assistance and maintenance		-	-	-	-	36	25	5	5
Joint operation liabilities		-	-	-	-	-	-	46	43
Provision for restructuring costs		-	-	-	-	3	4	-	-
Payroll loans		-	-	-	-	2	2	-	-
Sales for future delivery		-	-	-	-	12	16	-	-
Statutory profit sharing		-	-	-	-	7	17	-	-
Acquisition - NTS	9.2	-	-	441	319	-	-	441	319
Acquisitions of farms		-	-	-	-	-	-	28	-
Other liabilities		42	7	13	20	70	24	23	33
Total		**42**	**7**	**454**	**339**	**268**	**238**	**705**	**620**

9.1. Sale of property, plant and equipment

This refers mainly to the amounts receivable arising from the sale of rural land of the indirectly-controlled company Duratex Florestal.

9.2. Acquisition of NTS

Refers to payment obligation due to “Nova Infraestrutura Fundo de Investimento em Participações e Multiestratégia”, arising from the acquisition of a 7.65% interest in the capital of NTS, originally amounting to US$72 million, adjusted based on a fixed interest rate of 3.35% a year, capitalized on an annual basis in the principal amount, to be paid in a single installment in April 2022. The change in the June 30, 2020 balance compared to December 31, 2019 was mainly driven by the foreign exchange variation in the period, due to the effects of the COVID-19 pandemic, among other aspects, as mentioned in Note 29 to these financial statements under “ITAÚSA”.

10. BIOLOGICAL ASSETS

The indirectly-controlled companies Duratex S.A. (Colombia), Duratex Florestal Ltda. and Caetex Florestal S.A. have eucalyptus and pine tree forest reserves that are used, primarily, as raw material in the production of wood panels, floorings and, secondarily, for sale to third parties.

The forest reserves serve as a guarantee of supply to the factories, as well as a protection against risks regarding future increases in the price of wood. This is a sustainable operation that is integrated with its industrial complexes, which, together with a supply network, provides a high level of self-sufficiency in the supply of wood.

On June 30, 2020 the companies had, approximately, 97.4 thousands hectares in effectively planted areas (139.2 thousands hectares on December 31, 2019) that are cultivated in the states of São Paulo, Minas Gerais, Rio Grande do Sul, Alagoas and in Colombia. The reduction in the effective planting areas was mainly driven by the capital contribution in indirect investee LD Celulose S.A..

The forests are free of any encumbrances or guarantees to third parties, including financial institutions. Additionally, there are no forests for which the ownership is restricted.

The balance of the biological assets is composed of the cost of formation of the forests and the fair value difference over the cost of formation, as presented below:

	Consolidated	
	06/30/2020	12/31/2019
Cost of formation of biological assets	1,091	1,045
Difference between cost of formation and fair value	579	499
Capital increase - indirect investee LD Celulose	(486)	-
Total	**1,184**	**1,544**

The changes in the period are as follows:

		Consolidated	
	Note	06/30/2020	12/31/2019
Opening balance		**1,544**	**1,565**
Changes in fair value			
Price/Volume	21	121	126
Depletion		(41)	(171)
Changes in the cost of formation			
Planting costs		93	194
Depletion		(47)	(170)
Capital increase - indirect investee LD Celulose	13.1.5	(486)	-
Closing balance		**1,184**	**1,544**

10.1. Fair value

Fair value is determined based on the estimate of volume of wood that is ready to be harvested, at the current prices of standing wood, except for the eucalyptus forests that are up to one year old and the pine forests that are up to four year old, which are maintained at cost, due to the belief that these amounts approximate their fair value.

Fair value was determined by the valuation of the expected volumes that are ready to be harvested at current market prices based on estimates of volumes. The main assumptions used were:

- Discounted cash flows expected wood volume that is ready to be harvested, taking into consideration current market prices, net of the unrealized planting costs and the costs of capital of the land used in the plantation, measured at present value at the discount rate of June 30, 2020 of 5.3% a year, which corresponds to the average weighted cost of capital of the controlled company Duratex, which is reviewed on an annual basis by its management.

- Wood prices: they are obtained in R$/cubic meter by means of surveys on market prices disclosed by specialized companies for regions and products that are similar to those of the controlled company Duratex, in addition to the prices adopted in transactions with third parties, also in active markets.

- Difference: the volumes of harvests that were separated and valued according to the species: pine and eucalyptus, (ii) region; and (iii) destination (sawmill and process).

- Volumes: estimate of the volumes to be harvested (6th year for eucalyptus and 12th year for pine) based on the projected average productivity for each region and species. The average productivity may vary according to age, rotation, climate conditions, quality of seedlings, fire and other natural risks. For the forests that have already been formed, the current volumes of wood are used. The volume estimates are supported by cycle counts made by specialized technicians as from the second year of the forests and their effects are incorporated into the financial statements.

11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

The balance of and changes in deferred income tax and social contribution are presented below:

	Parent company					
	12/31/2018	Recognition	Realization/ Reversal	12/31/2019	Realization/ Reversal	06/30/2020
Assets						
Recognized in profit or loss						
Income tax and social contribution loss carryforwards	**382**	-	-	**382**	-	**382**
Temporary differences	**538**	-	**(4)**	**534**	-	**534**
Contingencies	508	-	(3)	505	-	505
Other	30	-	(1)	29	-	29
Total (*)	**920**	-	**(4)**	**916**	-	**916**
Liabilities						
Recognized in profit or loss						
Temporary differences	**(60)**	**(80)**	**1**	**(139)**	**9**	**(130)**
Fair value of financial instruments	(52)	(78)	-	(130)	7	(123)
Other	(8)	(2)	1	(9)	2	(7)
Total (*)	**(60)**	**(80)**	**1**	**(139)**	**9**	**(130)**

(*) *Deferred income tax and social contribution assets and liabilities are recorded in the Balance Sheet, as offset by the taxable entity, totaling in the deferred assets on June 30,2020 the amount of R$786 (R$777 on December 31, 2019).*

	Consolidated						
	12/31/2018	Recognition	Realization/ Reversal	12/31/2019	Recognition	Realization/ Reversal	06/30/2020
Assets							
Recognized in profit or loss							
Income tax and social contribution loss carryforwards	**559**	**10**	-	**569**	**12**	-	**581**
Temporary differences	**731**	**143**	**(3)**	**871**	**35**	**(34)**	**872**
Provision for impairment of trade accounts receivable	**10**	-	-	**10**	2	-	**12**
Fair value of financial instruments and derivatives	**29**	2	-	**31**	-	(1)	**30**
Contingencies	**569**	44	-	**613**	9	(4)	**618**
Inventory losses	**6**	26	-	**32**	-	(7)	**25**
Profit abroad	**38**	11	-	**49**	-	-	**49**
Impairment of property, plant and equipment	**29**	42	-	**71**	-	(7)	**64**
Post-employment benefit	**6**	5	-	**11**	15	(14)	**12**
Other	**44**	13	(3)	**54**	9	(1)	**62**
Reconhecidos no Patrimônio líquido							
Post-employment benefit	**4**	9	-	**13**	-	-	**13**
Total (*)	**1,294**	**162**	**(3)**	**1,453**	**47**	**(34)**	**1,466**
Liabilities							
Recognized in profit or loss							
Temporary differences	**(458)**	**(120)**	**25**	**(553)**	**(21)**	**14**	**(560)**
Revaluation reserve	**(41)**	(25)	-	**(66)**	-	1	**(65)**
Fair value of financial instruments and derivatives	**(51)**	(76)	1	**(126)**	-	3	**(123)**
Depreciation	**(17)**	(11)	-	**(28)**	-	1	**(27)**
Sale of property, plant and equipment	**(6)**	-	5	**(1)**	-	-	**(1)**
Biological assets	**(186)**	(4)	-	**(190)**	(7)	-	**(197)**
Client Portfolio	**(48)**	-	8	**(40)**	-	5	**(35)**
Pension plans	**(38)**	-	-	**(38)**	(2)	-	**(40)**
Other	**(71)**	(4)	11	**(64)**	(12)	4	**(72)**
Recognized in equity							
Exchange variation on translation of balance sheet from foreign compani	**(4)**	(1)	-	**(5)**	-	-	**(5)**
Total (*)	**(462)**	**(121)**	**25**	**(558)**	**(21)**	**14**	**(565)**

(*) *Deferred income tax and social contribution assets and liabilities are recorded in the Balance Sheet, as offset by the taxable entities, totaling in the deferred assets the amount of R$1,072 on June 30, 2020 (R$1,108 on December 31, 2019) and in the deferred liabilities the amount of R$171 on June 30, 2020 (R$213 on December 31, 2019).*

11.1. Deferred assets

11.1.1. Expectation of realization

Deferred tax assets are recognized taking into consideration the probable realization of these credits, based on projections of future results, prepared based on internal assumptions and economic scenarios approved by management that may change. We present below the expectation of realization of deferred assets:

	Parent company	Consolidated
2020	1	80
2021	285	335
2022	615	704
2023	-	87
2024	-	93
2025 - 2027	15	167
Total	**916**	**1,466**

11.1.2. Unrecognized tax credits

ITAÚSA and its controlled companies have tax credits related to income tax and social contribution loss carryforwards and temporary differences that are not recognized in the financial statements due to uncertainties of their realization.

On June 30, 2020, the unrecognized credits of ITAÚSA correspond to R$228 (R$79 on December 31, 2019) and in the consolidated financial statements, they correspond to R$385 (R$243 on December 31, 2019). The above mentioned credits may be recognized in the future in accordance with the annual review of the projection of taxable profit generation and the term for their use is indefinite.

12. RIGHT-OF-USE AND LEASES

Lease liabilities are measured at the present value of the remaining payments, discounted at the nominal incremental rate on their debts. Right-of-use assets are measured at the same amount as the lease liability upon initial recognition, net of accumulated depreciation to be realized using the straight-line method over the lease term.

For the lease contract of ITAÚSA, management considered a renewal of the contract (72 months in total) because it believes that the renewal conditions are reasonable. Meanwhile, the controlled company Duratex, due to the long-term characteristics of the contracts, substantially, did not consider a renewal of the land lease contracts. For the other contracts, when applicable, a renewal was considered.

With respect to payments, these basically refer to fixed amounts agreed in agreements annually adjusted based on an inflation-linked index.

12.1. Right-of-use assets

	Parent company	Consolidated					
	IT equipment	Land	Buildings	Vehicles	IT equipment	Other	Total
Balance on 12/31/2018	-	-	-	-	-	-	-
Initial adoption – 01/01/2019	-	488	10	3	-	-	501
New contracts / adjustments	13	34	1	-	13	5	53
Depreciation for the year (profit or loss)	(1)	(2)	(5)	(2)	(1)	(2)	(12)
Depreciation for the year (*)	-	(24)	-	-	-	-	(24)
Acquisition of companies	-	-	3	-	-	5	8
Remeasurement adjustment	-	40	1	-	-	-	41
Balance on 12/31/2019	**12**	**536**	**10**	**1**	**12**	**8**	**567**
New contracts / adjustments	-	22	-	-	-	-	22
Depreciation for the period (profit or loss)	(1)	(1)	(3)	-	(1)	(2)	(7)
Depreciation for the period (*)	-	(11)	-	-	-	-	(11)
Foreign exchange variation	-	1	-	-	-	1	2
Write-off of contracts	-	(240)	-	-	-	-	(240)
Balance on 06/30/2020	**11**	**307**	**7**	**1**	**11**	**7**	**333**

(*) Stated at cost of formation of forest reserves in "Biological Asset" line.

12.2. Lease liabilities

	Parent company		Consolidated					
	IT equipment	Total	Land	Buildings	Vehicles	IT equipment	Other	Total
Balance on 12/31/2018	-	-	-	-	-	-	-	-
Initial adoption - 01/01/2019	-	-	488	10	3	-	-	501
New contracts / adjustments	13	13	34	1	-	13	5	53
Interest allocated in the year (profit or loss)	-	-	1	1	-	-	-	2
Interest allocated in the year (*)	-	-	51	-	-	-	-	51
Payments	(1)	(1)	(63)	(5)	(2)	(1)	(3)	(74)
Acquisition of companies	-	-	-	4	-	-	6	10
Remeasurement adjustment	-	-	40	1	-	-	-	41
Balance on 12/31/2019	**12**	**12**	**551**	**12**	**1**	**12**	**8**	**584**
New contracts / adjustments	-	-	22	-	-	-	-	22
Interest allocated in the period (profit or loss)	-	-	1	-	-	-	-	1
Interest allocated in the period (*)	-	-	16	-	-	-	-	16
Payments	(1)	(1)	(22)	(3)	(1)	(1)	(2)	(29)
Write-off of contracts	-	-	(246)	(1)	-	-	-	(247)
Foreign exchange variation	-	-	1	-	-	-	2	3
Balance on 06/30/2020	**11**	**11**	**323**	**8**	**-**	**11**	**8**	**350**
Circulante		**2**						**19**
Não circulante		**9**						**331**

(*) Stated at cost of formation of forest reserves in "Biological Asset" line.

Discount rates are as follows:

	Parent company	Consolidated
Contractual terms		
Up to 5 years	-	8.71% p.a.
From 6 to 10 years	6.89% p.a.	From 6.89% to 10.40% p.a.
Longer than 10 years	-	10.93% p.a.

The maturities of the lease liabilities take into consideration the following future flow of payments:

	Parent company	Consolidated
	06/30/2020	06/30/2020
Current		
2020	1	14
2021	1	5
Total	**2**	**19**
Non-current		
2021	2	8
2022	2	14
2023	2	14
2024	2	13
2025	1	10
2026 - 2030	-	44
2031 - 2035	-	28
2036 - 2045	-	71
2046 onwards	-	129
Total	**9**	**331**

12.3. Inflation effects

Please find below the inflation effects on balances, compared to the balances in the financial statements:

	Parent company			
	06/30/2020		12/31/2019	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	13	14	13	14
Depreciation	(2)	(2)	(1)	(1)
Total	**11**	**12**	**12**	**13**
Leases	13	13	15	15
Interest to be appropriated	(2)	(1)	(3)	(1)
Total	**11**	**12**	**12**	**14**

	Consolidated			
	06/30/2020		12/31/2019	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	382	819	603	824
Depreciation	(49)	(72)	(36)	(46)
Total	**333**	**747**	**567**	**778**
Leases	1,001	1,958	1,845	3,451
Interest to be appropriated	(651)	(1,170)	(1,261)	(2,626)
Total	**350**	**788**	**584**	**825**

13. INVESTMENTS

13.1. Changes in investments

	Parent company							
	Jointly-controlled companies			Controlled companies				
	Itaú Unibanco	IUPAR	Alpargatas (Note 13.1.2)	Duratex (Note 13.1.4)	Itautec (Note 13.1.3)	Itaúsa Empreendi-mentos (Note 13.1.1)	ITH Zux Cayman	Total
Balance on 12/31/2018	**27,861**	**23,182**	**1,740**	**1,694**	**25**	**306**	**2**	**54,810**
Equity in the earnings of investees	5,519	4,725	29	148	14	1	-	10,436
Dividends and interest on capital	(5,452)	(4,620)	-	(42)	(2)	-	-	(10,116)
Acquisition of shares	-	-	154	-	-	-	-	154
Other comprehensive income	(28)	(24)	(3)	4	-	-	-	(51)
Other	(88)	(78)	1	3	2	(307)	-	(467)
Balance on 12/31/2019	**27,812**	**23,185**	**1,921**	**1,807**	**39**	**-**	**2**	**54,766**
Equity in the earnings of investees	1,101	883	(41)	10	(3)	-	1	1,951
Dividends and interest on capital	(2,275)	(1,794)	(9)	(52)	(2)	-	-	(4,132)
Acquisition of shares	-	-	41	-	-	-	-	41
Other comprehensive income	132	116	44	(38)	-	-	-	254
Other	(50)	(43)	1	1	-	-	-	(91)
Balance on 06/30/2020	**26,720**	**22,347**	**1,957**	**1,728**	**34**	**-**	**3**	**52,789**
Market value on 12/31/2019 (*)	**135,427**	**-**	**5,550**	**4,228**	**-**	**-**	**-**	
Market value on 06/30/2020 (*)	**92,893**	**-**	**4,948**	**3,251**	**-**	**-**	**-**	

	Consolidated						
	Jointly-controlled companies			Indirect associates		Indirect Jointly-controlled company	
	Itaú Unibanco	IUPAR	Alpargatas (Note 13.1.2)	Viva Decora	LD Celulose (Note 13.1.5)	LD Florestal	Total
Balance on 12/31/2018	27,861	23,182	1,740	9	-	39	52,831
Equity in the earnings of investees	5,519	4,725	29	(2)	-	1	10,272
Dividends and interest on capital	(5,452)	(4,620)	-	-	-	-	(10,072)
Acquisition of shares	-	-	154	5	-	-	159
Capital increase (decrease)	-	-	-	-	-	68	68
Other comprehensive income	(28)	(24)	(3)	-	-	-	(55)
Other	(88)	(78)	1	2	-	-	(163)
Balance on 12/31/2019	27,812	23,185	1,921	14	-	108	53,040
Equity in the earnings of investees	1,101	883	(41)	(1)	(41)	1	1,902
Dividends and interest on capital	(2,275)	(1,794)	(9)	-	-	-	(4,078)
Acquisition of shares	-	-	41	-	-	-	41
Capital increase (decrease)	-	-	-	-	707	-	707
Other comprehensive income	132	116	44	-	(231)	-	61
Other	(50)	(43)	1	-	1	-	(91)
Balance on 06/30/2020	26,720	22,347	1,957	13	436	109	51,582
Market value on 12/31/2019 (*)	135,427	-	5,550	-	-	-	
Market value on 06/30/2020 (*)	92,893	-	4,948	-	-	-	

(*) Market value is presented for investees with shares traded in on B3 stock exchange only.

13.1.1. Merger of the wholly-owned subsidiary Itaúsa Empreendimentos

On August 30, 2019, the Extraordinary General Stockholder's Meeting resolved upon the merger of the wholly-owned subsidiary Itaúsa Empreendimentos into ITAÚSA. Itaúsa Empreendimentos had an administrative structure composed of approximately 80 professionals.

The purpose of this corporate restructuring was to seek greater operational synergy and efficiency, with the consequent optimization and rationalization of administrative costs and accessory obligations arising from the maintenance of Itaúsa Empreendimentos.

Taking into consideration the corporate structure of Itaúsa Empreendimentos, the merger was implemented without diluting ITAÚSA's capital, since there was no capital increase, issue of new shares, share exchange ratio or right to withdraw for any stockholders.

13.1.2. Acquisition of additional equity interest in Alpargatas

In May and August 2019, ITAÚSA acquired at B3 (over-the-counter market) 7,693,152 preferred shares of Alpargatas for the amount of R$154. The shares acquired represent 1.33% of Alpargatas total shares and ITAÚSA became the holder of a 28.88% interest (excluding treasury shares).

Between the months of March and April 2020, ITAÚSA once again purchased on B3 over 1,789,900 preferred shares from Alpargatas for a total amount of R$41. These purchased shares account for 0.31% of the total shares of Alpargatas, with ITAÚSA now holding a total 29.19% stake (excluding treasury shares).

In June 2020, ITAÚSA completed the purchase price allocation process of the acquisition carried out in May 2019 consideration the interest in the net assets and liabilities measured at fair value, the consideration paid by ITAÚSA and the goodwill from the expectation of future profitability. For other acquisitions, the purchase price allocation process is still in progress.

13.1.3. Completion of the merger of Itautec shares

On June 14, 2019, the merger of Itautec shares into ITAÚSA was completed. The transaction was approved by the stockholders of both companies at their respective general meetings held on April 30, 2019. Itautec's stockholders became the holders of the same number of preferred shares issued by ITAÚSA (ITSA4). To this end, 118,815 preferred shares (ITSA4) were issued by ITAÚSA, culminating in the dilution of 0.001% for ITAÚSA's stockholders. These shares entitled their holders to all earnings declared as of that date. The exercise of the right to dissent by ITAÚSA's stockholders culminated in the acquisition of 1,873 common shares for treasury, which were then cancelled by means of a resolution of the Board of Directors on August 12, 2019.

Furthermore, on August 15, 2019, Itautec had its request for cancellation of registration as a category "A" publicly-held company granted by CVM.

13.1.4. Acquisition of Cecrisa Revestimentos Cerâmicos S.A. ("Cecrisa") by the controlled company Duratex

On July 31, 2019, the controlled company Duratex, by means of its controlled company Cerâmica Urussanga S.A. ("Ceusa"), acquired the totality of the shares of the capital of Cecrisa and its controlled companies, which are specialized in the manufacturing of ceramic tiles, for the amount of R$378.

13.1.5. Corporate operations in investee Duratex

In January 2020, investee Duratex completed the partial spin-off of its wholly-owned subsidiary Duratex Florestal Ltda., thus incorporating the following amounts:

Description	Amount
Inventories	2
PPE	6
Biological asset	486
Personnel liabilities	(1)
Deferred taxes	(65)
Total	**428**

After the takeover, between January and February 2020, investee Duratex contributed capital in its affiliate LD Celulose S.A., in the following amounts:

Description	Note	Amount
Inventories		2
PPE	14.2	9
Biological asset	10	486
Personnel liabilities		(1)
Total		**496**

In addition to the contributions above, investee Duratex has also made capital contributions, in the amount of R$211, totaling R$707 in contributions to its affiliate LD Celulose S.A.

13.2. Reconciliation of investments

	Parent company 06/30/2020					
	Jointly-controlled companies			Controlled companies		
	Itaú Unibanco	IUPAR	Alpargatas	Duratex	Itautec	ITH Zux Cayman
Equity of the investee	131,681	33,588	2,852	4,722	34	3
Holding %	19.91%	66.53%	29.19%	36.63%	100.00%	100.00%
Interest in the investment	**26,223**	**22,347**	**832**	**1,728**	**34**	**3**
Unrealized profit or loss	(11)	-	-	-	-	-
Adjustments arising from business combinations						
Surplus value	48	-	403	-	-	-
Goodwill	460	-	722	-	-	-
Accounting balance of the investment in the parent company	**26,720**	**22,347**	**1,957**	**1,728**	**34**	**3**

	Parent company 12/31/2019					
	Jointly-controlled companies			Controlled companies		
	Itaú Unibanco	IUPAR	Alpargatas	Duratex	Itautec	ITH Zux Cayman
Equity of the investee	136,925	34,847	2,643	4,931	39	2
Holding %	19.95%	66.53%	28.88%	36.65%	100.00%	100.00%
Interest in the investment	**27,314**	**23,185**	**765**	**1,807**	**39**	**2**
Unrealized profit or loss	(12)	-	-	-	-	-
Adjustments arising from business combinations						
Surplus value	50	-	443	-	-	-
Goodwill	460	-	713	-	-	-
Accounting balance of the investment in the parent company	**27,812**	**23,185**	**1,921**	**1,807**	**39**	**2**

13.3. Summarized consolidated information of the relevant investees

	Jointly-controlled companies			
	Itaú Unibanco		IUPAR	
Non-financial segment	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Number of outstanding shares of investees	**9,762,456,039**	**9,745,601,763**	**1,061,396,457**	**1,061,396,457**
Common	4,958,290,359	4,958,290,359	710,454,184	710,454,184
Preferred	4,804,165,680	4,787,311,404	350,942,273	350,942,273
Number of shares owned by ITAÚSA	**1,944,075,803**	**1,944,075,803**	**706,169,365**	**706,169,365**
Common	1,943,906,480	1,943,906,480	355,227,092	355,227,092
Preferred	169,323	169,323	350,942,273	350,942,273
Holding % [(1)]	**19.91%**	**19.95%**	**66.53%**	**66.53%**
Holding % in voting capital [(2)]	**39.21%**	**39.21%**	**50.00%**	**50.00%**

Information on the balance sheet	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and cash equivalents	43,368	30,367	95	-
Financial assets	1,785,757	1,501,481	227	120
Non-financial assets	124,884	105,633	34,619	36,039
Financial liabilities	1,530,346	1,211,999	-	73
Non-financial liabilities	280,730	276,017	1,353	1,239
Equity attributable to controlling stockholders	131,681	136,925	33,588	34,847

Information on the statement of income	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Profit from banking products	37,448	57,049	-	-
Income tax and social contribution	15,297	(5,536)	-	-
Profit attributable to controlling stockholders	5,182	13,274	1,328	3,464
Other comprehensive income	662	84	174	23

Information on the statement of cash flows	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Increase (decrease) in cash and cash equivalents	43,269	(14,427)	95	-

(1) ITAÚSA has a direct interest in Itaú Unibanco of 19.91% and an indirect interest of 17.47%, by means of the investment in IUPAR, which holds a 26.26% direct interest in Itaú Unibanco, totaling a 37.39% interest in total capital.

(2) The direct interest in the common shares of Itaú Unibanco is 39.21% and the indirect interest is 25.86%, by means of the investment in IUPAR, which holds a 51.71% direct interest in the common shares of Itaú Unibanco, totaling a 65.06% interest in total capital.

	Controlled company		Jointly-controlled company	
	Duratex		Alpargatas	
Non-financial segment	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Number of outstanding shares of investees	**690,142,164**	**689,732,785**	**578,816,719**	**578,816,719**
Common	690,142,164	689,732,785	302,010,657	302,010,657
Preferred	-	-	276,806,062	276,806,062
Number of shares owned by ITAÚSA	**252,807,715**	**252,807,715**	**168,972,496**	**167,182,596**
Common	252,807,715	252,807,715	129,528,793	129,528,793
Preferred	-	-	39,443,703	37,653,803
Holding %	**36.63%**	**36.65%**	**29.19%**	**28.88%**
Holding % in voting capital	**36.63%**	**36.65%**	**42.89%**	**42.89%**

Information on the balance sheet	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Current assets	3,960	3,514	4,364	2,610
Non-current assets	7,010	7,201	2,288	1,912
Current liabilities	2,226	2,150	2,735	1,256
Non-current liabilities	4,020	3,633	995	531
Equity attributable to controlling stockholders	4,722	4,931	2,852	2,643
Cash and cash equivalents	1,598	1,243	2,440	566
Debts and debentures	3,778	2,949	2,500	279

Information on the statement of income	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Net revenue	2,208	2,217	1,428	1,666
Finance income	99	45	122	28
Finance costs	(175)	(110)	(116)	(46)
Income tax and social contribution	(29)	(38)	8	(49)
Profit attributable to controlling stockholders	28	93	81	86
Other comprehensive income	(101)	(2)	141	(18)

Information on the statement of cash flows	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Increase (decrease) in cash and cash equivalents	355	56	1,873	99

14. PROPERTY, PLANT AND EQUIPMENT (PPE)

14.1. Breakdown

	Parent company							
	06/30/2020				12/31/2019			
	Depreciation rates (% p.a.)	Cost	Accumulated depreciation	Net balance	Depreciation rates (% p.a.)	Cost	Accumulated depreciation	Net balance
Property, plant and equipment in use								
Land	-	18	-	18	-	18	-	18
Buildings and improvements	2.5%	90	(20)	70	2.5%	88	(19)	69
Machinery, installations and equipment	10.0% at 20.0%	19	(6)	13	10.0% at 20.0%	18	(5)	13
Furniture and fixtures	10.0%	4	(1)	3	10.0%	4	(1)	3
Total		**131**	**(27)**	**104**		**128**	**(25)**	**103**

	Consolidated							
	06/30/2020				12/31/2019			
	Depreciation rates (% p.a.)	Cost	Accumulated depreciation	Net balance	Depreciation rates (% p.a.)	Cost	Accumulated depreciation	Net balance
Property, plant and equipment in use								
Land	-	760	-	760	-	704	-	704
Buildings and improvements	2.5% at 4.0%	1,386	(565)	821	2.5% at 4.0%	1,379	(547)	832
Machinery, installations and equipment	6.5% at 20.0%	5,102	(3,246)	1,856	6.5% at 20.0%	4,940	(3,112)	1,828
Furniture and fixtures	10.0%	74	(52)	22	10.0%	71	(50)	21
Vehicles	20.0% at 25.0%	72	(60)	12	20.0% at 25.0%	72	(59)	13
Other	10.0% at 20.0%	288	(216)	72	10.0% at 20.0%	285	(206)	79
Subtotal		**7,682**	**(4,139)**	**3,543**		**7,451**	**(3,974)**	**3,477**
Construction in progress		**141**	**-**	**141**		**192**	**-**	**192**
Total		**7,823**	**(4,139)**	**3,684**		**7,643**	**(3,974)**	**3,669**

14.2. Changes

	Parent company							
	Land	Buildings and improvements	Machinery, installations and equipment	Furniture and fixtures	Vehicles	Others	Construction in progress	Total
Balance on 12/31/2018	**19**	**70**	**7**	**3**	**-**	**-**	**-**	**99**
Acquisitions	-	10	7	-	-	-	-	17
Write-offs	(1)	(7)	(1)	-	-	-	-	(9)
Depreciation	-	(3)	(1)	-	-	-	-	(4)
Transfers	-	(1)	1	-	-	-	-	-
Balance on 12/31/2019	**18**	**69**	**13**	**3**	**-**	**-**	**-**	**103**
Acquisitions	-	3	1	-	-	-	-	4
Depreciation	-	(2)	(1)	-	-	-	-	(3)
Balance on 06/30/2020	**18**	**70**	**13**	**3**	**-**	**-**	**-**	**104**

	Consolidated							
	Land	Buildings and improvements	Machinery, installations and equipment	Furniture and fixtures	Vehicles	Others	Construction in progress	Total
Balance on 12/31/2018	**656**	**672**	**1,794**	**18**	**13**	**78**	**107**	**3,338**
Acquisitions	43	11	47	2	2	9	195	309
Write-offs	(46)	(24)	(75)	(1)	-	(2)	(7)	(155)
Depreciation	-	(35)	(270)	(3)	(4)	(19)	-	(331)
Transfers	(6)	13	92	4	2	9	(114)	-
Acquisition of companies	59	231	240	1	-	4	11	546
Transfer to held-for-sale assets	(4)	(37)	-	-	-	-	-	(41)
Others	2	1	-	-	-	-	-	3
Balance on 12/31/2019	**704**	**832**	**1,828**	**21**	**13**	**79**	**192**	**3,669**
Acquisitions	52	2	13	-	-	2	87	156
Write-offs	-	(1)	(2)	-	-	(1)	(10)	(14)
Depreciation	-	(18)	(134)	(1)	(2)	(10)	-	(165)
Transfers	-	3	119	2	2	3	(129)	-
Capital increase - indirect investee LD Celulose	(3)	(2)	(2)	-	(1)	(1)	-	(9)
Others	7	5	34	-	-	-	1	47
Balance on 06/30/2020	**760**	**821**	**1,856**	**22**	**12**	**72**	**141**	**3,684**

14.3. Property, plant and equipment in guarantee

On June 30, 2020, the property, plant and equipment of the controlled company Duratex included land, farms and vehicles offered in guarantee in lawsuits totaling R$2 (R$2 on December 31, 2019).

14.4. Assessment of the recoverable amount

For the period ended June 30, 2020, there was no indication, whether by means of external sources or internal sources of information that any asset had been impaired. Accordingly, management believes that the carrying amount of assets recorded is recoverable and, therefore, the recognition of a provision for impairment losses was not necessary.

15. INTANGIBLE ASSETS

15.1. Breakdown

	Parent company							
	06/30/2020				12/31/2019			
	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance
Software	20.0%	6	(2)	4	20.0%	5	(1)	4
Total		**6**	**(2)**	**4**		**5**	**(1)**	**4**

	Consolidated							
	06/30/2020				12/31/2019			
	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance
Software	20.0%	174	(99)	75	20.0%	157	(93)	64
Trademarks and patents	-	209	-	209	-	209	-	209
Goodwill from the expectation of future profitability	-	324	-	324	-	319	-	319
Customer portfolio	6.7%	402	(281)	121	6.7%	400	(269)	131
Total		**1,109**	**(380)**	**729**		**1,085**	**(362)**	**723**

15.2. Changes

		Parent company				
	Note	Software	Trademarks and patents	Goodwill from the expectation of future profitability	Customer portfolio	Total
Balance on 12/31/2018		**1**	**-**	**-**	**-**	**1**
Acquisitions		3	-	-	-	3
Balance on 12/31/2019		**4**	**-**	**-**	**-**	**4**
Balance on 06/30/2020		**4**	**-**	**-**	**-**	**4**

		Consolidated				
		Software	Trademarks and patents	Goodwill from the expectation of future profitability	Customer portfolio	Total
Balance on 12/31/2018		**53**	**56**	**156**	**158**	**423**
Acquisitions		29	-	-	-	29
Write-offs		(12)	-	-	-	(12)
Amortization		(8)	-	-	(27)	(35)
Impairment		-	(9)	-	-	(9)
Acquisition of companies	13.1.4	2	162	163	-	327
Balance on 12/31/2019		**64**	**209**	**319**	**131**	**723**
Acquisitions		17	-	-	-	17
Amortization		(6)	-	-	(13)	(19)
Acquisition of companies	13.1.4	-	-	5	-	5
Other		-	-	-	3	3
Balance on 06/30/2020		**75**	**209**	**324**	**121**	**729**

15.3. Goodwill from the expectation of future profitability

The controlled company Duratex recognized goodwill from the expectation of future profitability in the process of acquisition of the following investments:

		Consolidated	
	Note	06/30/2020	12/31/2019
Satipel		46	46
Metalúrgica Jacareí		2	2
Caetex Florestal		9	9
Ceusa e Massima		99	99
Cecrisa	13.1.4	168	163
Total		**324**	**319**

15.4. Impairment test

As a result of the COVID-19 pandemic, on June 30, 2020, investee Duratex updated the projections used to assess the impairment of its intangible assets with indefinite useful life, based on the information available so far, and found that the amount of cash flows of the Cash-generating units was higher than the accounting amounts. Therefore, there was no need to record impairment losses.

16. DEBTS

16.1. Breakdown

Type	Charges	Form of amortization	Guarantees	Consolidated 06/30/2020 Current	Consolidated 06/30/2020 Non-current	Consolidated 12/31/2019 Current	Consolidated 12/31/2019 Non-current
Local currency							
BNDES (with swap)	103.89% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	10	75	10	80
BNDES (with swap)	117.51% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	-	4	-	4
Agribusiness receivables certificates (CRA)	98.0% of CDI	Semi-annually	Surety Duratex S.A	-	696	-	696
Export credit	104.8% of CDI	Until January 2021	--	28	-	280	28
Producer price guarantee financing (FGPP) – Banco do Brasil (with swap)	Fixed 6.6% to 7.9% p.y.	Until June 2020	--	-	-	389	-
FINAME	6% p.y.	Monthly	Secured fiduciary sale	1	3	1	3
FINAME	Fixed 5.60% p.y.	Monthly	Secured fiduciary sale and endorsement Duratex S.A	-	1	-	1
FINAME	Fixed 5.88% p.y.	Monthly	Secured fiduciary sale - Machinery and equipment	2	5	2	6
FINAME	Fixed 9.0% p.y.	Semi-annually	Secured fiduciary sale and endorsement Duratex S.A.	-	-	1	-
FINAME	Long-term interest rate +2.3% p.y./ fixed 6.0%p.y.	Monthly	Secured fiduciary sale	12	11	12	17
FINAME	Long-term interest rate + 3.7% p.y. to +4% p.y.	Monthly	Secured fiduciary sale and endorsement Duratex S.A.	2	1	2	2
FINEP	Long-term interest rate + 0.5% p.y.	Monthly	20% Trade notes + Surety Banco Safra	4	-	12	-
Constitutional Fund for the Northeastern Region Financing (FNE)	7.53% p.y.	Annually	Surety Duratex Florestal Ltda	-	11	-	7
Strategic Industries Development Fund (FUNDIEST)	30% IGP-M p.m.	Monthly	Surety - Cia. Ligna de Investimentos	14	-	29	-
Export credit note	104.9% of CDI	Until January 2021	Endorsement Duratex S.A.	36	-	37	35
Export credit (a)	CDI + 1,45%	March 2023	--	-	507	-	-
Export financing - FINEX - Law n. 4.131 (a)	CDI + 0,39%	March 2021	--	136	-	-	-
Export Credit Note (a)	CDI + 1,81% p.y.	May 2023	--	56	183	-	-
Bank Credit Note (a)	CDI + 3,15% p.y.	April 2021	--	213	-	-	-
Bank Credit Note (a)	CDI + 3,20% p.y.	April 2021	--	303	-	-	-
Bank Credit Note (a)	CDI + 2,80% p.y.	April 2021	--	252	-	-	-
Total in local currency				**1,069**	**1,497**	**775**	**879**
Foreign currency							
Advance on foreign exchange contract - Banco do Brasil	US$ + 5.00% p.y.	Until February 2020	40% Trade notes	-	-	2	-
Advance on foreign exchange contract - Bocom BBM (with swap)	US$ + 10.19% p.y.	Until April 2020	Promissory Note	-	-	3	-
Advance on foreign exchange contract - Banco Santander	US$ + 6.38% p.y.	Until May 2020	Promissory note - Endorsement Portinari	2	-	9	-
Advance on foreign exchange contract - Banco Safra	US$ + 5.46% p.y.	Until May 2020	15.70% Trade notes	-	-	8	-
Advance on foreign exchange contract - Banco Bradesco	US$ + 5.80% p.y.	Until June 2020	Clean	8	-	6	-
Advance on foreign exchange delivered contract - Banco do Brasil	US$ + 4.27% p.y.	Until March 2020	40% Trade notes	-	-	3	-
Total in foreign currency				**10**	**-**	**31**	**-**
Total debts				**1,079**	**1,497**	**806**	**879**

(a) Funding raised to reschedule debts and increase working capital in the face of the impacts of the COVID-19 pandemic, as mentioned in Note 29 to these financial statements under "Duratex".

Debts identified in the table above as “with swap” are measured at fair value through profit or loss so as to avoid the accounting mismatch between the debt instrument and the contracted hedging instrument.

The covenants related to Debt contracts are presented in Note 3.2.3.1.

16.2. Changes

	Consolidated
Balance on 12/31/2018	**2,863**
Inflows	10
Interest and monetary adjustment	235
Repayment - Principal amount	160
Amortization - Interest and monetary adjustment	(1,348)
Transfers	(235)
Balance on 12/31/2019	**1,685**
Inflows	1,641
Interest and monetary adjustment	54
Repayment - Principal amount	(764)
Amortization - Interest and monetary adjustment	(40)
Balance on 06/30/2020	**2,576**
Current	**1,079**
Non-current	**1,497**

16.3. Maturity

	Consolidated 06/30/2020		
	Local currency	Foreign currency	Total
Current			
2020 to June 2021	1,069	10	1,079
Total	**1,069**	**10**	**1,079**
Non-current			
2021	60	-	60
2022	810	-	810
2023	562	-	562
2024	15	-	15
2025	12	-	12
2026 - 2029	36	-	36
2030 onwards	2	-	2
Total	**1,497**	**-**	**1,497**

17. DEBENTURES

17.1. Breakdown

									Parent company			
									06/30/2020		12/31/2019	
Issuance	Issuer	Type of issuance	Effectiveness	Number of debentures	Unit value (R$)	Issuance amount (R$ milhões)	Charges	Form of amortization	Current	Non-current	Current	Non-current
2nd	ITAÚSA	Single series ICVM No. 476/08	05/2017 to 05/2024	12,000	100,000	1,200	106.9% of CDI	Semiannual interest and principal amount in three annual and successive installments (05/2022, 05/2023 and 05/2024)	3	1,200	6	1,200
Total									3	1,200	6	1,200

									Consolidated			
									06/30/2020		12/31/2019	
Issuance	Issuer	Type of issuance	Effectiveness	Number of debentures	Unit value (R$)	Issuance amount (R$ milhões)	Charges	Form of amortization	Current	Non-current	Current	Non-current
2nd	ITAÚSA	Single series ICVM No. 476/08	05/2017 to 05/2024	12,000	100,000	1,200	106.9% of CDI	Semiannual interest and principal amount in three annual and successive installments (05/2022, 05/2023 and 05/2024)	3	1,200	6	1,200
6th	Cecrisa	Single series ICVM No. 476/08	12/2016 to 12/2021	100,000,000	1	100	CDI + 4.50% p.y.	Quarterly interest with no grace period and quarterly principal amounts as of the 12th month	-	-	59	-
2nd	Duratex	Single series ICVM No. 476/08	05/2019 to 05/2026	120,000	10,000	1,200	108.0% of CDI	Semiannual interest and principal amount in two annual installments (05/2024 and 05/2026)	4	1,198	7	1,198
Total									7	2,398	72	2,398

Debentures do not have guarantees and are not convertible into shares.

The covenants related to the Debentures are presented in Note 3.2.3.1.

17.2. Changes

	Parent company	Consolidated
Balance on 12/31/2018	**1,208**	**1,208**
Inflows	-	1,198
Acquisition of companies	-	70
Interest and monetary adjustment	76	124
Repayment - Principal amount	-	(10)
Amortization – Interest and monetary adjustment	(78)	(120)
Balance on 12/31/2019	**1,206**	**2,470**
Interest and monetary adjustment	23	47
Repayment - Principal amount	-	(60)
Amortization – Interest and monetary adjustment	(26)	(52)
Balance on 06/30/2020	**1,203**	**2,405**
Current	**3**	**7**
Non-current	**1,200**	**2,398**

17.3. Maturity

	Parent company	Consolidated
Current		
2020 to June 2021	3	7
Total	3	7
Non-current		
2022	400	400
2023	400	400
2024	400	999
2026	-	599
Total	1,200	2,398

18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

ITAÚSA and its controlled companies are parties to lawsuits and administrative proceedings involving labor, civil, tax and social security claims arising from the ordinary course of their business.

Based on the opinion of its legal advisors, management believes that the provisions are sufficient to cover any losses arising from the lawsuits and administrative proceedings.

18.1. Provisions

We present below the changes in provisions for the periods:

	Parent company	Consolidated			
	Tax	Tax	Labor	Civil	Total
Balance on 12/31/2018	1,515	1,608	88	14	1,710
Contingencies					
Recognition	163	313	48	15	376
Monetary adjustment	68	73	22	2	97
Reversal	-	(121)	(17)	(17)	(155)
Payments	-	(12)	(25)	(10)	(47)
Acquisition of companies	-	4	12	73	89
Disposal of companies	-	61	5	33	99
Subtotal	**1,746**	**1,926**	**133**	**110**	**2,169**
(-) Judicial deposits (*)	**(408)**	**(418)**	**(27)**	**(51)**	**(496)**
Balance on 12/31/2019 after the offset of judicial deposits	1,338	1,508	106	59	1,673

	Parent company	Consolidated			
	Tax	Tax	Labor	Civil	Total
Balance on 12/31/2019	1,746	1,926	133	110	2,169
Contingencies					
Recognition	1	35	12	2	49
Monetary adjustment	23	26	9	1	36
Reversal	-	(16)	(7)	(4)	(27)
Payments	-	-	(9)	(1)	(10)
Business combinations	-	1	(2)	56	55
Subtotal	**1,770**	**1,972**	**136**	**164**	**2,272**
(-) Judicial deposits (*)	**(429)**	**(439)**	**(29)**	**(49)**	**(517)**
Balance on 06/30/2020 after the offset of judicial deposits	1,341	1,533	107	115	1,755

(*) *These correspond to the deposits linked to the above mentioned provisions. The deposits related to the proceedings that are not recognized in a provision, assessed as possible or remote, are presented in the balance sheet in the "Judicial deposits" amount.*

18.1.1. Tax

The provisions are equivalent to the principal amount of the taxes involved in administrative or judicial disputes that are the subject matter of self-assessment or official assessment, plus interest and, when applicable, fines and charges. In the case of an administrative proceeding that involves a legal obligation, the amount involved is recorded in a provision regardless of the probability of loss since the success in the proceeding depends on the recognition of the unconstitutionality of the Law in force. In other cases, the provision is recognized whenever loss is considered probable.

Parent Company and Consolidated

Noteworthy is the lawsuit filed by ITAÚSA claiming the right to adopt the PIS and COFINS cumulative tax system at 3.65%, in view of the illegality and unconstitutionality of including holding companies in the non-cumulative tax system (9.25%). The challenged and unpaid 5.60% difference, for the April 2011 to October 2017 period, is being demanded through a Tax Enclosure pledged by a performance bond. The difference for the November 2017 to February 2020 period was deposited with the court and, as from March 2020 ITAÚSA has been paying the full PIS and COFINS amounts while it waits for the appeals it has filed to be tried by higher courts. The Company recognized a contingency as it is an issue involving a legal obligation, even though the chance of loss is possible.

On June 30, 2020, adjusted amount is R$1,746 (R$1,723 on December 31, 2019). Judicial deposits total on June 30, 2020 is R$408 (R$388 on December 31, 2019).

18.1.2. Labor

These refer to lawsuits that claim, substantially, alleged labor rights related to overtime, occupational disease, equal pay and joint liability.

18.1.3. Civil

These refer mainly to lawsuits for property damage and pain and suffering.

18.2. Contingent liabilities

ITAÚSA and its controlled companies are parties to labor, civil and tax claims that are in dispute and the losses arising from which were considered possible, not requiring the recognition of a provision, and they are presented below:

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Tax	503	490	1,214	1,171
Labor	-	-	58	64
Civil	19	18	124	94
Total	**522**	**508**	**1,396**	**1,329**

18.2.1. Tax

Among the main disputes in tax proceedings for which the probability of loss is considered possible are the following proceedings:

- Income Tax Withheld at Source, Corporate Income Tax, Social Contribution on Profit, PIS and COFINS (rejection of the request to offset): Cases in which liquidity and the certainty of offsetting credit are considered whose adjusted balance on June 30, 2020 amounts to R$341 (R$314 on December 31, 2019) in ITAÚSA and its controlled companies.

- Taxation on the revaluation reserve of the controlled company Duratex: Dispute related to the taxation of the Revaluation reserve in corporate spin-off operations carried out in 2006 and 2009 whose adjusted balance on June 30, 2020 amounts to R$300 (R$298 on December 31, 2019) in the controlled company Duratex.

- Loss of lawsuit fees (PIS and COFINS tax foreclosure): This refers to the portion of the legal fees related to the tax foreclosure described in note 18.1.1 whose adjusted balance on June 30, 2020 amounts to R$267 (R$264 on December 31, 2019) in ITAÚSA.

- PIS and COFINS (Disallowance of credits): Dispute over the restriction of the right to credit from certain inputs related to these taxes whose adjusted balance on June 30, 2020 amounts to R$69 (R$62 on December 31, 2019) in the controlled company Itautec.

18.3. Contingent assets

ITAÚSA and its controlled companies are parties to a legal dispute for the reimbursement of taxes and contributions, as well as to civil lawsuits in which they have rights to receive or expectations of rights to receive.

The table below presents the main proceedings for which, in accordance with the assessment of the legal advisors, the chances of success are considered probable. As these are contingent assets, the amounts corresponding to these lawsuits and the recording will be carried out in the manner and to the extent of the favorable judgment when this becomes final and unappealable. Accordingly, these lawsuits are not recognized in the Financial Statements.

		Consolidated	
	Note	06/30/2020	12/31/2019
Tax and Civil			
IPI credit premium (1980 to 1985)		128	126
INSS – Social security contributions		70	61
PIS and COFINS	18.3.1	41	17
Collection/payment of extra judicially enforceable instruments		8	8
Monetary adjustment of credits with Eletrobras		12	11
Profits abroad (withdrawal of the deposit)		12	11
Others		9	19
Total		**280**	**253**

ITAÚSA has no contingent assets assessed as probable.

18.3.1. PIS/COFINS – ICMS excluded from calculation basis

In the period, investee Itautec calculated PIS and COFINS credits claimed through a writ of mandamus for the recognition of ICMS to be excluded from the PIS and COFINS calculation basis. As the Extraordinary Appeal No. 574.706 tried by the Brazilian Federal Supreme Court (STF) on a general repercussion basis, had determined that ICMS was not a part of the PIS and COFINS calculation basis, investee Itautec was then awarded a favorable judgment for the writ of mandamus that recognized the application of the thesis established by the STF. A conservative calculation was based on COSIT Internal Consultation Solution No. 13/2018, which determined the exclusion of the ICMS portion effectively paid only, resulting in the amount of R$30 as PIS and COFINS credits. The total credit amount is still pending the review of proper documentation to ascertain the credit right eligibility so as to commence the execution of judgment and the issue of the certificate of judgment debt of the government.

18.3.2. Brazilian Treasury Bonds – ("BTN")

In the quarter, investee Itautec was awarded a final and unappealable decision for the lawsuit claiming the redemption of BTN, which aimed at the recognition of credits due to the incorrect amount being paid for the redemption of the BTN purchased under the scope of Law No. 7,777/89, which had set forth the adjustment to be based on either the Consumer Price Index (IPC) or foreign exchange variation, at the plaintiff's discretion. With the introduction of the Collor Plan and Law No. 8,088/1990, the BTN adjustment index was changed to the Tax Adjustment Index (IRVF) and the exchange variation of the U.S. dollar, thus leading to an understated amount due. The credit amount is to be calculated for the filing of the execution of judgment and subsequent issue of the certificate of judgment debt of the government.

19. EQUITY

19.1. Capital

On June 30, 2020 and December 31, 2019, fully subscribed and paid-up capital amounts to R$43,515 and it comprises book-entry shares with no par value, as presented below:

	06/30/2020					
	Common	%	Preferred	%	Total	%
Controlling group (Egydio de Souza Aranha family)	1,828,486,350	63.27	1,001,146,501	18.13	2,829,632,851	33.64
Other shareholders	1,061,351,420	36.73	4,519,830,659	81.87	5,581,182,079	66.36
Total	**2,889,837,770**	**100.00**	**5,520,977,160**	**100.00**	**8,410,814,930**	**100.00**
Residents in Brazil	2,886,778,915	99.89	3,735,881,194	67.67	6,622,660,109	78.74
Residents abroad	3,058,855	0.11	1,785,095,966	32.33	1,788,154,821	21.26

	12/31/2019					
	Common	%	Preferred	%	Total	%
Controlling group (Egydio de Souza Aranha family)	1,828,486,350	63.27	1,024,860,576	18.56	2,853,346,926	33.92
Other shareholders	1,061,351,420	36.73	4,496,116,584	81.44	5,557,468,004	66.08
Total	**2,889,837,770**	**100.00**	**5,520,977,160**	**100.00**	**8,410,814,930**	**100.00**
Residents in Brazil	2,886,629,869	99.89	3,363,778,766	60.93	6,250,408,635	74.31
Residents abroad	3,207,901	0.11	2,157,198,394	39.07	2,160,406,295	25.69

Preferred shares do not entitle their holders to vote, however, they provide the following advantages to their holders:

- Priority in the receipt of a non-cumulative annual minimum dividend of R$0.01 per share;
- The right, in a possible disposal of control, to be included in a public offering of shares so as to entitle them to a price equal to 80% of the amount paid for a share with voting rights, which is part of the controlling group, and dividends equal to those of the common shares.

Capital may be increased by up to 12,000,000,000 shares, of which up to 4,000,000,000 are common shares and up to 8,000,000,000 are preferred shares.

19.2. Reserves

19.2.1. Revenue reserves

	Parent company					
		Statutory reserves				
	Legal reserve	Dividend equalization	Increase in working capital	Increase in the capital of investees	Additional proposed dividends	Amount
Balance on 12/31/2018	1,746	1,961	1,194	1,376	6,429	12,706
Recognition	516	1,241	496	744	-	2,997
Dividends and interest on capital	-	-	-	-	(6,429)	(6,429)
Proposed dividends and interest on capital	-	-	-	-	3,729	3,729
Expired dividends	-	1	-	-	-	1
Equity in the earnings of investees	-	(54)	-	-	-	(54)
Balance on 12/31/2019	2,262	3,149	1,690	2,120	3,729	12,950
Recognition	81	513	205	308	-	1,106
Dividends and interest on capital	-	-	-	-	(3,729)	(3,729)
Proposed dividends and interest on capital	-	-	-	-	122	122
Expired dividends	-	2	-	-	-	2
Equity in the earnings of investees	-	40	-	-	-	40
Balance on 06/30/2020	2,343	3,704	1,895	2,428	122	10,491

19.3. Carrying value adjustment

	Parent company	
	06/30/2020	12/31/2019
Post-employment benefit	(494)	(505)
Fair value of financial assets	131	325
Translation/hyperinflation adjustment	2,432	544
Hedge accounting	(3,577)	(2,126)
Total	(1,508)	(1,762)

The balances refer, in its totality, to the equity method on the carrying value adjustments of associates and jointly-controlled companies.

19.4. Distribution of profit, Dividends and Interest on capital

19.4.1. Distribution of profit

	Parent company	
	01/01 to 06/30/2020	01/01 to 06/30/2019
Profit	1,610	4,921
(-) Legal reserve	(81)	(246)
Calculation basis of dividends/interest on capital	**1,529**	**4,675**
Mandatory minimum dividend (25%)	**382**	**1,169**
Appropriation:		
Distribution to stockholders		
Dividends	382	1,169
Additional proposed dividends (Revenue reserves)	122	2,031
	504	**3,200**
Revenue reserves	**1,025**	**1,475**
	1,529	**4,675**
% belonging to stockholders	**33.0%**	**68.0%**

Shares of both types are included in profits distributed in equal conditions, after common shares are assured dividends equal to the annual minimum mandatory of R$0.01 per share to be paid to preferred shares.

The amount per share of dividends and interest on income in 2020 is as follows:

	Date of payment (made and expected)	Amount per share		Amount distributed	
		Gross	Net	Gross	Net
Recognized in a provision					
Quarterly dividend payments	07/01/2020	0.02000	0.02000	168	168
Quarterly dividend payments	10/01/2020	0.02000	0.02000	168	168
Additional dividend payments	08/26/2020	0.00546	0.00546	46	46
		0.04546	**0.04546**	**382**	**382**
Proposed					
Additional dividend payments	08/26/2020	0.01454	0.01454	122	122
		0.01454	**0.01454**	**122**	**122**
Total		**0.06000**	**0.06000**	**504**	**504**

19.4.2. Dividends and interest on income payable

Changes in dividends and interest on income is as follows:

	Parent company			Consolidated		
	Dividends	Interest on capital	Total	Dividends	Interest on capital	Total
Balance on 12/31/2018	**342**	**66**	**408**	**507**	**263**	**770**
Dividends from previous years	3,812	2,310	6,122	3,812	2,310	6,122
Dividends for the year	3,536	-	3,536	3,536	-	3,536
Interest on capital	-	43	43	-	129	129
Expired dividends	-	(1)	(1)	-	(1)	(1)
Payments	(7,343)	(2,368)	(9,711)	(7,507)	(2,564)	(10,071)
Balance on 12/31/2019	**347**	**50**	**397**	**348**	**137**	**485**
Dividends from previous years	1,901	1,608	3,509	1,901	1,698	3,599
Dividends for the year	382	-	382	382	-	382
Expired dividends	-	(2)	(2)	-	(2)	(2)
Payments	(2,235)	(1,651)	(3,886)	(2,235)	(1,828)	(4,063)
Balance on 06/30/2020	**395**	**5**	**400**	**396**	**5**	**401**

20. NET REVENUE

	Consolidated			
	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Service and sales revenue				
Domestic market	1,119	1,164	2,327	2,295
Foreign market	175	239	415	451
	1,294	**1,403**	**2,742**	**2,746**
Deductions from revenue				
Taxes and contributions on sales	(248)	(260)	(534)	(532)
	(248)	**(260)**	**(534)**	**(532)**
Total	**1,046**	**1,143**	**2,208**	**2,214**

21. RESULT BY NATURE

		Parent company				Consolidated			
	Note	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Personnel compensation and charges		(18)	(6)	(36)	(18)	(241)	(251)	(509)	(497)
Raw and consumption materials		-	-	-	-	(423)	(548)	(981)	(1,142)
Changes in inventories of finished products and work in process		-	-	-	-	(53)	57	54	207
Change in the fair value of biological assets	10	-	-	-	-	52	78	121	97
Depreciation and amortization		(1)	(1)	(3)	(2)	(132)	(146)	(265)	(304)
Estimated losses on allowance for doubtful accounts		-	-	-	-	(25)	(1)	(28)	(5)
Transportation expenses		-	-	-	-	(69)	(84)	(153)	(170)
Advertising expenses		-	-	-	-	(20)	(24)	(45)	(47)
Insurance		(2)	(2)	(4)	(4)	(3)	(3)	(6)	(6)
Other expenses	21.1	(4)	(19)	(20)	(38)	(125)	(130)	(283)	(227)
Total		**(25)**	**(28)**	**(63)**	**(62)**	**(1,039)**	**(1,052)**	**(2,095)**	**(2,094)**
Reconciliation with Statement of Income									
Cost of products and services		-	-	-	-	(778)	(797)	(1,551)	(1,588)
Selling expenses		-	-	-	-	(173)	(169)	(355)	(331)
General and administrative expenses		(25)	(28)	(63)	(62)	(88)	(86)	(189)	(175)
Total		**(25)**	**(28)**	**(63)**	**(62)**	**(1,039)**	**(1,052)**	**(2,095)**	**(2,094)**

21.1. Other expenses (Parent Company)

Of the accumulated amount of R$20 in 2020 (R$38 in 2019), R$10 (R$31 in 2019) refers to third-party services, such as consulting services and legal fees.

22. OTHER INCOME AND EXPENSES

		Parent company				Consolidated			
	Note	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Dividends and Interest on capital	5	47	45	95	83	47	45	95	83
Amortization of customer portfolio		-	-	-	-	(7)	(7)	(13)	(13)
Income from sale of farms		-	-	-	-	-	1	1	2
Income from sale of PPE	22.1	-	27	-	27	-	27	-	27
Employee benefits		-	-	-	-	-	-	(3)	1
Rental revenue		1	2	2	4	-	2	1	4
Donations - COVID-19	29	(50)	-	(50)	-	(57)	-	(57)	-
ICMS as calculation base of PIS and COFINS		-	-	-	-	-	29	-	29
Others		1	(1)	-	(1)	14	(14)	18	(18)
		(1)	**73**	**47**	**113**	**(3)**	**83**	**42**	**115**

22.1. Result from sale of property, plant and equipment

This refers to the result from the sale of 3.34% ownership, held by ITAÚSA, in Itaú Unibanco Centro Empresarial (IUCE) to Itaú Unibanco Holding, carried out in June 2019.

23. FINANCE RESULT

	Note	Parent company				Consolidated			
		04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Finance income									
Interest income from financial investments		5	10	12	23	15	27	30	56
Fair value of marketable securities	5	25	29	25	53	25	29	25	53
Foreign exchange variation – assets	23.2	-	9	-	26	19	5	67	25
Interest and discounts obtained		-	-	-	-	5	4	9	8
Adjustment to judicial deposits		4	6	8	10	5	7	10	12
Other monetary adjustments		8	10	8	10	7	18	13	24
Other finance income		(4)	(5)	-	-	(3)	(5)	1	2
		38	**59**	**53**	**122**	**73**	**85**	**155**	**180**
Finance costs									
Debt charges		(13)	(23)	(29)	(45)	(51)	(65)	(111)	(127)
Fair value of marketable securities	5	-	-	(47)	-	-	-	(47)	-
PIS/COFINS on financial income	23.1	(2)	(1)	(172)	(245)	(2)	(3)	(173)	(248)
Interest on lease liability		-	-	-	-	(1)	(1)	(2)	(1)
Foreign exchange variation – liabilities	23.2	(22)	(4)	(115)	(23)	(31)	(6)	(146)	(26)
Adjustment to provisions for contingencies		(23)	(34)	(23)	(34)	(23)	(34)	(23)	(34)
Other monetary adjustments		-	-	(1)	-	(4)	(2)	(7)	(4)
Transactions with derivatives		-	-	-	-	(10)	-	(41)	(4)
Other finance costs		12	15	-	-	5	7	(15)	(15)
		(48)	**(47)**	**(387)**	**(347)**	**(117)**	**(104)**	**(565)**	**(459)**
Finance result		**(10)**	**12**	**(334)**	**(225)**	**(44)**	**(19)**	**(410)**	**(279)**

23.1. PIS/COFINS on financial income

This refers mainly to PIS/COFINS levied on the interest on capital received.

23.2. Foreign exchange variation – assets and liabilities (Parent company)

All lines relate to the amount payable to "Nova Infraestrutura Fundo de Investimento em Participações e Multiestratégia", a multi-strategy equity investment fund, driven by the acquisition of 7.65% of NTS (Note 9.2).

24. INCOME TAX AND SOCIAL CONTRIBUTION

The amounts recorded as income tax and social contribution expenses in the financial statements are reconciled with the nominal rates provided for in legislation, as stated below:

	Parent company				Consolidated			
	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Income before income taxes	**606**	**2,542**	**1,601**	**4,940**	**588**	**2,615**	**1,647**	**5,040**
Income tax and social contribution calculated at nominal rates (34%)	**(206)**	**(864)**	**(544)**	**(1,680)**	**(200)**	**(889)**	**(560)**	**(1,714)**
(Addition)/Reduction for calculation of effective income tax and social contribution								
Equity in the earnings of subsidiaries	218	845	663	1,739	214	837	647	1,729
Dividends on investments classified as financial assets	15	14	31	26	15	14	31	26
Interest on Capital	-	-	-	-	-	-	-	-
Constituição (reversão) de crédito tributário diferido de exercícios anteriores	-	-	-	-	-	-	-	-
Deferred tax assets not recognized	(33)	(100)	(137)	(100)	(35)	(100)	(139)	(103)
Decorrentes de diferenças temporárias	19	(59)	(51)	(59)	18	(58)	(52)	(60)
Decorrentes de prejuízos fiscais e bases negativas	(52)	(41)	(86)	(41)	(53)	(42)	(87)	(43)
Impairment of intangible assets	-	-	-	-	-	-	-	-
Difference in taxation of controlled company	-	-	-	-	9	14	12	18
Non-deductible expenses	(2)	(2)	(4)	(4)	(9)	(12)	(11)	(16)
Other adjustments	-	-	-	-	-	-	-	-
Income tax and social contribution calculated	**(8)**	**(107)**	**9**	**(19)**	**(6)**	**(136)**	**(20)**	**(60)**
Current	-	-	-	-	(10)	(18)	(29)	(37)
Deferred	(8)	(107)	9	(19)	4	(118)	9	(23)
Effective rate	**1.3%**	**4.2%**	**-0.6%**	**0.4%**	**1.0%**	**5.2%**	**1.2%**	**1.2%**

25. EARNINGS PER SHARE

	Parent company and Consolidated			
	04/01 to 06/30/2020	04/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Numerator				
Profit attributable to controlling stockholders				
Preferred	393	1,598	1,057	3,230
Common	205	837	553	1,691
	598	**2,435**	**1,610**	**4,921**
Denominator				
Weighted average number of outstanding shares				
Preferred	5,520,977,160	5,520,897,950	5,520,977,160	5,520,878,148
Common	2,889,837,770	2,889,839,019	2,889,837,770	2,889,839,331
	8,410,814,930	**8,410,736,969**	**8,410,814,930**	**8,410,717,478**
Basic and diluted earnings per share (in Brazilian Reais)				
Preferred	0.07	0.29	0.19	0.59
Common	0.07	0.29	0.19	0.59

26. SEGMENT INFORMATION

The disclosed operating segments reflect, in a consistent manner, the management of decision-making processes and the monitoring of results by the Executive Committee, the main operational decision-maker at ITAÚSA.

Companies in which ITAÚSA invests are independent to define different and specific standards in management and segmentation of their respective business.

The accounting policies for each segment are in compliance with used by ITAÚSA. Segments have a diversified customer portfolio, with no concentration on revenue.

ITAÚSA's operating segments were defined in accordance with the reports presented to the Executive Committee. Segments included in the consolidated financial statements of ITAÚSA are as follows:

- **Duratex:** It has 3 business segments: (i) Deca – manufactures and sells bathroom porcelains and metals, showers and electric taps, sold under Deca and Hydra brands, distinguished for a wide line of products, bold design and high quality; (ii) Ceramic tiles – manufactures and sells floor and wall coatings under Ceusa, Cecrisa, and Portinari brands, distinguished in the domestic market for its innovation, quality and cutting-edge technology; and (iii) Wood – manufactures and sells wood panels from pine and eucalyptus from certified reforestation forests, largely used in the manufacture of furniture, mainly fiberboard, chipboard and medium, high and super-density fiberboards, better known as MDF, HDF and SDF, from which laminate and vinyl flooring, under Durafloor brand, and ceiling and wall coatings are manufactured.

- **Other:** These refer to the information on Itautec and ITH Zux Cayman. In 2019, Itaúsa Empreendimentos (merged into ITAÚSA on August 2019) is also included.

	Duratex	ITAÚSA	Other	(-) Elimination	Consolidated	Duratex	ITAÚSA	Other	(-) Elimination	Consolidated
Balance sheet			06/30/2020					12/31/2019		
Total assets	10,970	56,548	66	(1,770)	65,814	10,715	58,571	69	(1,879)	67,476
Total liabilities	6,246	3,652	28	(3)	9,923	5,783	3,339	28	(31)	9,119
Total stockholders' equity	4,722	52,896	36	(4,758)	52,896	4,931	55,232	40	(4,971)	55,232
Statement of income			01/01 to 06/30/2020					01/01 to 06/30/2019		
Net revenue	2,208	-	-	-	2,208	2,217	-	17	(20)	2,214
Domestic market	1,825	-	-	-	1,825	1,806	-	8	(10)	1,804
Foreign market	383	-	-	-	383	411	-	-	-	411
Equity in the earnings of subsidiaries	(41)	1,951	-	(8)	1,902	-	5,114	-	(30)	5,084
Finance result	(76)	(334)	-	-	(410)	(66)	(225)	12	-	(279)
Depreciation and amortization	(262)	(3)	-	-	(265)	(301)	(2)	(1)	-	(304)
Income tax and social contribution	(29)	9	-	-	(20)	(38)	(19)	(3)	-	(60)
Profit	28	1,610	(3)	(8)	1,627	93	4,921	(4)	(30)	4,980
Performance analysis										
ROE [1]	1.2%	6.0%	-	-	-	4.0%	18.7%	-	-	-
Internal generation of resources[2]	401	(167)	-	-	-	468	(45)	-	-	-

[1] *Represents the ratio of net income to average stockholders' equity, both attributable to controlling stockholders.*
[2] *Refers to line "Net cash from operating activities" in Statement of cash flows.*

Even though Itaú Unibanco, Alpargatas and NTS are not controlled companies and, therefore, are not included in the consolidated financial statements, Management reviews their information and consider them as a segment, as they are part of ITAÚSA's investment portfolio. Their activities are detailed as follows:

- **Itaú Unibanco:** it is a banking institution that offers, directly or by means of its subsidiaries, a broad range of credit products and other financial services to a diversified individual and corporate client base in Brazil and abroad.

- **Alpargatas:** its activities include the manufacturing and sale of footwear and its respective components, apparel, textile items and respective components, leather, resin and natural or artificial articles, and sports articles.

- **NTS:** a natural gas transporter, by means of gas pipelines, that operates in the states of Rio de Janeiro, Minas Gerais and São Paulo, which correspond to approximately 50% of the consumption of gas in Brazil. This system has connections with the Brazil-Bolivia gas pipeline, with liquefied natural gas (LNG) terminals and with gas processing units.

	Itaú [1]	ALPARGATAS	NTS	Itaú [1]	ALPARGATAS	NTS
Balance Sheet	06/30/2020			12/31/2019		
Total assets	1,954,009	6,652	10,117	1,637,481	4,522	10,150
Total liabilities	1,811,076	3,730	7,509	1,488,016	1,787	6,927
Total stockholders' equity	131,681	2,852	2,608	136,925	2,643	3,223
Statement of Income	01/01 to 06/30/2020			01/01 to 06/30/2019		
Net revenue [2]	87,784	1,428	2,295	95,212	1,666	2,181
Domestic market	72,858	914	2,295	81,171	1,175	2,181
Foreign market	14,926	514	-	14,041	491	-
Equity in the earnings of subsidiarie	604	-	-	577	-	-
Finance result [3]	-	6	(84)	-	(18)	(155)
Depreciation and amortization	(2,448)	(86)	(180)	(2,261)	(84)	(177)
Income tax and social contribution	15,297	8	(593)	(5,536)	(49)	(535)
Net income	5,182	81	1,203	13,274	86	1,099
Performance analysis						
ROE	8.0%	5.9%	-	21.7%	7.1%	-
Internal generation of resources	34,372	110	-	28,471	275	-

[1] This corresponds to the direct and indirect interest by means of IUPAR (please see Note 13.3)

[2] For Itaú Unibanco, this corresponds to: (i) Income from interest, yield and dividends; (ii) Adjustment to fair value of financial assets and liabilities; (iii) Income from foreign exchange operations and foreign exchange variations on transactions abroad; (iv) Service revenue; and (v) Income from insurance and pension plan operations.

[3] Since Itaú Unibanco is part of the "Financial segment", finance income and costs are included in "Net revenue".

27. RELATED PARTIES

Transactions between related parties arise from the ordinary course of business and are carried out based at amounts and usual market rates prevailing on the respective dates, as well as under reciprocal conditions.

ITAÚSA has a "Policy for Transactions with Related Parties" approved by the Board of Directors that is aimed at establishing rules and procedures to assure that the decisions involving transactions with related parties and other situations with potential conflicts of interest are made so as to ensure reciprocity and transparency, thus guaranteeing to stockholders, investors and other stakeholders that the transactions were based on the best corporate governance practices.

In addition to the amounts of dividends receivable (Note 8), the other balances and transactions between related parties are presented below:

	Nature	Relationship	Parent company 06/30/2020	Parent company 12/31/2019	Consolidated 06/30/2020	Consolidated 12/31/2019
Assets						
Cash and cash equivalents			-	-	**61**	**43**
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	61	43
Customers			-	-	**19**	**32**
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Duratex	-	-	19	32
Ativo Biológico			-	-	**8**	-
LD Celulose		Non-controlling stockholder of controlled company Duratex	-	-	8	-
Total			-	-	88	75
Liabilities						
Debts			-	-	**(608)**	-
Itaú Unibanco	Debts	Jointly-controlled company	-	-	(608)	-
Leases			-	-	**(30)**	**(289)**
Ligna Florestal Ltda.	Lease liabilities	Non-controlling stockholder of controlled company Duratex	-	-	(30)	(29)
LD Florestal	Lease liabilities	Indirect jointly-controlled company	-	-	-	(260)
Other liabilities			**(18)**	**(1)**	**(22)**	**(4)**
Itaú Unibanco	Provision of services	Jointly-controlled company	-	-	(4)	(5)
Fundação Itaú para a Educação e Cultura	Donations - All for Health (Todos pela Saúde)	Jointly-controlled company	(17)	-	(17)	-
Itaú BBA	Debenture issue costs	Jointly-controlled company	-	-	-	2
Itaú Corretora	Provision of services	Jointly-controlled company	(1)	(1)	(1)	(1)
Total			(18)	(1)	(660)	(293)

Profit or loss	Nature	Relationship	Parent company 01/01 to 06/30/2020	Parent company 01/01 to 06/30/2019	Consolidated 01/01 to 06/30/2020	Consolidated 01/01 to 06/30/2019
Net revenue			-	-	**40**	**53**
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Duratex	-	-	40	53
Cost of products and services			-	-	**(3)**	**(13)**
Ligna Florestal Ltda.	Agricultural lease contracts	Non-controlling stockholder of controlled company Duratex	-	-	(1)	(1)
LD Florestal	Agricultural lease contracts	Indirect jointly-controlled company	-	-	(2)	(12)
General and administrative expenses			**(6)**	**(24)**	**(6)**	**(5)**
Itaú Corretora	Provision of services	Jointly-controlled company	(6)	(4)	(6)	(4)
Itaú Unibanco	Agreement for the Apportionment of Common Costs	Jointly-controlled company	-	-	-	(1)
Itaúsa Empreendimentos	Provision of services	Controlled company	-	(20)	-	-
Other income and expenses			**(47)**	**40**	**(49)**	**38**
Itaú Unibanco	Revenue from rental	Jointly-controlled company	-	1	-	1
Itaú Unibanco	Sale of PPE	Jointly-controlled company	-	37	-	37
Itaú Unibanco	Other	Jointly-controlled company	1	-	1	-
Fundação Itaú para a Educação e Cultura	Donations - All for Health (Todos pela Saúde)	Jointly-controlled company	(50)	-	(50)	-
Duratex	Revenue from rental	Controlled company	2	2	-	-
Finance result			-	-	**(6)**	**1**
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	2	1
Itaú Unibanco	Finance costs	Jointly-controlled company	-	-	(8)	-
Total			(53)	16	(24)	74

27.1. Guarantees offered

ITAÚSA is a guarantor of the following transactions:

Related party	Relationship	Type	Subject matter	Parent company 06/30/2020	Parent company 12/31/2019
Duratex	Controlled company	Surety	Loan	26	28
Duratex Florestal Ltda.	Indirectly-controlled company	Surety	Loan	36	38
Itautec	Controlled company	Surety	Surety - Collateral in lawsuits	35	26
Total				97	92

27.2. Management compensation

	Parent company		Consolidated	
	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Compensation	19	14	33	30
Payroll charges	3	1	5	4
Short-term benefits [1]	1	-	1	1
Share-based compensation plan	-	-	2	2
Other long-term incentives	1	1	1	1
Total	**24**	**16**	**42**	**38**

[1] *Include: Medical and dental assistance, meal subsidy, and life insurance.*

28. NON-CASH TRANSACTIONS

In conformity with CPC 03 (R2) / IAS 7 – Statement of Cash Flows, any investment and financing transactions not involving the use of cash or cash equivalents should not be included in the statement of cash flows.

All investment and financing activities not involving changes in cash and therefore are not recorded in any account in the Statement of Cash Flows, are shown as follows:

	Parent company		Consolidated	
	01/01 to 06/30/2020	01/01 to 06/30/2019	01/01 to 06/30/2020	01/01 to 06/30/2019
Dividends/Interest on capital (Gross) resolved upon and not received	174	520	172	520
Dividends/Interest on capital (Gross) resolved upon and not paid	382	1,169	382	1,169
Total	**556**	**1,689**	**554**	**1,689**

29. ADDITIONAL INFORMATION

COVID-19 impacts

Together with its investees, ITAÚSA has undertaken efforts to minimize the impacts of the current COVID-19 pandemic on its operations and society, in addition to adopting a number of measures to protect the employees' health, wellbeing and safety.

ITAÚSA's Management has been constantly monitoring the economic and financial impacts of this pandemic that adversely impact its results and those of its investees.

We highlight below some effects on the Interim Financial Statements of June 30, 2020 on Itaúsa and main investees:

- **ITAÚSA:**(i) foreign exchange variation on the time installment denominated in U.S. dollars in connection with the acquisition of interest in NTS' capital; and (ii) extension of tax payment terms. Moreover, aimed at supporting public health activities and contributing to the pandemic relief efforts, ITAÚSA approved a R$50 million donation to the "Todos pela Saúde" (All for Health) alliance.

- **Itaú Unibanco:**(i) increase in loans and financing, particularly for companies; (ii) increase in the number of requests for renegotiating and extending loan operation payment terms; (iii) impacts on the allowance for estimated losses on doubtful accounts and impairment of financial assets; (iv) impacts on its financial instruments pricing driven by market high volatility; and (v) increase in loans raised. Furthermore, in April 2020, Itaú Unibanco set up the "Todos pela Saúde" (All for Health) initiative with the donation of R$1 billion to fight the novel COVID-19 and its effects on Brazilian society. The "Todos pela Saúde" initiative will operate by way of four action axes: Informing, Protecting, Caring, and Resuming.

- **Alpargatas:**(i) strengthening the cash position through funding of bank credit lines to protect liquidity; (ii) extending tax payment terms; (iii) increase in expected loan loss from customers due to higher credit risk and extensions of securities terms; (iv) lower dilution of labor force cost and manufacturing expenses; (v) renegotiating agreements for discounts from rents of shops and offices; and (vi) drop in the sales volume in all segments. Alpargatas donated funds and products, in the amount of R$17, at cost value, through the Instituto Alpargatas and the "Todos pela Saúde" (All for Health) alliance.

- **Duratex:**(i) debt increase driven by loans raised for proper liquidity management; (ii) extending terms for trade accounts receivable, partially mitigated by extended terms with suppliers and extending tax payment terms; (iii) supplementing the provision for loan losses; (iv) change in the production scale with drop in net revenue and lower dilution of fixed costs; (v) negative impact of foreign exchange variation; and (vi) drop in the sales volume in all segments. Duratex contributed with funds and products to 20 initiatives across Brazil and benefitted field hospitals and social actions in the total amount of R$7, at cost value.

The main impacts of COVID-19 on the Interim Financial Statements are stated in Notes:6 – Trade accounts receivable, 9 – Other assets and liabilities, 16 – Loans and financing, and 22 – Other income and expenses.

It is noteworthy mentioning that ITAÚSA and investees keep on monitoring and assessing the impacts of the pandemic on their results, as well as the effects on estimates and critical judgments involving their Financial Statements.

30. SUBSEQUENT EVENTS

30.1. Investee Duratex – Payment of capital in affiliate company

Over July 2020, Duratex paid up capital in its affiliate LD Celulose S.A in the total amount of R$140.

30.2. Investee Duratex – Full acquisition of Viva Decora

Through the Announcement to the Market disclosed on August 5, 2020, investee Duratex announced that on July 31, 2020 it had entered into an agreement for the full acquisition of then affiliate Viva Decora Internet Ltda. ("Viva Decora"), in which it already held a 44.16% ownership interest.

Viva Decora is an interior design inspiration and interior refurbishment platform, with a base of over 120,000 architects and designers registered. With such move, investee Duratex takes one more step towards the leverage of its online channels, in addition to strengthening ties with partners and end consumers by aligning technology and innovation.

No financial disbursement will be required by Duratex for such acquisition, as the payment to other stockholders will be made from the cash available at Viva Decora.

30.3. Investee Itautec – Agreement entered into with LG Electronics Inc. ("LG")

On August 5, 2020, investee Itautec entered into an agreement with LG for R$28 (gross), not including other process-related costs. LG is one of the defendants in an action for damages brought in the Netherlands for the refunding of the overstated amount paid in the purchase of cathode ray tubes (CRTs) used in the production of TV and computer monitors (CPTs and CDTs) as a result of anticompetitive practices in Brazil and abroad occurred from 1995 to 2007.

The amount receivable is subject to the compliance with obligations set forth in the Agreement, including LG being dropped from the lawsuit, with the receipt of such amount being expected for this year already. Furthermore, with respect to the amount receivable, net of corresponding costs, investee Itautec is subject to the commitment to pay stockholders who had been holders of common shares on February 24, 2019, proportionally to the interest each stockholder held in the capital stock on such date, in accordance with item 10 of the Material Fact disclosed by ITAÚSA on March 29, 2019.

*   *   *

(A free translation of the original in Portuguese)

Report on review of parent company and consolidated interim financial statements

To the Board of Directors and Stockholders
Itaúsa S.A.

Introduction

We have reviewed the accompanying balance sheet of Itaúsa S.A. ("Company") as at June 30, 2020 and the related statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated balance sheet of Itaúsa S.A. and its subsidiaries ("Consolidated") as at June 30, 2020 and the related consolidated statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

Other matters

Statements of value added

The interim financial statements referred to above include the parent company and consolidated statements of value added for the six-month period ended June 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, August 10, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Emerson Laerte da Silva
Contador CRC 1SP171089/O-3

ITAÚSA
CNPJ 61.532.644/0001-15
A Publicly Listed Company

OPINION OF THE FISCAL COUNCIL

The members of Fiscal Council of **ITAÚSA S.A.** ("Company") have proceeded to examine the individual and consolidated interim financial statements for the quarter ending June 30, 2020, which were reviewed by PricewaterhouseCoopers Auditors Independents ("PwC"), as Conglomerate's independent auditor.

The Fiscal Councilors have verified the exactness of the elements examined and considering the unqualified report issued by PwC, understand that these documents adequately reflect the equity situation, the financial position and the activities of Company in the period. São Paulo (SP), August 10, 2020. (signed) Tereza Cristina Grossi Togni – President; Eduardo Rogatto Luque, Flávio César Maia Luz, Isaac Berensztejn and Marco Túlio Leite Rodrigues – Councilors; and Rosangela Valio Camargo - Secretary.

ALFREDO EGYDIO SETUBAL
Investor Relations Officer

ITAÚSA
CNPJ 61.532.644/0001-15
A Publicly Listed Company

SUMMARIZED MINUTES OF THE MEETING OF THE BOARD OF OFFICERS HELD ON AUGUST 10, 2020

DATE, TIME, FORM AND PLACE: on August 10, 2020 at 1:00 p.m., pursuant to sub-item 7.7.1 of the Bylaws, reason why the meeting will be considered as held at the registered office the **ITAÚSA S.A.,** located at Paulista Avenue, 1938, 5th floor, in the city and state of São Paulo.

CHAIR: Alfredo Egydio Setubal, CEO.

QUORUM: all members of the Executive Committee, with the participation of Managing Officers invited to participate in the meeting.

RESOLUTIONS ADOPTED: following due examination of the interim individual and consolidated account statements for the second quarter of 2020, which were favorably recommended by the Finance Commission, the Board unanimously resolved, in the terms to sub-item 7.7 of the Bylaws, and pursuant to the provisions in sub-section V and VI of Article 25 of CVM Instruction 480/09, amended, declare that:

(i) bit has reviewed, discussed and agrees with the opinions expressed in the review report issued by PricewaterhouseCoopers Auditores Independentes, as independent auditors; and

(ii) it has reviewed, discussed and agrees with the interim individual and consolidated account statements for the quarter ended on June 30, 2020.

CONCLUSION: there being no further matters to discuss, these minutes were drafted, read and approved by the Executive Committee, by e-mail. São Paulo (SP), August 10, 2020. (signed) Alfredo Egydio Setubal - CEO; Alfredo Egydio Arruda Villela Filho, Roberto Egydio Setubal and Rodolfo Villela Marino - Vice Presidents.

ALFREDO EGYDIO SETUBAL
Diretor de Relações com Investidores