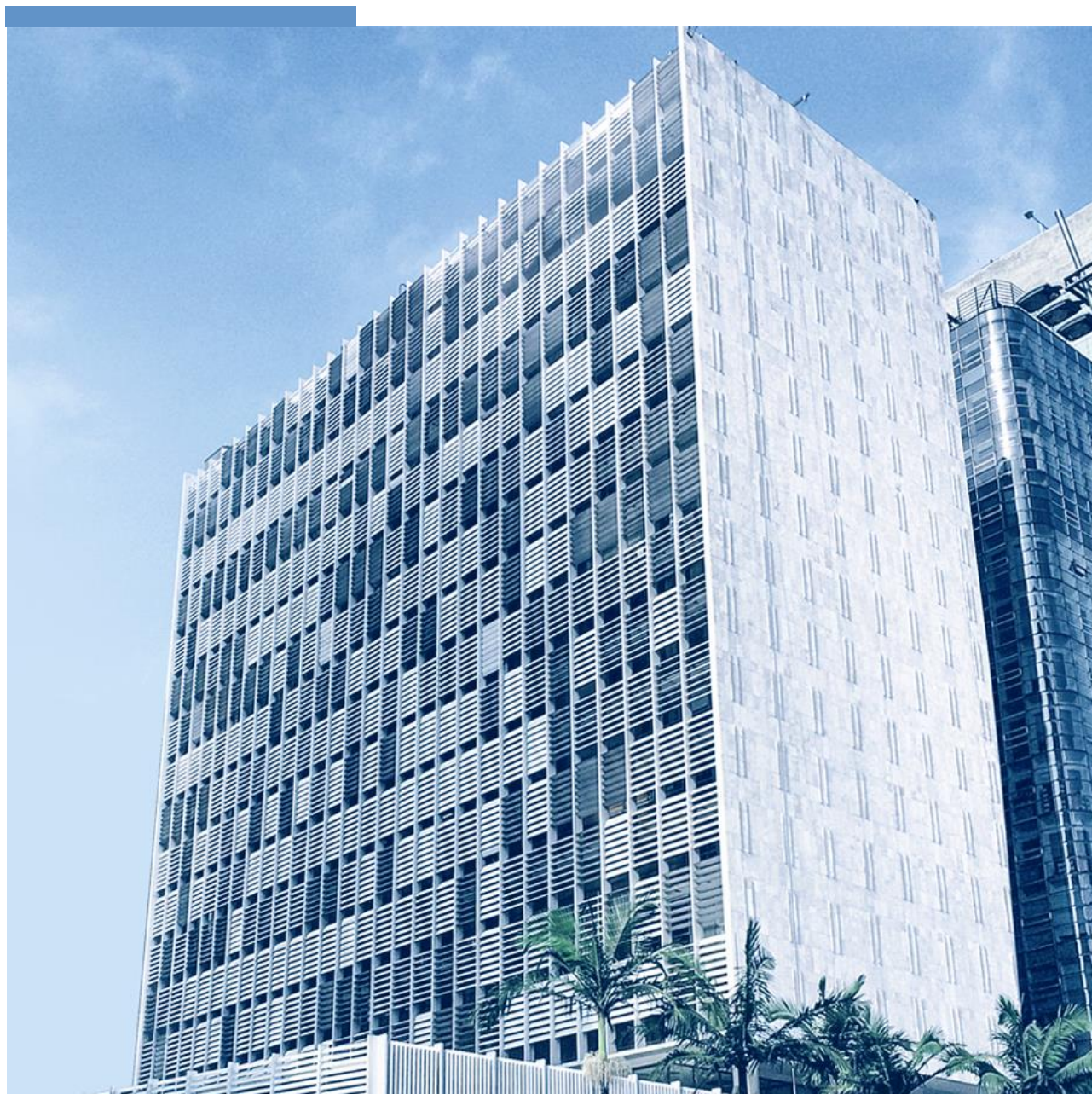


ITAÚSA



Itaúsa Headquarters | Paulista Avenue - São Paulo/Brazil

Interim Financial Statements

September 30, 2020

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Management Report

We present the Management Report and the individual and consolidated Financial Statements of Itaúsa S.A. (Itaúsa) for the third quarter of 2020 (3Q20). These 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 audited 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

In line with a dynamic similar to other emerging and developed economies, Brazil has provided indicators that pointing out to a slight economic recovery from the most critical point of the recent crisis caused by the Covid-19 pandemic, even though this trend has not yet been noted in the sectors most directly impacted by social distancing measures. However, a scenario of income recovery, through the gradual resumption of activities and government stimulus, combined with the uncertainties in connection with economy growth, the evolution of the Covid-19 pandemic and declining tax stimulus, has generated greater volatility in the business environment in the short-term.

Against this backdrop, our group's companies and as a result Itaúsa proceed to depict the developments of the crisis and the impacts of stimulus and other measures adopted by the Brazilian government on operations over the third quarter of 2020. Accordingly, an improvement could be noted in the operational performance of most of our investees, such as Alpargatas and Duratex, which outperformed in terms of sales volumes, margins and results of operations by recording the 3rd best quarter of the history of both companies. These companies' industrial plants are operating at full capacity, which has led to a greater dilution of fixed costs. Another highlight goes to online sales, which remain robust in spite of the re-opening of physical sales channels, thus evidencing that the trend to value such channel should proceed.

A slower recovery can be noted in the financial sector, with financial margins squeezed by the current level of the basic interest rate (Selic), in addition to the impacts from the significant volume of renegotiations, with more favorable conditions to clients, achieved since the outset of the pandemic. On the other hand, significant improvements are noted as Itaú Unibanco became even more efficient by combining the closure of physical branches and remarkable investments in technology, as a result of lower non-interest expenses, which in the first nine months of 2020 were lower on a year-on-year basis, even with the adverse exchange variation effect on foreign investment expenses.

Itaúsa once again underscores its commitment to seek to maximize return to stockholders by an efficient capital management, which is expressed by guiding investees towards improved savings of costs and expenses, margin gains, technology investments and digital transformation, as well as ensuring our employees' health and wellbeing. This all can be illustrated by the recent disclosure of the succession process of Itaú Unibanco's CEO. Milton Maluhy Filho has been elected to take over Candido Bracher, who will reach the age limit of 62 years this coming December 2020. Mr. Bracher, who will resume his position at Itaú Unibanco's Board of Directors in 2021,

leaves his mark in the company's history in a number of fronts, particularly in the renewed client focus, already consolidated in the Company, and will remain as a key hallmark in Itaú Unibanco's history.

The last highlight goes to the headway made by the assessment process of the Acquiring Group's acquisition of Liquigás, merged into by Itaúsa and other companies, with the approval of such transaction receiving the favorable recommendation of the General Superintendency of CADE, the Brazilian antitrust authority, on October 6, 2020. This will be followed by the assessment of the CADE's court, which will have to state its final position within 60 days from the aforementioned approval.

2. Itaúsa Highlights

Itaúsa Panorama – Value beyond the numbers



On September 23, 2020, Itaúsa held the 20th edition of its annual public meeting with the support of the Association of Capital Market Analysts and Professionals (APIMEC/SP), which was fully digital for the first time ever. This so-called Itaúsa Panorama – Value beyond the numbers (*"Panorama Itaúsa - Valores além dos números"*) edition, featuring Itaúsa's executives and the CEOs of the group's companies, addressed the strategies and future prospects of the holding company and investees, in

addition to holding debates on the current and future economic scenario with interactions between the hosts and the audience, which was made up of tens of thousands of attendees.

The *replay* of this event is available on our YouTube channel. Take advantage and register to follow Itaúsa's publications at: https://www.youtube.com/channel/UCH9F6ENQY5STOX-WOIdk_hw.

Itaúsa is among the world's best companies to work for

On October 15, 2020, Forbes published its annual list of the best companies to work for in 2020. In partnership with Statista, this ranking surveyed 160,000 employees from 58 countries and mainly inquired about the attitude of each company in the face of the Covid-19 crisis, talent development, gender equality, and social responsibility. This ranking comprises 750 companies, of which only seven are from Brazil, with Itaúsa ranked 2nd among these seven (and 358th in the general ranking).



Itaúsa, Itaú Unibanco, Duratex, and Alpargatas make up the S&P/B3 Brasil ESG index

B3 and S&P Dow Jones, the world's largest index provider, jointly launched the S&P/B3 Brasil ESG index. Launched on September 8, 2020, this index adopts criteria based on environmental, social and governance (ESG) practices and is aimed at measuring the performance of companies' securities adhering to such criteria to select companies for its portfolio. Made up of 96 companies listed on the B3, Itaúsa, Itaú Unibanco, Duratex and Alpargatas are currently ranked 4th, 5th, 28th and 42nd index-weighted assets, respectively. The launch of this index widens the range of investments recommended in sustainable companies in Brazil and strengthens Itaúsa's commitment to its sustainability strategy and ongoing search for an active engagement in this topic.

Subsequent Event

Corporate Restructuring of Itaú Unibanco involving the investment in XP Inc.

As announced in the Material Fact published on November 04, 2020, Itaú Unibanco, Itaúsa's largest investee, has been keeping internal discussions on the future of its investment in XP Inc., and it is analysing the possibility of segregating this business line into a new company, named "Newco" for the time being, by carrying out a spin-off.

If this transaction is carried out, Newco would be a publicly-held company listed on stock exchange and a signatory to the current XP Shareholders' Agreement with Itaú Unibanco, whose only asset would be the shares Itaú holds of XP's capital (41.05% of XP Inc.'s capital), and would, initially, have the same stockholders as the Bank's.

Itaúsa does not intend to dispose of a significant ownership interest in Newco in the short term and will remain aligned with XP's strategy. According to Itaúsa's portfolio diversification strategy applied to its investments in companies of the non-financial sector, Itaúsa does not deem this interest as strategic in the long term, with this asset being subject to assessments in the scope of its portfolio monitoring process.

According to Itaú Unibanco, this move should be carried out in 2021 only. Therefore, this transaction should not have effects on Itaúsa's results in this fiscal year.

For this Material Fact in full, please access: <http://www.itausa.com.br/en/announcements-and-minutes/material-facts>

3. Itaúsa's 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 its individual results are shown in the table below:

	9M20	9M19	Change	9/30/2020	9/30/2019	Change
PROFITABILITY⁽¹⁾						
Net income	3,394	6,862	-50.5%	0.40	0.82	-50.5%
Recurring net income	4,488	7,192	-37.6%	0.53	0.86	-37.6%
Return on Equity (annualized)	8.4%	17.4%	- 9.0 p.p.			
Recurring Return on Equity (annualized)	11.2%	18.3%	- 7.1 p.p.			
BALANCE SHEET ^{(1) (2)}						
Total assets	58,078	55,509	4.6%			
Stockholders' equity	54,493	52,130	4.5%	6.48	6.20	4.5%
CAPITAL MARKET						
Market Value ⁽³⁾	74,015	110,855	-33.2%			
Average Daily Traded Volume (ADTV) on B3 ⁽⁴⁾	308	292	5.5%			

(1) Amounts attributable to controlling stockholders.

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

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

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

Pro Forma Individual Result of Itaúsa¹

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	3Q20		3Q19		Δ %	9M20		9M19		Δ %
INVESTEES' RESULTS IN ITAÚSA	2,035	100%	2,570	99%	-20.8%	4,790	104%	7,615	110.5%	-37.1%
FINANCIAL SECTOR	1,895	93%	2,471	96%	-23.3%	4,650	97%	7,322	96.2%	-36.5%
NON-FINANCIAL SECTOR	141	7%	105	3%	34.3%	143	7%	304	14.9%	-52.9%
ALPARGATAS	28		25		12.0%	53	3%	57	2.8%	-7.0%
DURATEX	64		11		481.8%	90	4%	44	2.2%	104.5%
NTS ⁽²⁾	49		69		-29.0%	-	0%	203	10.0%	-100.0%
OTHER COMPANIES	(1)	0%	(6)	0%	-83.3%	(3)	0%	(11)	-0.5%	-
RESULTS OF ITAÚSA	(52)		(48)		8.3%	(303)		(378)		-19.8%
FINANCIAL INCOME / EXPENSES	(3)		(15)		-80.0%	(22)		(36)		-38.9%
ADMINISTRATIVE EXPENSES	(33)		(31)		6.5%	(95)		(93)		2.2%
TAX EXPENSES	(18)		(3)		500.0%	(190)		(252)		-24.6%
OTHER OPERATING REVENUES	2		1		-	4		3		33.3%
INCOME BEFORE INCOME TAX/SOCIAL CONTRIBUTION	1,983		2,522		-21.4%	4,487		7,237		-38.0%
INCOME TAX / SOCIAL CONTRIBUTION ⁽³⁾	(8)		(21)		-61.9%	1		(44)		-
RECURRING INDIVIDUAL NET INCOME	1,975		2,501		-21.0%	4,488		7,193		-37.6%
NON-RECURRING RESULTS	(191)		(560)		-	(1,094)		(331)		230.5%
ITAÚSA'S RESULTS	(3)		-		-	(53)		28		-289.3%
FINANCIAL SECTOR	(136)		(533)		-	(907)		(324)		179.9%
NON FINANCIAL SECTOR	(52)		(27)		-	(134)		(35)		282.9%
NET INCOME	3,568		3,882		-8.1%	6,788		13,723		-50.5%

(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 3Q20 totaled R\$2,035 million, down 21% on a year-on-year basis, and was mainly driven by the performance below par of **Itaú Unibanco's** results, which was adversely impacted by higher expected loan losses in connection with the change in the macroeconomic scenario (Covid-19) and lower interest margin, in spite of being partially offset by more controlled general and administrative expenses. Investees from the consumer goods and civil construction segments performed well, recording the 3rd best quarter of each company's history ever. **Alpargatas** recorded growth in its Brazil and International operations (+17.8% in revenue and 9.6% in volume), with better performance in the different channels, which was partially offset by the lower contribution from ex-Havaianas operations. **Duratex** also recorded a significant increase in sales in all its Divisions, together with productivity gains from improved asset management, combined with greater efficiency in costs and expenses and the full consolidation of Cecrisa's and Ceusa's results. At last, the results recorded in Itaúsa arising from the investment in **NTS** were adversely impacted mainly by the lower appreciation of the fair value in 3Q20 on a year-on-year basis.

Equity in the Earnings of Investees in 3Q20 was affected by relevant non-recurring events, which totaled a negative result of R\$191 million. Noteworthy were the expense on extraordinary mark-to-market of collateralized securities at Itaú Unibanco, the effect of expenses on provisions for restructuring and write-off of assets arising from the disposal of Mizuno operations and financial expenses in connection with the prepayment of the extraordinary funding raised at the onset of the pandemic to increase liquidity at Alpargatas, expenses on the dissolving wood pulp (DWP) project, and provision for contingencies at Duratex.

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\$33 million in 3Q20, up 6.5% on a year-on-year basis, mainly driven by higher expenses on monetary adjustment of insurance and bank guarantees offered in lawsuits and the share bookkeeping service, arising from the 184% increase in the stockholder base over the prior 12 months (see section "Capital Markets" below).

Tax expenses totaled R\$18 million in 3Q20, arising from PIS/COFINS expenses on interest on capital received from Itaú Unibanco, up R\$16 million on a year-on-year basis when no interest on income was received from investees.

Finance Result totaled R\$3 million in expenses in 3Q20, down 80% 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\$1,784 million in the quarter, down 8% on a year-on-year basis, arising from lower equity in the earnings of Itaú Unibanco, the reasons for which were mentioned above, and non-recurring effects highlighted below. Recurring net income was R\$1,975 million, down 21% on a year-on-year basis.

Reconciliation of Recurring Net Income

	3Q20	3Q19	9M20	9M19
Recurring Net income	1,975	2,501	4,488	7,193
Addition/(Exclusion) of Non-Recurring Effects D = (A + B + C)	(191)	(560)	(1,094)	(331)
Own (A)	(3)	-	(53)	28
Donation to the Program "Todos pela Saúde"	-	-	(50)	-
Disposal of interest in Itaú Unibanco Centro Empresarial	-	-	-	28
Others	(3)	-	(3)	-
Arising from Ownership Interest in the Financial Sector (B)	(136)	(533)	(907)	(324)
Change of treasury shares	-	2	130	214
Itaú Corpbanca Goodwill Impairment	-	-	(543)	-
Donation to the Program "Todos pela Saúde"	(5)	-	(317)	-
Mark to Market of Collateralized Securities	(129)	-	(243)	-
Others	(2)	(535)	66	(538)
Arising from Ownership Interest in the Non-Financial Sector (C)	(52)	(27)	(134)	(35)
Alpargatas	(34)	(26)	(100)	(35)
Duratex	(18)	(1)	(34)	-
Net Income	1,784	1,941	3,394	6,862

Main Indicators of Itaúsa Conglomerate Companies

We present below the main indicators of Itaúsa Conglomerate companies, based on the Consolidated Financial Statements under IFRS.

	January to September			
Operating revenues ⁽¹⁾	2020	124,838	2,262	3,986
	2019	144,127	2,282	3,526
Net income ⁽²⁾	2020	9,914	86	152
	2019	18,439	156	121
Recurring Net Income ⁽⁴⁾	2020	12,687	246	247
	2019	19,877	249	119
Stockholders' equity ⁽²⁾	2020	135,825	2,882	4,879
	2019	129,380	2,535	4,765
Annualized return on average equity (%) ^{(2) (3)}	2020	10.1%	4.1%	4.2%
	2019	19.9%	8.5%	3.4%
Annualized recurring return on average equity (%) ^{(3) (4)}	2020	12.8%	11.8%	6.8%
	2019	21.4%	13.6%	3.4%
Internal fund generation ⁽⁵⁾	2020	64,636	127	853
	2019	2,358	323	752
Interest of Itaúsa in companies ^{(6) (7)}	2020	37.4%	29.2%	36.6%
	2019	37.5%	28.8%	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 ((Sep'20 + Jun'20 + Mar'20 + Dec'19)/4).

(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 third quarter of 2020 at R\$8.80, down 9.7% in the period, when adjusted by dividends and interest on capital, whereas Ibovespa, B3's main index, decreased by 1.7% in the same period. In the last 12 months, Itaúsa's shares adjusted by dividends and interest on capital and Ibovespa index have dropped by 30.2% and 9.7%, respectively.

The daily average financial volume of Itaúsa's preferred shares traded in the third quarter of 2020 was R\$274 million, with an average of 34,000 daily trades, up 6.4% and 30.8%, respectively, on a year-on-year basis.

A broader stockholder base

On September 30, 2020, Itaúsa had 900,000 stockholders (of which 99.5% individual stockholders), up 184% on a year-on-year basis.

Return to stockholders

On August 26, 2020, Itaúsa paid to stockholders additional dividends, in the amount of R\$0.02, based on the stockholding position on August 17, 2020.

Investors who remained as stockholders for the last 12-month period ended September 30, 2020 were entitled to receive R\$0.5493 per share as earnings paid/declared (gross), which, divided by the share quoted on September 30, 2020, resulted in a 6.2% 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 mandatory 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 drop, which would also lead to a 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 or fair values of the parts that compose the holding company's investments ("sum of the parts").

Market capitalization on September 30, 2020, based on the price of the most liquid share (ITSA4), was R\$74.0 billion, whereas the sum of interests in investees at market value totaled R\$93.2 billion, resulting in a 20.6% discount, up 230 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. In spite of the discount reduction in the last years, driven by the improvement in some of these factors and a better market perception of the foundations that justify it, Itaúsa's management believes that the current level still does not reflect the proper indicator level.

The Investor Relations department discloses information about the discount on a monthly basis. To receive it, please register on <http://www.itausa.com.br/en/e-mail-alert>.



5. Comments on the Performance of Investees



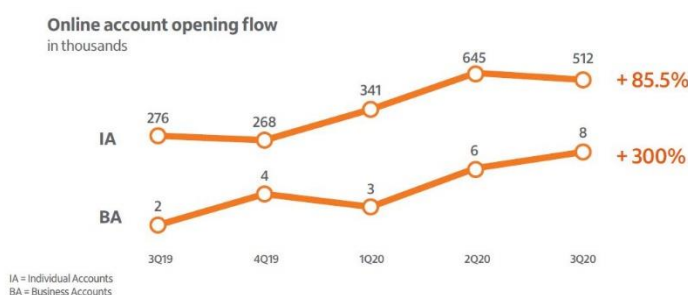
Itaú Unibanco Holding S.A.

Highlights of Operations

Continuous focus on digital transformation

The digital transformation front keeps evolving supported by the 39% increase in technology investments (training hours) from September 2019, decentralized governance of these funds, higher autonomy of business departments and expansion of the working model based on “communities”. As an example, since the beginning of 2019, Itaú Unibanco has hired technology specialists as well as having acquired ZUP, a benchmark company in digital transformation and that has fostered the development of this industry.

In the third quarter of 2020, 512,000 individual accounts and 8,000 companies accounts were opened through digital channel, up 85.5% and 300%, respectively on a year-on-year basis, as shown on the chart on this page.



Credit line offering in partnership with the government

In the third quarter of 2020, continuing with the actions jointly carried out with the government, R\$16.4 billion was provided to over 58,000 companies under the scope of the National Support Program for Micro and Small Businesses (Pronampe) and the Investment Guarantee Fund (FGI BNDES). Additionally, credit line provided for payroll expenses of very small, small and middle-market companies reached R\$2.1 billion in the same period.

Amazon Plan

Together with Brazil’s two largest private banks, in July 2020 Itaú Unibanco unveiled an integrated plan aimed at effectively contributing to the sustainable development of the Amazon region. This plan includes ten measures designed based on ten work fronts deemed priority to the region: environmental preservation and bioeconomy development, sustainable infrastructure investments, and guarantee of basic rights for the Amazon region population.

Itaú Asset Management launches the “Itaú Momento ESG” (Itaú ESG Moment) Fund and ramps up its engagement with ESG issues

Focused on variable income and active management, the company assessment and selection process of this fund includes sustainability issues aimed at long-term return. This shows once more Itaú Asset’s engagement to constantly seek responsible investment practices, which nowadays include ESG (environmental, social and governance) issues when assessing over 95% of the R\$741 billion assets under management.

Results

Net income totaled R\$ 4.7 billion in 3Q20, down 8.4% on a year-on-year basis, mainly driven by a 6.0% decrease in operating revenues.

Main factors leading to this result are as follows:

R\$ million (except where indicated)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Operating Revenues ²	28,114	29,913	-6.0%	82,823	86,818	-4.6%
Net Income ¹	4,732	5,165	-8.4%	9,914	18,439	-46.2%
Recurring Net Income ¹	5,095	6,595	-22.7%	12,687	19,877	-36.2%
ROE	14.2%	16.4%	- 2.2 p.p.	10.1%	19.9%	- 9.8 p.p.
Recurring ROE	15.2%	20.9%	- 0.3 p.p.	12.8%	21.4%	- 8.6 p.p.
Loan Portfolio ³	850,191	706,594	20.3%	850,191	706,594	20.3%

- I. An 8.8% decrease in **Interest Income**, driven by lower interest rate and spread due to the change in the mix of retail products, with lower use of revolving credit lines and consumer credit and higher use of installment credit with better terms and rates, partially offset by lower financial expenses and increased loan portfolio; and
- II. A 1.6% decrease in **Commissions and Fees and Result of Insurance Operations**, mainly driven by a 13.4% decrease in revenues from credit and debit cards, driven by lower volume of transactions due to the social distancing measures, partially offset by a 32.7% growth in revenues from advisory and brokerage services, in a scenario of capital markets recovery.

Expected Loss on Financial Assets and Claims increased by R\$1,063 million on a year-on-year basis, mainly driven by higher expected loan losses due to the worsening of the macroeconomic scenario as a result of the Covid-19 pandemic and its impacts on the financial prospects of customers.

General and Administrative Expenses were down 14.9% in the third quarter of 2020, mainly driven by the voluntary severance program held in the second half of 2019, which negatively impacted expenses in 3Q19 by R\$2.4 billion. Excluding this non-recurring event, general and administrative expenses were down 0.6%, mainly driven by the closure of physical branches, which reduced fixed costs and personnel expenses, and by lower profit sharing expenses. These effects were partially offset by higher personnel expenses in connection with the effects of the collective bargaining agreement of September 2020.

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 business soundness. At the end of September 2020, Tier I capital ratio was at 12.4%, above the minimum required by the Central Bank of Brazil (8.25%).

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

¹Attributable to the controlling stockholder.

²Adjusted to tax effects on hedge investments for foreign investments.

³Loan portfolio with financial guarantees provided and corporate securities.

Highlights of Operations

In Brazil, the easing of social distancing measures, with the opening of trading activities and the consequent resumption of the pace of activities has resulted in a significant increase in sales and the best 3rd quarter ever in Alpargatas' history. All sales channels have performed well and the digitalization strategy has been proved right, as evidenced by the continuous increase in online sales over the quarter, in spite of the partial sales resumption at physical stores.

Good cash generation in the quarter enabled Alpargatas to repay in advance loans raised at the onset of the pandemic to strengthen the Company's liquidity in a hypothetical scenario of extreme cash-flow stress. Liquidity remained strong with a cash position of R\$2.0 billion at the end of the quarter.

With regard to capital allocation and in line with Alpargatas' strategic planning (global, digital, innovative and sustainable expansion), at the end of September 2020 an agreement for the sale of total Mizuno brand operations in Brazil was executed, a deal appraised at approximately R\$200 million (the completion of this transaction is subject to compliance with certain conditions precedent). This transaction resulted in non-recurring effects to the Company in the 3Q20, as follows.

Results

Consolidated net revenue was up 17.8% in 3Q20, totaling R\$943.5 million, driven by increased sales volume of Havaianas in Brazil, EMEIA (Europe, the Middle East, India, and Africa), NA&C (North

R\$ million (except where indicated)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Net Revenue	943.5	800.6	17.8%	2,261.8	2,282.0	-0.9%
EBITDA	141.1	133.4	5.8%	282.0	375.7	-24.9%
Net Income ⁴	5.0	66.0	-92.4%	86.0	156.0	-44.9%
Recurring Net Income ⁵	122.0	104.0	17.3%	246.0	249.0	-1.2%
ROE ⁴	0.7%	10.8%	- 10.1 p.p.	4.1%	8.5%	- 4.4 p.p.
Recurring ROE ⁵	17.5%	17.0%	0.5 p.p.	11.8%	13.6%	- 1.8 p.p.

America and the Caribbean Islands) and China, boosted by the brand power, operating performance of the supply chain and Revenue Growth Management (RGM). In the foreign market, foreign exchange variation in the period far outweighed the drop in total sales volume, which led to a 33.3% increase in net revenue on a year-on-year basis.

In 3Q20, net revenue of Brazil operations reached R\$727 million, up 14% on a year-on-year basis, mainly driven by the higher volume of Havaianas brand, partially due to less stringent social distancing rules and better performance in the different channels, a result of RGM actions, which contributed to the best 3rd quarter of the Company's history. Additionally, in September 2020, the brand franchises recorded their best month since the onset of the pandemic, and e-commerce in Brazil increased 700% in the year-to-date. Sandals International recorded net revenue of R\$216 million, up 33% on a year-on-year basis, reaching 23% of Alpargatas total net revenue, driven by the foreign exchange variation in the period, higher efficiency of the supply chain and higher sales volume in EMEIA, NA&C and China, partially offset by lower sales volume in other regions, still due to the pandemic, with greater impact on Asian, Pacific and Latin American markets.

Consolidated gross profit grew 19.5% in the period, driven by Havaianas net revenue increase, both in Brazil and in the foreign market, and gross margin increase, reaching 52.3%, (+70 bps on a year-on-year basis).

²Attributable to controlling stockholder.

³Attributable to controlling stockholder (proforma).

Recurring EBITDA in 3Q20 reached R\$158.3 million (+20% from 3Q19), basically driven by better performance of the Havaianas brand, due to accelerated sales levels and RGM, partially offset by poorer results of the Osklen brand, as driven by the pandemic.

Major non-recurring items impacting the 3Q20 are related to higher expenses on provisions for restructuring and write-off of assets arising from the disposal of Mizuno operations in Brazil and financial expenses in connection with the prepayment of extraordinary funding raised at the onset of the pandemic to increase the Company's liquidity.

In 3Q20, recurring net income was R\$122.0 million, up 17.3% on a year-on-year basis, as a result of the aforementioned factors.

Operating cash generation in the last 12 months was R\$405 million, and net cash position at the end of September 2020 was R\$317.6 million, arising from cash balance of R\$1,989.7 million and indebtedness of R\$1,672.1 million.

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



Highlights of Operations

The change in customer behavior, combined with Federal government incentive measures, resulted in the recovery of the civil construction sector and boosted Duratex's results. These factors have contributed to a significant growth in sales volume of all the Company's divisions, which together with its effective strategic asset management, driven by optimized plants, reduction of portfolio and diversification strategy, has led the Company to record the best 3rd quarter of its history ever. Additionally, another highlight goes to the Company's healthy liquidity level, also driven by its higher operating cash generation. Duratex remains focused on ensuring its employees' safety while resuming the normal routine of its operating and administrative activities.

Results

Consolidated net revenue in 3Q20 totaled R\$1,778 million, up 35.9% on a year-on-year basis, driven by the higher volume of all divisions, as a result of the accelerated demand recovery and the full consolidation of Cecrisa's and Ceusa's results in the Ceramic Tiles Division.

R\$ million (except where indicated)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Net Revenue	1,778.0	1,308.4	35.9%	3,986.1	3,525.5	13.1%
EBITDA	391.1	246.7	58.5%	804.4	762.4	5.5%
Net Income	123.9	27.7	347.2%	152.3	121.0	25.9%
Recurring Net Income	175.7	30.5	476.7%	246.8	119.2	107.0%
ROE	10.3%	2.3%	8.0 p.p.	4.2%	3.4%	0.8 p.p.
Recurring ROE	14.6%	2.6%	12.0 p.p.	6.8%	3.4%	3.4 p.p.

The **Wood Division's** net revenue totaled R\$991.8 million in 3Q20, up 37.0% on a year-on-year basis, mainly driven by a higher volume shipped, as a result of the fast positioning in the market recovery, in addition to the strengthening of customer relations and market share gains in all product lines.

The **Deca Division's** net revenue totaled R\$511.2 million, up 25.8% on a year-on-year basis, driven by the 25.8% increase in sales volume, mainly due to demand increase and the strengthening of the division's performance, with a better share in shops and channel diversification.

The **Ceramic Tiles Division's** net revenue totaled R\$275.1 million, up 54.6% on a year-on-year basis, mainly driven by a better mix and share of the brands, as well as by the full consolidation of Ceusa's and Cecrisa's results.

EBITDA in 3Q20 totaled R\$391.1 million, up 58.5% on a year-on-year basis, basically driven by a higher sales volume in all divisions and productivity gains from improved asset management, in addition to higher cost and expense efficiency. These factors were partially offset by non-recurring effects, such as expenses on the dissolving wood pulp (DWP) project and provision for contingencies. Excluding these effects, recurring EBITDA would be up 82.3%. Recurring net income totaled R\$123.9 million in the period, up 347.2% driven by the aforementioned facts.

Net debt was R\$1,855 million at the end of September 2020 and represented 1.79 times the adjusted recurring EBITDA for 12 months, thus indicating a significant increase in the Company's leverage level from the previous quarter and on a year-on-year basis, mainly driven by higher cash generation, mainly due to the better result in 3Q20. Additionally, the Company has made a capital contribution in the amount of R\$311 million to LD Celulose, a dissolving wood pulp joint venture in partnership with Lenzing, totaling approximately 80% of funds to be invested in the new business.

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



Highlights of Operations

In August 2020, the General Stockholders' Meeting approved capital reduction through capital reimbursement to stockholders with no cancellation of shares, with the number of shares and stockholding percentage of each stockholder in the Company's capital remaining unchanged. Capital reduction and payment of reimbursement will be completed in the 4th quarter.

With regard to the resumption of activities, over the quarter, field and administrative operations continued their normalization process. It is worth mentioning that no service provided by the Company has been interrupted due to the pandemic, and no material financial impacts have been identified.

Results

In 3Q20, net revenue totaled R\$1,162 million, up 4.5% on a year-on-year basis, mainly driven by the

R\$ million	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Net Revenue	1,162	1,112	4.5%	3,457	3,293	5.0%
Net Income	643	542	18.6%	1,846	1,641	12.5%

annual inflation adjustment of gas ship-or-pay agreements. Net income in 3Q20 totaled R\$643 million, up 18.6% on a year-on-year basis, impacted by recognition of retroactive tax credits in the amount of R\$53 million, in connection with the exclusion of ICMS from the PIS and COFINS calculation basis, after NTS obtained a favorable

final and unappealable decision, and by lower financial expenses driven by a lower basic interest rate. In the period, an additional loan of R\$60 million was raised to optimize the return of projects *Estação de Compressão de Mantiqueira* (Mantiqueira Compression Station) and *Ponto de Recebimento no Município de Guapimirim – RJ* (Receiving Site in the Municipality of Guapimirim, state of Rio de Janeiro).

Dividends and interest on capital

In the July-September 2020 period, Itaúsa received dividends and interest on capital, gross, from NTS in the amount of R\$43.2 million. In the first nine months of 2020, the amount received, gross, totaled R\$138.5 million.

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

6. People management

Itaúsa Conglomerate had the support of approximately 127,400 employees on September 30, 2020, including 13,500 employees in foreign units. Its dedicated structure, intended to carry out the holding company's activities, had 89 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-September 2020 period, the independent auditors PricewaterhouseCoopers Auditores Independentes provided the following non-audit services, equivalent to 17.6% 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; appraisal report on the contribution to LD Celulose, service engaged on January 23, 2020, in the amount of R\$223,000; and appraisal reports of subsidiaries, service engaged on September 01, 2020, in the amount of R\$165,000.

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.**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		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
ASSETS					
Current assets					
Cash and cash equivalents	4	971	1,091	2,600	2,369
Marketable securities	5	1,214	1,213	1,214	1,213
Trade accounts receivable	6	-	-	1,280	1,135
Inventories	7	-	-	893	853
Dividends and interest on capital	8	218	171	215	141
Income tax and social contribution for offset		234	336	293	434
Other taxes for offset		2	2	70	91
Other assets	9	40	23	154	145
Total current assets		2,679	2,836	6,719	6,381
Non-current assets					
Long-term receivables		855	862	2,991	3,663
Biological assets	10	-	-	1,186	1,544
Judicial deposits		31	38	99	104
Employee benefits		11	11	117	121
Deferred income tax and social contribution	11	778	777	1,056	1,108
Other taxes for offset		-	-	14	17
Right-of-use assets	12	10	12	333	567
Other assets	9	25	24	186	202
Investments	13	54,434	54,766	53,453	53,040
Property, plant and equipment	14	104	103	3,644	3,669
Intangible assets	15	7	4	746	723
Total non-current assets		55,400	55,735	60,834	61,095
TOTAL ASSETS		58,079	58,571	67,553	67,476
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	16	15	6	870	631
Personnel expenses		38	26	240	174
Debts	17	-	-	777	806
Debentures	18	10	6	20	72
Income tax and social contribution payable		-	-	49	58
Other taxes payable		2	8	100	89
Dividends and interest on capital	20.4.2	487	397	488	485
Leases	12	2	2	19	23
Other liabilities	9	19	7	335	238
Total current liabilities		573	452	2,898	2,576
Non-current liabilities					
Debts	17	-	-	1,459	879
Debentures	18	1,200	1,200	2,398	2,398
Leases	12	9	10	335	561
Provisions	19	1,345	1,338	1,812	1,673
Deferred income tax and social contribution	11	-	-	171	213
Other taxes payable		-	-	92	127
Employee benefits		-	-	76	72
Other liabilities	9	458	339	724	620
Total non-current liabilities		3,012	2,887	7,067	6,543
TOTAL LIABILITIES		3,585	3,339	9,965	9,119
EQUITY					
Capital	20.1	43,515	43,515	43,515	43,515
Capital reserves		461	529	461	529
Revenue reserves	20.2.1	11,846	12,950	11,846	12,950
Carrying value adjustments	20.3	(1,328)	(1,762)	(1,328)	(1,762)
Total equity attributable to controlling stockholders		54,494	55,232	54,494	55,232
Non-controlling interests		-	-	3,094	3,125
Total equity		54,494	55,232	57,588	58,357
TOTAL LIABILITIES AND EQUITY		58,079	58,571	67,553	67,476

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

ITAÚSA S.A.

Statements of Income

(In millions of Reals, unless otherwise indicated)

Note	Parent company				Consolidated			
	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
		Restated		Restated		Restated		Restated
Net revenue	21	-	-	-	1,778	1,308	3,986	3,522
Cost of products and services	22	-	-	-	(1,201)	(959)	(2,752)	(2,547)
Gross profit		-	-	-	577	349	1,234	975
Operating income and expenses								
Selling expenses	22	-	-	-	(212)	(184)	(567)	(515)
General and administrative expenses	22	(33)	(30)	(96)	(108)	(100)	(297)	(275)
Equity in the earnings of investees	13	1,798	1,940	3,749	1,710	1,936	3,612	7,020
Other income and expenses	23	42	43	89	35	33	77	148
Total Operating income and expenses		1,807	1,953	3,742	1,425	1,685	2,825	6,378
Profit before finance result and income tax and social contribution		1,807	1,953	3,742	2,002	2,034	4,059	7,353
Finance result								
Finance income	24	56	82	109	85	128	240	308
Finance costs	24	(71)	(75)	(458)	(139)	(174)	(704)	(633)
Total Financial Result		(15)	7	(349)	(54)	(46)	(464)	(325)
Profit before income tax and social contribution		1,792	1,960	3,393	1,948	1,988	3,595	7,028
Income tax and social contribution								
Current income tax and social contribution	25	-	-	-	(69)	(22)	(98)	(59)
Deferred income tax and social contribution	25	(8)	(19)	1	(38)	(8)	(6)	(31)
Total Income tax and social contribution		(8)	(19)	1	(84)	(30)	(104)	(90)
Profit for the period		1,784	1,941	3,394	1,864	1,958	3,491	6,938
Profit attributable to controlling stockholders		1,784	1,941	3,394	1,784	1,941	3,394	6,862
Profit attributable to non-controlling interests		-	-	-	80	17	97	76
Basic and diluted earnings per share (in Brazilian reais)								
Common	26	0.21	0.23	0.40	0.82	0.21	0.23	0.82
Preferred	26	0.21	0.23	0.40	0.82	0.21	0.23	0.82

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			
	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Profit for the period	1,784	1,941	3,394	6,862	1,864	1,958	3,491	6,938
Other comprehensive income								
Items that will be reclassified to profit or loss (net of taxes)								
Equity in other comprehensive income	179	(54)	422	23	-	-	-	-
Adjustment to the fair value of financial assets	-	-	-	-	13	(59)	(181)	191
Hedge	-	-	-	-	(326)	(277)	(1,777)	(324)
Foreign exchange variation on foreign investments	-	-	-	-	448	282	2,336	156
Items that will not be reclassified to profit or loss (net of taxes)								
Equity in other comprehensive income	1	21	12	(29)	-	-	-	-
Remeasurement of post-employment benefits	-	-	-	-	1	21	12	(29)
Total Other comprehensive income	180	(33)	434	(6)	136	(33)	390	(6)
Total comprehensive income	1,964	1,908	3,828	6,856	2,000	1,925	3,881	6,932
Attributable to controlling stockholders	1,964	1,908	3,828	6,856	1,964	1,908	3,828	6,856
Attributable to non-controlling interests	-	-	-	-	36	17	53	76

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

ITAÚSA S.A.

Statements of Changes in Equity

(In millions of Reals)

	Attributable to controlling stockholders					Total Parent Company	Non-controlling interests	Total Consolidated
	Capital	Capital reserves	Revenue reserves	Carrying value adjustments	Retained earnings			
Balance on December 31, 2018	43,515	633	12,706	(1,711)	-	55,143	2,936	58,079
Transactions with stockholders								
Change in non-controlling interests	-	-	-	-	-	-	7	7
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	-	(157)	83	-	-	(74)	-	(74)
Total comprehensive income								
Other comprehensive income	-	-	-	(6)	-	(6)	-	(6)
Profit for the period	-	-	-	-	6,862	6,862	76	6,938
Appropriation								
Legal reserve	-	-	343	-	(343)	-	-	-
Dividends and interest on capital for the year	-	-	-	-	(3,368)	(3,368)	-	(3,368)
Statutory reserves	-	-	3,151	-	(3,151)	-	-	-
Balance on September 30, 2019	43,515	476	9,856	(1,717)	-	52,130	3,019	55,149
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	-	-	-	-	-	-	1	1
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	-	(68)	35	-	-	(33)	5	(28)
Total comprehensive income								
Other comprehensive income	-	-	-	434	-	434	(44)	390
Profit for the period	-	-	-	-	3,394	3,394	97	3,491
Appropriation								
Legal reserve	-	-	170	-	(170)	-	-	-
Dividends and interest on capital for the period	-	-	-	-	(806)	(806)	-	(806)
Statutory reserves	-	-	2,418	-	(2,418)	-	-	-
Balance on September 30, 2020	43,515	461	11,846	(1,328)	-	54,494	3,094	57,588

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

ITAÚSA S.A.

Statements of Cash Flows

(In millions of Reals)

Note	Parent company		Consolidated	
	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Cash flows from operating activities				
Adjustments for reconciliation of profit				
Profit before income tax and social contribution	3,393	6,900	3,595	7,028
Equity in the earnings of investees	(3,749)	(7,054)	(3,612)	(7,020)
Provisions	1	150	81	191
Interest and foreign exchange and monetary variations, net	183	7	341	173
Depreciation, amortization and depletion	5	3	448	477
Changes in the fair value of biological assets	-	-	(137)	(109)
Allowance for estimated losses on doubtful accounts	-	-	27	7
Proceeds from the sale of investments, property, plant and equipment and intangible assets	-	(27)	31	(27)
Other	-	-	(66)	64
	(167)	(21)	708	784
Changes in assets and liabilities				
(Increase) decrease in trade accounts receivable	-	-	(160)	136
(Increase) decrease in inventories	-	-	(2)	(33)
(Increase) decrease in other taxes for offset	110	10	171	11
(Increase) decrease in other assets	161	248	127	204
Increase (decrease) in other taxes payable	(7)	(9)	55	(11)
Increase (decrease) in trade accounts payable	10	(3)	271	17
Increase (decrease) in personnel expenses	11	5	66	(46)
Increase (decrease) in other liabilities	(250)	(446)	(190)	(539)
	35	(195)	338	(261)
Cash from operations	(132)	(216)	1,046	523
Payment of income tax and social contribution	-	-	(118)	(58)
Interest paid on debts and debentures	(25)	(39)	(105)	(188)
Net cash (used in) provided by operating activities	(157)	(255)	823	277
Cash flows from investing activities				
Acquisition of investments	(41)	(154)	(41)	(421)
Disposal of investments	1	-	1	-
(Increase) Decrease of capital in investee companies	-	-	(522)	-
Acquisition of property, plant and equipment and intangible and biological assets	(7)	(14)	(333)	(348)
Disposal of property, plant and equipment and intangible and biological assets	-	37	34	303
Interest on capital and dividends received	4,309	9,654	4,228	9,564
Cash and cash equivalents of subsidiaries incorporated/acquired	-	304	-	-
Net cash provided by investing activities	4,262	9,827	3,367	9,098
Cash flows from financing activities				
(Acquisition) disposal of treasury shares	-	-	5	3
Interest on capital and dividends paid	20.4.2	(4,223)	(9,542)	(9,739)
Proceeds from debts and debentures	17.2 and 18.2	-	1,641	1,204
Amortization of debts and debentures	17.2 and 18.2	-	(1,174)	(1,179)
Amortization of lease liabilities	12.2	(2)	(43)	(55)
Net cash used in financing activities		(4,225)	(3,971)	(9,766)
Foreign exchange variation on cash and cash equivalents		-	12	1
Net increase (decrease) in cash and cash equivalents		(120)	231	(390)
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	971	965	2,600	2,031
	(120)	29	231	(390)

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

ITAÚSA S.A.

Statements of Value Added

(In millions of Reals)

	Parent company		Consolidated	
	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Revenue	-	-	4,928	4,394
Sales of products and services	-	-	4,951	4,374
Allowance for estimated losses on doubtful accounts	-	-	(27)	(7)
Other revenue	-	-	4	27
Inputs acquired from third parties	(132)	(65)	(3,170)	(2,794)
Cost of products and services	-	-	(2,557)	(2,262)
Materials, electric energy, outsourced services and other	(132)	(65)	(613)	(532)
Gross value added	(132)	(65)	1,758	1,600
Depreciation, amortization and depletion	(5)	(3)	(448)	(477)
Value added generated, net	(137)	(68)	1,310	1,123
Value added received through transfer	4,043	7,417	4,035	7,487
Equity in the earnings of investees	3,749	7,054	3,612	7,020
Finance income	109	204	240	308
Other revenue	185	159	183	159
Total undistributed value added	3,906	7,349	5,345	8,610
Distribution of value added	3,906	7,349	5,345	8,610
Personnel	47	24	669	628
Direct compensation	43	24	540	505
Benefits	3	-	92	90
Government Severance Pay Fund (FGTS)	1	-	33	30
Other	-	-	4	3
Taxes, fees and contributions	198	289	673	661
Federal	197	289	609	622
State	-	-	52	29
Municipal	1	-	12	10
Return on third parties' capital	267	174	512	383
Interest	267	174	512	383
Return on capital	3,394	6,862	3,491	6,938
Dividends and interest on capital	806	3,368	806	3,368
Retained earnings	2,588	3,494	2,588	3,494
Non-controlling interests in retained earnings	-	-	97	76

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 September 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, 5th floor, 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 27 "Segment Information".

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

	Country of incorporation	Activity	Holding % (Direct and Indirect)	
			09/30/2020	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 November 9, 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, issued by the Comitê de Pronunciamentos Contábeis – CPC, 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)
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 25);
- Determination of the fair value of financial instruments, including derivatives (Note 3.1.2);
- Provisions, Contingent assets and liabilities (Note 19);
- 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 September 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					
	07/01 to 09/30/2019			01/01 to 09/30/2019			07/01 to 09/30/2019			01/01 to 09/30/2019		
	Published	Reclassification	Restated	Published	Reclassification	Restated	Published	Reclassification	Restated	Published	Reclassification	Restated
Operating income and expenses												
General and administrative expenses	(34)	4	(30)	(92)	-	(92)	(100)	-	(100)	(272)	(3)	(275)
Tax expenses	(2)	2	-	(248)	248	-	(4)	4	-	(249)	249	-
Other income and expenses	42	1	43	156	-	156	32	1	33	145	3	148
Profit before finance result and income tax and social contribution	1,946	7	1,953	6,870	248	7,118	1,680	5	1,685	6,129	249	6,378
Finance result												
Finance income	82	-	82	204	-	204	129	(1)	128	308	-	308
Finance costs	(68)	(7)	(75)	(174)	(248)	(422)	(170)	(4)	(174)	(384)	(249)	(633)
	14	(7)	7	30	(248)	(218)	(41)	(5)	(46)	(76)	(249)	(325)
Profit before income tax and social contribution	1,960	-	1,960	6,900	-	6,900	1,988	-	1,988	7,028	-	7,028
Profit for the period	1,941	-	1,941	6,862	-	6,862	1,958	-	1,958	6,938	-	6,938

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:

	Note	Levels	Parent company				Consolidated				
			09/30/2020		12/31/2019		09/30/2020		12/31/2019		
			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	971	971	1,091	1,091	2,425	2,425	2,156	2,156	
Marketable securities	5	3	1,214	1,214	1,213	1,213	1,214	1,214	1,213	1,213	
			2,185	2,185	2,304	2,304	3,639	3,639	3,369	3,369	
Amortized cost											
Cash and cash equivalents	4										
Cash in kind and bank deposits		2	-	-	-	-	175	175	213	213	
Customers	6	2	-	-	-	-	1,280	1,280	1,135	1,135	
Dividends and interest on capital	8	2	218	218	171	171	215	215	141	141	
Judicial deposits		2	31	31	38	38	99	99	104	104	
Other assets	9	2	65	65	47	47	340	340	347	347	
			314	314	256	256	2,109	2,109	1,940	1,940	
Total of Financial assets			2,499	2,499	2,560	2,560	5,748	5,748	5,309	5,309	

	Note	Levels	Parent company				Consolidated			
			09/30/2020		12/31/2019		09/30/2020		12/31/2019	
			Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial liabilities										
Fair value through profit or loss										
Upon initial or subsequent recognition										
Debts	17	2	-	-	-	-	85	85	486	486
			-	-	-	-	85	85	486	486
Amortized cost										
Trade accounts payable	16	2	15	15	6	6	870	870	631	631
Personnel expenses		2	38	38	26	26	240	240	174	174
Debts	17	2	-	-	-	-	2,151	2,151	1,199	1,199
Debentures	18	2	1,220	1,210	1,221	1,206	2,428	2,418	2,485	2,470
Leases	12.2	2	11	11	12	12	354	354	584	584
Dividends and interest on capital	20.4.2	2	487	487	397	397	488	488	485	485
Other debts	9	2	488	477	326	346	1,070	1,059	838	858
			2,259	2,238	1,988	1,993	7,601	7,580	6,396	6,401
Total of Financial liabilities			2,259	2,238	1,988	1,993	7,686	7,665	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 factor.
- 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 September 30, 2020, is 13.2% (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 September 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:

Derivatives	Position	Consolidated							
		Notional (R\$)		Fair value		Profit or loss			
		09/30/2020	12/31/2019	09/30/2020	12/31/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Swaps									
US\$	Asset	-	3	-	3	-	(20)	-	1
Fixed rate	Asset	-	385	-	395	-	2	-	8
IPCA + Fixed rate	Asset	87	94	95	103	(1)	2	8	7
CDI	Liability	(87)	(482)	(87)	(486)	-	-	-	-
NDF									
R\$ x US\$	-	249	107	249	106	(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 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\$5.25	(28)	79	187
Total				(28)	79	187
	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\$5.25	(28)	79	187
Loans IPCA + Fixed	CDI	Increase of CDI	8.39% p.y.	(4)	23	55
Swap - IPCA + Fixed x CDI				4	(23)	(55)
Loans US\$	US\$	Increase of the U.S. dollar	R\$5.63	-	(62)	(125)
NDF - US\$ x BRL	US\$	Reduction of the U.S. dollar	R\$5.63	-	62	125
Total				(28)	79	187

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 first-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				Total
	Less than one year	Between one and two years	Between three and five years	Over five years	
Debentures	10	400	800	-	1,210
Trade accounts payable	15	-	-	-	15
Personnel expenses	38	-	-	-	38
Leases	2	3	4	2	11
Dividends and interest on capital	487	-	-	-	487
Other debts	19	458	-	-	477
	571	861	804	2	2,238

	Consolidated				Total
	Less than one year	Between one and two years	Between three and five years	Over five years	
Debts	777	835	575	49	2,236
Debentures	20	400	1,399	599	2,418
Trade accounts payable	870	-	-	-	870
Personnel expenses	240	-	-	-	240
Leases	19	21	28	286	354
Dividends and interest on capital	488	-	-	-	488
Other debts	335	724	-	-	1,059
	2,749	1,980	2,002	934	7,665

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

4. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and banks	-	-	175	213
Financial investments	971	1,091	2,425	2,156
Fixed income	-	-	63	75
Bank Deposit Certificate - CDB	-	-	1,325	958
Investment funds	971	1,091	1,037	1,123
Total	971	1,091	2,600	2,369

5. MARKETABLE SECURITIES

	Parent company and Consolidated
Balance on 12/31/2018	1,030
Fair value	231
Reduction of share capital	(48)
Balance on 12/31/2019	1,213
Fair value	1
Balance on 09/30/2020	1,214

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\$138 (R\$124 in 2019) (Note 23).

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								
09/30/2020								
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	1,043	14	3	3	6	79	(88)	1,060
Foreign customers	144	41	12	8	4	7	(6)	210
Related parties	10	-	-	-	-	-	-	10
Total	1,197	55	15	11	10	86	(94)	1,280

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 30 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	
	09/30/2020	12/31/2019
Opening balance	(83)	(87)
Acquisition of companies	-	(11)
Recognitions	(27)	(11)
Write-offs	16	26
Closing balance	(94)	(83)

7. INVENTORIES

	Consolidated	
	09/30/2020	12/31/2019
Finished products	385	427
Raw materials	297	267
Work in progress	152	139
General storeroom	122	125
Advance to suppliers	10	2
(-) Estimated loss on the realization of inventories	(73)	(107)
Total	893	853

On September 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	
	09/30/2020	12/31/2019
Opening balance	(107)	(27)
Acquisition of companies	-	(37)
Recognitions	(43)	(99)
Reversals	27	23
Write-offs	51	33
Foreign exchange	(1)	-
Closing balance	(73)	(107)

8. DIVIDENDS AND INTEREST ON CAPITAL RECEIVABLE

	Parent company						Total
	Investments					Marketable securities	
	Subsidiaries		Jointly-controlled entities				
	Duratex	Itautec	Itaú Unibanco	IUPAR	Alpargatas	NTS	
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	1,388	1,059	9	132	2,590
Interest on capital	52	-	952	757	-	5	1,766
Receipts	(81)	-	(2,216)	(1,866)	(9)	(137)	(4,309)
Balance on 09/30/2020	-	3	215	-	-	-	218

	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	1,388	1,059	9	132	2,588
Interest on capital	952	757	-	5	1,714
Receipts	(2,216)	(1,866)	(9)	(137)	(4,228)
Balance on 09/30/2020	215	-	-	-	215

9. OTHER ASSETS AND LIABILITIES

	Note	Parent company				Consolidated			
		Current		Non-current		Current		Non-current	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Other assets									
Prepaid expenses		13	9	15	18	23	15	15	18
Pension plan assets (DB Plan)		1	1	1	1	6	6	8	12
Disposal of PPE	9.1	-	-	-	-	12	13	59	73
Disposal of investments		-	-	-	-	-	-	18	18
Disposal of investment property		-	-	-	-	8	22	-	-
Development of forest operations		-	-	-	-	-	-	9	10
Advance to employees		8	1	-	-	16	11	-	-
Indemnifiable assets		-	-	-	-	-	-	17	17
Amounts withheld in acquisitions of companies		-	-	-	-	2	2	33	31
Sale of electricity		-	-	-	-	4	8	-	-
Held-for-sale assets		-	-	-	-	48	48	-	-
Other assets		18	12	9	5	35	20	27	23
Total		40	23	25	24	154	145	186	202
Other liabilities									
Advances from customers		-	-	-	-	76	28	8	6
Profits to be distributed to stockholders in special partnerships		-	-	-	-	-	12	-	-
Acquisition of reforestation areas		-	-	-	-	24	3	-	-
Trade accounts payable to stockholders in special partnerships		-	-	-	-	7	31	89	89
Acquisitions of companies		-	-	-	-	28	28	73	125
Freight and insurance payable		-	-	-	-	44	28	-	-
Commissions payable		-	-	-	-	18	20	-	-
Warranties, technical assistance and maintenance		-	-	-	-	53	25	5	5
Joint operation liabilities		-	-	-	-	-	-	49	43
Provision for restructuring costs		-	-	-	-	3	4	-	-
Payroll loans		-	-	-	-	2	2	-	-
Sales for future delivery		-	-	-	-	15	16	-	-
Statutory profit sharing		-	-	-	-	16	17	-	-
Acquisition - NTS	9.2	-	-	458	319	-	-	458	319
Acquisitions of farms		-	-	-	-	-	-	30	-
Other liabilities		19	7	-	20	49	24	12	33
Total		19	7	458	339	335	238	724	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 September 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 30 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 September 30, 2020 the companies had, approximately, 100.8 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	
	09/30/2020	12/31/2019
Cost of formation of biological assets	1,102	1,045
Difference between cost of formation and fair value	570	499
Capital increase - indirect investee LD Celulose	(486)	-
Total	1,186	1,544

The changes in the period are as follows:

	Note	Consolidated	
		09/30/2020	12/31/2019
Opening balance		1,544	1,565
Changes in fair value			
Price/Volume	22	137	126
Depletion		(66)	(171)
Changes in the cost of formation			
Planting costs		144	194
Depletion		(87)	(170)
Capital increase - indirect investee LD Celulose	13.1.6	(486)	-
Closing balance		1,186	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 September 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					09/30/2020
	12/31/2018	Recognition	Realization/ Reversal	12/31/2019	Realization/ Reversal	
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)	1	(138)
Fair value of financial instruments	(52)	(78)	-	(130)	-	(130)
Other	(8)	(2)	1	(9)	1	(8)
Total ^(*)	(60)	(80)	1	(139)	1	(138)

^(*) 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 September 30, 2020 the amount of R\$778 (R\$777 on December 31, 2019).

	Consolidated						
	12/31/2018	Recognition	Realization/ Reversal	12/31/2019	Recognition	Realization/ Reversal	09/30/2020
Assets							
Recognized in profit or loss							
Income tax and social contribution loss carryforwards	559	10	-	569	-	(24)	545
Temporary differences	731	143	(3)	871	46	(25)	892
Provision for impairment of trade accounts receivable	10	-	-	10	-	(1)	9
Contingencies	569	44	-	613	21	-	634
Inventory losses	6	26	-	32	-	(11)	21
Profit abroad	38	11	-	49	-	(4)	45
Impairment of property, plant and equipment	29	42	-	71	-	(8)	63
Post-employment benefit	6	5	-	11	1	-	12
Other	73	15	(3)	85	24	(1)	108
Reconhecidos no Patrimônio líquido							
Post-employment benefit	4	9	-	13	-	-	13
Total ^(*)	1,294	162	(3)	1,453	46	(49)	1,450
Liabilities							
Recognized in profit or loss							
Temporary differences	(458)	(139)	44	(553)	(25)	23	(555)
Revaluation reserve	(41)	(25)	-	(66)	-	3	(63)
Fair value of financial instruments and derivatives	(51)	(80)	1	(130)	-	-	(130)
Depreciation	(17)	(11)	-	(28)	-	2	(26)
Sale of property, plant and equipment	(6)	-	5	(1)	-	-	(1)
Biological assets	(186)	-	14	(172)	(18)	-	(190)
Client Portfolio	(48)	-	9	(39)	-	5	(34)
Pension plans	(38)	(4)	1	(41)	-	1	(40)
Other	(71)	(19)	14	(76)	(7)	12	(71)
Recognized in equity							
Exchange variation on translation of balance sheet from foreign company	(4)	(1)	-	(5)	(4)	-	(9)
Revaluation reserve	-	-	-	-	(1)	-	(1)
Total ^(*)	(462)	(140)	44	(558)	(30)	23	(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\$1,056 on September 30, 2020 (R\$1,108 on December 31, 2019) and in the deferred liabilities the amount of R\$171 on September 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	110
2021	788	839
2022	112	191
2023	-	86
2024	-	69
2025 - 2027	15	155
Total	916	1,450

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 September 30, 2020, the unrecognized credits of ITAÚSA correspond to R\$188 (R\$79 on December 31, 2019) and in the consolidated financial statements, they correspond to R\$348 (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				Total
	IT equipment	Land	Buildings	Vehicles	IT equipment	Other	
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	-	23	4	-	-	4	31
Depreciation for the period (profit or loss)	(2)	(1)	(4)	(1)	(2)	(3)	(11)
Depreciation for the period (*)	-	(16)	-	-	-	-	(16)
Foreign exchange variation	-	1	-	-	-	1	2
Write-off of contracts	-	(240)	-	-	-	-	(240)
Balance on 09/30/2020	10	303	10	-	10	10	333

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

12.2. Lease liabilities

	Parent company		Consolidated				Total
	IT equipment	Total	Land	Buildings	Vehicles	IT equipment	
Balance on 12/31/2018	-	-	-	-	-	-	-
Initial adoption - 01/01/2019	-	-	488	10	3	-	-
New contracts / adjustments	13	13	34	1	-	13	5
Interest allocated in the year (profit or loss)	-	-	1	1	-	-	-
Interest allocated in the year (*)	-	-	51	-	-	-	-
Payments	(1)	(1)	(63)	(5)	(2)	(1)	(3)
Acquisition of companies	-	-	-	4	-	-	6
Remeasurement adjustment	-	-	40	1	-	-	-
Balance on 12/31/2019	12	12	551	12	1	12	8
New contracts / adjustments	-	-	23	4	-	-	4
Interest allocated in the period (profit or loss)	1	1	2	-	-	1	1
Interest allocated in the period (*)	-	-	23	-	-	-	-
Payments	(2)	(2)	(32)	(5)	(1)	(2)	(3)
Write-off of contracts	-	-	(246)	(1)	-	-	-
Foreign exchange variation	-	-	1	-	-	-	1
Balance on 09/30/2020	11	11	322	10	-	11	11
Circulante		2					19
Não circulante		9					335

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

Discount rates are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
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:

	<u>Parent company</u>	<u>Consolidated</u>
	<u>09/30/2020</u>	<u>09/30/2020</u>
Current		
2020	-	5
2021	2	14
Total	<u>2</u>	<u>19</u>
Non-current		
2021	1	5
2022	2	16
2023	2	15
2024	2	13
2025	2	12
2026 - 2030	-	45
2031 - 2035	-	28
2036 - 2045	-	71
2046 onwards	-	130
Total	<u>9</u>	<u>335</u>

12.3. Inflation effects

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

	Parent company			
	09/30/2020		12/31/2019	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	12	14	13	14
Depreciation	(2)	(2)	(1)	(1)
Total	10	12	12	13
Leases	13	13	15	15
Interest to be appropriated	(2)	(1)	(3)	(1)
Total	11	12	12	14

	Consolidated			
	09/30/2020		12/31/2019	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	390	857	603	824
Depreciation	(57)	(87)	(36)	(46)
Total	333	770	567	778
Leases	999	1,966	1,845	3,451
Interest to be appropriated	(645)	(1,149)	(1,261)	(2,626)
Total	354	817	584	825

13. INVESTMENTS

13.1. Changes in investments

	Parent company							Total
	Jointly-controlled companies			Controlled companies				
	Itaú Unibanco	IUPAR	Alpargatas (Note 13.1.2)	Duratex (Note 13.1.4)	Itautec (Note 13.1.3)	Itaúsa Empreendimentos (Note 13.1.1)	ITH Zux Cayman	
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	2,041	1,702	(47)	56	(4)	-	1	3,749
Dividends and interest on capital	(2,508)	(1,951)	(9)	(52)	(2)	-	-	(4,522)
Acquisition of shares	-	-	41	-	-	-	-	41
Other comprehensive income	218	191	50	(25)	-	-	-	434
Other	(19)	(17)	1	1	-	-	-	(34)
Balance on 09/30/2020	27,544	23,110	1,957	1,787	33	-	3	54,434
Market value on 12/31/2019 (*)	135,427	-	5,550	4,228	-	-	-	
Market value on 09/30/2020 (*)	82,125	-	6,455	4,533	-	-	-	

	Consolidated						
	Jointly-controlled companies			Indirect controlled company	Indirect associates	Indirect Jointly-controlled company	Total
	Itaú	IUPAR	Alpargatas (Note 13.1.2)	Viva Decora (Note 13.1.5)	LD Celulose (Note 13.1.6)	LD Florestal	
	Unibanco						
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	2,041	1,702	(47)	(1)	(85)	2	3,612
Dividends and interest on capital	(2,508)	(1,951)	(9)	-	-	-	(4,468)
Acquisition of shares	-	-	41	-	-	-	41
Capital increase (decrease)	-	-	-	-	1,018	-	1,018
Other comprehensive income	218	191	50	-	(201)	-	258
Other	(19)	(17)	1	(13)	-	-	(48)
Balance on 09/30/2020	27,544	23,110	1,957	-	732	110	53,453
Market value on 12/31/2019 (*)	135,427	-	5,550	-	-	-	
Market value on 09/30/2020 (*)	82,125	-	6,455	-	-	-	

(*) 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 and September 2020, ITAÚSA completed the purchase price allocation process of the acquisitions carried out in May and August 2019, respectively, considering 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. Full acquisition of Viva Decora by subsidiary Duratex

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

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

13.1.6. 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\$522, totaling R\$1,018 in contributions to its affiliate LD Celulose S.A.

13.2. Reconciliation of investments

	Parent company					
	09/30/2020					
	Jointly-controlled companies			Controlled companies		
	Itaú			ITH Zux Cayman		
	Unibanco	IUPAR	Alpargatas	Duratex	Itautec	Cayman
Equity of the investee	135,825	34,735	2,882	4,879	33	3
Holding %	19.91%	66.53%	29.19%	36.63%	100.00%	100.00%
Interest in the investment	27,047	23,110	840	1,787	33	3
Unrealized profit or loss	(11)	-	-	-	-	-
Adjustments arising from business combinations						
Surplus value	48	-	423	-	-	-
Goodwill	460	-	694	-	-	-
Accounting balance of the investment in the parent company	27,544	23,110	1,957	1,787	33	3

	Parent company					
	12/31/2019					
	Jointly-controlled companies			Controlled companies		
	Itaú			ITH Zux Cayman		
	Unibanco	IUPAR	Alpargatas	Duratex	Itautec	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	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Non-financial segment				
Number of outstanding shares of investees	9,762,456,896	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	4,804,166,537	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	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents	47,069	30,367	-	-
Financial assets	1,822,045	1,501,481	283	120
Non-financial assets	129,170	105,633	35,699	36,039
Financial liabilities	1,564,688	1,211,999	-	73
Non-financial liabilities	285,668	276,017	1,247	1,239
Equity attributable to controlling stockholders	135,825	136,925	34,735	34,847
Information on the statement of income	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Profit from banking products	63,267	83,683	-	-
Income tax and social contribution	15,535	(4,326)	-	-
Profit attributable to controlling stockholders	9,914	18,439	2,557	4,824
Other comprehensive income	1,092	(16)	287	(4)
Information on the statement of cash flows	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Increase (decrease) in cash and cash equivalents	58,805	(34,360)	223	(167)

⁽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	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Non-financial segment				
Number of outstanding shares of investees	690,207,364	689,732,785	578,911,428	578,816,719
Common	690,207,364	689,732,785	302,010,657	302,010,657
Preferred	-	-	276,900,771	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	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current assets	3,958	3,514	3,900	2,610
Non-current assets	7,250	7,201	2,187	1,912
Current liabilities	2,320	2,150	2,371	1,256
Non-current liabilities	4,008	3,633	772	531
Equity attributable to controlling stockholders	4,879	4,931	2,882	2,643
Cash and cash equivalents	1,560	1,243	1,972	566
Debts and debentures	3,445	2,949	1,672	279
Information on the statement of income	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Net revenue	3,986	3,526	2,261	2,282
Finance income	125	86	149	44
Finance costs	(235)	(208)	(169)	(60)
Income tax and social contribution	(99)	(47)	3	(56)
Profit attributable to controlling stockholders	152	121	86	156
Other comprehensive income	(69)	5	163	(8)
Information on the statement of cash flows	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Increase (decrease) in cash and cash equivalents	317	(115)	1,406	(129)

14. PROPERTY, PLANT AND EQUIPMENT (PPE)

14.1. Breakdown

	Parent company							
	09/30/2020				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							
	09/30/2020				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	(574)	812	2.5% at 4.0%	1,379	(547)	832
Machinery, installations and equipment	6.5% at 20.0%	5,124	(3,315)	1,809	6.5% at 20.0%	4,940	(3,112)	1,828
Furniture and fixtures	10.0%	75	(53)	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%	291	(220)	71	10.0% at 20.0%	285	(206)	79
Subtotal		7,708	(4,222)	3,486		7,451	(3,974)	3,477
Construction in progress		158	-	158		192	-	192
Total		7,866	(4,222)	3,644		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	-	-	-
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 09/30/2020	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	3	18	1	-	4	126	204
Write-offs	(1)	(2)	(3)	-	-	(1)	(10)	(17)
Depreciation	-	(27)	(203)	(2)	(2)	(15)	-	(249)
Transfers	-	4	139	2	2	4	(151)	-
Capital increase - indirect investee LD Celulose	(3)	(2)	(2)	-	(1)	(1)	-	(9)
Others	8	4	32	-	-	1	1	46
Balance on 09/30/2020	760	812	1,809	22	12	71	158	3,644

14.3. Property, plant and equipment in guarantee

On September 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 September 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							
	09/30/2020				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
Subtotal		6	(2)	4		5	(1)	4
Intangible assets in progress		3	-	3		-	-	-
Total		9	(2)	7		5	(1)	4

	Consolidated							
	09/30/2020				12/31/2019			
	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance	Amortization rates (% p.a.)	Cost	Accumulated amortization	Net balance
Software	20.0%	186	(103)	83	20.0%	157	(93)	64
Trademarks and patents	-	209	-	209	-	209	-	209
Goodwill from the expectation of future profitability	-	337	-	337	-	319	-	319
Customer portfolio	6.7%	403	(289)	114	6.7%	400	(269)	131
Subtotal		1,135	(392)	743		1,085	(362)	723
Intangible assets in progress		3	-	3		-	-	-
Total		1,138	(392)	746		1,085	(362)	723

15.2. Changes

	Note	Parent company					Total
		Software	Trademarks and patents	Goodwill from the expectation of future profitability	Customer portfolio	Intangible assets in progress	
Balance on 12/31/2018		1	-	-	-	-	1
Acquisitions		3	-	-	-	-	3
Balance on 12/31/2019		4	-	-	-	-	4
Acquisitions		-	-	-	-	3	3
Balance on 09/30/2020		4	-	-	-	3	7

		Consolidated					
				Goodwill from the expectation of future profitability	Customer portfolio	Intangible assets in progress	Total
		Software	Trademarks and patents				
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		29	-	-	-	3	32
Amortization		(10)	-	-	(20)	-	(30)
Acquisition of companies	13.1.4	-	-	5	-	-	5
Other	13.1.5	-	-	13	3	-	16
Balance on 09/30/2020		83	209	337	114	3	746

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:

	Note	Consolidated	
		09/30/2020	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
Viva Decora	13.1.5	13	-
Total		337	319

15.4. Impairment test

As a result of the COVID-19 pandemic, on September 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. TRADE ACCOUNTS PAYABLE

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Local	15	6	795	563
Foreign	-	-	75	68
Total	15	6	870	631

17. DEBTS

17.1. Breakdown

Type	Charges	Form of amortization	Guarantees	Consolidated			
				09/30/2020		12/31/2019	
				Current	Non-current	Current	Non-current
Local currency							
BNDES (with swap)	103.89% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	10	72	10	80
BNDES (with swap)	117.51% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	-	3	-	4
Agribusiness receivables certificates (CRA)	98.0% of CDI	Semi-annually	Surety Duratex S.A	4	697	-	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
FINAME	Fixed 5.60% p.y.	Monthly	Secured fiduciary sale and endorsement Duratex S.A	-	-	-	1
FINAME	Fixed 5.88% p.y.	Monthly	Secured fiduciary sale - Machinery and equipment	-	-	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	3	4	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	2
FINEP	Long-term interest rate + 0.5% p.y.	Monthly	20% Trade notes + Surety Banco Safra	-	-	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	9	-	29	-
Export credit note	104.9% of CDI	Until January 2021	Endorsement Duratex S.A.	35	-	37	35
Export credit (a)	CDI + 1.45%	March 2023	--	-	512	-	-
Export financing - FINEX - Law n. 4.131 (a)	CDI + 0.39%	March 2021	--	137	-	-	-
Export Credit Note (a)	CDI + 1.81% p.y.	May 2023	--	81	160	-	-
Bank Credit Note (a)	CDI + 3.15% p.y.	April 2021	--	215	-	-	-
Bank Credit Note (a)	CDI + 2.80% p.y.	April 2021	--	255	-	-	-
Total in local currency				777	1,459	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	-	-	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	-	-	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				-	-	31	-
Total debts				777	1,459	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 30 to these financial statements under "Duratex".

In September 2020, investee Duratex repaid in advance R\$307million of the principal and interest of part of a Bank Credit Note raised.

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.

17.2. Changes

	<u>Consolidated</u>
Balance on 12/31/2018	<u>2,863</u>
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	<u>1,685</u>
Inflows	1,641
Interest and monetary adjustment	78
Repayment - Principal amount	(1,114)
Amortization - Interest and monetary adjustment	(54)
Balance on 09/30/2020	<u>2,236</u>
Current	777
Non-current	1,459

17.3. Maturity

	<u>Consolidated</u>		
	<u>09/30/2020</u>		
	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	<u>currency</u>	<u>currency</u>	
Current			
2020 to September 2021	777	-	777
Total	<u>777</u>	<u>-</u>	<u>777</u>
Non-current			
2021	28	-	28
2022	806	1	807
2023	562	1	563
2024	12	-	12
2025	11	-	11
2026 - 2029	36	-	36
2030 onwards	2	-	2
Total	<u>1,457</u>	<u>2</u>	<u>1,459</u>

18. DEBENTURES

18.1. Breakdown

									Parent company			
									09/30/2020		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)	10	1,200	6	1,200
Total									10	1,200	6	1,200
									Consolidated			
									09/30/2020		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)	10	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)	10	1,198	7	1,198
Total									20	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.

18.2. Changes

	Parent company	Consolidated
Balance on 12/31/2018	1,208	1,208
Inflows	-	1,197
Acquisition of companies	-	70
Interest and monetary adjustment	75	124
Repayment - Principal amount	-	(10)
Amortization – Interest and monetary adjustment	(77)	(119)
Balance on 12/31/2019	1,206	2,470
Interest and monetary adjustment	29	59
Repayment - Principal amount	-	(60)
Amortization – Interest and monetary adjustment	(25)	(51)
Balance on 09/30/2020	1,210	2,418
Current	10	20
Non-current	1,200	2,398

18.3. Maturity

	Parent company	Consolidated
Current		
2020 to September 2021	10	20
Total	10	20
Non-current		
2022	400	400
2023	400	400
2024	400	999
2026	-	599
Total	1,200	2,398

19. 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.

19.1. 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
Provisions					
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
Provisions					
Recognition	1	89	19	3	111
Monetary adjustment	29	41	16	3	60
Reversal	-	(36)	(10)	(5)	(51)
Payments	-	-	(14)	(4)	(18)
Business combinations	-	2	(2)	60	60
Subtotal	1,776	2,022	142	167	2,331
(-) Judicial deposits ^(*)	(431)	(440)	(30)	(49)	(519)
Balance on 09/30/2020 after the offset of judicial deposits	1,345	1,582	112	118	1,812

^(*) 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.

19.1.1. 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 September 30, 2020, adjusted amount is R\$1,753 (R\$1,723 on December 31, 2019). Judicial deposits total on September 30, 2020 is R\$411 (R\$388 on December 31, 2019).

19.1.2. Labor

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

19.1.3. Civil

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

19.2. 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	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Tax	488	490	1,221	1,171
Labor	-	-	50	64
Civil	19	18	124	94
Total	507	508	1,395	1,329

19.2.1. 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 September 30, 2020 amounts to R\$331 (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 September 30, 2020 amounts to R\$301 (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 19.1.1 whose adjusted balance on September 30, 2020 amounts to R\$268 (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 September 30, 2020 amounts to R\$69 (R\$62 on December 31, 2019) in the controlled company Itaútec.

19.3. 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.

	Note	Consolidated	
		09/30/2020	12/31/2019
Tax and Civil			
IPI credit premium (1980 to 1985)		127	126
INSS – Social security contributions		65	61
PIS and COFINS	19.3.1	41	17
Collection/payment of extra judicially enforceable instruments		7	8
Monetary adjustment of credits with Eletrobras		12	11
Profits abroad (withdrawal of the deposit)		12	11
Others		16	19
Total		280	253

19.3.1. PIS/COFINS – ICMS excluded from calculation basis

In the period, investee Itaútec calculated PIS and COFINS credits judicially recognized by way of a Writ of Mandamus, in which it claimed the right to exclude ICMS from the calculation basis of these contributions. This decision became final and unappealable after the Brazilian Federal Supreme Court (STF), on a general repercussion basis, awarded a favorable judgment of the thesis to taxpayers, in the records of Extraordinary Appeal No. 574.706. Part of the credit was calculated based on COSIT Internal Consultation Solution No. 13/2018, which determined the exclusion of the ICMS portion effectively paid only, totaling R\$30. The total credit amount is still pending 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.

19.3.2. Brazilian Treasury Bonds – (“BTN”)

In the period, ITAÚSA and investee Itaútec were awarded a final and unappealable decision for the lawsuit claiming the recognition of credit due to the incorrect monetary adjustment applied by the Government for the redemption of the BTN, purchased under the scope of Law No. 7,777/89, which had set forth the adjustment based on either the Consumer Price Index (IPC) or foreign exchange variation, at the plaintiff's discretion. However, 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 being redeemed. The credit amount is to be discussed upon execution of the judgment, which, after a final and unappealable decision is issued, will be paid through the issue of the certificate of judgment debt of the government.

20. EQUITY

20.1. Capital

On September 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:

	09/30/2020					
	Common	%	Preferred	%	Total	%
Controlling group (Egydio de Souza Aranha family)	1,828,486,350	63.27	1,001,099,198	18.13	2,829,585,548	33.64
Other shareholders	1,061,351,420	36.73	4,519,877,962	81.87	5,581,229,382	66.36
Total	2,889,837,770	100.00	5,520,977,160	100.00	8,410,814,930	100.00
Residents in Brazil	2,886,534,870	99.89	3,765,202,585	68.20	6,651,737,455	79.09
Residents abroad	3,302,900	0.11	1,755,774,575	31.80	1,759,077,475	20.91
	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.

20.2. Reserves

20.2.1. Revenue reserves

	Parent company					
	Legal reserve	Statutory reserves			Additional proposed dividends	Amount
Dividend equalization		Increase in working capital	Increase in the capital of investees			
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	170	1,209	484	725	-	2,588
Dividends and interest on capital	-	-	-	-	(3,729)	(3,729)
Expired dividends	-	2	-	-	-	2
Equity in the earnings of investees	-	35	-	-	-	35
Balance on 09/30/2020	2,432	4,395	2,174	2,845	-	11,846

20.3. Carrying value adjustment

	Parent company	
	09/30/2020	12/31/2019
Post-employment benefit	(493)	(505)
Fair value of financial assets	144	325
Translation/hyperinflation adjustment	2,746	544
Hedge accounting	(3,725)	(2,126)
Total	(1,328)	(1,762)

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

20.4. Distribution of profit, Dividends and Interest on capital

20.4.1. Distribution of profit

	Parent company	
	01/01 to 09/30/2020	01/01 to 09/30/2019
Profit	3,394	6,862
(-) Legal reserve	(170)	(343)
Calculation basis of dividends/interest on capital	3,224	6,519
Mandatory minimum dividend (25%)	806	1,630
Appropriation:		
Distribution to stockholders		
Dividends	806	3,368
	806	3,368
Revenue reserves	2,418	3,151
	3,224	6,519
% belonging to stockholders	25.0%	52.0%

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
Additional dividend payments	08/26/2020	0.02000	0.02000	168	168
Quarterly dividend payments	10/01/2020	0.02000	0.02000	168	168
Quarterly dividend payments	01/04/2021	0.02000	0.02000	168	168
Dividend		0.01584	0.01584	134	134
Total		0.09584	0.09584	806	806

20.4.2. 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	806	-	806	806	-	806
Expired dividends	-	(2)	(2)	-	(2)	(2)
Payments	(2,572)	(1,651)	(4,223)	(2,572)	(1,828)	(4,400)
Balance on 09/30/2020	482	5	487	483	5	488

21. NET REVENUE

	Consolidated			
	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Service and sales revenue				
Domestic market	1,851	1,402	4,178	3,697
Foreign market	358	226	773	677
	2,209	1,628	4,951	4,374
Deductions from revenue				
Taxes and contributions on sales	(431)	(320)	(965)	(852)
	(431)	(320)	(965)	(852)
Total	1,778	1,308	3,986	3,522

22. RESULT BY NATURE

	Note	Parent company				Consolidated			
		07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Personnel compensation and charges		(19)	(9)	(55)	(27)	(295)	(258)	(804)	(755)
Raw and consumption materials		-	-	-	-	(875)	(503)	(1,856)	(1,645)
Changes in inventories of finished products and work in process		-	-	-	-	95	(34)	149	173
Change in the fair value of biological assets	10	-	-	-	-	16	12	137	109
Depreciation and amortization		(2)	(1)	(5)	(3)	(155)	(146)	(420)	(450)
Estimated losses on allowance for doubtful accounts		-	-	-	-	1	(2)	(27)	(7)
Transportation expenses		-	-	-	-	(109)	(85)	(262)	(255)
Advertising expenses		-	-	-	-	(21)	(29)	(66)	(76)
Insurance		(2)	(1)	(6)	(5)	(3)	(2)	(9)	(8)
Other expenses	22.1	(10)	(19)	(30)	(57)	(175)	(196)	(458)	(423)
Total		(33)	(30)	(96)	(92)	(1,521)	(1,243)	(3,616)	(3,337)
Reconciliation with Statement of Income									
Cost of products and services		-	-	-	-	(1,201)	(959)	(2,752)	(2,547)
Selling expenses		-	-	-	-	(212)	(184)	(567)	(515)
General and administrative expenses		(33)	(30)	(96)	(92)	(108)	(100)	(297)	(275)
Total		(33)	(30)	(96)	(92)	(1,521)	(1,243)	(3,616)	(3,337)

22.1. Other expenses (Parent Company)

Of the accumulated amount of R\$30 in 2020 (R\$57 in 2019), R\$16 (R\$45 in 2019) refers to third-party services, such as consulting services and legal fees.

23. OTHER INCOME AND EXPENSES

	Note	Parent company				Consolidated			
		07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Dividends and Interest on capital	5	43	41	138	124	43	41	138	124
Amortization of customer portfolio		-	-	-	-	(7)	(6)	(20)	(19)
Income from sale of farms		-	-	-	-	5	1	6	3
Income from sale of PPE	23.1	-	-	-	27	-	-	-	27
Employee benefits		-	-	-	-	(1)	1	(4)	2
Rental revenue		2	1	4	5	1	-	2	4
Donations - COVID-19	30	-	-	(50)	-	-	-	(57)	-
ICMS as calculation base of PIS and COFINS		-	-	-	-	-	-	-	29
Others		(3)	1	(3)	-	(6)	(4)	12	(22)
		42	43	89	156	35	33	77	148

23.1. 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.

24. FINANCE RESULT

	Note	Parent company				Consolidated			
		07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Finance income									
Interest income from financial investments		6	12	18	35	14	27	44	83
Fair value of marketable securities	5	23	56	48	109	23	56	48	109
Foreign exchange variation – assets	24.2	22	5	22	31	36	22	103	47
Interest and discounts obtained		-	-	-	-	3	6	12	14
Adjustment to judicial deposits		2	6	10	16	2	6	12	18
Other monetary adjustments		3	3	11	13	7	9	20	33
Other finance income		-	-	-	-	-	2	1	4
		56	82	109	204	85	128	240	308
Finance costs									
Debt charges		(11)	(22)	(40)	(67)	(45)	(103)	(156)	(230)
Fair value of marketable securities	5	-	-	(47)	-	-	-	(47)	-
PIS/COFINS on financial income	24.1	(18)	(3)	(190)	(248)	(18)	(2)	(191)	(250)
Interest on lease liability		-	-	-	-	(1)	(1)	(3)	(2)
Foreign exchange variation – liabilities	24.2	(35)	(32)	(150)	(55)	(42)	(35)	(188)	(61)
Adjustment to provisions for contingencies		(7)	(18)	(30)	(52)	(7)	(18)	(30)	(52)
Other monetary adjustments		-	-	(1)	-	(6)	(1)	(13)	(5)
Transactions with derivatives		-	-	-	-	(6)	(6)	(47)	(10)
Other finance costs		-	-	-	-	(14)	(8)	(29)	(23)
		(71)	(75)	(458)	(422)	(139)	(174)	(704)	(633)
Finance result		(15)	7	(349)	(218)	(54)	(46)	(464)	(325)

24.1. PIS/COFINS on financial income

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

24.2. 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).

25. 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			
	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Income before income taxes	1,792	1,960	3,393	6,900	1,948	1,988	3,595	7,028
Income tax and social contribution calculated at nominal rates (34%)	(610)	(666)	(1,154)	(2,346)	(662)	(676)	(1,222)	(2,390)
(Addition)/Reduction for calculation of effective income tax and social contribution								
Equity in the earnings of subsidiaries	549	659	1,212	2,398	518	657	1,165	2,386
Dividends on investments classified as financial assets	14	13	45	39	14	13	45	39
Deferred tax assets not recognized	39	(24)	(98)	(124)	35	(26)	(104)	(129)
Decorrentes de diferenças temporárias	(7)	(14)	(58)	(73)	(12)	(15)	(64)	(75)
Decorrentes de prejuízos fiscais e bases negativas	46	(10)	(40)	(51)	47	(11)	(40)	(54)
Difference in taxation of controlled company	-	-	-	-	3	3	15	21
Non-deductible expenses	-	(1)	(4)	(5)	8	(1)	(3)	(17)
Income tax and social contribution calculated	(8)	(19)	1	(38)	(84)	(30)	(104)	(90)
Current	-	-	-	-	(69)	(22)	(98)	(59)
Deferred	(8)	(19)	1	(38)	(15)	(8)	(6)	(31)
Effective rate	0.4%	1.0%	0.0%	0.6%	4.3%	1.5%	2.9%	1.3%

26. EARNINGS PER SHARE

	Parent company and Consolidated			
	07/01 to 09/30/2020	07/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Numerator				
Profit attributable to controlling stockholders				
Preferred	1,171	1,274	2,228	4,504
Common	613	667	1,166	2,358
	1,784	1,941	3,394	6,862
Denominator				
Weighted average number of outstanding shares				
Preferred	5,520,977,160	5,520,977,160	5,520,977,160	5,520,937,555
Common	2,889,837,770	2,889,837,770	2,889,837,770	2,889,838,811
	8,410,814,930	8,410,814,930	8,410,814,930	8,410,776,366
Basic and diluted earnings per share (in Brazilian Reais)				
Preferred	0.21	0.23	0.40	0.82
Common	0.21	0.23	0.40	0.82

27. 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 Itaútec and ITH Zux Cayman. In 2019, Itaúsa Empreendimentos (merged into ITAÚSA on August 2019) is also included.







	09/30/2020					12/31/2019				
	Duratex	ITAÚSA	Other	(-) Elimination	Consolidated	Duratex	ITAÚSA	Other	(-) Elimination	Consolidated
Balance sheet										
Total assets	11,208	58,079	93	(1,827)	67,553	10,715	58,571	69	(1,879)	67,476
Total liabilities	6,327	3,585	57	(4)	9,965	5,783	3,339	28	(31)	9,119
Total stockholders' equity	4,879	54,494	36	(4,915)	54,494	4,931	55,232	40	(4,971)	55,232
Statement of income										
Net revenue	3,986	-	-	-	3,986	3,526	-	22	(26)	3,522
Domestic market	3,274	-	-	-	3,274	2,908	-	8	(10)	2,906
Foreign market	712	-	-	-	712	618	-	-	-	618
Equity in the earnings of subsidiaries	(84)	3,749	-	(53)	3,612	-	7,055	-	(35)	7,020
Finance result	(110)	(349)	(5)	-	(464)	(122)	(219)	16	-	(325)
Depreciation and amortization	(415)	(5)	-	-	(420)	(301)	(3)	(2)	-	(306)
Income tax and social contribution	(100)	1	(5)	-	(104)	(47)	(38)	(5)	-	(90)
Profit	152	3,394	(3)	(52)	3,491	121	6,862	(10)	(35)	6,938
Performance analysis										
ROE ⁽¹⁾	4.2%	8.4%	-	-	-	3.4%	17.4%	-	-	-
Internal generation of resources ⁽²⁾	853	(157)	-	-	-	752	(255)	-	-	-

⁽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.

	 ⁽¹⁾			 ⁽¹⁾		
	09/30/2020			12/31/2019		
Balance Sheet						
Total assets	1,998,284	6,087	10,521	1,637,481	4,522	10,051
Total liabilities	1,850,356	3,143	7,834	1,488,016	1,787	7,410
Total stockholders' equity	135,825	2,882	2,687	136,925	2,643	2,641
Statement of Income						
	01/01 to 09/30/2020			01/01 to 09/30/2019		
Net revenue ⁽²⁾	124,838	2,262	3,457	144,127	2,282	3,293
Domestic market	104,070	1,533	3,457	120,420	1,629	3,293
Foreign market	20,768	729	-	23,707	653	-
Equity in the earnings of subsidiarie	(974)	-	-	(893)	-	-
Finance result ⁽³⁾	-	(21)	(100)	-	(16)	(223)
Depreciation and amortization	(3,553)	(130)	(281)	(3,411)	(81)	(258)
Income tax and social contribution	15,535	3	(918)	(4,326)	(56)	(808)
Net income	9,914	86	1,846	18,439	156	1,641
Performance analysis						
ROE	10.1%	4.1%	-	19.9%	8.5%	-
Internal generation of resources	64,636	127	-	2,358	323	-

⁽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".

28. 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		Consolidated	
			09/30/2020	12/31/2019	09/30/2020	12/31/2019
Assets						
Cash and cash equivalents						
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	32	43
			-	-	32	43
Customers						
Duratex	Rent	Controlled company	1	-	-	-
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Duratex	-	-	10	32
LD Celulose	Sales of goods	Non-controlling stockholder of controlled company Duratex	-	-	2	-
			-	-	19	-
Ativo Biológico						
LD Celulose		Non-controlling stockholder of controlled company Duratex	-	-	19	-
			-	-	19	-
Total			1	-	63	75
Liabilities						
Debts						
Itaú Unibanco	Debts	Jointly-controlled company	-	-	(614)	-
			-	-	(614)	-
Leases						
Ligna Florestal Ltda.	Lease liabilities	Non-controlling stockholder of controlled company Duratex	-	-	(30)	(289)
LD Florestal	Lease liabilities	Indirect jointly-controlled company	-	-	(30)	(29)
			-	-	-	(260)
Other liabilities						
Itaú Unibanco	Provision of services	Jointly-controlled company	(1)	(1)	(4)	(4)
Itaú BBA	Debenture issue costs	Jointly-controlled company	-	-	(3)	(5)
Itaú Corretora	Provision of services	Jointly-controlled company	-	-	-	2
			(1)	(1)	(1)	(1)
Total			(1)	(1)	(648)	(293)
Profit or loss						
Net revenue						
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Duratex	-	-	83	84
			-	-	83	84
Cost of products and services						
Ligna Florestal Ltda.	Agricultural lease contracts	Non-controlling stockholder of controlled company Duratex	-	-	(4)	(20)
LD Florestal	Agricultural lease contracts	Indirect jointly-controlled company	-	-	(2)	(2)
			-	-	(2)	(18)
General and administrative expenses						
Itaú Corretora	Provision of services	Jointly-controlled company	(9)	19	(9)	(7)
Itaúsa Empreendimentos	Provision of services	Controlled company	(9)	(7)	(9)	(7)
			-	26	-	-
Other income and expenses						
Itaú Unibanco	Revenue from rental	Jointly-controlled company	(46)	41	(54)	38
Itaú Unibanco	Sale of PPE	Jointly-controlled company	-	1	-	1
Itaú Unibanco	Other	Jointly-controlled company	-	37	-	37
Fundação Itaú para a Educação e Cultura	Donations - All for Health (Todos pela Saúde)	Jointly-controlled company	1	-	1	-
Duratex	Revenue from rental	Controlled company	(50)	-	(55)	-
			3	3	-	-
Finance result						
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	(12)	2
Itaú Unibanco	Finance costs	Jointly-controlled company	-	-	2	2
			-	-	(14)	-
Total			(55)	60	4	97

28.1. Guarantees offered

ITAÚSA is a guarantor of the following transactions:

Related party	Relationship	Type	Subject matter	Parent company	
				09/30/2020	12/31/2019
Duratex	Controlled company	Surety	Loan	25	28
Duratex Florestal Ltda.	Indirectly-controlled company	Surety	Loan	35	38
Itautec	Controlled company	Surety	Surety - Collateral in lawsuits	36	26
Total				96	92

28.2. Management compensation

	Parent company		Consolidated	
	01/01 to 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Compensation	30	17	57	42
Payroll charges	4	2	6	6
Short-term benefits ⁽¹⁾	2	-	2	2
Share-based compensation plan	-	-	3	3
Other long-term incentives	1	1	1	1
Total	37	20	69	54

⁽¹⁾ Include: Medical and dental assistance, meal subsidy, and life insurance.

29. 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 09/30/2020	01/01 to 09/30/2019	01/01 to 09/30/2020	01/01 to 09/30/2019
Dividends/Interest on capital (Gross) resolved upon and not received	218	55	215	55
Dividends/Interest on capital (Gross) resolved upon and not paid	470	336	470	336
Total	688	391	685	391

30. 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 in the Interim Financial Statements of September 30, 2020 on ITAÚSA and main investees:

- **ITAÚSA:** foreign exchange variation on the time installment denominated in US dollars in connection with the acquisition of interest in NTS' capital. Moreover, aimed at supporting public health activities and contributing to the pandemic relief efforts, ITAÚSA donated R\$50 million to the "Todos pela Saúde" (All for Health) alliance.

- **Itaú Unibanco:** (i) increases in loan and financing operations, particularly to companies; (ii) increases in requests for renegotiations and extensions for loan operation payment terms; (iii) impacts on the estimated allowance for doubtful accounts and on the impairment of financial assets; (iv) impacts on the pricing of its financial instruments driven by high volatility of markets; (v) increase in funding operations carried out; (vi) possible increase in deferred taxes, the realization of which will depend on projected future taxable income; (vii) possible impacts on present value of liabilities and on fair value of assets, post-employment benefit plans, caused by changes in the interest rates of government securities; (viii) increase in technical provisions for insurance and decrease in private pension contributions; and (ix) full prepayment of Christmas bonus to all employees. 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 coronavirus 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, partially repaid in advance; (ii) extending tax payment terms; (iii) increase in expected loan loss from clients due to higher credit risk and extensions of securities terms; (iv) lower dilution of cost of labor force and manufacturing expenses; and (v) renegotiating agreements for discounts from rents of shops and offices. Alpargatas donated funds and products, in the amount of R\$26 (cost value), through Instituto Alpargatas and the “Todos pela Saúde” (All for Health) alliance.
- **Duratex:** (i) debt increase driven by loans raised for proper liquidity management, partially repaid in advance; (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; and (iv) negative impact of foreign exchange variation. Duratex contributed with funds and products to 20 initiatives across Brazil, benefitting field hospitals and social actions in the total amount of R\$7 (cost value).

The main impacts of Covid-19 on the Interim Financial Statements are mentioned in Notes: 6 – Trade accounts receivable, 9 – Other assets and liabilities, 17 – Loans and financing, and 23 – 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.

31. SUBSEQUENT EVENTS

31.1. Corporate restructuring of Itaú Unibanco involving investment in XP INC.

On November 4, 2020, according to the Material Fact disclosed to the market, ITAÚSA announced to its stockholders and the market that Itaú Unibanco has been keeping internal discussions on the future of its investment in XP Inc. (“XP”) and that it is at advanced stage of analyzing and discussing the possibility of segregating this business line into a new company (“Newco”) by spinning companies from its conglomerate with transfer of part of its equity, which is represented by shares representing 41.05% of XP’s capital, into Newco.

If carried out, this transaction would lead to Itaú Unibanco’s stockholders receiving an equity interest in Newco, whose only asset would be these shares of XP’s capital. Newco would be a publicly-held company listed on stock exchange and a signatory to the current XP Shareholders’ Agreement with Itaú Unibanco.

As a result of this transaction, ITAÚSA would hold, directly and indirectly, 37.39% of Newco’s total capital and the equivalent share of 15.35% of XP’s total capital.

If Itaú Unibanco decides to implement the spin-off currently under analysis, this would not be consummated before December 31, 2020. Accordingly, this transaction should not produce effects on ITAÚSA in this fiscal year.

31.2. Allocation of the Special Reserve of the Defined Benefit Plan (BD)

On October 2, 2020, the National Superintendence for Supplementary Pensions (PREVIC) approved the allocation of the special reserve of the BD Plan for fiscal year 2017, to be refunded to all sponsors in 36 monthly installments from November 2020, in the amounts of R\$2 in ITAÚSA and R\$14 in consolidated.

* * *

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

Management is responsible for the preparation and 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 nine-month period ended September 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, November 9, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

ITAÚSACNPJ 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 September 30, 2020, which were reviewed by PricewaterhouseCoopers Auditores Independentes ("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), November 9, 2020. (signed) Tereza Cristina Grossi Togni – President; Eduardo Rogatto Luque, Flávio César Maia Luz, Isaac Berensztein and Marco Túlio Leite Rodrigues – Councilors; and Rosangela Valio Camargo - Secretary.

ALFREDO EGYDIO SETUBAL
Investor Relations Officer

**SUMMARIZED MINUTES OF THE MEETING OF THE BOARD OF OFFICERS
HELD ON NOVEMBER 9, 2020**

DATE, TIME, FORM AND PLACE: on November 9, 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 Egidio 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 third 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) it 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 September 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), November 9, 2020. (signed) Alfredo Egidio Setubal - CEO; Alfredo Egidio Arruda Villela Filho, Roberto Egidio Setubal and Rodolfo Villela Marino - Vice Presidents.

ALFREDO EGYDIO SETUBAL
Diretor de Relações com Investidores