ITAÚSA

Itaúsa Headquarters | Paulista Avenue - São Paulo/Brazil

Financial Statements

December 31, 2022

Management Report

2022 and 4th quarter of 2022

Great **brands**, great **history**, great **future**.

ITAÚSA

São Paulo, March 20, 2023 – We present the Management Report of Itaúsa S.A. ("Itaúsa" or "Company") for the fourth quarter of 2022 (4Q22) and fiscal year 2022. The Financial Statements were prepared in accordance with the standards established by the Accounting Pronouncement Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), as well as the International Financial Reporting Standards (IFRS).

Executive Summary

Recurring Profit

R$ 13.7 billion

▲ 14% vs. 2021

Net Asset Value

R$ 102 billion

▲ 1.8% vs.12.31.2021

Recurring ROE

20.0% p.y.

▲ 0.2 p.p. vs. 2021

Itaúsa's Highlights

- **Recurring profit:** a 14% increase in the year and the best annual profit at the historical level reflect the strength of our portfolio and the gain from asset turnover.
- **Return to stockholders:** earnings declared in the amount of R$ 4.0 billion net (R$ 0.04286 net per share) in 2022, up 12% from 2021, in addition to the 10% bonus shares (carried out in November 2022), resulting in a 6.9% dividend yield.
- **Interest on capital declared in 2023:** declaration in advance of R$ 750 million in net interest on capital (or R$ 637 million net and R$ 0.065705 net per share) with payments up to 08.31.2023.
- **Purchase of CCR:** purchase of 10.33% equity interest in CCR worth R$ 2.9 billion was completed in September 2022, as it was mostly financed through the 5th issuance of debentures.
- **Sale of XP Inc. shares:** 41 million shares in XP were sold in 2022 (7.1% of capital) for the average price of R$ 114 per share (totaling R$ 4.7 billion), which reduced equity interest in XP to 6.6%.
- **Liability Management:** R$ 1.8 billion worth of debt was prepaid in December 2022, improving the holding company's debt profile, increasing the average term and reducing the concentration of maturities in 2025.
- **ESG Agenda:** definition of our ESG strategy, announcements of the set-up of Instituto Itaúsa and of the Audit Committee.

R$ million	4Q22	4Q21	Change	2022	2021	Change
PROFITABILITY AND RETURN[1]						
Profit	3,324	4,117	-19,3%	13,674	12,200	12,1%
Recurring Profit	3,360	4,135	-18,7%	13,722	12,070	13,7%
Return on Equity (%)[2]	18.5%	25.6%	-7.1 p.p.	20.0%	20.0%	0.0 p.p.
Recurring Return on Equity (%)[2]	18.7%	26.0%	-7.3 p.p.	20.0%	19.8%	0.2 p.p.
BALANCE SHEET						
Total Assets	83,254	74,602	11.6%	83,254	74,602	11.6%
Net Debt[3]	3,805	3,793	0.3%	3,805	3,793	0.3%
Stockholders' Equity	72,797	65,886	10.5%	72,797	65,886	10.5%
CAPITAL MARKET						
Market Value[4]	82,559	78,789	4.8%	82,559	78,789	4.8%
Average Daily traded Volume (ADTV)[5]	262	294	-11.0%	231	333	-30.6%

(1) Attributable to controlling stockholders.
(2) Annualized ROE (Return on Equity).
(3) On December 31, 2021, it excludes R$ 1,176 million from the cash position related to interest on capital declared in December 2021 (paid on March 11, 2022).
(4) Calculated based on the closing price of preferred shares on December 31, 2021 and December 31, 2022, excluding treasury shares.
(5) It includes preferred shares in Itaúsa (ITSA4) traded on B3.

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Message from Management

"Itaúsa's record earnings in 2022 reflect the strength and resilience of our portfolio against the background of a challenging year for the economy in Brazil and the world"

Alfredo Setubal
Itaúsa's CEO

The year 2022 represented a period of challenges for Brazil and the world's economy, overshadowed by inflationary pressures, rising interest rates and geopolitical conflicts, which have led to prospects of economic recession in the short term. On the other hand, the easing of Covid-19 tackling policies in China, with the resulting reopening of its market, may help lessen the effects of a possible global growth slowdown in 2023. Additionally, uncertainties in Brazil about fiscal and monetary policies have been points of attention amid the expected trends in the business setting in 2023.

In line with the evolution of its portfolio management, Itaúsa carried out major transactions in terms of capital allocation in 2022. We contributed R$ 799 million in the Alpargatas share offering, which raised R$ 2.5 billion, which were allocated for the purchase of a 49.9% stake in Rothy's, a U.S. sustainable footwear brand, with great performance in digital channels. We increased our presence in the infrastructure segment through the acquisition of a 10.33% equity interest in CCR, one of the largest road, transport and airport concessionaire players in Latin America, with total investment worth R$ 2.9 billion. Last but not least, we made progress in the partial divestiture of non-strategic assets, with five sales blocks of XP shares in the total amount of R$ 4.6 billion (average price of R$ 114 per share), which boosted both our results and the implementation of our deleveraging plan.

The results posted by Itaúsa in 2022 against a challenging scenario evidence the holding company's assertiveness in its strategy of capital allocation, portfolio management and performance as an agent of change in investees over the last few years.

The largest asset in the portfolio, Itaú Unibanco posted solid results throughout the year, driven by the increased loan portfolio combined with NPL control and discipline in capital and cost management, even in the face of higher expected loan losses. Investees in the energy and infrastructure sectors, economic segments that are more resilient to turmoil, also reported rising performance curves. Meanwhile, the economic downturn, which resulted in reduced consumption in Brazilian households, has brought challenges to operations in Alpargatas and Dexco, partially offset by commercial strategies and the strength of their brands.

We made significant headway in the ESG agenda in 2022. We rethought our ESG strategy, which resulted in the definition of our ambition: "being a company that invests with responsibility, positioning itself as an agent of change to build businesses that create value and impact the sustainable development in Brazil".

Added to that, we announced the set-up of Instituto Itaúsa to support environmental and social (E&S) projects and initiatives starting in 2023. To strengthen our controls structure and governance, we also set up an Audit Committee and created the Sustainability Intelligence department, whose main purpose is to boost the ESG agenda in Itaúsa and investees.

Ultimately, we strengthened the brand's positioning with the launch of the "Todo lugar tem Itaúsa" (Everywhere you go you'll find Itaúsa) campaign, the aim of which was to translate how our investees, through strong and recognized brands, are embedded in the lives of Brazilians, meeting their needs with quality products and services, creating jobs and moving the Brazilian economy.

We are confident of our running the business on the right path by keeping a focus on capital allocation discipline, long-term vision, a culture of risk management and appreciation of human capital. We will continue to target the creation of value for our more than 900,000 stockholders, investees and society.

1. Portfolio Management

Efficient capital allocation

Investment in Alpargatas share offering

In February 2022, Alpargatas carried out a public offering for the primary distribution of shares (follow-on offering) in the total amount of R$ 2.5 billion, the net proceeds of which were allocated to finance the purchase of equity interest in Rothy's Inc. Within the scope of this offering, Itaúsa used its own funds to purchase 30,382,808 shares issued by Alpargatas, totaling an investment worth R$ 799.1 million. Accordingly, Itaúsa now holds 199,355,304 shares issued by Alpargatas representing 29.6% of Alpargatas' total capital (excluding treasury shares).

Investment in CCR S.A. completed

In September 2022, Itaúsa completed the purchase of a 10.33% stake in the total capital of CCR S.A. for R$ 2.9 billion, which was financed by a combination of its own funds and the proceeds from the 5th issuance of debentures. With this transaction, Itaúsa is now entitled to nominate two board members and make up the investee's controlling block with equal rights to the other signatories of the Stockholders' Agreement, in addition to nominate one member for each of the following Advisory Committees: (i) Strategy, (ii) Personnel and ESG, and (iii) Audit, Compliance and Risks.

Divestiture of XP Inc. shares

As part of its efficient capital allocation strategy, in the months of March, July, October and November 2022, Itaúsa sold 41 million Class A shares in XP Inc., corresponding to 7.41% of the company's capital for the approximate amount of R$ 4.7 billion (average sales price of R$ 114 per share). These sales gave rise to a positive impact of R$ 2.6 billion in Itaúsa's profit for the year, net of taxes. Itaúsa has thus become the direct holder of 6.55% (disregarding treasury shares) of XP's total capital and 2.30% of its voting capital. In spite of such sales, Itaúsa has kept its rights as defined in XP's Stockholders' Agreement, including the right to nominate members to XP's Board of Directors and Audit Committee.

Implementation timeline (in millions of shares)

	2021	2022	Total
Number of transactions	1	5	6
Sales value (gross)	R$ 1,270 million	R$ 4,670 million	R$ 5,940 million
Impact on Profit or Loss	R$ 903 million	R$ 2,551 million	R$ 3,454 million
Average sale price	R$ 162/share	R$ 114/share	R$ 122/share

For further information on the aforementioned transactions, please access the Material Facts and Notices to the Market on www.itausa.com.br/material-facts-and-notices.

2. Itaúsa's Operational and Financial Performance

2.1. Pro Forma Individual Result of Itaúsa

Itaúsa is an investment holding company with equity interests in operating companies, with its results basically derived from Equity in the Earnings of Investees, determined based on the profit of its investees, revenues from investments in financial assets and the result of possible sales of assets of its portfolio.

The equity in the earnings of investees and the individual result of Itaúsa are presented in the pro-forma table below, including recurring events (non-recurring events are presented in detail in table Reconciliation of Recurring Profit).

Managerial Individual Result of Itaúsa[1]						
R$ million	**4Q22**	**4Q21**	**Δ%**	**2022**	**2021**	**Δ%**
Investees' Recurring Profit	**2,974**	**3,550**	**-16%**	**12,714**	**11,818**	**8%**
Financial Sector	**2,841**	**2,725**	**4%**	**11,493**	**10,513**	**9%**
Itaú Unibanco	2,784	2,581	8%	11,119	10,228	9%
XP Inc.	57	143	-60%	375	285	31%
Non-Financial Sector	**156**	**848**	**-82%**	**1,337**	**1,346**	**-1%**
Alpargatas	19	42	-55%	75	166	-55%
Dexco	91	161	-43%	303	434	-30%
CCR	(22)	n.a.	n.a.	(23)	n.a.	n.a.
Aegea Saneamento	10	26	-61%	36	37	-2%
Copa Energia	78	14	461%	154	26	485%
NTS[2]	(13)	608	-102%	802	692	16%
Other Companies	(6)	(2)	151%	(9)	(9)	-3%
Other results[3]	**(24)**	**(23)**	**1%**	**(117)**	**(42)**	**177%**
Itaúsa's Own Results	**810**	**720**	**13%**	**1,876**	**474**	**295%**
Administrative Expenses	(46)	(39)	19%	(167)	(142)	18%
Tax Expenses	(192)	(145)	32%	(501)	(287)	74%
Other Operating Revenues/Expenses	1,049	904	16%	2,544	903	182%
Finance Results	**(202)**	**(101)**	**101%**	**(618)**	**(209)**	**195%**
Profit before income tax and social contribution	**3,582**	**4,169**	**-14%**	**13,972**	**12,082**	**16%**
Income Tax/Social Contribution	(221)	(34)	548%	(250)	(12)	1,984%
Recurring Profit	**3,360**	**4,135**	**-19%**	**13,722**	**12,070**	**14%**
Non-recurring Result	**(36)**	**(17)**	**106%**	**(48)**	**130**	**n.a.**
Itaúsa's results	47	83	-44%	164	98	67%
Financial Sector	(44)	(152)	-71%	(139)	(222)	-37%
Non-Financial Sector	(38)	51	n.a.	(72)	254	n.a.
Profit	**3,324**	**4,117**	**-19%**	**13,674**	**12,200**	**12%**
Return on Equity (%)	**18.5%**	**25.6%**	**-7.1 p.p.**	**20.0%**	**20.0%**	**0.0 p.p.**
Recurring Return on Equity (%)	**18.7%**	**26.0%**	**-7.3 p.p.**	**20.0%**	**19.8%**	**0.2 p.p.**

(1) Attributable to controlling stockholders.
(2) It includes dividends/interest on capital received, adjustment to fair value of shares, and expenses on time installment of the US dollar-denominated invested amount and corresponding foreign exchange variation.
(3) It refers mainly to PPAs (purchase price allocations) of the goodwill from investments in Alpargatas, Copa Energia and Aegea Saneamento.

2.2. Recurring Profit of Investees, as recorded by Itaúsa (2022 vs. 2021)

Recurring profit of investees, recorded in Itaúsa in 2022, totaled R$ 12,714 million, up 8% on a year-on-year basis, mainly as a result of the solid results of its investment portfolio.

Itaú Unibanco reported a surge in the loan portfolio, which resulted in improved margin with clients in addition to higher spreads and better mix of revenue, partially offset by a lower margin with the market, rise in NPL rates and higher expected loan losses.

Alpargatas, faced with a scenario of inflationary pressure, high interest rates and reduced purchasing power, had its results impacted by the drop in demand in Brazil and higher commercial and marketing expenses, which were partially offset by the growth in net revenue, mainly driven by a higher revenue per pair of Havaianas sandals in Brazil, in addition to the growth in sales volume in international markets.

Dexco also recorded increase in net revenue, driven by the sales policy adopted and the improvement in the Wood Division's mix of products, which partially mitigated the fall in demand and in the sales volume of all segments, the rising costs of some inputs and financial expenses, as a result of inflationary pressure and slowdown in the civil construction sector as interest rates rose.

CCR's results started to be recognized by Itaúsa as of September 2022 under the equity method. In the last months of the year its profit was impacted by the partial impairment of the asset related to the ViaOeste concession. In 2022, CCR posted higher net revenue, EBITDA and profit, mainly driven by a better operating performance in all transport modals, as a result of the increased volume of traffic of vehicles and passengers and the adoption of tariff adjustments.

Aegea reported better revenue on a year-on-year basis, mainly driven by higher revenue from consideration of concessions and the positive impact of results of SPCs Águas do Rio 1 and 4. The company recorded lower profits, due to its increased debt and financial expenses, which were impacted by the rise in basic interest rate.

The results of the investment in **NTS**, recorded by Itaúsa as a "financial asset", were positively impacted mainly by the higher dividend distribution on a year-on-year basis and the slight increase in the fair value of the asset, as a result of the periodic revaluation carried out in view of the revisited assumptions to better reflect the macroeconomic scenario and the projected cash flows for the business.

Copa Energia posted strong increases in EBITDA and profit, mainly driven by the implementation of its commercial strategy and cost reduction, as a result of the synergies captured from the merger of Liquigás into Copa Energia, which was partially impacted by finance costs as a result of the rise in basic interest rate.

Furthermore, the results of **XP Inc.**, recognized by Itaúsa under the equity method since June 2021, contributed positively to Itaúsa's results on a year-on-year basis, driven by the longer period of recognition under the equity method in spite of the drop in ownership interest over the year.

Further information on the performance of each investee and Itaúsa's corresponding equity interest is available in section 8.1 ("Operational and financial performance of investees").

2.3. Itaúsa's Own Results

Administrative expenses totaled R$ 46 million and R$ 167 million in 4Q21 and FY 2022, respectively. The 18% increase on a year-on-year basis was mainly driven by higher personal expenses and the normalization of management fees as a result of the election of new independent board members, in addition to expenses on IT initiatives with a focus on information security, advisory services in new business projects and marketing campaigns.

Tax expenses totaled R$ 192 million and R$ 501 million in 4Q22 and FY 2002, up 32% and 74%, respectively. These expenses were mainly driven by PIS/COFINS taxes levied on the interest on capital declaration made by Itaú Unibanco in the period, as well as on capital gains from sale of shares in XP, in addition to higher taxes on return on cash.

Other operating income and expenses totaled R$ 1,049 million and R$ 2,544 million in 4Q22 and FY 2022, up 16% and 182%, respectively. This result was mainly driven by the gain from the sale of XP Inc. shares, which amounted to R$ 2,551 million in 2022.

2.4. Finance Result

Finance Result totaled negative R$ 202 million and negative R$ 618 million in 4Q22 and FY 2020, respectively.The R$ 409 million increase in net expenses on a year-on-year basis was, mainly, due to higher interest expenses driven by the basic interest rate rise in the period and the higher gross indebtedness over the 5th issuance of debentures in August 2022 to finance the purchase of equity interest in CCR and the normalization of the annual finance costs of the 4th issuance of debentures completed in June 2021 to purchase Aegea. These negative effects were partially offset by higher return on cash, driven by the hike in basic interest rates.

2.5. Profit

Profit totaled R$ 13,674 million in FY 2022, up 12% from the R$ 12,200 million on a year-on-year basis, mainly driven by better results from investees (mainly Itaú Unibanco and NTS), as well as by capital gains from the sale of shares in XP Inc. carried out throughout the year.

2.6. Recurring Profit

Recurring Profit was R$ 13,722 million, up 14% from the R$ 12,070 million reported in FY 2021.

Profit was impacted by non-recurring events, which totaled a negative effect of R$ 48 million in 2022. Itaúsa's own results were positively impacted as it received earn-out in connection with the sale of Elekeiroz in the amount of R$ 164 million. At **Itaú Unibanco**, the main impact in the year related to the voluntary severance program expenses, whereas at **Alpargatas** the main non-recurring effects were in connection with international operations restructuring expenses. At **Dexco**, the main non-recurring events were related to LD Celulose's result (then not operating) and terminations of sales representatives.

Reconciliation of Recurring Profit

R$ million	4Q22	4Q21	2022	2021
Recurring Profit	**3,360**	**4,135**	**13,722**	**12,070**
Total non-recurring items	**(36)**	**(17)**	**(48)**	**130**
Itaúsa's Own Result	**47**	**83**	**164**	**98**
Financial Sector	**(44)**	**(152)**	**(139)**	**(222)**
Itaú Unibanco	**(44)**	**(151)**	**(139)**	**(221)**
Rise in social contribution (CSLL) rate	30	243	80	215
Treasury shares	-	-	71	116
Gain from partial sale of XP Inc. stake	-	-	89	-
Liability readjustment test	-	-	-	69
Interbank Payments	-	-	(284)	-
Voluntary severance program	-	-	-	(276)
Provision for structural adjustment	(51)	(285)	(13)	(89)
Others	(23)	(109)	(83)	(256)
XP Inc.	**-**	**(1)**	**-**	**(1)**
Non-Financial Sector	**(39)**	**51**	**(72)**	**254**
Alpargatas	(25)	42	(39)	34
Dexco	(12)	53	(18)	201
Copa Energia	(2)	7	(7)	70
Others[1]	-	(51)	(9)	(52)
Profit	**3,324**	**4,117**	**13,674**	**12,200**

(1) For 2022, it refers mainly to PPAs (purchase price allocations) of Aegea for FY 2021. For 4Q21 and FY 2021, it refers mainly to the PPA of Copa Energia for FY 2020.

3. Capital Structure and Indebtedness

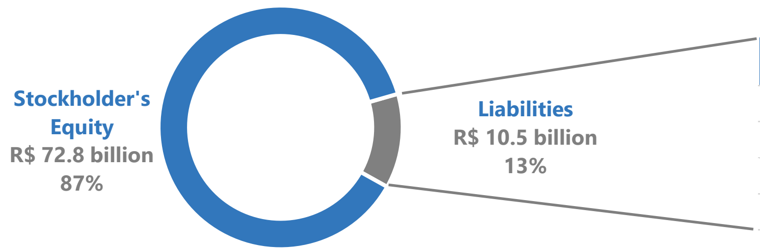
3.1. Breakdown of Capital and Leverage

Itaúsa has a conservative cash management approach and the maintenance of proper leverage ratios among its practices, subject to the proper liquidity level of cash and cash equivalents and focus on capital preservation. On December 31, 2022, the Company's leverage ratio was **4.6%** (net debt of R$ 3.8 billion to total liabilities + equity of R$ 83.3 billion) and **3.7%** on the Market value of its assets (net debt of R$ 3.8 billion to Net Asset Value (NAV) of R$ 102.2 billion).

Itaúsa's financial and equity positions are sufficient for the continuity of its business plan and meet short-, medium- and long-term obligations, third-party loans included, on the grounds of its liquidity buffer (current cash position, proceeds from investees, liquidity of its portfolio assets and capital call capacity, if required).

It is worth mentioning that the shares in XP Inc. held by Itaúsa represent a major source of liquidity, given the strategic decision already announced by Itaúsa to sell this equity interest. If this amount was considered as a cash position as of December 31, 2022, the Company would have had a net cash position of R$ 229 million.

Breakdown of Capital on 12.31.2022



Breakdown of Liabilities (R$ million)

Total Liabilities	10,457	12.6%
Debentures	6,447	7.7%
Dividends and IOC payable	1,968	2.4%
Tax Contingencies	1,763	2.1%
Other liabilities	279	0.3%

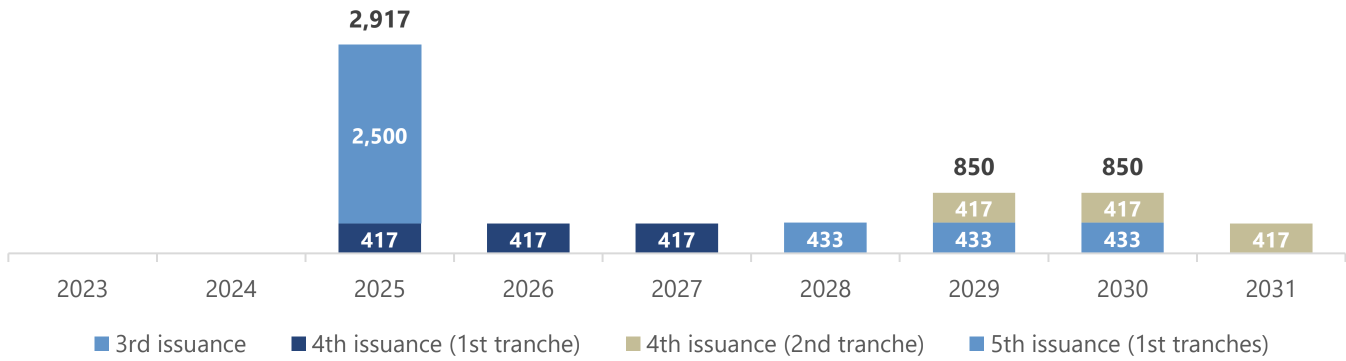
Note: amounts related to Itaúsa's parent company's balance sheet.

3.2. Repayment Schedule

Please see below the current cash position as of December 31, 2022, the instruments that account for over 60% of the Company's total debt, and its repayment schedule.

On December 31, 2022, the Company's average term of debt was **4 years and seven months**, with average cost of **CDI + 1.61% p.y.**

Principal Repayment Schedule on 12.31.2022 (in R$ million)



- 3rd issuance of debentures, with cost of CDI + 2.4% p.y. and a 10-year maturity term.
- 4th issuance of debentures (1st tranche), with cost of CDI + 1.4% p.y. and a 6-year maturity term.
- 4th issuance of debentures (2nd tranche), with cost of CDI + 2.0% p.y. and a 10-year maturity term.
- 5th issuance of debentures (1st tranche), with cost of CDI + 1.12% p.y. and a 3-year maturity term.

In August 2022, the 5th issuance of non-convertible debentures was carried out, in the amount of **R$ 3.5 billion**, with a **three-year term and cost of CDI + 1.12% p.y.**, which was mostly allocated to purchase equity interest in CCR. Part of these proceeds was also allocated to increase cash position and repay Itaúsa's activities-related costs and expenses.

In line with the strategic deleveraging decision, in December 2022, Itaúsa's Board of Directors approved the full redemption of the Company's 2nd issuance of debentures (principal balance: R$ 800 million) and the 2nd tranche of the 5th issuance of the Company's debentures (principal balance: R$ 1.0 billion). Total disbursement was approximately **R$ 1.9 billion**, with the use of funds from the last sales of shares in XP Inc. As a result, Itaúsa's indebtedness over the next 3 years was reduced by R$ 1.8 billion (principal balance) or **38%**, with no repayments to be made in the coming 2 years.

For further information on the issuance of debentures, please see Note 20 or access: www.itausa.com.br/debt-and-rating.

3.3. Rating Agencies

In September 2022, Moody's upgraded the corporate credit rating of Itaúsa to **AA+.br** from AA.br (national scale) with a stable outlook, the same rating assigned to the 3rd and 4th issuances of the Company's debentures. According to Moody's, this new credit rating to Itaúsa reflects the latter's increasingly diversified investment portfolio, the maintenance of low leverage levels and reasonable cash position and liquidity buffers for debt service.

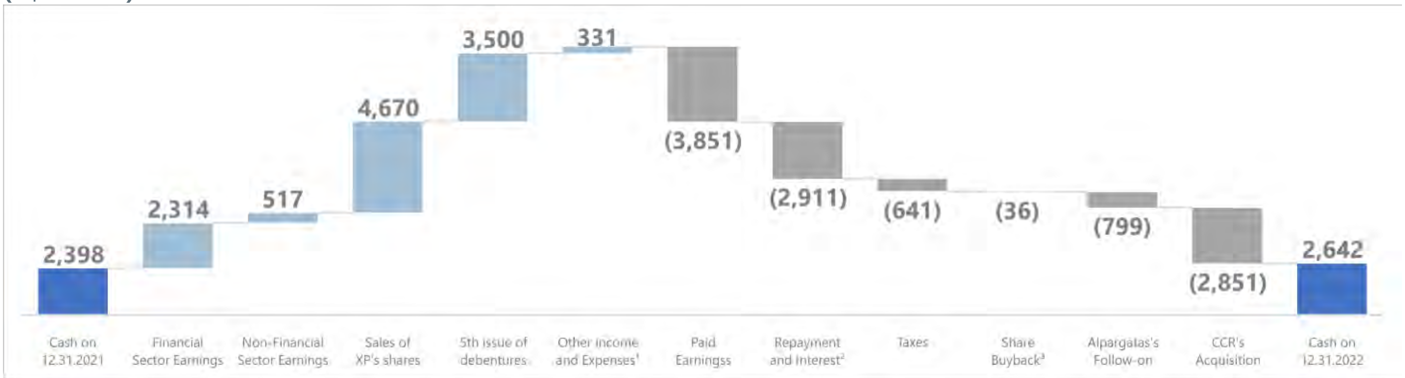
In November 2022, Fitch Ratings started covering Itaúsa's corporate credit and assigned it **AAA** rating (investment grade) on a national scale, underlining Itaúsa's trustworthiness in the capital markets and its management's conservative financial discipline.

Agency	Rating	Outlook	Scale	Last updated
Moody's	AA+.br	Stable	National	09.12.2022
Fitch Ratings	AAA(bra)	Stable	National	11.04.2022

3.4. Cash Flows

Itaúsa ended 2022 with a R$ 2,642 million cash balance, and its evolution from December 31, 2021 is presented below, with highlights going to (i) proceeds from the financial sector of R$ 2,314 million, (ii) sale of 41 million shares in XP held by Itaúsa with impact on cash of R$ 4,670 million, (iii) inflow of proceeds from the 5th issuance of debentures, (iv) proceeds of R$ 3,851 million paid by the Company, (v) repayment of principal and interest on debentures issued in the amount of R$ 2,911 million, (vi) subscription of R$ 799 million in shares in Alpargatas in its follow-on, and (v) purchase of a 10.33% equity interest in CCR for R$ 2,851 million.

(R$ million)



(1) It includes revenue from return on cash, and general and administrative expenses, among others
(2) It includes fees and early settlement premium.
(3) The Share Buyback Program for treasury purposes, approved by the Board of Directors on February 2, 2021 and valid for 18 months, ended on August 22, 2022. During the term of the program, Itaúsa acquired 8.0 million own preferred shares and 3.5 million own common shares. Furthermore, on December 13, 2021 Itaúsa received 400,000 preferred shares as bonus. The Company's Board of Directors approved the cancellation of these treasury shares on November 7, 2022.

4. Return to stockholders

4.1. Earnings and dividend yield (for the last 12 months

Investors who remained as stockholders for the 12-month period ended December 31, 2022 are entitled to receive the total gross amount of **R$ 5.6 billion** as earnings, that is, R$ 0.58798 (gross) per share, which, divided by the preferred share quoted on December 29, 2022, resulted in a 6.9% dividend yield.

Base Year	Earnings Declared	Stockholding Position	Payment date	Gross amount declared	Gross amount per share[2]	Net amount per share[2]
2021	IOC	01.14.2022	03.11.2022	R$ 1,176.5 million	R$ 0.13334	R$ 0.11334
2022	IOC	03.24.2022	08.30.2022	R$ 999.9 million	R$ 0.11337	R$ 0.09636
	Quarterly IOC[1]	05.31.2022	07.01.2022	R$ 207.5 million	R$ 0.02353	R$ 0.02000
	IOC	08.18.2022	08.30.2022	R$ 90.8 million	R$ 0.01030	R$ 0.00876
	IOC	08.18.2022	up to 12.29.2023	R$ 435.7 million	R$ 0.04940	R$ 0.04199
	Quarterly IOC[1]	08.31.2022	10.03.2022	R$ 207.5 million	R$ 0.02353	R$ 0.02000
	IOC	11.18.2022	up to 12.29.2023	R$ 500.0 million	R$ 0.05154	R$ 0.0481
	Quarterly IOC[1]	11.30.2022	01.02.2023	R$ 228.3 million	R$ 0.02353	R$ 0.02000
	IOC	12.08.2022	03.10.2023	R$ 1,367.9 million	R$ 0.14100	R$ 0.11985
	IOC	12.08.2022	up to 12.29.2023	R$ 431.7 million	R$ 0.04450	R$ 0.03783
Total earnings in the last 12 months					**R$ 0.61404**	**R$ 0.52193**
Total earnings adjusted by the 10% bonus[3]				**R$ 5,645.8 million**	**R$ 0.58798**	**R$ 0.49978**
Preferred share (ITSA4) value at 12.29.2022					R$ 8.51	
Dividend Yield					**6.9%**	**5.9%**

(1) Interest on capital is subject to tax rate of 15% of withholding income tax according to legislation in force. | (2) Itaúsa's capital stock was represented by 9,701,409,715 shares as of December 31, 2022. | (3) According to market convention, dividend yield was calculated based on earnings per share adjusted by the 10% bonus shares in November 07, 2022 divided by the share value (ITSA4) on December 29, 2022.

The Company's Board of Directors, at the meeting held on March 20, 2023, declared interest on capital in the amount of R$ 750 million (R$ 637 million, net) or R$ 0.0773 per share (R$ 0.065705 net per share), based on the stockholding position at the end of March 23, 2023, payable up to August 31, 2023.

History of Itaúsa's Dividend Yield				
Base Year	**2019**	**2020**	**2021**	**2022**
Dividend Yield (gross)	8.5%	5.5%	4.2%	6.9%

The complete record of earnings paid and payable already announced is available on www.itausa.com.br/dividends-and-ioc.

4.2. Capital Increase with Bonus Shares

In November 2022, Itaúsa announced a capital increase, with capitalization of revenue reserve with the issuance of new shares attributed free of charge to stockholders, as bonus, at the proportion of **one (1) new share for every ten (10) shares** of the same type. Bonus was made in whole numbers and new shares were included in the stockholders' position of November 16, 2022, based on stockholding position of November 10, 2022.

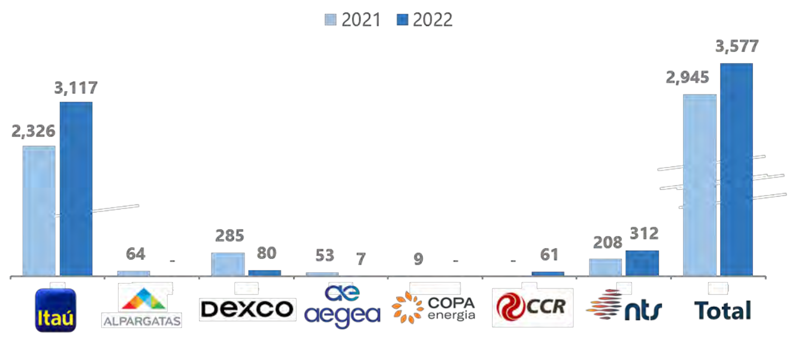
The cost attributed to bonus shares was R$ 13.65162423 per share. This cost is aimed to maximize tax benefits to stockholders and was calculated based on the amount of revenue reserves available for the bonus (R$ 12.04 billion) divided by the number of new shares issued (881,946,338 new shares).

Any surplus resulting from share fractions was set apart, grouped in whole numbers and sold on the Brazilian Stock Exchange (B3) at the auction held on December 23, 2022, with the net amount of sale proceeds made available proportionally to the holders of these fractions on January 6, 2023, of which R$ 8.9355268747 for each common share and R$ 8.5659236467 for each preferred share.

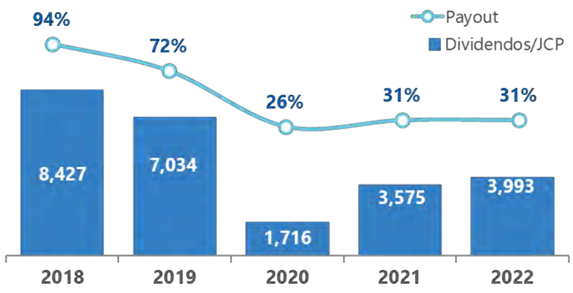
4.3. Flow of Dividends and Interest on Capital based on the Base Period of Each FY[1,2]

We present below the flow of dividends and interest on capital **based on the base period of each fiscal year**, which is understood by Management as the most suitable for monitoring the Company's earnings pay-out practice, which has been to at least fully transfer the amounts received as earnings from its investee Itaú Unibanco.

Earnings Received and Receivable



Earnings Paid and Payable



(1) It refers to Parent Company's balance sheet (in R$ million).
(2) Payout = dividends and interest on capital, net, paid and payable / Profit deducted from the legal reserve of 5%.

5. Asset Value

On December 31, 2022, Itaúsa's market capitalization, based on the price of the most liquid share (ITSA4), was **R$ 82.6 billion**, whereas the sum of interests in investees at market value totaled R$ 102.2 billion, resulting in a 19.2% discount, down 230 bps in relation to 21.5% on December 31, 2021.

Portfolio Companies	Price of Most Liquid Share (R$) (A)	Total Shares (million) (B)	Market Value (R$ million)	Itaúsa's stake (%) (C)	Market Value of the Stake (R$ million)
Itaú	25.00	9,801	245,022	37.2%	91,250
XP Inc. (D)	79.61	542	43,128	6.5%	2,824
ALPARGATAS	15.08	674	10,169	29.6%	3,006
DEXCO	6.78	734	5,478	37.9%	2,074
CCR	10.82	2,020	21,856	10.3%	2,258
aegea (E)	n/d	n/d	n/d	12.9%	2,573
nts (F)	n/d	n/d	n/d	8.5%	2,005
COPA energia (E)	n/d	n/d	n/d	48.9%	1,286
Other Net Assets and Liabilities (G)					-5,041
Other Net Assets and Liabilities					**102,235**
ITAÚSA	**8.51**	**9,701**	**82,559**		**82,559**
Discount					**-19.2%**

(A) Closing prices of the last business day of the period of the most liquid shares of Itaú (ITUB4), XP Inc. (Nasdaq: XP), Alpargatas (ALPA4), Dexco (DXCO3), CCR (CCRO3), and Itaúsa (ITSA4). | (B) Total shares issued less treasury shares. | (C) Itaúsa's direct and indirect equity interest in total capital of investees, according to Note 1 to the Financial Statements of Itaúsa as of December 31, 2022. | (D) It considers the quote of US$15.25/share and foreign exchange rate of US$ 1.00/R$ 5.22. | (E) It includes the investment value recorded in the Balance Sheet as of December 31, 2022. | (F) It includes the fair value recorded in the Balance Sheet as of December 31, 2022. | (G) Data from the Parent Company's balance sheet as of December 31, 2022.

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 (for listed companies), at fair or investment values (for unlisted companies) of the parts that compose the holding company's investments ("sum of the parts").

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. Taking into account the foundations that justify it, Itaúsa's management believes that the current level is still overstated and does not reflect the proper indicator level.

Itaúsa discloses information about the discount on a monthly basis, which is available on: www.itausa.com.br/net-asset-value.

6. Capital Markets

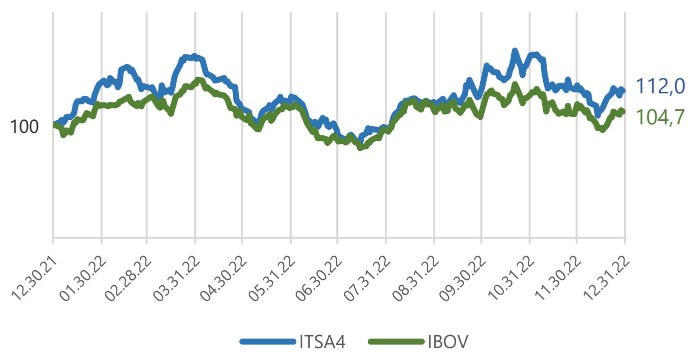
6.1. Share Performance

Itaúsa's preferred shares (B3: ITSA4) closed FY2022 at R$ 8.51, up 12.0% in the last 12 months, when adjusted by payment of earnings, whereas Ibovespa, B3's main index, appreciated by 4.7% in the same period.

Performance of Itaúsa's and Investees' shares

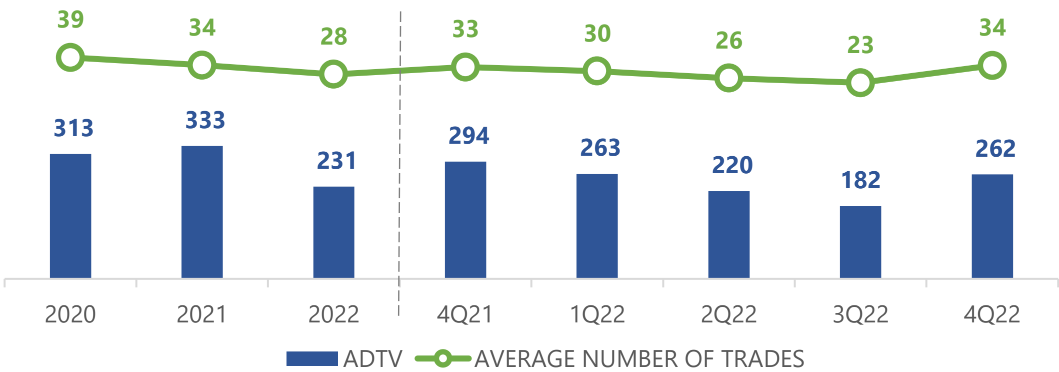
Company	Close	Δ 4Q22	Δ 2022
ITSA4	R$ 8.51	-0.8% ▼	12.0% ▲
ITSA3	R$ 8.90	2.1% ▲	12.3% ▲
ITUB4	R$ 24.98	-9.0% ▼	24.2% ▲
ALPA4	R$ 15.08	-29.1% ▼	-59.1% ▼
DXCO3	R$ 6.78	-16.5% ▼	-47.8% ▼
CCRO3	R$ 10.82	-11.7% ▼	-3.9% ▼
XP	US$15.25	-19.8% ▼	-46.6% ▼
Ibovespa	109,734	-0.3% ▼	4.7% ▲

ITSA4 vs. Ibovespa (last 12 months)



The daily average trading volume of Itaúsa's preferred shares in 2022 was R$ 231 million from R$ 333 million in 2021, with 28,000 daily trades on average from 34,000 trades in 2021, down 30.6% and 17.4%, respectively, on a year-on-year basis.

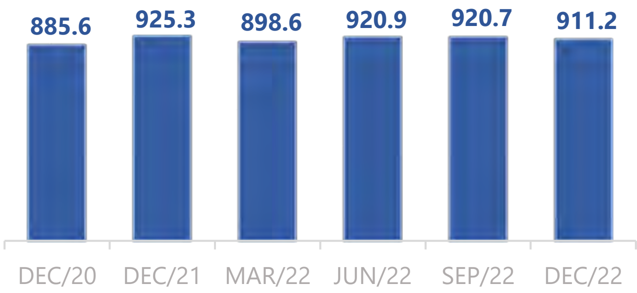
ITSA4 - Volume (R$ million) and average daily trades (number in thousands)



6.2. A broader stockholder base

On December 31, 2022, Itaúsa had 911,200 stockholders (99.6% individuals), which places it as one of the companies with the largest stockholder bases on B3.

Change in the number of stockholders (in thousands)



6.3. ESG Indexes and Ratings

Itaúsa's and its investees' commitment to business ethics, transparency and the constant improvement of its socioenvironmental performance is recognized by their listing in top national and international sustainability indexes, as highlighted below:

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA | ISE B3 | CDP | ICO2 B3 | IGPTW B3 | Sustainalytics

For further information on the environmental, social and governance management, please access www.itausa.com.br/sustainability.

7. Independent auditors – CVM Resolution No. 162

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 own work; (b) an auditor cannot hold managerial positions at their clients; and (c) an auditor cannot promote the interests of their client.

In 2022, the independent auditors PricewaterhouseCoopers Auditores Independentes provided the following non-audit services, equivalent to 18.06% of total external audit fees due to the same auditors, as set forth in CVM Resolution No. 162:

Itaúsa: (i) due diligence service engaged on April 12, 2022, in the amount of R$ 178,000; (iii) other services, engaged on July 21, 2022 in the amount of R$ 8,000; and (iii) assurance services for Reference Form and Integrated Report, engaged on September 15, 2022, in the amount of R$ 139,000.

Investee Dexco: project consulting services, engaged on January 18, 2022, February 15, 2022 and June 1, 2022, in the amount of R$ 345,000.

Justification of independent auditors– 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 subsidiary. 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. Appendices

8.1. Operational and financial performance of investees

We present below the main highlights of the results of 4Q22 of the investees that make up Itaúsa's portfolio.

Investee Company	Sector	Itaúsa's Stake[1]	Ticker
Itaú Unibanco Holding S.A.[2]	Financial Institution (Bank)	37.24%	B3: ITUB4
XP Inc.[3]	Financial Products and Services	6.55%	Nasdaq: XP
Alpargatas S.A.	Footwear and Apparel	29.56%	B3: ALPA4
Dexco S.A.	Wood, Porcelain, Sanitary Metals and Dissolving Wood Pulp	37.86%	B3: DXCO3
CCR S.A.	Infrastructure and Mobility	10.33%	B3: CCRO3
Aegea Saneamento e Participações S.A.[4]	Sanitation	12.88%	n.a.
Copa Energia S.A.	Distribution of Gas (LPG)	48.93%	n.a.
Nova Transportadora do Sudeste S.A. (NTS)	Transportation of Natural Gas	8.50%	n.a.

(1) It includes the percentage of direct and indirect interest held by Itaúsa on December 31, 2022, according to Note 1 (Operations).
(2) Itaúsa holds indirect interest in Itaú Unibanco Holding, as it holds a 66.53% interest in the capital of IUPAR – Itaú Unibanco Participações S.A., whose only investments are the equity interests in Itaú Unibanco.
(3) It does not include the indirect equity interest of 3.83% (excluding treasury shares) held through jointly-owned subsidiary Itaú Unibanco, since the latter has no material influence on XP, classifying this interest as a financial asset measured at fair value through "other comprehensive income" in Equity. The effects of this equity interest in Itausa are recorded in "carrying value adjustments" in Equity, reflecting the recording made in Itaú Unibanco's Equity.
(4) Itaúsa holds 10.20% of the voting capital and 12.88% of the total capital of Aegea Saneamento. Additionally, it has equity interests of 4.65% and 4.53% in SPCs 1 and 4 of Águas do Rio, respectively.

Itaú Unibanco Holding S.A.

Recent developments:

- **ESG:** the bank issued R$ 2 billion in social bonds in the local market to support women's entrepreneurship in Brazil. This operation is part of the bank's ESG agenda and is connected to Itaú Women Entrepreneur Program.
- **Itaú Corpbanca (Chile):** Itaú Unibanco, currently holding 65.62% of Itaú Corpbanca's capital stock, has announced its intention to carry out a voluntary public offering to purchase up to 100% of the outstanding shares of the latter. This offering is expected to be carried out in the first half of 2023, concurrently in Chile and in the United States. This operation is subject to regulatory approvals.

Financial and Operational Data (in IFRS) (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Operating Revenues[1]	38,811	36,387	6.7%	148,114	129,212	14.6%
Expected Loss on Financial Assets and Claims	(7,914)	(6,169)	28.3%	(29,287)	(14,379)	103.7%
General and Administrative Expenses	(18,537)	(16,785)	10.4%	(69,164)	(62,549)	10.6%
Profit[2]	7,503	6,596	13.8%	29,702	26,760	11.0%
Recurring Profit[2]	7,622	7,000	8.9%	30,267	27,662	9.4%
ROE (annualized)	18.0%	17.6%	0.4 p.p.	18.7%	18.2%	0.5 p.p.
Recurring ROE (annualized)	18.3%	18.6%	-0.3 p.p.	19.0%	18.8%	0.2 p.p.
Stockholders' Equity[2]	167,953	152,864	9.9%	167,953	152,864	9.9%
Loan Portfolio[3]	1,144,687	1,030,779	11.1%	1,144,687	1,030,779	11.1%
Tier I capital ratio	13.5%	13.0%	0.5 p.p.	13.5%	13.0%	0.5 p.p.

(1) For better comparability, the tax effects of hedge on foreign investments were reclassified. (2) Attributable to controlling stockholders. (3) Loan Portfolio with Financial Guarantees Provided and Corporate Securities.

Financial Performance (4Q22 vs. 4Q21):

- **Loan portfolio:** Increase was mainly driven by the growth in major Brazilian segments (+20.1% in individuals, +10.6% in very small, small and middle-market companies, and +9.6% in the corporate segment). The positive effect of this increased portfolio was followed by the 18.1% rise in interest income from loan operations.
- **General and administrative expenses:** increase was mainly due to (i) higher personnel expenses arising from effects of the negotiated collective bargaining agreement, which included a 8.0% rise in wages as of September 2022, and the increased number of employees in the period; (ii) expenses on sale of non-financial products; and (iii) data processing and telecommunications expenses.
- **Expected loss of financial assets and claims:** in 4Q22, increase was due to a subsequent event related to a one-off case of a large company that entered into judicial reorganization, whose credit conditions existed on December 31, 2022. Provision for loan losses increased to cover 100% of the exposure, causing an impact of R$ 1.3 billion (R$ 719 million, net of taxes) on income in the period.
- **Profit:** increased as a result of the 6.7% growth in operating revenues, caused by the 9.6% growth in net financial revenue, due to higher revenues from loan operations.
- **Tier I capital ratio:** capital management is key, since it drives the search for optimization of investments and ensures the bank's strength. At the end of December 2022, Tier I capital ratio was 13.5%, above the minimum required by the Central Bank of Brazil (9.5%).

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

XP Inc.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Client Assets	945,942	814,753	16.1%	945,942	814,753	16.1%
Net Revenue	3,177	3,260	-2.5%	13,348	12,077	10.5%
Adjusted EBITDA	738	1,121	-34.1%	3,445	3,815	-9.7%
Adjusted EBITDA margin	23.2%	34.4%	-11.1 p.p.	25.8%	31.6%	-5.8 p.p.
Profit[1]	783	989	-20.9%	3,579	3,589	-0.3%
ROE (annualized)[1]	18.2%	28.4%	-10.3 p.p.	22.2%	28.6%	-6.4 p.p.
Credit Portfolio[2] (R$ billion)	17.1	10.2	67.1%	17.1	10.2	67.1%

(1) Attributable to controlling stockholders. | (2) It does not include intercompany loans or receivables related to credit cards.

Financial Performance (4Q22 vs. 4Q21):

- **Client assets:** totaled R$ 946 billion, up 16% on a year-on-year basis, driven by R$ 155 billion in net funding, partially offset by R$ 37 billion in market devaluation in the year.
- **Loan portfolio[2]**: totaled R$ 17.1 billion with average maturity of 3.0 years and NPL 90 equal to 0.1%. Over 90% of XP Inc.'s loan portfolio is collateralized with investments within the platform itself.
- **Volume of credit card transactions:** R$ 8.2 billion in 4Q22, up 86% on a year-on-year basis. At the end of December 2022, active cards totaled 688,000 (+184% year-on-year), corresponding to a 16% share of the active client base.
- **Net revenue**: Totaled R$ 3.2 billion 4Q22, down 12% on a year-on-year basis. Amid a challenging scenario for equities in Retail and Capital Markets, key positive factors in the year were (i) Institutional, (ii) Corporate; and (iii) Fixed Income, Float and Cards in the Retail segment.
- **Profit[1]**: Totaled R$ 783 million in 4Q22, down 21% on a year-on-year basis as a result of the drop in revenue, gross margin compression and growth in expenses, given the 33% increase in the company's staff in 2022.

For further information on XP Inc's results., please access: https://investors.xpinc.com/en/

ALPARGATAS

Recent developments:

- **2nd issuance of debentures:** in December, the company announced the 2nd issuance of simple unsecured non-convertible debentures, in up to two tranches. Total net proceeds raised through this issuance were allocated to (i) amortization or payment, as applicable, of debts recorded in current liabilities, (ii) financing of working capital and (iii) ordinary business management.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Volume (thousand pairs/pieces)[1]	68,498	76,701	-10.7%	246,624	260,090	-5.2%
Brazil	61,803	70,444	-12.3%	213,674	228,760	-6.6%
International	6,695	6,257	7.0%	32,951	31,330	5.2%
Net Revenue	1,103	1,069	3.2%	4,182	3,949	5.9%
Recurring EBITDA	153	180	-15.2%	689	762	-9.5%
Recurring EBTIDA Margin	13.8%	16.8%	-3.0 p.p.	16.5%	19.6%	-3.1 p.p.
Profit (Loss)[2]	(21)	294	-107.1%	121	690	-82.4%
Recurring Profit[3]	64	150	-57.6%	254	571	-55.6%
ROE (annualized)[2]	-1.4%	35.0%	-36.4 p.p.	2.3%	21.7%	-19.3 p.p.
Recurring ROE (annualized)[3]	4.4%	17.9%	-13.5 p.p.	4.9%	17.9%	-13.1 p.p.
CAPEX	190	159	19.4%	701	339	106.5%

(1) It includes Havaianas operations only. (2) Attributable to controlling stockholders. | (3) Attributable to controlling stockholders and from continuing operations.

Financial Performance (4Q22 vs. 4Q21):

- **Net revenue:** net revenue was driven by RGM (Revenue Growth Management) initiatives, which reflected the higher unit price per pair of Havaianas sandals in Brazil, and increased volume of sales in international markets.
- **Recurring EBITDA**: in spite of the improved revenue, it was adversely impacted by a drop in sales volume in Brazil and higher distribution and marketing expenses, in addition to an increase in the loss provision for a specific customer.
- **Cash position:** a negative net financial position of R$ 612 million, down from the position of R$ 1,094 million on a year-on-year basis. This decrease was mainly driven by increased stocks of raw materials and finished products, higher balances of trade accounts receivable and increase in strategic investments (CAPEX) in connection with the Industrial and Logistics Excellence Program (ILEP), in addition to the purchases of Ioasys and interest equity in Rothy's.

For further information on Alpargatas's results, please access: https://ri.alpargatas.com.br/default.aspx?linguagem=en

Dexco

Recent developments:

- **LD Celulose:** started operating in April 2022 and reached full capacity at the end of December 2022. It is worth mentioning that, in addition to operating at full capacity, the volume produced is already adequate in terms of quality.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Net Revenue	1,980	2,251	-12.0%	8,487	8,170	3.9%
Wood Division	1,256	1,302	-3.5%	5,205	4,762	9.3%
Deca Division	487	630	-22.8%	2,136	2,251	-5.1%
Ceramic Tiles Division	238	319	-25.4%	1,145	1,157	-1.1%
Adjusted and Recurring EBITDA	366	588	-37.7%	1,732	2,188	-20.9%
Adjusted and Recurring EBTIDA Margin	18.5%	26.1%	-7.6 p.p.	20.4%	26.8%	-6.4 p.p.
Profit[1]	209	581	-64.0%	756	1.725	-55.2%
Recurring Profit[1]	239	407	-41.4%	803	1,148	-30.0%
ROE (annualized)[1]	14.2%	39.6%	-25.4 p.p.	13.1%	31.2%	-18.1 p.p.
Recurring ROE (annualized)[1]	16.2%	27.7%	-11.5 p.p.	14.0%	20.8%	-6.8 p.p.
CAPEX (Maintenance and Forestry Opex)	407	587	-30.7%	1,687	1,165	44.8%
Net Debt/EBITDA	2.33x	1.12x	1.21x	2.33x	1.12x	1.21x

(1) Attributable to controlling stockholders.

Financial Performance (4Q22 vs. 4Q21):

- **Net revenue:** in 4Q22, the higher net revenue in all divisions was not enough to offset the drop in sales volume, mainly in the foreign market, where the company opted to reduce the export volume due to the increase in the international shipping cost. In the year, net revenue reached record levels, as a result of the strategy to position products in the market, in addition to the better mix of products and solutions in the Wood Division and maintenance of export levels, which were enough to make up for the drop in sales in all divisions.
- **Adjusted and Recurring EBITDA:** higher costs resulting from the pressure on price of inputs, lower volume sold and maintenance shutdowns carried out in advance in all ceramic tiles plants have resulted in a drop in Adjusted and Recurring EBITDA. Despite this, on a year-on-year basis, 2022 was Dexco's second-best earnings year.
- **Dissolving wood pulp (DWP):** in the year, the new division sold 139.7 thousand tons (91.5 thousand tons in 4Q22) and recorded Adjusted Recurring EBITDA of R$ 398.4 million (of which R$ 308.1 million in 4Q22). Of the total amount, R$ 195 million accounted for 49% of Dexco's interest equity, which, if consolidated to the company's income, would have resulted in Adjusted Recurring EBITDA for the year of R$ 517 million.
- **Recurring profit:** impacted by strong inflationary pressure from costs, especially freight and inputs indexed to the US dollar, in addition to higher interest expenses due to the rise in the basic interest rate on debt.
- **Leverage:** level remains healthy. Increase in the period was driven by worsening results in the last 12 months. Increased indebtedness and interest expenses were due to the rise in the basic interest rate on debt. In 4Q22, the company raised R$ 804 million.

For further information on Dexco's results, please access: https://ri.dex.co/en/

CCR

Recent developments:

- **A new CEO:** in March 2023, within the scope of the succession process, CCR announced the election of Miguel Setas as its new Chief Executive Officer, who will take on the position as of April 24. Mr. Setas has over 25 years of experience in leadership roles in the energy and infrastructure sector, being a major step towards the strengthening and continuity of the company's business.
- **Capital allocation:** sale of all its equity interest in the capital stock of SAMM, a provider of optical fiber services, in the amount of R$ 245 million, subject to the fulfillment of certain conditions usual in this type of transaction, including conditions precedent such as regulatory approvals.

- **ESG:** ViaMobilidade - Lines 8 and 9 raised R$ 2.5 billion in green infrastructure bonds, the largest transaction ever in the Brazilian capital market for this type of funding. This issuance will be certified as a sustainable bond, in accordance with legislation in force, considering that funds will be invested in low-carbon transport modal.
- **Metrô Bahia**: in December 2022, the company entered into Amendment No. 10, with the aim of being included in Section 3 operation in the Metrô Bahia system, with a view to the resulting economic and financial rebalancing, in addition to installing and operating a Wi-Fi system in the existing stations in lines 1 and 2, also with a view to the corresponding economic and financial rebalancing.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Net Revenue (excluding construction)	3,281	2,835	15.7%	17,563	11,175	57.2%
Highways	1,866	1,855	0.6%	12,129	6,693	81.2%
Airports	544	378	44.0%	1,852	1,186	56.1%
Urban Mobility	873	594	46.9%	3,544	3,261	8.7%
Others[1]	(1)	9	-110.1%	38	35	8.3%
Adjusted and Recurring EBITDA[2]	1,604	1,363	17.7%	5,991	4,869	23.1%
Adjusted and Recurring EBITDA margin[2]	61.1%	57.5%	3.6 p.p.	62.9%	62.0%	0.9 p.p.
Profit[3]	(217)	(133)	63.0%	4,133	696	494.2%
Recurring Profit[2]	219	161	36.3%	495	806	-38.6%
CAPEX	916	371	147.0%	2,719	1,695	60.4%
Net Debt/EBITDA	1.7x	3.0x	-1.3x	1.7x	3.0x	-1.3x

(1) It includes holding companies, SAMM and intragroup eliminations. | (2) Equivalent to the figures on the "same base" reported by CCR. | (3) Attributable to controlling stockholders.

Financial Performance (4Q22 vs. 4Q21):

- **Traffic performance:** on the same basis of comparison, the traffic of equivalent vehicles increased by 1.0%, passengers transported at airports by 16.9%, and passengers transported in mobility business by 22.5%.
- **Net revenue (excluding construction)**: increase was driven by the rise in the volume of vehicle and passenger traffic resulting from the kick-off of operation of new concessions RioSP, ViaMobilidade - Lines 8 and 9, Pampulha and Blocos Sul and Central, partially offset by the exits of the NovaDutra and RodoNorte concessions, as well as the adoption of tariff adjustments.
- **Adjusted and Recurring EBITDA:** mainly driven by better operating performance in all transportation modals.
- **Recurring Profit:** increase year-on-year was driven by the outperformance in road, airport and urban mobility modals.
- **CAPEX:** increase as a result of advances in road pavement rehabilitation and safety devices implemented in RioSP, purchase of new trains on ViaMobilidade - Lines 8 and 9, and duplication of BR-386 highway on ViaSul.
- **Indebtedness:** Consolidated net debt reached R$ 20.8 billion at the end of December 2022 and the leverage ratio measured by Net Debt/Adjusted EBITDA (last 12 months) reached 1.7 times.

For further information on CCR's results, please access: https://ri.ccr.com.br/en/

aegea

Recent developments:

- **Auctions:** in December, teamed up with Engep Ambiental Ltda. in a pooling of companies, Aegea announced the winning offer in the bidding process for management of solid waste in nine municipalities of the Ceará state. On December 20, it announced the winning offer in the bidding process for purchase of shares in Companhia Riograndense de Saneamento (CORSAN), in partnership with managers Perfin and Kinea. Thanks to these wins, Aegea will operate in 489 municipalities of 13 states, serving over 30 million people.
- **Long-term loan for Águas do Rio:** in December 2022, the affiliate Águas do Rio entered into a long-term loan agreement with BNDES, the Brazilian Development Bank, with a credit facility of up to R$ 19.3 billion maturing in up to 28 years.
- **ESG:** Águas do Rio entered into an agreement with Petrobras to supply at least 29,000 m^3 of reuse water per year for industrial operations, which is the largest industrial reuse project to date in Brazil. Aegea entered into a partnership with BNDES in the Floresta Viva (forest alive) Project, for the recovery of the Atlantic Forest and Pantanal biomes, contributing to water resilience and tackle climate change.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Billed volume ('000 m³)	143	137	4.8%	557	518	7.6%
Net Revenue[1]	975	823	18.5%	3,674	2,939	25.0%
EBITDA	679	597	13.7%	2,471	1,822	35.6%
EBITDA margin	69.6%	72.5%	-2.9 p.p.	67.3%	62.0%	5.3 p.p.
Profit[2]	65	191	-65.7%	260	501	-48.1%
CAPEX	314	234	34.1%	974	777	25.4%
Net Debt/EBITDA	3.15x	2.76x	0.39x	3.15x	2.76x	0.39x

(1) Net operating revenue, less construction revenue with a margin close to zero and no cash effect. (2) Attributable to controlling stockholders.
Note: The table above shows information from Aegea Saneamento, including the results of Águas do Rio (SPCs 1 and 4) recognized under the equity method.

Financial Performance (4Q22 vs. 4Q21):

- **Net revenue:** increase was mainly driven by tariff adjustments and higher volume billed, with the latter arising from the expansion of the concession network and increase in households served, in particular by wastewater systems.
- **EBITDA:** mainly driven by the increase in volume billed and the results of Águas do Rio (RJ) in 2022.
- **Profit:** decrease was due to higher net finance costs, mainly driven by the rise in interest rate on debt.
- **CAPEX:** increase was driven by portfolio growth and the headway made in the water and wastewater coverage network.
- **Águas do Rio:** in 2022, it recorded net revenue of R$ 4.9 billion, EBITDA of R$ 1.4 billion, EBITDA margin of 28.7%, and profit of R$ 468 million. At the end of December 2022, Águas do Rio's net debt was R$ 7.7 billion.

For further information on Aegea Saneamento's results, please access: https://ri.aegea.com.br/en/

COPA energia

Recent developments:

- **Fleet management:** Aimed at greater logistics efficiency and improved customer satisfaction, the company increased its technology and logistics investments by implementing a vehicles and logistics control tower.
- **ESG:** The company defined its five strategic ESG commitments: ethics and governance, a client-oriented approach, our people, value chain, and environment.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Volume ('000 tons)	452	446	1.3%	1,821	1,826	-0.3%
Net Revenue	2,820	2,753	2.4%	11,770	10,240	14.9%
Recurring EBITDA	351	116	201.6%	909	361	151.4%
Recurring Profit	159	29	446.1%	313	55	470.8%
CAPEX	49	56	-11.9%	130	116	12.5%

(1) It includes sale of assets. | Note: Unaudited figures.

Financial Performance (4Q22 vs. 4Q21):

- **Sales volume:** despite the slight increase in sales volume in 4Q22 year-on-year, impacted by reductions in Petrobras' LPG prices and benefitted by the zero PIS/COFINS rate, in 2022 volume sold posted a slight decrease, still under the impact of the falling household consumption caused by a reduction in consumer purchasing power.
- **Net revenue:** better performance in the period was due to the price and commercial policy implemented by the company, even with the slight drop in volume sold.
- **EBITDA and recurring profit:** Increase is due to better gross margin in the period.

For further information on Copa Energia's results, please access: https://www.copaenergia.com.br/

Recent developments:

- **Wider access affordable to gas transport infrastructure in the Brazilian market:** the company entered into seven (7) interruptible service contracts (short-term contracts) with SHELL, GALP, and GERDAU. It also entered into a Flexibility Reduction Agreement with Petrobras. This instrument allows access to other agents to NTS transport system, who will have the same treatment as that granted to Petrobras, thus strengthening the company's readiness to operate in a multi-customer setting and providing part of its firm's capacity to new shippers.
- **Expansion of natural gas transport pipeline network in Brazil (GASIG Project)**: works completed on the first project after the new regulatory framework for the gas sector was implemented in 2021. The GASIG Project is 11 km long and connects the municipalities of Itaboraí to Guapimirim, enabling the transportation of pre-salt gas through Route 3, with an 18 million m³/day transport capacity.
- **Investments:** NTS invested R$ 431 million in the year, highlighting the advances in the GASIG project, the purchase of Linepack and the commissioning of Cubatão II new gas delivery point, leading the company to move towards a multi-client Market and in conformity with the New Gas Law.

Financial and Operational Data (R$ million, except where indicated)	4Q22	4Q21	Δ%	2022	2021	Δ%
Net Revenue	1,738	1,490	16.6%	6,778	5,766	17.5%
Profit	702	777	-9.6%	3,075	3,060	0.5%
Dividends[1] - Total	232	430	-46.1%	3,108	2,737	13.6%
Dividends[1] - % Itaúsa[2]	20	33	-40.1%	313	209	49.4%
CAPEX	139	82	68.5%	431	202	112.9%
Net Debt[2]	10,090	3,107	224.8%	10,090	3,107	224.8%

(1) It includes dividends and interest on capital, gross (paid by NTS and by NISA). | (2) Preliminary results, not yet audited.

Financial Performance (4Q22 vs. 4Q21):

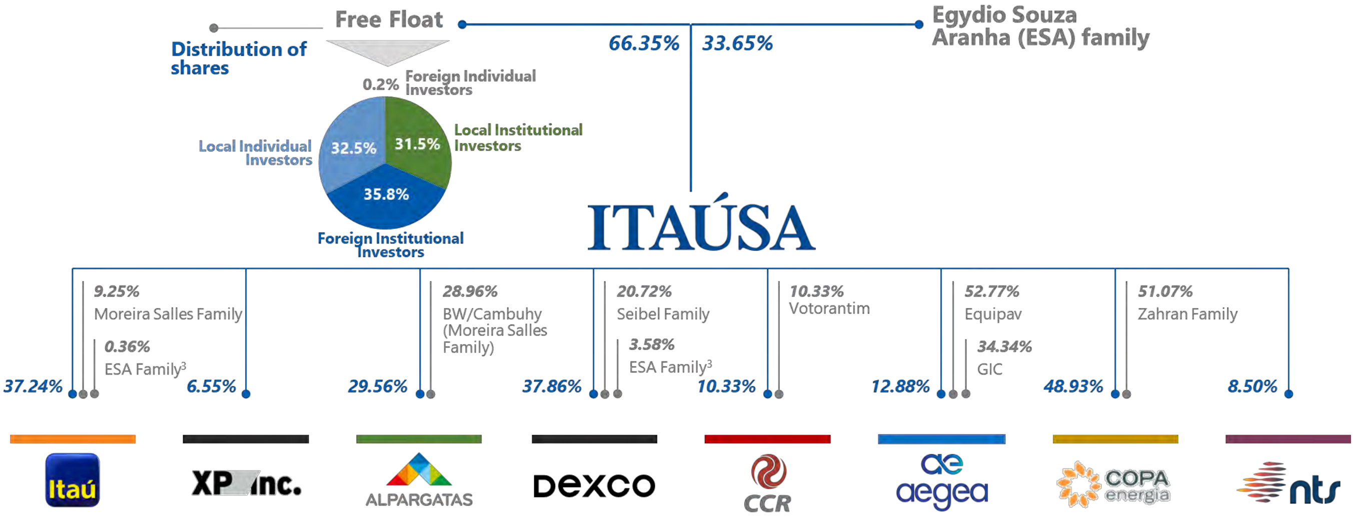
- **Net revenue:** the observed increase was driven by contractual adjustments provided for in gas transportation agreements.
- **Profit:** decrease on a year-on-year basis, as a result of higher finance costs in 4Q22, in connection with the Company's higher debt level after the merger of NISA in 2Q22, in addition to the rise in the CDI rate between comparative periods.
- **Earnings**: NTS paid R$ 3,108 million in dividends and interest on capital (gross) in the year, based on the intermediate distribution criterion adopted by the company. Of the total amount paid, R$ 313 million was allocated to Itaúsa and already includes the portion from NISA.
- **Indebtedness:** due to the merger of NISA into NTS, the net debt of NTS was added to by NISA's debentures and commercial notes, plus interest and any balances corresponding to derivative financial instruments. Furthermore, in the second half of 2022, the company completed the transaction to raise R$ 5 billion in debt with the aim of accelerating the due date of the debentures maturing in 2023.

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

Great brands, great history, great future.

ITAÚSA

8.2. Ownership Structure on 12.31.2022[1,2]



(1) Interests shown refer to total shares, excluding treasury shares.
(2) These correspond to direct and indirect interest in investees.
(3) Shares directly held by individuals or entities of the ESA Family.

8.3. Balance Sheet (parent company and managerial)

(R$ million)

ASSETS	12/31/2022	12/31/2021
CURRENT	**6,518**	**4,952**
Current Assets	**6,341**	**4,863**
Cash and cash equivalents	2,642	2,398
Financial assets - FVTPL (NTS/NISA)	2,005	1,516
Dividends / Interest on Capital receivable	1,694	949
Tax Assets	**167**	**65**
Taxes to be offset	167	65
Other Assets	**10**	**24**
Prepaid expenses	13	10
Other assets	(3)	14
NON-CURRENT	**76,736**	**69,650**
Investments	**75,861**	**68,520**
Investments in controlled companies	75,857	68,516
Other	4	4
Tax Assets	**716**	**965**
Taxes to be offset	9	8
Deferred Income Tax and Social Contribution	707	957
Fixed Assets	**104**	**107**
Other Assets	**55**	**58**
Right of use assets	5	7
Prepaid expenses	1	5
Judicial deposites	32	31
Other assets	17	15
TOTAL ASSETS	**83,254**	**74,602**

LIABILITIES AND STOCKHOLDERS'EQUITY	12/31/2022	12/31/2021
CURRENT	**4,155**	**2,454**
Debentures	160	428
Dividends / Interest on Capital payable	1,968	1,882
Suppliers	6	19
Tax liabilities	178	80
Personnel expenses	54	42
Leases liabilities	3	3
Provisions	1,763	-
Other liabilities	23	-
NON-CURRENT	**6,302**	**6,262**
Debentures	6,287	4,587
Provisions	12	1,663
Other deferred taxes	1	7
Leases liabilities	2	5
STOCKHOLDERS' EQUITY	**72,797**	**65,886**
Capital	63,500	51,460
Capital reserves	563	572
Revenue reserves	13,598	16,319
Carrying value adjustments	(4,864)	(2,368)
Treasury shares	-	(97)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**83,254**	**74,602**

Notes:
- Balance Sheet attributable to controlling stockholders.
- Deferred income tax and social contribution, assets and liabilities are presented already offset by the taxable entity.

8.4. Determination of Equity in the Earnings of Investees

Itaúsa's results are mainly derived from its Equity in the Earnings of Investees, determined based on the profits of its subsidiaries and revenues from investments in financial assets.

Visualization of the 4th quarter of 2022 and 2021

(R$ million)

Calculation of Investees' Results	Financial Sector				Non-financial Sector														Holding	
	Itaú		XP Inc.		Alpargatas		Dexco		CCR		Aegea		Copa Energia		NTS		Other companies		ITAÚSA	
	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21	4Q22	4Q21
Recurring Net Income of Investees	7,622	7,000	783	989	64	150	239	437	(217)	-	68	206	159	29	-	-	(6)	(2)		
(x) Direct/Indirect interest	37.24%	37.32%	7.42%	14.61%	29.56%	29.18%	37.86%	36.86%	10.33%	-	See note.	See note.	48.93%	48.93%	8.50%	8.50%	100.00%	100.00%		
(=) Share in recurring net income	2,839	2,614	57	142	19	42	91	161	(22)	-	10	26	78	13	-	-	(6)	(2)	3,066	2,996
(+/-) Other Results	(56)	(34)	-	-	(6)	(5)	-	-	-	-	(11)	-	(6)	(17)	-	-	-	-	(79)	(56)
(=) Recurring share of income	2,783	2,580	57	142	13	37	91	161	(22)	-	(1)	26	72	(4)	-	-	(6)	(2)	2,987	2,940
(+/-) Non-recurring income	(44)	(151)	-	(1)	(25)	38	(12)	53	-	-	-	-	(2)	(104)	-	-	-	64	(83)	(101)
(=) Share of income	2,739	2,429	57	141	(12)	75	79	214	(22)	-	(1)	26	70	(108)	-	-	(6)	62	2,904	2,839
(+) Revenues from Investments in Financial Assets - FVTPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	608	-	-	(13)	608
(=) Investees' Results in Itaúsa	2,739	2,429	57	141	(12)	75	79	214	(22)	-	(1)	26	70	(108)	(13)	608	(6)	62	2,891	3,447
Contribution	94.7%	70.5%	2.0%	4.1%	-0.4%	2.2%	2.7%	6.2%	-0.8%	0.0%	0.0%	0.8%	2.4%	-3.1%	-0.4%	17.6%	-0.2%	1.8%	100.0%	100.0%

Notes:
- Interest (direct and indirect) in investees includes the average percentage of interest held by Itaúsa in the period.
- The investment in NTS is recognized as a financial asset, and it is not accounted for under the equity method.
- For Aegea Saneamento, the interest shown in the table above includes equity in the results of Aegea Saneamento and Águas do Rio 1 and 4, in compliance with the apportionment of results agreed by the parties.
- "Other companies" includes the investments in Itautec and ITH Zux Cayman (non-operating companies).

Visualization of FY 2022 and FY 2021

(R$ million)

Calculation of Investees' Results	Financial Sector				Non-financial Sector														Holding	
	Itaú		XP Inc.		Alpargatas		Dexco		CCR		Aegea		Copa Energia		NTS		Other companies		ITAÚSA	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Recurring Net Income of Investees	30,268	27,662	3,579	3,589	254	572	803	1,179	(227)	-	259	309	314	55	-	-	(9)	(9)		
(x) Direct/Indirect interest	37.25%	37.33%	10.57%	14.90%	29.54%	29.18%	37.76%	36.79%	10.33%	-	See note.	See note.	48.93%	48.68%	8.50%	8.50%	100.00%	100.00%		
(=) Share in recurring net income	11,275	10,328	375	285	75	166	303	434	(23)	-	36	37	154	26	-	-	(9)	(9)	12,186	11,267
(+/-) Other Results	(158)	(102)	-	-	(29)	(23)	-	-	-	-	(43)	-	(43)	(17)	-	-	-	-	(273)	(142)
(=) Recurring share of income	11,117	10,226	375	285	46	143	303	434	(23)	-	(7)	37	111	9	-	-	(9)	(9)	11,913	11,125
(+/-) Non-recurring income	(139)	(221)	-	(1)	(27)	29	(18)	201	-	-	(21)	-	(7)	(41)	-	-	-	64	(212)	31
(=) Share of income	10,978	10,005	375	284	19	172	285	635	(23)	-	(28)	37	104	(32)	-	-	(9)	55	11,701	11,156
(+) Revenues from Investments in Financial Assets - FVTPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	802	692	-	-	802	692
(=) Investees' Results in Itaúsa	10,978	10,005	375	284	19	172	285	635	(23)	-	(28)	37	104	(32)	802	692	(9)	55	12,503	11,848
Contribution	87.8%	84.4%	3.0%	2.4%	0.2%	1.5%	2.3%	5.4%	-0.2%	0.0%	-0.2%	0.3%	0.8%	-0.3%	6.4%	5.8%	-0.1%	0.5%	100.0%	100.0%

Notes:
- Interest (direct and indirect) in investees includes the average percentage of interest held by Itaúsa in the period.
- The investment in NTS is recognized as a financial asset, and it is not accounted for under the equity method.
- For Aegea Saneamento, the interest shown in the table above includes equity in the results of Aegea Saneamento and Águas do Rio 1 and 4, in compliance with the apportionment of results agreed by the parties.
- "Other companies" includes the investments in Itautec and ITH Zux Cayman (non-operating companies).

ITAÚSA S.A.

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Vice-Chairman

Ana Lúcia de Mattos Barretto Villela
Roberto Egydio Setubal

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Edson Carlos De Marchi
Fernando Marques Oliveira (*) (**)
Patrícia de Moraes (*)
Rodolfo Villela Marino
Vicente Furletti Assis (*)

Alternative members

Ricardo Egydio Setubal
Ricardo Villela Marino
Victório Carlos De Marchi

(*) *Independent Board Members*
(**) *Temporarily away from work*

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Accountant

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

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Patrícia de Moraes
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ITAÚSA S.A.
BALANCE SHEET INDIVIDUAL AND CONSOLIDATED – ASSETS
(In millions of Reais)

	Note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
ASSETS					
Current assets					
Cash and cash equivalents	5	2,642	2,398	4,472	3,876
Marketable securities	6	2,005	1,516	2,005	1,516
Trade accounts receivable	7	-	-	1,425	1,430
Inventories	8	-	-	1,605	1,433
Dividends and interest on capital receivable	9	1,694	949	1,631	949
Income tax and social contribution for offset		165	63	308	190
Other taxes for offset	10	2	2	79	89
Other assets	11	10	24	167	289
Total current assets		**6,518**	**4,952**	**11,692**	**9,772**
Non-current assets					
Long-term receivables		767	1,017	4,644	4,089
Marketable securities	6	-	-	50	40
Biological assets	12	-	-	1,917	1,269
Judicial deposits		32	31	148	120
Employee benefits	30.1.1	13	9	123	109
Deferred income tax and social contribution	13	707	957	1,089	1,252
Income tax and social contribution for offset		9	8	9	8
Other taxes for offset	10	-	-	596	801
Right-of-use assets	14	5	7	565	374
Other assets	11	1	5	147	116
Investments	15	75,861	68,520	75,364	67,628
Property, plant and equipment	16	104	107	4,055	3,736
Intangible assets	17	4	6	882	756
Total non-current assets		**76,736**	**69,650**	**84,945**	**76,209**
TOTAL ASSETS		**83,254**	**74,602**	**96,637**	**85,981**

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

ITAÚSA S.A.
BALANCE SHEET INDIVIDUAL AND CONSOLIDATED – LIABILITIES AND EQUITY
(In millions of Reais)

		Parent company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	18	6	19	1,243	1,674
Personnel expenses		54	42	259	269
Debts	19	-	-	742	836
Debentures	20	160	428	180	441
Income tax and social contribution payable		-	3	21	18
Other taxes payable	10	178	77	346	154
Dividends and interest on capital payable	22.5.2	1,968	1,882	2,111	1,885
Leases	14	3	3	40	28
Provisions	21	1,763	-	1,763	-
Other liabilities	11	23	-	654	522
Total current liabilities		**4,155**	**2,454**	**7,359**	**5,827**
Non-current liabilities					
Debts	19	-	-	3,639	1,822
Debentures	20	6,287	4,587	7,486	5,785
Leases	14	2	5	567	376
Provisions	21	12	1,663	415	2,040
Deferred income tax and social contribution	13	-	-	207	149
Deferred other taxes		1	7	2	8
Other taxes payable	10	-	-	57	68
Employee benefits	30.2	-	-	36	38
Other liabilities	11	-	-	334	360
Total non-current liabilities		**6,302**	**6,262**	**12,743**	**10,646**
TOTAL LIABILITIES		**10,457**	**8,716**	**20,102**	**16,473**
EQUITY					
Capital	22.1	63,500	51,460	63,500	51,460
Capital reserves	22.2	563	572	563	572
Revenue reserves	22.3	13,598	16,319	13,598	16,319
Carrying value adjustments	22.4	(4,864)	(2,368)	(4,864)	(2,368)
Treasury shares	22.6	-	(97)	-	(97)
Total equity attributable to controlling stockholders		**72,797**	**65,886**	**72,797**	**65,886**
Non-controlling interests		-	-	3,738	3,622
Total equity		**72,797**	**65,886**	**76,535**	**69,508**
TOTAL LIABILITIES AND EQUITY		**83,254**	**74,602**	**96,637**	**85,981**

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

ITAÚSA S.A.
STATEMENTS OF INCOME INDIVIDUAL AND CONSOLIDATED
YEARS ENDED DECEMBER 31
(In millions of Reais, unless otherwise indicated)

		Parent company		Consolidated	
	Note	2022	2021	2022	2021
Net revenue	23	-	-	8,486	8,170
Cost of products and services	24	-	-	(5,611)	(5,296)
Gross profit		**-**	**-**	**2,875**	**2,874**
Operating income and expenses					
Selling expenses	24	-	-	(1,120)	(1,006)
General and administrative expenses	24	(172)	(143)	(548)	(507)
Equity in the earnings of investees	15	11,701	11,156	11,479	10,397
Other income	25	2,887	822	2,883	1,339
Total Operating income and expenses		**14,416**	**11,835**	**12,694**	**10,223**
Profit before finance result and income tax and social contribution		**14,416**	**11,835**	**15,569**	**13,097**
Finance result					
Finance income	26	916	810	1,330	1,228
Finance costs	26	(1,408)	(776)	(2,343)	(1,085)
Total Financial Result		**(492)**	**34**	**(1,013)**	**143**
Profit before income tax and social contribution		**13,924**	**11,869**	**14,556**	**13,240**
Income tax and social contribution					
Current income tax and social contribution	27	-	(7)	(129)	(278)
Deferred income tax and social contribution	27	(250)	338	(273)	329
Total Income tax and social contribution		**(250)**	**331**	**(402)**	**51**
Profit for the year		**13,674**	**12,200**	**14,154**	**13,291**
Profit attributable to controlling stockholders		13,674	12,200	13,674	12,200
Profit attributable to non-controlling interests		-	-	480	1,091
Basic and diluted earnings per share (in Brazilian reais)					
Common	28	1.40941	1.25638	1.40941	1.25638
Preferred	28	1.40941	1.25638	1.40941	1.25638

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

ITAÚSA S.A.
STATEMENTS OF COMPREHENSIVE INCOME INDIVIDUAL AND CONSOLIDATED
(In millions of Reais)

	Parent company		Consolidated	
	2022	2021	2022	2021
Profit for the year	**13,674**	**12,200**	**14,154**	**13,291**
Other comprehensive income				
Items that will be reclassified to profit or loss (net of taxes)				
Equity in other comprehensive income	(2,474)	(1,102)	-	-
Adjustment to the fair value of financial assets	-	-	(1,178)	(1,293)
Hedge	-	-	(19)	392
Foreign exchange variation on foreign investments	-	-	(1,370)	(100)
Items that will not be reclassified to profit or loss (net of taxes)				
Equity in other comprehensive income	(22)	37	-	-
Remeasurement of post-employment benefits	-	-	(23)	43
Total Other comprehensive income	**(2,496)**	**(1,065)**	**(2,590)**	**(958)**
Total comprehensive income	**11,178**	**11,135**	**11,564**	**12,333**
Attributable to controlling stockholders	11,178	11,135	11,178	11,135
Attributable to non-controlling interests	-	-	386	1,198

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

ITAÚSA S.A.
STATEMENTS OF CHANGES IN EQUITY INDIVIDUAL AND CONSOLIDATED
(In millions of Reais)

	Attributable to controlling stockholders								
	Capital	Capital reserves	Revenue reserves	Treasury shares	Carrying value adjustments	Retained earnings	Total Parent Company	Non-controlling interests	Total Consolidated
Balance on December 31, 2020	**43,515**	**586**	**14,545**	**-**	**(1,303)**	**-**	**57,343**	**3,290**	**60,633**
Transactions with stockholders									
Purchase of treasury shares	-	-	-	(90)	-	-	(90)	(59)	(149)
Disposal of treasury shares	-	-	-	-	-	-	-	3	3
Capital increase with the payment of revenue reserves	7,945	-	(7,938)	(7)	-	-	-	-	-
Reversal of expired dividends	-	-	6	-	-	-	6	-	6
Dividends and interest on capital from previous year	-	-	(48)	-	-	-	(48)	(247)	(295)
Transactions with subsidiaries and jointly-controlled companies	-	(14)	904	-	-	-	890	(8)	882
Total comprehensive income									
Other comprehensive income	-	-	-	-	(1,065)	-	(1,065)	107	(958)
Profit for the year	-	-	-	-	-	12,200	12,200	1,091	13,291
Appropriation									
Legal reserve	-	-	610	-	-	(610)	-	-	-
Dividends and interest on capital for the year	-	-	-	-	-	(3,350)	(3,350)	(555)	(3,905)
Statutory reserves	-	-	8,240	-	-	(8,240)	-	-	-
Balance on December 31, 2021	**51,460**	**572**	**16,319**	**(97)**	**(2,368)**	**-**	**65,886**	**3,622**	**69,508**
Balance on December 31, 2021	**51,460**	**572**	**16,319**	**(97)**	**(2,368)**	**-**	**65,886**	**3,622**	**69,508**
Transactions with stockholders									
Purchase of treasury shares	-	-	-	(36)	-	-	(36)	(172)	(208)
Capital increase with the payment of revenue reserves	12,040	-	(12,040)	-	-	-	-	-	-
Cancellation of shares	-	-	(133)	133	-	-	-	-	-
Reversal of expired dividends	-	-	7	-	-	-	7	-	7
Dividends and interest on capital from previous year	-	-	(797)	-	-	-	(797)	-	(797)
Transactions with subsidiaries and jointly-controlled companies	-	(9)	389	-	-	-	380	28	408
Total comprehensive income									
Other comprehensive income	-	-	-	-	(2,496)	-	(2,496)	(94)	(2,590)
Profit for the year	-	-	-	-	-	13,674	13,674	480	14,154
Appropriation									
Legal reserve	-	-	684	-	-	(684)	-	-	-
Dividends and interest on capital for the year	-	-	-	-	-	(3,821)	(3,821)	(126)	(3,947)
Dividends and interest on capital proposed	-	-	877	-	-	(877)	-	-	-
Statutory reserves	-	-	8,292	-	-	(8,292)	-	-	-
Balance on December 31, 2022	**63,500**	**563**	**13,598**	**-**	**(4,864)**	**-**	**72,797**	**3,738**	**76,535**

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

ITAÚSA S.A.
STATEMENTS OF CASH FLOWS INDIVIDUAL AND CONSOLIDATED
(In millions of Reais)

	Notes	Parent company 2022	Parent company 2021	Consolidated 2022	Consolidated 2021
Cash flows from operating activities					
Adjustments for reconciliation of profit					
Profit before income tax and social contribution		13,924	11,869	14,556	13,240
Equity in the earnings of investees		(11,701)	(11,156)	(11,479)	(10,397)
Provisions		(69)	282	18	443
Interest and foreign exchange and monetary variations, net		528	(250)	1,248	(63)
Depreciation, amortization and depletion		10	10	855	722
Changes in the fair value of biological assets		-	-	(598)	(129)
Allowance for estimated losses on doubtful accounts		-	-	27	21
Proceeds from the sale of investments	15.2.3	(2,551)	(903)	(2,551)	(903)
Exclusion of ICMS from PIS/COFINS calculation basis		-	-	-	(597)
Reversal of provision – ICMS from PIS/COFINS calculation basis		-	-	-	(142)
Other		-	-	7	5
		141	**(148)**	**2,083**	**2,200**
Changes in assets and liabilities					
(Increase) decrease in trade accounts receivable		-	-	(12)	(216)
(Increase) decrease in inventories		-	-	(267)	(540)
(Increase) decrease in other taxes for offset		452	502	652	(313)
(Increase) decrease in other assets		(276)	(166)	(222)	341
Increase (decrease) in other taxes payable		(579)	(296)	(567)	(253)
Increase (decrease) in trade accounts payable		(13)	(15)	(442)	549
Increase (decrease) in personnel expenses		11	(4)	(14)	13
Increase (decrease) in other liabilities		(23)	25	(151)	279
		(428)	**46**	**(1,023)**	**(140)**
Cash from operations		**(287)**	**(102)**	**1,060**	**2,060**
Payment of income tax and social contribution		(3)	-	(54)	(345)
Interest paid on debts and debentures		(701)	(216)	(1,140)	(335)
Net cash (used in) provided by operating activities		**(991)**	**(318)**	**(134)**	**1,380**
Cash flows from investing activities					
Acquisition of investments	15.2 and 33	(2,868)	(2,572)	(2,992)	(2,674)
Disposal of investments	15.2.3	4,670	1,270	4,670	1,270
Investments in Corporate Venture Capital Fund	6.2	-	-	(10)	(39)
(Increase) Decrease of capital in investee companies	15.2	(799)	-	(1,110)	(98)
Acquisition of property, plant and equipment and intangible and biological assets		(2)	(14)	(1,215)	(870)
Disposal of property, plant and equipment and intangible and biological assets		-	4	11	34
Interest on capital and dividends received	9	2,831	2,939	2,771	2,476
Cash and cash equivalents of subsidiaries incorporated/acquired		-	-	7	-
Net cash provided by investing activities		**3,832**	**1,627**	**2,132**	**99**
Cash flows from financing activities					
(Acquisition) disposal of treasury shares	22.6	(36)	(90)	(311)	(179)
Interest on capital and dividends paid	22.5.2	(3,851)	(2,402)	(3,851)	(3,335)
Proceeds from debts and debentures	19.2 and 20.2	3,493	2,492	5,993	3,404
Amortization of debts and debentures	19.2 and 20.2	(2,200)	-	(3,076)	(309)
Amortization of lease liabilities		(3)	(3)	(87)	(67)
Amortization of derivatives		-	-	(38)	-
Net cash used in financing activities		**(2,597)**	**(3)**	**(1,370)**	**(486)**
Foreign exchange variation on cash and cash equivalents		-	-	(32)	(4)
Net increase in cash and cash equivalents		**244**	**1,306**	**596**	**989**
Cash and cash equivalents at the beginning of the year-end		2,398	1,092	3,876	2,887
Cash and cash equivalents at the end of the year-end		2,642	2,398	4,472	3,876
		244	**1,306**	**596**	**989**

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

ITAÚSA S.A.
STATEMENTS OF VALUE ADDED INDIVIDUAL AND CONSOLIDATED
(In millions of Reais)

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Revenue	**-**	**-**	**10,484**	**10,480**
Sales of products and services	-	-	10,462	10,152
Allowance for estimated losses on doubtful accounts	-	-	(27)	(21)
Other revenue	-	-	49	349
Inputs acquired from third parties	**(2,217)**	**(716)**	**(8,660)**	**(6,843)**
Cost of products and services	-	-	(5,394)	(5,299)
Materials, electric energy, outsourced services and other	(2,217)	(716)	(3,266)	(1,544)
Gross value added	**(2,217)**	**(716)**	**1,824**	**3,637**
Depreciation, amortization and depletion	(10)	(10)	(855)	(722)
Value added generated, net	**(2,227)**	**(726)**	**969**	**2,915**
Value added received through transfer	**17,784**	**13,494**	**17,974**	**13,231**
Equity in the earnings of investees	11,701	11,156	11,479	10,397
Finance income	916	810	1,330	1,228
Other revenue	5,167	1,528	5,165	1,606
Total undistributed value added	**15,557**	**12,768**	**18,943**	**16,146**
Distribution of value added	**15,557**	**12,768**	**18,943**	**16,146**
Personnel	**76**	**65**	**1,216**	**1,110**
Direct compensation	69	59	962	893
Benefits	6	5	188	158
Government Severance Pay Fund (FGTS)	1	1	58	53
Other	-	-	8	6
Taxes, fees and contributions	**764**	**(34)**	**1,597**	**901**
Federal	763	(35)	1,475	825
State	-	-	103	65
Municipal	1	1	19	11
Return on third parties' capital	**1,043**	**537**	**1,976**	**844**
Interest	1,043	537	1,976	844
Return on capital	**13,674**	**12,200**	**14,154**	**13,291**
Dividends and interest on capital	4,698	3,350	4,824	3,905
Retained earnings	8,976	8,850	8,977	8,850
Non-controlling interests in retained earnings	-	-	353	536

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

ITAÚSA S.A.
NOTES TO THE FINANCIAL STATEMENTS
AT DECEMBER 31, 2022
(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.

ITAÚSA shares are recorded at Level 1 of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), under the ticker symbols "ITSA3" for common shares and "ITSA4" for preferred shares. .In addition to the Bovespa Index (Ibovespa), ITAÚSA shares make up some B3's segment portfolios with ESG (environmental, social and corporate governance) features, and noteworthy are the Corporate Governance Index (IGC), the Brazil Special Tag-Along Index (ITAG), the Corporate Sustainability Index (ISE), the Carbon Efficient Index (ICO2), and the Great Place to Work Index (IGPTW). Furthermore, in view of its recognized corporate sustainability, ITAÚSA makes up the top global reach index Dow Jones Sustainability World Index (DJSI), and has been ranked low ESG risk by Sustainalytics, in addition to joining initiatives such as the Carbon Disclosure Project (CDP).

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 63.35% of the common shares and 17.74% of the preferred shares, making up 33.41% of total capital.

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

	Country of incorporation	Activity	Holding % (Direct and Indirect) [1]	
			12/31/2022	12/31/2021
Joint ventures				
Itaú Unibanco Holding S.A. ("Itaú Unibanco")	Brazil	Financial institution	37.24%	37.32%
IUPAR - Itaú Unibanco Participações S.A. ("IUPAR")	Brazil	Holding company	66.53%	66.53%
Alpargatas S.A. ("Alpargatas")	Brazil	Footwear and apparel	29.56%	29.18%
Controlled companies				
Dexco S.A. ("Dexco")	Brazil	Wood panels, bathroom fixtures and fittings and dissolving wood pulp	37.86%	36.86%
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%
Associates				
CCR S.A. ("CCR")	Brazil	Infrastructure and mobility	10.33%	-
Aegea Saneamento e Participações S.A. ("Aegea")	Brazil	Sanitation	12.88%	12.88%
Águas do Rio 1 SPE S.A. ("Águas do Rio 1")	Brazil	Sanitation	4.65%	5.01%
Águas do Rio 4 SPE S.A. ("Águas do Rio 4")	Brazil	Sanitation	4.53%	4.89%
XP Inc. ("XP") [3]	Cayman Islands	Financial products and services	6.55%	13.68%
Copa Energia – Distribuidora de Gás S.A. ("Copa Energia")	Brazil	LPG distribution	48.93%	48.93%
Financial assets				
Nova Transportadora do Sudeste S.A. – NTS ("NTS")	Brazil	Transportation of natural gas	8.50%	8.50%
Nova Infraestrutura Gasodutos Participações S.A. ("NISA") [2]	Brazil	Holding company	-	8.50%

[1] It excludes treasury shares.
[2] Company merged into NTS on April 12, 2022 (Note 6.1).
[3] It does not include the indirect equity interest of 3.83% (excluding treasury shares) held through jointly-owned subsidiary Itaú Unibanco, since this has no material impact on XP, classifying this interest in Equity as a financial asset measured at fair value through other comprehensive income. The effects of this equity interest in ITAÚSA are recorded in "Carrying value adjustments" in Equity, reflecting the recording made in Itaú Unibanco's Equity.

On September 12, 2022, ITAÚSA concluded the process of acquisition of 10.33% of the total capital of CCR. For further information, see Note 15.2.8.

These parent company and consolidated financial statements were approved by the Board of Directors on March 20, 2023.

2. BASIS OF PREPARATION AND PRESENTATION

2.1. Statement of compliance

The parent company and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil. The accounting practices adopted in Brazil comprise the Pronouncements, Interpretations and Guidance issued by the Accounting Pronouncements Committee (CPC), which were approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council.

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.

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.

2.2. Measurement basis

The Individual 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 4.1.1; (ii) liabilities of the defined benefit that are recognized at fair value limited to the recognized assets as stated in note 30; and (iii) biological assets measured at fair value through profit or loss, as stated in note 12.

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

The Individual 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 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 year presented and in subsequent year.

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 3.10, 13 and 27);
- Determination of the fair value of financial instruments, including derivatives (Notes 3.1.3, 3.1.4, 4.1.2 and 4.1.3);
- Provisions, Contingent assets and liabilities (Notes 3.14 and 21);
- Determination of the fair value of biological assets (Notes 3.5 and 12);
- Recognition of assets and liabilities related to pension plans (Notes 3.11 and 30); and
- Analysis of impairment of assets (Notes 3.9, 15.5, 16.4 and 17.4).

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", in the Statement of Income under "Net income attributable to non-controlling stockholders" and in the Statements of Comprehensive Income under "Total comprehensive income Attributable to non-controlling interests".

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 been adopted by ITAÚSA and its controlled companies since January 1, 2022

In fiscal year 2022, ITAÚSA and subsidiaries adopted the following amendments to the standards, which had no material impacts on their financial statements.

- **Amendment to IFRS 3 / CPC 15(R1) – Business Combinations** It updates the references still used in the former version of the Conceptual Framework by the most recent version issued in 20188.

- **Amendment to IAS 16 / CPC 27 – Property, plant and equipment** It prohibits deducting from the cost of an item of property, plant and equipment (PPE) any proceeds from selling items produced while it is being prepared for its intended use. Accordingly, such revenue and costs should be recognized in profit or loss for the year.

- **Amendment to IAS 37 / CPC 25 – Provisions, Contingent Liabilities and Contingent Assets** It clarifies that, for the purpose of assessing whether a contract is onerous, the cost of fulfilling this contract includes incremental costs (e.g., employees or materials) and the allocation of other costs that are directly related to the fulfillment of the contract (e.g., depreciation of an asset used to fulfill the contract).

- **Annual Improvements to the IFRS's 2018–2020 Cycle:**

  (a) IFRS 9 / CPC 48 – Financial Instruments: It clarifies the fees a company includes in the 'ten per cent' test for derecognition of financial liabilities.

  (b) IFRS 16 / CPC 06 (R2) – Leases: It excludes the example of reimbursement of leasehold improvements.

  (c) IAS 41 / CPC 29 – Biological Assets and Agricultural Produce: It removes the requirement to exclude, from cash flow estimates, taxes on income (IRPJ/CSLL) while measuring the fair value of biological assets, thus aligning with the measurement requirements contained in IAS 41 / CPC 46 - Fair Value Measurement.

2.6.2. Revised standards and interpretations not adopted by ITAÚSA and its subsidiaries

Although the standards below have already been issued, they were not effective on December 31, 2022. ITAÚSA and subsidiaries do not estimate significant impacts on their Financial Statements upon their adoption.

Standards applicable after January 1, 2023:

- Amendments to IAS 1 / CPC 26 (R1) – Presentation of Financial statements (Disclosure of accounting policies)
- Amendments to IAS 12 / CPC 32 – Income Taxes
- Amendments to IAS 8 / CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors

Standards applicable after January 1, 2024:

- Amendments to IAS 1 / CPC 26 (R1) – Presentation of Financial statements (Classification of liabilities between Current and Non-current)

Standard with effective date of amendments not yet been defined by the IASB:

- Amendments to IFRS 10 / CPC 36 (R3) – Consolidated Financial Statements, and IAS 28 / CPC 18 (R2) – Investments in Associates and Joint Ventures

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Financial instruments

Financial instruments are recognized on the trading date, that is, when the obligation or the right becomes effective and they are initially recorded at fair value plus or minus any transaction costs that are directly attributed to them.

They are written off when the contractual rights to the cash flows expire, that is, when there is certainty of the termination of the right or the obligation of receipt, of the delivery of cash or security. In situations like this, management, based on consistent information, proceeds with the accounting entry for settlement.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet only when there is a legal enforceable right to offset the recognized amounts and an intention to settle them or to realize the asset and settle the liability at the same time.

3.1.1. Financial assets

After the initial recognition at fair value, financial assets are classified and measured by means of: (i) the assessment of the business model for the management of financial assets; and (ii) the characteristics of their contractual cash flows. Financial assets are measure as follows:

- **Amortized cost:** Financial assets whose cash flows' characteristic corresponds, exclusively, to the payment of the principal amount and interest and that are managed under a business model for the obtainment of the contractual cash flows of the instrument. They are recognized using the effective interest method.

- **Fair value through other comprehensive income:** Financial assets whose cash flows' characteristic also corresponds to the payment of the principal amount and interest but that are managed under a business model that involves the obtainment of cash flows by both the maintenance of the contract and the sale of the asset. They are recognized as a contra-entry to "Other comprehensive income" in Equity.

- **Fair value through profit or loss:** Financial assets whose cash flows' characteristic does not correspond only to the payment of the principal amount and interest or that are managed under a business model for sale in the short term. They are recognized as a contra-entry to profit or loss.

ITAÚSA and its controlled companies regularly assess the need to recognize impairment losses for all financial assets measured at amortized cost. For the purpose of determining impairment losses, many elements are considered, such as the credit status of every financial asset, the analysis of the economic or sector environment, and the history of losses recognized in previous periods.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, recognized as a contra-entry to profit or loss. If a financial asset is subject to a variable interest rate, the discount rate to measure an impairment loss is the current effective interest rate determined in accordance with the contract.

A previously recognized impairment loss may be reversed if there is a change in the assumptions used to determine the asset's recoverable amount and it is also recognized in profit or loss.

3.1.2. Financial liabilities

After the initial recognition at fair value, as a general rule, the financial liabilities are classified and measured at amortized cost.

The financial liabilities will only be classified as fair value through profit or loss if they are: (i) derivatives; (ii) financial liabilities arising from transferred financial assets that did not qualify for derecognition; (iii) financial guarantee contracts; (iv) commitments to grant loans with interest rates that are lower than those adopted in the market; and (v) contingent consideration recognized by an acquirer in a business combination.

ITAÚSA and its controlled companies may also classify a financial liability as fair value through profit or loss when: (i) they wish to eliminate or significantly reduce a measurement or recognition inconsistency that, otherwise, may result from the measurement of assets or liabilities or from the recognition of gains and losses on these assets and liabilities on different bases; or (ii) the performance of a financial liability is assessed based on its fair value in accordance with a documented risk management or investment strategy internally provided by management.

3.1.3. Derivatives

A derivative financial instrument may be identified provided that: (i) its value is influenced by the fluctuation of the rate or price of a financial instrument; (ii) it does not need an initial investment or it is far lower than what it would be in similar contracts; and (iii) it will always be settled on a future date. Only if all these characteristics are met we can classify a financial instrument as a derivative.

They are recognized at fair value and the gains and losses resulting from this revaluation are recorded in profit or loss, except when the derivative is classified as a cash flow hedge and the gains and losses from the effective portion are recorded in "Other comprehensive income" in Equity.

The derivative financial instruments are held to protect the exposures to risks of variation in foreign currency and interest rates. ITAÚSA and its controlled companies do not contract derivatives of a speculative nature. The results obtained from these operations are consistent with the policies and strategies defined by management.

3.1.4. Fair value

Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an arm's length transaction between market players on the measurement date.

The fair value of financial instruments, including derivatives, is determined through the use of evaluation techniques, based on assumptions, that take into consideration management's judgment and the conditions existing in the market on the date of the financial statements. These evaluation techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and options pricing models that preferentially use information from market sources rather than information from the management of ITAÚSA and its controlled companies.

ITAÚSA and its controlled companies classify the measurements of fair value using the fair value hierarchy, which reflects the importance of the data used in the measurement process, as shown below:

- Level 1: prices (unadjusted) quoted for identical assets and liabilities in active markets;
- Level 2: different prices from those traded in active markets included in Level 1 but that are directly or indirectly observable for assets and liabilities; and
- Level 3: prices based on variables that are non-observable in the market, usually obtained internally or from other sources that are not considered market sources.

ITAÚSA and its controlled companies understand that the methodologies adopted are appropriate and consistent with those of other market players, however, the adoption of other methodologies or the use of different assumptions to determine the fair value may result in different estimates of fair values.

3.2. Cash and cash equivalents

They correspond to resources used in the management of short-term commitments and include cash in hand, bank accounts and highly-liquid financial investments redeemable in three months or less and with immaterial risk of change in market value. Cash in hand and bank accounts are stated at amortized costs. Highly-liquid financial investments are recorded at the amount invested plus earnings earned and have no significant difference from its market value, as it corresponds to its fair value.

3.3. Trade accounts receivable

They correspond to the amounts receivable in the ordinary course of the activities of the controlled companies. They are initially recorded at the fair value of the consideration to be received plus, when applicable, the foreign exchange variation. Subsequently, they are measured at amortized cost less the allowance for estimated losses on doubtful accounts. They refer, in their totality, to short-term transactions and, therefore, they are not adjusted to present value because they do not represent significant adjustments to the financial statements. The fair value of these accounts receivable is estimated to be substantially similar to their carrying amount.

The allowance for estimated losses on doubtful accounts is recognized based on an individual analysis of amounts receivable, taking into consideration mainly: (i) significant financial difficulty of the issuer or debtor; (ii) a breach of a contract, such as default or arrears in the payment of interest or the principal amount; (iii) the disappearance of an active market for a given financial asset due to financial difficulties; and (iv) observable data indicating that there is a measurable reduction in estimated future cash flows.

Since receivables have no significant financing components, based on a simplified approach, the allowance for estimated losses on doubtful accounts is recorded over the entire life of the receivable by applying a percentage calculated based on a study of the history of default segregated in parameters, as follows: (i) segment; (ii) billing date; and (iii) maturity date.

Although the risk matrix is to be reviewed on a yearly basis, this study may be reassessed if the behavior of the allowance for estimated losses on doubtful accounts is different from expected results.

Allowance for estimated losses on doubtful accounts is recognized based on the analysis of realization risks of credit in an amount deemed sufficient by Management to cover possible losses upon realization of these assets. The subsequent recoveries of amounts that had previously been written off are credited to the "Other income and expenses" account in the statement of income.

3.4. Inventories

These are measured at the lowest of cost and net realizable value. Cost corresponds to the average cost of acquisition or production, calculated based on the moving weighted average, which does not exceed the replacement or realization amounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated conclusion costs and selling expenses.

The controlled company Dexco has a policy to recognize a provision for losses on slow-moving or obsolete inventories. Management believes that the provisions for losses on inventories were recognized at sufficient amounts.

3.5. Biological assets

Forest reserves are recognized at fair value, less the estimated selling costs at the time of harvest. For immature plantations (up to one year of life for eucalyptus forests and four years for pine forests), their cost is considered to approximate their fair value. Biological assets are measured every three months or as cycle counts are completed, and the gains or losses arising from the recognition of the fair value are recorded in the statement of income in the "Cost of products and services" account. Depletion, which is also allocated to the "Cost of products and services" account, arises from the assets harvested in the year and it is composed of the formation cost and the portion related to the fair value difference.

Many estimates were adopted to measure the forest reserves in accordance with the methodology established by CPC 29 / IAS 41 – "Biological asset and agricultural produce". These estimates were based on market benchmarks, which are subject to changes in the scenario that may impact the financial statements. The methodologies used to measure the fair value of biological assets and a sensitivity analysis of them are described in Note 12.

3.6. Investments

These are represented by investments in controlled companies, associates and jointly-controlled companies arising from ITAÚSA's equity interest in these companies. They are initially recognized at cost of acquisition and subsequently stated using the equity method of accounting. Additionally, these investments include the amount of goodwill identified upon acquisition, net of any accumulated impairment loss.

Every year, ITAÚSA assesses if there is objective evidence that the investments in controlled companies, associates and jointly controlled companies are impaired. If so, ITAÚSA calculates the amount of the impairment loss and recognizes the amount in the statement of income.

ITAÚSA does not recognize additional losses on its investments at amounts that exceed its equity interest unless it has incurred obligations or made payments on behalf of investees.

3.6.1. Investments in controlled companies

Investments in controlled companies are those in which ITAÚSA is exposed or entitled to variable returns based on its involvement with the investee in addition to having the ability to affect these returns by means of the power exercised.

These investments are fully consolidated for the purpose of the presentation of the consolidated financial statements.

3.6.2. Investments in associates and jointly-controlled companies

Associates are the investees on which the investor has a significant influence but over which it does not have control.

Jointly-controlled companies are the investees over which ITAÚSA and one or more investors have the shared control of the operational and financial activities of the entity. They can be classified as joint operations or joint ventures, depending on the contractual rights and obligations of investors.

ITAÚSA's interest in the profit or loss of its jointly-controlled companies and associates is recognized in the "Equity in the earnings of subsidiaries" account in the statement of income. Meanwhile, the share of the changes in Equity of the jointly-controlled companies and associates are also recognized in equivalent accounts in ITAÚSA's Equity.

3.6.3. Business combination

Business combination is the method used to recognize acquisitions of control of investments, whose characteristic is defined as an integrated set of activities and assets conducted and managed with the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

This method requires identifiable acquired assets and liabilities assumed to be measured at their fair value. In the acquiring company, the difference between the amount paid and the carrying amount of the company's equity is recognized in the Investment account separated by: (i) surplus value, when the economic fundamentals are substantially related to the fair value of the net assets of the acquiree; and (ii) goodwill, when the amount paid exceeds the fair value of the net assets and represents the expectation of value creation in the future.

In the business combination of controlled companies, goodwill is classified in the "Investments" account in the parent company financial statements and in the "Intangible assets" account in the consolidated financial statements.

If the cost of acquisition is lower than the fair value of the identifiable acquired net assets, the difference is directly recognized in profit or loss.

The costs directly attributable to the acquisition must be directly allocated to profit or loss as they are not incurred.

3.7. Property, plant and equipment

These are stated at their cost of acquisition, formation or construction plus any costs that are directly attributable to placing the asset in the location and condition necessary for its operation, less accumulated depreciation and, when applicable, accumulated impairment losses. Interest related to loans and financing obtained from third parties and capitalized during the phase of formation/construction of the property, plant and equipment is also part of their cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits will flow to the company and the costs can be reliably measured.

The carrying amount of the replaced assets is written off and the expenditures with repairs and maintenance are fully recorded as a contra-entry to profit or loss.

Gains and losses on the sale of property, plant and equipment items are recognized in profit or loss in the "Other income and expenses" account.

The calculation basis of depreciation is the depreciable amount (cost of acquisition less the residual value) of the asset. Land is not depreciated. Depreciation is recognized in profit or loss using the straight-line method in accordance with the useful life of each item. The useful life estimates of the respective items are revised at the end of every year.

3.8. Intangible assets

They comprise all intangible assets and are recognized when: (i) they arise from legal or contractual rights; (ii) their cost can be reliably measured; and (iii) it is probable that future economic benefits arise from their use.

They refer to acquired or internally produced assets and their useful lives can be definite or indefinite. Intangible assets with a definite useful life are amortized using the straight-line method over their estimated useful lives. Intangible assets with an indefinite useful life are not amortized, but they are tested at least once a year to identify any impairment losses or when there is evidence of losses.

3.8.1. Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the software and make it ready for use. Software is amortized over its estimated useful life using the straight-line method.

3.8.2. Trademarks and patentes

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value on the date of acquisition. They are not amortized as their useful life is indefinite.

3.8.3. Customer portfolio

It is recognized only in a business combination at fair value on the date of acquisition. The useful life of the relationships with customers is definite and, therefore, they are amortized. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

3.8.4. Ágio (Goodwill)

As described in Note 3.6.3, goodwill represents the excess of the cost of an acquisition over the fair value of the investment of the buyer in the identifiable assets and liabilities of the entity acquired on the date of acquisition. Goodwill is not amortized but its recoverable amount is assessed every year or when there is an evidence of an impairment loss with the use of an approach that involves the identification of the cash generating units and the estimate of its fair value less selling costs and/or value in use.

3.9. Assessment of impairment of non-financial assets – Investments, Property, plant and equipment and Intangible assets

The recoverable amount of an asset is the highest of its value in use and its fair value net of the costs necessary for sale. The value in use is calculated by means of assessment methodologies, supported by discounted cash flows techniques, market conditions and business risks.

For the purpose of assessing any impairment, assets are grouped at the minimum level for which independent cash flows can be identified (cash generating units).

Assets with a definite useful life, which are subject to depreciation or amortization, are assessed only if there is objective evidence (events or changes in circumstances) that the carrying amount may not be recoverable. Accordingly, the effects of obsolescence, demand, competition and other economic factors are taken into consideration.

For the assets with indefinite useful lives, ITAÚSA and its controlled companies assess their assets for impairment at least once a year or when significant events or changes indicate that their carrying amounts may not be recoverable. If it is identified that the carrying amount of the asset exceeds its recoverable amount, a provision for impairment is recognized in profit or loss.

A previously recognized impairment loss may be reversed, excepted an impairment loss on goodwill, if there is a change in the assumptions used to determine the asset's recoverable amount and it is also recognized in profit or loss.

3.10. Income tax and social contribution

Corporate Income Tax and Social Contribution on Profit are determined in accordance with tax legislation in force related to each tax. Taxable profit is subject to the rates of 15%, plus an additional 10% on the surplus that exceeds R$240 thousands for income tax, and 9% for social contribution. Any changes in tax legislation related to tax rates are recognized in the year they come into effect.

Income taxes are recognized in the statement of income in the "Income tax and social contribution" account, except to the extent that they relate to items recognized directly in Equity or in Comprehensive income.

Current income tax and social contribution are presented net in the balance sheet, per taxpaying entity, and they approximate the amounts to be paid or recovered, and they may be separated into current and non-current in accordance with the expectation of offset/settlement. Deferred income tax and social contribution are recognized on income tax and social contribution loss carryforwards and temporary differences on the tax bases of assets and liabilities only to the extent of the probability of determining taxable profit and possibility of using the realized temporary differences, and they are presented in non-current at their net amount when there is the legal right and the intention to offset them, in general, with the same legal entity and the same tax authority.

When determining deferred taxes, ITAÚSA and its controlled companies assess the impact of the uncertainties on the tax positions assumed. This assessment is based on estimates and assumptions and involve a number of judgments on future events, such as economic and financial projections, macroeconomic scenarios and tax legislation in force. New information may be made available, which could cause ITAÚSA and its controlled companies to change their judgment with respect to the taxes that have already been recognized, recording these impacts in the year they were realized.

3.11. Employee benefits (Private pension and Health care plans)

ITAÚSA and its controlled companies sponsor private pension and health care plans for their employees with the characteristics of defined benefit and defined contribution.

3.11.1. Defined benefit plans

ITAÚSA and its controlled companies recognize the obligations of the defined benefit plans if the present value of the obligation on the date of the financial statements is higher than the fair value of the plan's assets. The present value of the commitments is determined based on an actuarial assessment prepared on an annual basis by independent actuaries based on the Projected Unit Credit Method. Net assets are composed mainly of investments that compose the benefit plan portfolio, which are measured at their fair value.

Actuarial gains and losses generated by adjustments and changes in the actuarial assumptions of the defined benefit plans are directly recognized in Equity in the "Carrying value adjustment" account. Past service costs and interest on actuarial deficit/surplus are recognized in profit or loss for the year in which they are incurred.

In the cases in which the plan presents a surplus and there is the need to recognize an asset as a contra-entry to profit or loss, this recognition is limited to the present value of the economic benefits available in the form of reimbursements or future reductions in the plan's contributions, in accordance with legislation in force and the plan's regulation.

The sponsors and participants are equally responsible for the coverage of the actuarial deficiencies of this plan.

3.11.2. Defined contribution plan

Contributions are recognized as employee benefit expenses when they become due. Contributions made in advance are recognized as an asset to the extent they generate an effective reduction in future payments.

3.12. Share-based compensation plan

Subsidiary Dexco offered executives a stock-based compensation plan (Stock Options), replaced in 2020 by the plan called ILP (Long-Term Incentives). In both plans, the fair value of shares to be delivered to executives is recognized as an expense with a corresponding entry in Equity, during the year where executives' services are provided and the right is accrued. The plan will be settled exclusively upon the delivery of the shares.

The fair value of the options granted is calculated on the date the options are granted using option pricing models that take into consideration the option exercise price, the current price, the interest rate free of risk and the volatility expected from the share price over the option's life.

At the end of every year, the estimates of the number of shares are reviewed that are expected to be issued based on the conditions for the obtainment of rights.

3.13. Debts and debentures

These are initially recognized at fair value upon the receipt of resources, net of transaction costs. Subsequently, they are measured at amortized cost, that is, added by charges and interest in proportion to the period incurred using the effective interest method. Certain debts that have hedging derivative instruments, will may be measured at fair value.

The costs of debts and debentures that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits for the entity and that these costs can be reliably measured. When they are not related to a qualifying asset, the costs are recognized as an expense for the year in which they are incurred.

3.14. Provisions and Contingent assets and liabilities

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. They are measured at the best estimate of the present value of the expenditures that should be necessary to settle the obligation and that reflect their specific risks. Provisions are not recognized for future operating losses.

The analysis of the probability of loss by the legal advisors of ITAÚSA and its controlled companies includes the analysis of the evidence available, the hierarchy of laws, case law, the most recent court decisions and their relevance in the legal system. The estimates and assumptions used in the recognition of provisions are periodically reviewed.

Contingent liabilities for which the risk of loss is considered possible or remote are not recognized in a provision and only the amounts classified as possible are disclosed in a note to the financial statements.

Contingent assets are not recognized in the financial statements, except when there are secured guarantees or favorable judicial decisions for which appeals are no longer available, characterizing the victory as practically certain and as a result of the confirmation of their possible recovery due to receipt or offset with another liability. Contingent assets for which the expectation of success is probable are disclosed in the notes to the financial statements.

Adjustments to provisions, as well as of adjustments to judicial deposits made to secure lawsuits under progress are taken to Financial result in accordance with contractual provisions or based on indices set forth in applicable legislation.

3.15. Capital and Treasury shares

3.15.1. Capital

Common and preferred shares are classified in equity and any costs attributable to their issue are deducted.

3.15.2. Treasury shares

The repurchase of own shares are recognized at the average cost of acquisition and classified as a deduction in Equity in the "Treasury shares" account. When these shares are available for sale, they are written off at the average cost on the date of the sale and the gain or loss is recognized in the "Revenue reserves" account. The cancellation of treasury shares is recognized also as a reduction in the "Revenue reserves" at the average price of the treasury shares on the date of cancellation.

3.16. Dividends and Interest on capital

According to the Bylaws, stockholders are assured minimum mandatory dividends of 25% of profit for each year, adjusted as provided for in Article 202 of Law No. 6,404/76, by means of quarterly payments, or in shorter intervals, in the same year and until the Annual General Stockholders' Meeting that approves the respective financial statements. The minimum dividend amounts established in the Bylaws are recognized as a liability, net of the payments already made, as a contra-entry to Equity. Any amount that exceeds the minimum mandatory dividend is only recognized as a liability when it is approved by stockholders at a General Meeting.

Regarding quarterly payments in advance of minimum mandatory dividends the stockholding position on the last day of the previous month is used as a calculation basis, and the actual payment is made in the first day of the subsequent month.

The Board of Directors may resolve upon the payment of interest on capital. For the purpose of meeting tax regulations, interest on capital is recognized as a contra-entry to the "Finance costs" account. For the purpose of preparing the above mentioned financial statements, it is reversed from profit or loss as a contra-entry to Equity and included in the balance of dividends for the year.

The dividends receivable from the controlled companies, associates and jointly-controlled companies are recognized as an asset in the financial statements upon the resolution of their Board of Directors or General Meeting as a contra-entry to the "Investments" account.

For interest on capital receivable, when resolved upon by the Board of Directors of the controlled companies, associates and jointly-controlled companies, it is recorded initially in the "Finance income" account for tax purposes and, at the same time, reversed from this account as a contra-entry to the "Investments" account.

Dividends and interest on capital deliberated by investees classified as "Securities" are recorded as a contra entry to "Other income" in statement of income.

3.17. Earnings per share

Basic earnings per share are calculated by the division of profit attributable to the controlling stockholders by the weighted average number of outstanding common and preferred shares every year. Diluted earnings per share are calculated using the same indicators, adjusted by instruments that are potentially convertible into shares and have a diluting effect.

3.18. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the activities of ITAÚSA and its controlled companies. Revenue is shown net of taxes, returns, discounts, bonuses and rebates and after eliminating sales between the group companies.

It is recognized when the amount is reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria, described for each type of revenue, have been met.

3.18.1. Service and sales revenue

These are recorded in income when all performance obligations are met, that is, upon delivery of products or provision of services, as well as upon transfer of risks and benefits to the buyer /taker, thus basically charactering the recognition of income over a specific period of time. Subsidiaries operate as a main party to the agreements with clients, and income do not have a significant financing component.

The consolidated net revenue is fully made up of by controlled company Dexco. For further information on its business segments and products sold and services provided, please see note 31 “Segment information”.

3.18.2. Interest income

It is recognized on the accrual basis using the effective interest method and it is represented mainly by earnings from financial investments, monetary adjustments and discounts obtained.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

4.1. 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.

4.1.1. Classification of financial instruments

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

			Parent company				Consolidated			
			12/31/2022		12/31/2021		12/31/2022		12/31/2021	
	Note	Levels	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets										
Fair value through profit or loss										
Upon initial or subsequent recognition										
Cash and cash equivalents	5									
Financial investments		2	2,642	2,642	2,398	2,398	4,307	4,307	3,682	3,682
Marketable securities	6									
Shares		3	2,005	2,005	1,516	1,516	2,005	2,005	1,516	1,516
Corporate Venture Capital Fund		2	-	-	-	-	50	50	40	40
Other assets	11									
Derivatives receivable		2	-	-	-	-	33	33	14	14
			4,647	**4,647**	**3,914**	**3,914**	**6,395**	**6,395**	**5,252**	**5,252**
Amortized cost										
Cash and cash equivalents	5									
Cash in kind and bank deposits		2	-	-	-	-	165	165	194	194
Customers	7	2	-	-	-	-	1,425	1,425	1,430	1,430
Dividends and interest on capital	9	2	1,694	1,694	949	949	1,631	1,631	949	949
Judicial deposits		2	32	32	31	31	148	148	120	120
Other assets	11	2	11	11	29	29	281	281	391	391
			1,737	**1,737**	**1,009**	**1,009**	**3,650**	**3,650**	**3,084**	**3,084**
Total of Financial assets			**6,384**	**6,384**	**4,923**	**4,923**	**10,045**	**10,045**	**8,336**	**8,336**

			Parent company				Consolidated			
			12/31/2022		12/31/2021		12/31/2022		12/31/2021	
	Note	Levels	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	19	2	-	-	-	-	-	-	75	75
Other liabilities	11									
Derivatives payable		2	-	-	-	-	243	243	5	5
			-	**-**	**-**	**-**	**243**	**243**	**80**	**80**
Amortized cost										
Trade accounts payable	18	2	6	6	19	19	1,243	1,243	1,674	1,674
Personnel expenses		2	54	54	42	42	259	259	269	269
Debts	19	2	-	-	-	-	4,381	4,381	2,583	2,583
Debentures	20	2	6,840	6,447	5,406	5,015	8,059	7,666	6,617	6,226
Leases	14	2	5	5	8	8	607	607	404	404
Dividends and interest on capital	22.5.2	2	1,968	1,968	1,882	1,882	2,111	2,111	1,885	1,885
Other debts	11	2	23	23	-	-	745	745	877	877
			8,896	**8,503**	**7,357**	**6,966**	**17,405**	**17,012**	**14,309**	**13,918**
Total of Financial liabilities			**8,896**	**8,503**	**7,357**	**6,966**	**17,648**	**17,255**	**14,389**	**13,998**

4.1.2. 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:

- Securities (hierarchical level 2): are measured taking into account future flows of receipts, discounted to present value at interest rates based on market interest rate curves.

- Other assets and Other liabilities (Derivatives): (i) the fair value of the interest rate contracts are 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 related to foreign exchange contracts are determined based on the future 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.

Additionally, the 8.5% interest in NTS (Note 6.1) 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 December 31, 2022, is 14.5% (13.6% on December 31, 2021). 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) beta including companies with similar business models; and (v) inflation differences between foreign (US) and domestic markets.

4.1.3. Derivatives

Derivatives are intended to mitigate exposure to interest rate indices and/or foreign exchange exposure of loan and financing agreements.

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, taking into consideration market conditions regarding terms and interest rates. On December 31, 2022 and December 31, 2021 only Dexco record derivative operations.

We present below the types of the contracts in effect:

- Cash flow hedge: in these contracts, the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments is recognized in other comprehensive income, limited to the accumulated change in the fair value of the hedged item since the beginning of the hedge. The gain or loss related to the ineffective portion is recognized immediately in profit or loss. Dexco and its subsidiaries has 9 contracts expiring in February 2038, with the following characteristics:

  (i) three contracts with a notional aggregate value of R$697, swapping rates in IPCA + fixed rate (active end) for an average liability position at 96.25% of CDI;

  (ii) two contracts with a notional value of US$150 million with asset position in US dollars + fixed rate and an average liability position in reais + CDI+1.4% p.a.;

(iii) three contracts with a notional aggregate value of R$400, swapping rates in IPCA + fixed rate (active end) for an average liability position at 107.97% of CDI;

(iv) one contract with a notional value of R$200, swapping rates in IPCA + fixed rate (active end) for a liability position at CDI 108.65% of CDI.

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

		Consolidated					
		Notional (R$)		Fair value		Balances in	
Derivatives	**Position**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash Flow Hedge							
IPCA + Fixed rate	Asset	1,297	510	1,274	511	(74)	2
CDI	Liability	(1,297)	(510)	(1,348)	(509)	-	-
US$ + Pré	Asset	835	-	770	-	(136)	-
R$ + CDI+	Liability	(835)	-	(906)	-	-	-
Swaps							
IPCA + Fixed rate	Asset	-	73	-	74	-	(1)
CDI	Liability	-	(73)	-	(75)	-	-
NDF							
R$ x US$	-	-	144	-	146	-	8
Total						**(210)**	**9**
Other assets (Current)						**-**	**14**
Other assets (Non-current)						**33**	**-**
Liabilities (Current)						**148**	**-**
Liabilities (Non-current)						**95**	**5**

On December 31, 2022, effectiveness tests performed evidenced that the hedge accounting program implemented was effective. These tests considered the economic relationship based on the hedge ratio, the effect of the credit risk involved in the instrument and the hedged item, as well as the assessment of critical terms.

4.2. 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 Dexco; (iii) on the Statutory Audit Committee of Alpargatas; (iv) on the Audit, Risk and Integrity Committee of Aegea; and (v) on the Audit Committee of Copa Energia and XP.

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 methodologies 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.

ITAÚSA has a Sustainability and Risk Committee mains aimed: (i) at advising on risk management, including proposals on appetite and tolerance; (ii) review and propose risk prioritization and response plans; and (ii) expressing an opinion on the assessment of regulatory compliance, the Integrity Program and risk management systems and internal controls.

4.2.1. 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 Dexco 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 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.

4.2.1.1. Sensitivity analysis

The purpose of the sensitivity analysis is to measure how companies may be impacted by changes in market variables to each representative financial instrument. However, the settlement of these transactions may result in amounts that differ from those estimated given the subjectivity inherent in the preparation of these analyses.

The information in the table below measures, based on the exposure of the accounting balances as of December 31, 2022, possible impacts on the results of ITAÚSA and subsidiaries due to the changes in each risk for the next 12 months or, if less, until the maturity date these operations. The projected rates were defined based on assumptions available in the market (B3 and Focus Market Readout – Central Bank of Brazil).

	Parent company			
	Index/ Currency	Risk	Projected rates	Probable scenario
Assets				
Cash and cash equivalents				
Financial investments	CDI	Decrease of CDI	13.47% p.y.	356
Liabilities				
Debentures	CDI	Increase of CDI	13.51% p.y. at 14.94% p.y.	(908)
Total				**(552)**

	Consolidated			
	Index/ Currency	Risk	Projected rates	Probable scenario
Assets				
Cash and cash equivalents				
Financial investments	CDI	Decrease of CDI	13.47% p.y. at 13.60% p.y.	525
Liabilities				
Loans, financing and debentures	CDI	Increase of CDI	13.51% p.y. at 14.94% p.y.	(1,318)
Loans and financing - with Swap (IPCA to CDI)	CDI	Increase of CDI	13.8% p.y.	(178)
Loans and financing - with Swap (US$ and R$ and CDI rate)	CDI	Increase of CDI	14% p.y.	(124)
Total				**(1,095)**

4.2.2. 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 Dexco 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. Diversifying the receivables portfolio, better selection of customers, and monitoring sales financing terms and individual credit limits are procedures adopted to minimize NPL or losses on the realization of trade accounts receivable.

(b) Cash and cash equivalents

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

4.2.3. 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 Dexco has an indebtedness policy whose purpose is to define the limits and parameters of indebtedness and the minimum available funds, the latter being represented by the sum of certain obligations foreseen for the next three 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 investments at acceptable risk levels, any new investments or increases or reductions in equity interests are discussed at joint meetings attended by ITAÚSA's Board of Officers, Strategy and New Business Committee, and Board of Directors.

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

	Parent company				
	Less than one year	Between one and two years	Between three and five years	Over five years	Total
Debentures	160	2,910	2,961	416	6,447
Trade accounts payable	6	-	-	-	6
Personnel expenses	54	-	-	-	54
Leases	3	2	-	-	5
Dividends and interest on capital	1,968	-	-	-	1,968
Other debts	23	-	-	-	23
	2,214	**2,912**	**2,961**	**416**	**8,503**

	Consolidated				
	Less than one year	Between one and two years	Between three and five years	Over five years	Total
Debts	742	1,156	572	1,911	4,381
Debentures	180	3,510	3,560	416	7,666
Trade accounts payable	1,243	-	-	-	1,243
Personnel expenses	259	-	-	-	259
Leases	40	69	76	422	607
Dividends and interest on capital	2,111	-	-	-	2,111
Other debts	654	334	-	-	988
	5,229	**5,069**	**4,208**	**2,749**	**17,255**

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

4.2.3.1. Covenants

The controlled company Dexco 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 in force of the controlled company:

(a) Debts

(i) Agreement with Caixa Econômica Federal (Export Credit Note)
(ii) Two transactions Resolution nº 4,131 with Scotiabank
(iii) 2nd issue of commercial notes

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

(b) Debentures

- Net debt / EBITDA (*) lower 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 Dexco and, should the above mentioned contractual obligations be not complied with, Dexco must request waiver from creditors.

On December 31, 2022, all aforementioned contractual obligations were fully met.

4.3. Capital management

ITAÚSA and its controlled companies manage their capital so as to ensure the continuity of their operations, as well as to offer a return to their stockholders, including by optimizing the cost of capital and controlling the indebtedness level, and by monitoring the financial gearing ratio, which corresponds to the net debt-equity ratio.

		Parent company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Debts	19	-	-	4,381	2,658
Debentures	20	6,447	5,015	7,666	6,226
(-) Cash and cash equivalents	5	(2,642)	(2,398)	(4,472)	(3,876)
Net debt		**3,805**	**2,617**	**7,575**	**5,008**
Equity	22	72,797	65,886	76,535	69,508
Gearing ratio		**5.2%**	**4.0%**	**9.9%**	**7.2%**

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and banks	**-**	**-**	**165**	**194**
Financial investments	**2,642**	**2,398**	**4,307**	**3,682**
Fixed income	-	-	11	37
Bank Deposit Certificate - CDB	-	-	1,599	1,193
Investment funds	2,642	2,398	2,697	2,452
Total	**2,642**	**2,398**	**4,472**	**3,876**

6. MARKETABLE SECURITIES

		Parent Company		Consolidated			
		Current		Current		Non-Current	
	Notes	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Investments in shares	6.1	2,005	1,516	2,005	1,516	-	-
Corporate Venture Capital Fund	6.2	-	-	-	-	50	40
Total		**2,005**	**1,516**	**2,005**	**1,516**	**50**	**40**

6.1. Investments in shares

		Parent company and Consolidated		
	Note	NTS (a)	NISA (b)	Total
Balance on 12/31/2020		**1,473**	**-**	**1,473**
Fair value		(114)	638	524
Contribution of NTS's shares to NISA (c)		(481)	481	-
Contribution to NISA – Debt with FIP (c)		-	(481)	(481)
Balance on 12/31/2021		**878**	**638**	**1,516**
Fair value	26	480	9	489
NISA merged into NTS (d)		647	(647)	-
Balance on 12/31/2022		**2,005**	**-**	**2,005**

(a) NTS

This refers to the 8.5% interest of ITAÚSA in the capital of NTS. 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 4.1.2.

In 2022, ITAÚSA recorded dividends and interest on capital from NTS, in contra-entry to income under "Other income and expenses" in the amount of R$312 (R$209 in 2021) (Note 25).

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.

(b) NISA

It referred to the 8.5% interest of ITAÚSA in the capital of NISA. On April 30, 2021, ITAÚSA, Nova Infraestrutura Fundo de Investimento em Participações Multiestratégia, managed by Brookfield Brasil Asset Management Investimentos Ltda. ("FIP"), and Petróleo Brasileiro S.A. – Petrobras ("Petrobras") completed the negotiations for Petrobras' sale of its full 10% equity interest in NTS's capital.

This equity interest was acquired exclusively by NISA, a company fully held by FIP and ITAÚSA, in the proportion of 91.5% and 8.5% of equity interest of its capital, respectively.

To establish NISA's capital, ITAÚSA paid in the amount of R$0.2, with this equity interest also classified as a financial asset measured at fair value through profit or loss. With this acquisition, ITAÚSA's total direct and indirect equity interest in NTS increased from 7.65% to 8.5%, with no change in ITAÚSA's rights set forth in NTS's Stockholders' Agreement.

(c) Corporate restructuring – NISA

On December 16, 2021, ITAÚSA and FIP carried out a corporate restructuring at NISA, resulting in the following contributions:

- part of the equity interest held in NTS (equal proportion among stockholders, with no change in equity interest in NISA); and
- total debt denominated in US dollars held related to the initial purchase of NTS.

As a result of such restructuring, NISA now holds 42.08% of NTS's capital, whereas ITAÚSA's direct and indirect equity interest in NTS remains at 8.5%.

(d) NISA merged into NTS

On April 12, 2022 the merger of NISA into NTS was approved at the Extraordinary General Stockholders' Meeting. With the completion of this merger, NISA was extinguished and the equity interests previously held indirectly by ITAÚSA and FIP in NTS, through NISA, are now held by these companies directly in NTS, totaling, respectively, 8.5% and 91.5% interest in NTS' total capital, and remaining unchanged in the rights set of ITAÚSA established in the NTS Shareholders' Agreement.

This merger aimed benefit the group by contributing to streamline its corporate structure and reduce costs and expenses, in addition to being a NISA's obligation taken in its deeds of the 1st and 2nd issuance of simple debentures and in the statement of the 1st issuance of book-entry commercial notes.

6.2. Corporate Venture Capital Fund

Investee Dexco has set up a Corporate Venture Capital ("CVC") fund, named DX Ventures Fundo de Investimento em Participações Multiestratégia ("DX Ventures"), aimed at investing in start-ups and scale-ups, at multiple investment stages, with the first contribution scheduled at R$100.

Although being the only unit holder of this fund, Dexco will count on the assistance of Valetec, an expert venture capital manager. Through this fund, it will be able to keep up to date with macro trends in transformation and innovation of the construction, refurbishment and decoration segment, by developing relevant business in the long term.

On December 31, 2022 the amount contributed was R$48 (R$39 in December 31, 2021), which corresponds at fair value of R$50 (R$40 in December 31, 2021).

7. TRADE ACCOUNTS RECEIVABLE

	Consolidated							
	12/31/2022							
		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	1,125	44	13	10	12	41	(55)	1,190
Foreign customers	143	26	10	3	2	8	(9)	183
Related parties	51	-	1	-	-	-	-	52
Total	**1,319**	**70**	**24**	**13**	**14**	**49**	**(64)**	**1,425**

	12/31/2021							
		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	1,078	89	24	12	15	60	(80)	1,198
Foreign customers	160	35	10	3	1	5	(5)	209
Related parties	16	5	2	-	-	-	-	23
Total	**1,254**	**129**	**36**	**15**	**16**	**65**	**(85)**	**1,430**

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 exposure of ITAÚSA and its controlled companies to credit risks related to trade accounts receivable are disclosed in Note 4.2.2.

7.1. 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.

Risks are rated based on external credit bureau models, both for domestic and foreign markets, being rated between "A" and "D", where "A" means low-risk clients and "D", high-risk clients. Clients recorded in allowance for estimated losses on doubtful accounts (PECLD) are rated separately.

Rating	12/31/2022	12/31/2021
A	30%	28%
B	17%	17%
C	49%	49%
D	1%	1%
Customers in PECLD	3%	5%

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

	Consolidated	
	12/31/2022	12/31/2021
Opening balance	**(85)**	**(84)**
Recognitions	(17)	(21)
Write-offs	38	20
Closing balance	**(64)**	**(85)**

8. INVENTORIES

	Consolidated	
	12/31/2022	12/31/2021
Finished products	800	576
Raw materials	515	563
Work in progress	215	205
General storeroom	145	141
Advance to suppliers	6	14
(-) Estimated loss on the realization of inventories	(76)	(66)
Total	**1,605**	**1,433**

Total inventories come from subsidiary Dexco. On December 31, 2022 and December 31, 2021 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	
	12/31/2022	12/31/2021
Opening balance	**(66)**	**(58)**
Recognitions	(88)	(54)
Reversals	26	20
Write-offs	51	25
Foreign exchange	1	1
Closing balance	**(76)**	**(66)**

9. DIVIDENDS AND INTEREST ON CAPITAL RECEIVABLE

	Parent company										
	Investments										
	Subsidiaries		Jointly-controlled entities			Associates			Marketable securities		
	Dexco	Itautec	Itaú Unibanco	IUPAR	Alpargatas	CCR	Aegea	Copa Energia	NTS	NISA	Total
Balance on 12/31/2020	**34**	**-**	**551**	**400**	**-**	**-**	**-**	**-**	**-**	**-**	**985**
Dividends	172	-	259	162	39	-	5	24	203	-	864
Interest on capital	256	1	922	829	25	-	-	-	6	-	2,039
Receipts	(462)	(1)	(1,239)	(980)	(42)	-	(5)	(1)	(209)	-	(2,939)
Balance on 12/31/2021	**-**	**-**	**493**	**411**	**22**	**-**	**-**	**23**	**-**	**-**	**949**
Dividends	-	57	-	23	-	69	55	18	283	25	530
Interest on capital	63	3	1,656	1,321	-	-	-	-	3	-	3,046
Receipts	-	(60)	(1,316)	(998)	(22)	(61)	(54)	(9)	(286)	(25)	(2,831)
Balance on 12/31/2022	**63**	**-**	**833**	**757**	**-**	**8**	**1**	**32**	**-**	**-**	**1,694**

	Consolidated								
	Investments								
	Jointly-controlled entities			Associates			Marketable securities		
	Itaú Unibanco	IUPAR	Alpargatas	CCR	Aegea	Copa Energia	NTS	NISA	Total
Balance on 12/31/2020	**551**	**400**	**-**	**-**	**-**	**-**	**-**	**-**	**951**
Dividends	259	162	39	-	5	24	203	-	692
Interest on capital	922	829	25	-	-	-	6	-	1,782
Receipts	(1,239)	(980)	(42)	-	(5)	(1)	(209)	-	(2,476)
Balance on 12/31/2021	**493**	**411**	**22**	**-**	**-**	**23**	**-**	**-**	**949**
Dividends	-	23	-	69	55	18	283	25	473
Interest on capital	1,656	1,321	-	-	-	-	3	-	2,980
Receipts	(1,316)	(998)	(22)	(61)	(54)	(9)	(286)	(25)	(2,771)
Balance on 12/31/2022	**833**	**757**	**-**	**8**	**1**	**32**	**-**	**-**	**1,631**

10. OTHER TAXES FOR OFFSET AND PAYABLE

	Parent company		Consolidated			
	Current		Current		Non-current	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Other taxes for offset						
ICMS/PIS/COFINS on acquisition of property, plant and equipment [(1)]	-	-	20	16	31	19
PIS and COFINS [(2)]	2	2	7	16	576	792
ICMS and IPI	-	-	53	55	-	-
Other	-	-	6	6	1	1
Subtotal	**2**	**2**	**86**	**93**	**608**	**812**
(-) Allowance for estimated losses on doubtful accounts [(3)]	-	-	(7)	(4)	(12)	(11)
Total	**2**	**2**	**79**	**89**	**596**	**801**
Other taxes payable						
PIS and COFINS	178	77	206	84	-	-
ICMS and IPI	-	-	91	51	-	-
Tax installment payment [(4)]	-	-	15	15	57	68
INSS	-	-	6	3	-	-
Other	-	-	28	1	-	-
Total	**178**	**77**	**346**	**154**	**57**	**68**

[(1)] This refers to investee Dexco: ICMS and Pis/Cofins for offset were mainly generated by the acquisition of fixed assets for industrial plants.In accordance with legislation in force, PIS and COFINS deferred tax assets will be offset within 12 to 24 months and ICMS deferred tax assets will be offset within 48 months.

[(2)] See Note 21.3.1 to the financial statements.

[(3)] At investee Itautec, as federal, state and local taxes are not expected to be realized, management has decided to recognize losses.

[(4)] At investee Dexco, this refers to tax installment payments of its subsidiary Cecrisa.

11. OTHER ASSETS AND LIABILITIES

		Parent company				Consolidated			
		Current		Non-current		Current		Non-current	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Other assets									
Prepaid expenses		7	10	-	5	49	32	-	5
Pension plan assets (DB Plan)	30.1.2	-	1	-	-	6	13	-	5
Disposal of PPE		-	-	-	-	22	45	3	16
Disposal of investments		-	-	-	-	-	-	13	13
Development of forest operations		-	-	-	-	-	-	12	11
Advance to employees		-	-	-	-	15	10	-	-
Indemnifiable assets		-	-	-	-	-	-	18	18
Amounts withheld in acquisitions of companies		-	-	-	-	2	2	64	48
Sale of electricity		-	-	-	-	6	4	-	-
Held-for-sale assets		-	-	-	-	58	58	-	-
Agreement – Surcharge on purchase of kinescopes	11.1	-	-	-	-	-	82	-	-
Derivative transactions	4.1.3	-	-	-	-	-	14	33	-
Other assets		3	13	1	-	9	29	4	-
Total		**10**	**24**	**1**	**5**	**167**	**289**	**147**	**116**
Other liabilities									
Advances from customers		-	-	-	-	80	81	12	11
Profits to be distributed to stockholders in special partnerships		-	-	-	-	33	7	-	-
Acquisition of reforestation areas		-	-	-	-	72	28	-	-
Trade accounts payable to stockholders in special partnerships		-	-	-	-	84	84	-	-
Acquisitions of companies		-	-	-	-	29	28	175	231
Freight and insurance payable		-	-	-	-	21	66	-	-
Commissions payable		-	-	-	-	18	19	-	-
Warranties, technical assistance and maintenance		-	-	-	-	61	98	7	7
Joint operation liabilities		-	-	-	-	-	-	-	60
Sales for future delivery		-	-	-	-	38	20	-	-
Acquisitions of farms		-	-	-	-	-	-	20	38
Contingent consideration	11.2	23	-	-	-	23	-	-	-
Derivative transactions	4.1.3	-	-	-	-	148	-	95	5
Other liabilities		-	-	-	-	47	91	25	8
Total		**23**	**-**	**-**	**-**	**654**	**522**	**334**	**360**

11.1. Agreement – Surcharge on purchase of kinescopes

In December 2015, subsidiary Itautec filed a claim for damages in the Netherlands for the reimbursement of a surcharge paid on the purchase of kinescopes and CPTs (Cathode Ray Tubes) used by Itautec in the manufacture of televisions and computer monitors - CPTs and CDTs (Color Picture Tubes) - as such surcharge was the result of a cartelization scheme, in Brazil and abroad, by the respective manufacturers between 1995 and 2007.

In November 2021, Itautec entered into an agreement with Philips and Technicolor (and their affiliates) recognizing, in profit and loss under “Other income and expenses”, the amount of R$82 (without deducting other costs in connection with the lawsuit and levied taxes). The receipt of this amount was subject to the judge’s approving the exclusion of the companies as defendants in the lawsuit, which occurred in January 2022, resulting in the effective receipt of R$79.

In October 2022, The Dutch Court judged the merits of the case and the outcome was favorable to Itautec, and the compensation amount will be calculated at the expert evidence phase.

11.2. Contingent consideration

This refers to the contingent consideration arising from the acquisition of affiliate Aegea, as mentioned in Note 15.2.4.1, to be paid to the seller Saneamento 100% Fundo de Investimento em Participações Multiestratégia, in the original amount of R$21, adjusted by the variation of CDI from the transaction date to its effective payment date, which is expected to be made until July 2023. Any losses incurred and payable by the seller may be deducted from this amount.

12. BIOLOGICAL ASSETS

The indirectly-controlled companies Dexco Colombia S.A., Duratex Florestal Ltda. and Caetex Florestal S.A. have eucalyptus 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 December 31, 2022 the companies had, approximately, 104.0 thousands hectares in effectively planted areas (101.4 thousands hectares on December 31, 2021) that are cultivated in the states of São Paulo, Minas Gerais, Rio Grande do Sul, Alagoas and in Colombia.

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	
	12/31/2022	12/31/2021
Cost of formation of biological assets	1,159	939
Difference between cost of formation and fair value	758	330
Total	**1,917**	**1,269**

The changes in the year-end are as follows:

		Consolidated	
	Note	12/31/2022	12/31/2021
Opening balance		**1,269**	**1,143**
Changes in fair value			
Price/Volume	24	598	129
Depletion		(170)	(116)
Changes in the cost of formation			
Planting costs		466	302
Depletion		(246)	(189)
Closing balance		**1,917**	**1,269**

12.1. Fair value and sensitivity analysis

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, 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 December 31, 2022 of 8.4% p.y. (7.12% p.y. on December 31, 2021), which corresponds to the average weighted cost of capital of the controlled company Dexco, 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 Dexco, 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: (i) 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.

Among the variables that affect the calculation of the fair value of biological assets are the changes in the price of wood and the discount rate used in cash flows.

The average price on December 31, 2022 was R$86.12/cubic meter (R$53.22/cubic meter on December 31, 2021). Increases in prices result in the increase of the fair value of forests and for every change of 5% in price would have an impact of R$81 (R$56 on December 31, 2021) on the fair value of forests.

Regarding the discount rate, increases in the rate result in a reduction in the fair value of the forest and for every change of 0.5% a year in the rate would have an impact of around R$7 (R$7 on December 31, 2021) on the fair value of forests.

13. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

	Parent company						
	12/31/2020	Recognition	Realization/ Reversal	12/31/2021	Recognition	Realization/ Reversal	12/31/2022
Assets							
Recognized in profit or loss							
Income tax and social contribution loss carryforwards	**382**	**245**	**(6)**	**621**	**22**	**-**	**643**
Temporary differences	**534**	**314**	**(22)**	**826**	**40**	**(244)**	**622**
Contingencies	505	186	-	691	38	(127)	602
Interest on Capital	-	112	-	112	-	(112)	-
Other	29	16	(22)	23	2	(5)	20
Total (*)	**916**	**559**	**(28)**	**1,447**	**62**	**(244)**	**1,265**
Liabilities							
Recognized in profit or loss							
Temporary differences	**(243)**	**(247)**	**-**	**(490)**	**(168)**	**100**	**(558)**
Fair value of financial instruments	(236)	(212)	-	(448)	(166)	81	(533)
Other	(7)	(35)	-	(42)	(2)	19	(25)
Total (*)	**(243)**	**(247)**	**-**	**(490)**	**(168)**	**100**	**(558)**

(*) 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 December 31, 2022 the amount of R$707 (R$957 on December 31, 2021) .

	Consolidated						
	12/31/2020	Recognition	Realization/ Reversal	12/31/2021	Recognition	Realization/ Reversal	12/31/2022
Assets							
Recognized in profit or loss							
Income tax and social contribution loss carryforwards	**555**	**245**	**(76)**	**724**	**153**	**-**	**877**
Temporary differences	**876**	**374**	**(48)**	**1,202**	**60**	**(265)**	**997**
Provision for impairment of trade accounts receivable	**7**	3	-	**10**	1	-	**11**
Interest on capital	**-**	112	-	**112**	-	(112)	**-**
Contingencies	**650**	186	(21)	**815**	38	(129)	**724**
Inventory losses	**16**	4	-	**20**	4	-	**24**
Profit abroad	**44**	12	-	**56**	8	-	**64**
Impairment of property, plant and equipment	**50**	7	-	**57**	5	-	**62**
Post-employment benefit	**7**	1	-	**8**	-	(1)	**7**
Other	**102**	49	(27)	**124**	4	(23)	**105**
Recognized in equity							
Post-employment benefit	**9**	-	(4)	**5**	-	-	**5**
Hedge Accouting	**-**	-	-	**-**	40	-	**40**
Total (*)	**1,440**	**619**	**(128)**	**1,931**	**253**	**(265)**	**1,919**
Liabilities							
Recognized in profit or loss							
Temporary differences	**(615)**	**(297)**	**92**	**(820)**	**(342)**	**129**	**(1,033)**
Revaluation reserve	**(63)**	-	9	**(54)**	-	2	**(52)**
Fair value of financial instruments and derivatives	**(236)**	(212)	-	**(448)**	(166)	81	**(533)**
Depreciation	**(26)**	(5)	-	**(31)**	(11)	-	**(42)**
Biological assets	**(168)**	-	55	**(113)**	(145)	-	**(258)**
Client Portfolio	**(32)**	-	9	**(23)**	-	9	**(14)**
Pension plans	**(36)**	(1)	1	**(36)**	(6)	-	**(42)**
Goodwill on assets	**(25)**	-	1	**(24)**	-	1	**(23)**
Other	**(29)**	(79)	17	**(91)**	(14)	36	**(69)**
Recognized in equity							
Exchange variation on translation of balance sheet from foreign companies	**(10)**	-	3	**(7)**	-	4	**(3)**
Revaluation reserve	**(1)**	-	-	**(1)**	-	-	**(1)**
Total (*)	**(626)**	**(297)**	**95**	**(828)**	**(342)**	**133**	**(1,037)**

(*) 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$1,089 on December 31, 2022 (R$1,252 on December 31, 2021) and in the deferred liabilities the amount of R$207 on December 31, 2022 (R$149 on December 31, 2021).

13.1. Deferred assets

13.1.1. 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
2023	612	784
2024	-	41
2025	234	297
2026	231	338
2027	178	235
2028 - 2031	10	224
Total	**1,265**	**1,919**

13.1.2. Unrecognized tax credits

ITAÚSA and controlled companies have deferred tax assets related to tax loss carryforwards and temporary differences not recognized in the Financial Statements on the grounds of their uncertain realization.

On December 31, 2022, these deferred tax assets not recognized in ITAÚSA correspond to the amounts of R$78 and R$226 in the consolidated figures (R$143 on December 31, 2021). Said assets may be subject to future recognition, according to annual revisions of projected generation of taxable income, as their use is not subject to limitation period.

14. RIGHT-OF-USE AND LEASES

For the lease contract of ITAÚSA, Management did not consider the possibility of a contract renewal (total 48 months), as it believes that renewal conditions at the maturity date may be significantly different from the current ones, which may be construed as a new contract. Meanwhile, due to the long-term nature of contracts, controlled company Dexco has opted not to renew the land lease contracts too. 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.

14.1. Right-of-use assets

	Parent company	Consolidated					
	IT equipment	Land	Buildings	Vehicles	IT equipment	Other	Total
Balance on 12/31/2020	**10**	**300**	**14**	**2**	**10**	**22**	**348**
New contracts / adjustments	-	56	8	-	-	4	68
Depreciation for the year (profit or loss)	(3)	(1)	(7)	(2)	(4)	(7)	(21)
Depreciation for the year (*)	-	(18)	-	-	-	-	(18)
Foreign exchange variation	-	(1)	-	-	-	-	(1)
Write-off of contracts	-	-	(2)	-	-	-	(2)
Balance on 12/31/2021	**7**	**336**	**13**	**-**	**6**	**19**	**374**
New contracts / adjustments	-	233	-	7	-	45	285
Depreciation for the year (profit or loss)	(2)	(1)	(7)	(2)	(2)	(10)	(22)
Depreciation for the year (*)	-	(25)	-	-	-	-	(25)
Foreign exchange variation	-	(1)	-	-	-	(1)	(2)
Write-off of contracts	-	(44)	-	-	-	(1)	(45)
Balance on 12/31/2022	**5**	**498**	**6**	**5**	**4**	**52**	**565**

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

14.2. Lease liabilities

	Parent company	Consolidated					
	IT equipment	Land	Buildings	Vehicles	IT equipment	Other	Total
Balance on 12/31/2020	**11**	**320**	**16**	**2**	**10**	**22**	**370**
New contracts / adjustments	-	56	8	-	-	4	68
Interest allocated in the year (profit or loss)	-	2	2	-	-	2	6
Interest allocated in the year (*)	-	30	-	-	-	-	30
Payments	(3)	(44)	(9)	(2)	(3)	(9)	(67)
Write-off of contracts	-	-	(2)	-	-	-	(2)
Foreign exchange variation	-	(1)	-	-	-	-	(1)
Balance on 12/31/2021	**8**	**363**	**15**	**-**	**7**	**19**	**404**
New contracts / adjustments	-	233	-	7	-	45	285
Interest allocated in the year (profit or loss)	-	3	1	-	1	4	9
Interest allocated in the year (*)	-	47	-	-	-	-	47
Payments	(3)	(62)	(7)	(2)	(3)	(13)	(87)
Write-off of contracts	-	(47)	-	-	-	(1)	(48)
Foreign exchange variation	-	(2)	-	-	-	(1)	(3)
Balance on 12/31/2022	**5**	**535**	**9**	**5**	**5**	**53**	**607**
Current	**3**						**40**
Non-current	**2**						**567**

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

Discount rates are as follows:

Contractual terms	Parent company	Consolidated
Up to 5 years	5.85% p.y.	From 5.85% to 12.05% p.y.
From 6 to 10 years	-	12.40% p.y.
Longer than 10 years	-	12.98% p.y.

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

	Parent company 12/31/2022	Consolidated 12/31/2022
Current		
2023	3	40
Total	**3**	**40**
Non-current		
2024	2	36
2025	-	33
2026	-	32
2027	-	24
2028	-	20
2029 - 2033	-	95
2034 - 2038	-	68
2039 - 2048	-	136
2049 onwards	-	123
Total	**2**	**567**

14.3. Inflation effects

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

	Parent company			
	12/31/2022		12/31/2021	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	12	9	11	12
Depreciation	(7)	(5)	(4)	(5)
Total	**5**	**4**	**7**	**7**
Leases	6	5	10	9
Interest to be appropriated	(1)	(1)	(2)	-
Total	**5**	**4**	**8**	**9**

	Consolidated			
	12/31/2022		12/31/2021	
	Accounting scenario	Inflation scenario	Accounting scenario	Inflation scenario
Right-of-use assets	692	2,005	478	1,786
Depreciation	(127)	(265)	(104)	(199)
Total	**565**	**1,740**	**374**	**1,587**
Leases	1,524	4,209	1,075	3,810
Interest to be appropriated	(917)	(2,362)	(671)	(2,088)
Total	**607**	**1,847**	**404**	**1,722**

15. INVESTMENTS

15.1. Investment balance

	Note	Parent company 12/31/2022	Parent company 12/31/2021	Consolidated 12/31/2022	Consolidated 12/31/2021
Jointly-controlled companies					
Jointly-controlled companies		65,065	58,852	65,065	58,852
Indirect Jointly-controlled company		-	-	83	105
Controlled companies					
Controlled companies		2,248	2,206	-	-
Associates					
Associates		8,544	7,458	8,544	7,458
Indirect associates		-	-	1,665	1,206
	15.2	**75,857**	**68,516**	**75,357**	**67,621**
Other investments		4	4	7	7
Total investments		**75,861**	**68,520**	**75,364**	**67,628**

15.2. Changes in investments

	Parent company													
	Jointly-controlled companies				Controlled companies			Associates						
	Itaú Unibanco (Note 15.2.1) (**)	IUPAR (Note 15.2.1)	XPART (Note 15.2.1)	Alpargatas (Note 15.2.6)	Dexco	Itautec	ITH Zux Cayman	XP (Notes 15.2.1 and 15.2.3)	CCR (Note 15.2.8)	AEGEA (Note 15.2.4)	Águas do Rio 1 (Note 15.2.4)	Águas do Rio 4 (Note 15.2.4)	Copa Energia (Note 15.2.2)	Total
Balance on 12/31/2020	**28,971**	**24,241**	**-**	**1,971**	**1,899**	**38**	**3**	**-**	**-**	**-**	**-**	**-**	**1,219**	**58,342**
Equity in the earnings of investees	5,380	4,735	75	173	635	55	-	98	-	35	(1)	3	(32)	11,156
Dividends and interest on capital	(1,375)	(1,149)	-	(68)	(467)	(1)	-	-	-	(5)	-	-	(23)	(3,088)
Acquisition of shares	-	-	-	-	-	-	-	-	-	2,471	52	49	21	2,593
Disposal of shares	-	-	-	-	-	-	-	(367)	-	-	-	-	-	(367)
Other comprehensive income	(578)	(537)	(19)	(6)	63	-	-	(2)	-	(2)	-	-	16	(1,065)
Itaú Unibanco Spin-Off	(2,018)	-	2,018	-	-	-	-	-	-	-	-	-	-	-
Merger of XPART into XP	-	-	(2,088)	-	-	-	-	2,088	-	-	-	-	-	-
IUPAR Spin-Off	-	(1,783)	-	-	-	-	-	1,838	-	-	-	-	-	55
Other	467	423	14	5	(17)	(2)	-	10	-	-	-	-	(10)	890
Balance on 12/31/2021	**30,847**	**25,930**	**-**	**2,075**	**2,113**	**90**	**3**	**3,665**	**-**	**2,499**	**51**	**52**	**1,191**	**68,516**
Equity in the earnings of investees	5,930	5,048	-	19	285	(9)	-	375	(23)	(35)	2	5	104	11,701
Dividends and interest on capital	(1,953)	(1,581)	-	-	(76)	(60)	-	-	(69)	(55)	-	-	(18)	(3,812)
Acquisition of shares	-	-	-	-	-	-	-	-	2,868	21	-	-	-	2,889
Disposal of shares	-	-	-	-	-	-	-	(2,134)	-	-	-	-	-	(2,134)
Capital increase	-	-	-	799	-	-	-	-	-	-	-	-	-	799
Other comprehensive income	(1,255)	(1,102)	-	(72)	(56)	-	-	26	(10)	(18)	-	-	(9)	(2,496)
Other	204	181	-	(5)	(42)	-	-	(31)	18	51	-	-	18	394
Balance on 12/31/2022	**33,773**	**28,476**	**-**	**2,816**	**2,224**	**21**	**3**	**1,901**	**2,784**	**2,463**	**53**	**57**	**1,286**	**75,857**
Market value on 12/31/2021 (*)	**40,728**	**-**	**-**	**6,255**	**4,160**	**-**	**-**	**12,265**	**-**	**-**	**-**	**-**	**-**	
Market value on 12/31/2022 (*)	**48,602**	**-**	**-**	**3,006**	**2,074**	**-**	**-**	**2,824**	**2,258**	**-**	**-**	**-**	**-**	

(*) Market value is presented for investees with shares traded in on B3 stock exchange only and represent the percentage of ITAÚSA's interest.

(**) The market value posted for Itaú Unibanco represents the direct interest held by ITAÚSA only. Including the indirect interest held by IUPAR, the total market value amounts to R$91,250, (R$76,468 as of December 31, 2021).

	Jointly-controlled companies				Indirect controlled company	Indirect associates	Indirect associates	Consolidated Indirect Jointly-controlled company	Associates						
	Itaú Unibanco (Note 15.2.1)	IUPAR (Note 15.2.1)	XPART (Note 15.2.1)	Alpargatas (Note 15.2.6)	Viva Decora	LD Celulose (Note 15.2.7)	ABC da Construção (Note 15.2.5)	LD Florestal	XP (Notes 15.2.1 and 15.2.3)	CCR (Note 15.2.8)	AEGEA (Note 15.2.4)	Águas do Rio 1 (Note 15.2.4)	Águas do Rio 4 (Note 15.2.4)	Copa Energia (Note 15.2.2)	Total
Balance on 12/31/2020	**28,971**	**24,241**	**-**	**1,971**	**1**	**852**	**-**	**107**	**-**	**-**	**-**	**-**	**-**	**1,219**	**57,362**
Equity in the earnings of investees	5,380	4,735	75	173	-	(66)	-	(3)	98	-	35	(1)	3	(32)	10,397
Dividends and interest on capital	(1,375)	(1,149)	-	(68)	-	-	-	-	-	-	(5)	-	-	(23)	(2,620)
Acquisition of shares	-	-	-	-	-	-	102	-	-	-	2,471	52	49	21	2,695
Disposal of shares	-	-	-	-	-	-	-	-	(367)	-	-	-	-	-	(367)
Capital increase (decrease)	-	-	-	-	-	98	-	-	-	-	-	-	-	-	98
Other comprehensive income	(578)	(537)	(19)	(6)	-	70	-	-	(2)	-	(2)	-	-	16	(1,058)
Itaú Unibanco Spin-Off	(2,018)	-	2,018	-	-	-	-	-	-	-	-	-	-	-	-
Merger of XPART into XP	-	-	(2,088)	-	-	-	-	-	2,088	-	-	-	-	-	-
IUPAR Spin-Off	-	(1,783)	-	-	-	-	-	-	1,838	-	-	-	-	-	55
Other	467	423	14	5	(1)	150	-	1	10	-	-	-	-	(10)	1,059
Balance on 12/31/2021	**30,847**	**25,930**	**-**	**2,075**	**-**	**1,104**	**102**	**105**	**3,665**	**-**	**2,499**	**51**	**52**	**1,191**	**67,621**
Equity in the earnings of investees	5,930	5,048	-	19	-	76	-	(22)	375	(23)	(35)	2	5	104	11,479
Dividends and interest on capital	(1,953)	(1,581)	-	-	-	-	-	-	-	(69)	(55)	-	-	(18)	(3,676)
Acquisition of shares	-	-	-	-	-	-	-	-	-	2,868	21	-	-	-	2,889
Disposal of shares	-	-	-	-	-	-	-	-	(2,134)	-	-	-	-	-	(2,134)
Capital increase (decrease)	-	-	-	799	-	311	-	-	-	-	-	-	-	-	1,110
Other comprehensive income	(1,255)	(1,102)	-	(72)	-	(20)	-	-	26	(10)	(18)	-	-	(9)	(2,460)
Other	204	181	-	(5)	-	92	-	-	(31)	18	51	-	-	18	528
Balance on 12/31/2022	**33,773**	**28,476**	**-**	**2,816**	**-**	**1,563**	**102**	**83**	**1,901**	**2,784**	**2,463**	**53**	**57**	**1,286**	**75,357**
Market value on 12/31/2021 (*)	**40,728**	**-**	**-**	**6,255**	**-**	**-**	**-**	**-**	**12,265**	**-**	**-**	**-**	**-**	**-**	
Market value on 12/31/2022 (*)	**48,602**	**-**	**-**	**3,006**	**-**	**-**	**-**	**-**	**2,824**	**2,258**	**-**	**-**	**-**	**-**	

(*) Market value is presented for investees with shares traded in on B3 stock exchange only and represent the percentage of ITAÚSA's interest.

(**) The market value posted for Itaú Unibanco represents the direct interest held by ITAÚSA only. Including the indirect interest held by IUPAR, the total market value amounts to R$91,250, (R$76,468 as of December 31, 2021).

15.2.1. Corporate restructuring involving Itaú Unibanco's investment in XP Inc. and creation of XPART

Itaú Unibanco's General Stockholders' Meeting of January 31, 2021 approved the proposal for a corporate restructuring aimed at segregating the business line related to 40.52% interest held by Itaú Unibanco in XP's capital, which was pending the favorable opinion of the US Federal Reserve Board ("FED") for implementation.

On May 31, 2021, the FED came out in favor for such corporate restructuring which then led to the partial spin-off of Itaú Unibanco and the resulting formation of XPART, whose exclusive corporate purpose is to hold equity interest in XP's capital.

Headquartered in the Cayman Islands, XP is a leading publicly-held technology company with shares traded on US Nasdaq, and features a platform of financial services focused on: (i) financial consulting services; and (ii) financial products providing access to investments in equities and fixed-income securities, mutual and hedge funds, structured products, life insurance, pension plans, and real estate investment funds, among others.

As a result of this corporate restructuring, Itaú Unibanco's stockholders were entitled to receive equity interest in XPART in the same number, type and proportion of the shares they held in Itaú Unibanco and the shares in Itaú Unibanco and American Depositary Receipts (ADRs) continued to be traded with the referred right to receive XPART's securities up to the cut-off date ("ex-rights" to receive XPART's securities), considered on October 1, 2021.

With the corporate restructuring, ITAÚSA has become entitled to hold direct and indirect equity interest in XPART through IUPAR, and this interest is equal to the one it holds in Itaú Unibanco, that is, 37.32%, which corresponds to a 15.12% equity interest in XP.

15.2.1.1. Merger of XPART on XP

On January 31, 2021 and May 28, 2021, ITAÚSA, IUPAR, controlling stockholders of XP, and XP entered into an agreement governing the main terms and conditions in connection with the proposed merger of XPART into XP and the parties' other rights and obligations.

On October 1, 2021, the XPART's and XP's General Stockholders' Meetings approved the merger of XPART into XP and the resulting dissolution of XPART.

With the merger of XPART on XP, the Itaú Unibanco' stockholders, who, up to the cut-off date were entitled to receive securities issued by XPART, received: (i) Itaú Unibanco 's controlling stockholders (IUPAR and ITAÚSA) and holders of ADRs: Class A shares issued by XP; and (ii) other stockholders: Level I-sponsored Brazilian Depositary Receipts (BDRs).

As a result of the Merger, ITAÚSA has become the holder, directly and indirectly, of Class A shares issued by XP equivalent to 15.07% of XP's capital and 4.74% of its voting capital.

Also as of that date, ITAÚSA and IUPAR have become parties to XP's Stockholders' Agreement, and it is worth mentioning that both companies are entitled to appoint members to XP's Board of Directors and Audit Committee.

15.2.1.2 Merger of investment held in XP – Jointly-owned subsidiary IUPAR

On December 8, 2021, IUPAR 's Extraordinary General Stockholders' Meeting approved the partial spin-off of its equity, in favor of its stockholders, corresponding to its 10.58% equity interest in XP, less the liability amount related to deferred taxes.

With the merger of the spun-off portion, ITAÚSA has become the direct holder of 15.06% of XP's total capital, and also of the rights in the Stockholders' Agreement of XP, held by IUPAR, to which ITAÚSA was already a signatory.

15.2.2. Conclusion the purchase price allocation of the Copa Energia

In December 2021 the ITAÚSA completed the purchase price allocation process, considering the equity interest in net assets and liabilities at fair value, the consideration paid by ITAÚSA and goodwill on expected future profitability.

The price paid in the transaction is broken down as follows:

Amount paid on purchase date	1,212
Payment of debentures acquired on purchase date	21
Total consideration transferred	**1,233**

The appraisal report, prepared by independent consultants, presented the following goodwill amounts attributed to the Balance Sheet of Copa Energia, which were recorded at ITAÚSA by the percentage of equity interest acquired on the transaction date:

	Copa Energia	Itaúsa (48.93%)
Goodwill attributed		
Intangible assets	159	78
Brand	*132*	*65*
Customer relationship	*26*	*13*
Use license	*1*	*1*
Property, plant and equipment	236	115
Held-for-trading assets	208	102
Other assets and liabilities	25	12
Total	**628**	**307**
Stockholders ‘equity - Copagaz	**1,486**	**727**
Goodwill	**408**	**199**
Price paid on acquisition	**-**	**1,233**

15.2.3. Disposals of shares in XP

In the years 2022 and 2021, ITAÚSA disposed shares of XP starting to hold 6.55% of the XP's total capital and 2.29% of its voting capital (it excludes treasury shares). ITAÚSA's rights previously entered into in the XP Shareholders' Agreement remain unchanged.

	Note	2022	2021
Number of shares		41.0 millions	7.8 millions
% of XP's capital sold		7.36%	1.39%
Sales value (gross)		4,670	1,270
Cost of investment		(2,134)	(367)
Other comprehensive income		15	-
Proceeds of sale	25	**2,551**	**903**

15.2.4. Investment in Aegea, Águas do Rio 1 and Águas do Rio 4 completed

On July 1, 2021, through a Material Fact, ITAÚSA announced that, supplementing the Material Facts disclosed on April 27, 2021 and May 31, 2021, it had completed the investment in Aegea, as set forth in the Investment Agreement executed by ITAÚSA and other stockholders of Aegea.

ITAÚSA's interest was carried out through subscription and purchase of Aegea's common shares, with the payment of the total approximate amount of R$1,344 on July 1, 2021, and subscription of preferred Class D shares issued by Aegea in the total approximate amount of R$1,110, paid on July 27, 2021. Consequently, ITAÚSA now holds 10.20% of voting capital, 19.05% of preferred shares, and 12.88% of total capital of Aegea. The remaining capital continues to be held by current controlling stockholders of Aegea and Singapore's Sovereign Fund GIC.

Also on July 1, 2021, ITAÚSA entered into a Stockholders' Agreement with other stockholders of Aegea and became entitled to appoint one member for each of the following bodies of the latter: Board of Directors, Audit Committee, Risks and Integrity Committee, and Finance and Project Assessment Committee, in addition to appointing, together with GIC, one independent member to the Board of Directors. Moreover, it will be entitled to other rights assigned to material stockholders.

On June 15, 2021 ITAÚSA issued non-convertible debentures in the amount of R$2,500 to fund this transaction.

On July 19, 2021, the amount of R$102 was contributed to SPCs (Special Purpose Companies), represented by preferred Class A voting shares, of which R$52 to Águas do Rio 1 and R$50 to Águas do Rio 4, resulting in interests of 8.16% in voting capital and of 5.54% in total capital of each SPC. These funds will be allocated for granting concessions for the regional provision of public water supply and wastewater treatment and supplementary services in the municipalities of Rio de Janeiro state, previously provided by CEDAE – Companhia Estadual de Águas e Esgotos do Rio de Janeiro.

With the kick-off of operations on November 1, 2021, these SPEs now serve a population of approximately 10 million people in 124 districts of the capital and other 26 municipalities of the Rio de Janeiro state.

The preferred shares held by ITAÚSA, both in Aegea and Águas do Rio 1 and 4, have specific features stated in the stockholders' agreement and, accordingly, the equity in the earnings of investees does not reflect the percentage of total interest to yield. Class D preferred shares in Aegea are entitled to dividend of 12.5% of adjusted income for the year (equivalent to 4.11% for shares held by ITAÚSA), but are not included in the remaining distribution and accumulated deficit. In the case of a profit, Class A preferred shares in the SPCs, in turn, are entitled to a 15% dividend of adjusted profit for the year (equivalent to 1.45% for shares held by ITAÚSA) and, in the case of a loss, these are included at 8.16%, which correspond to the percentage of interest of voting capital.

15.2.4.1. Conclusion the purchase price allocation of the Aegea

The ITAÚSA completed the purchase price allocation process, considering the equity interest in net assets and liabilities at fair value, the consideration paid by ITAÚSA and goodwill on expected future profitability.

The price paid in the transaction is broken down as follows:

Amount paid on purchase date	2,454
Contingent consideration	21
Total consideration transferred	**2,475**

The appraisal report, prepared by independent consultants, presented the following goodwill amounts attributed to the Balance Sheet of Aegea, which were recorded at ITAÚSA by the percentage of equity interest acquired on the transaction date:

	Aegea	Itaúsa (12.88%)
Goodwill attributed		
Intangible assets (Concession contracts)	12,767	1,643
Property, plant and equipment	40	5
Debts and Debentures	(559)	(72)
Other assets and liabilities	(420)	(54)
Total	**11,828**	**1,522**
Stockholders' equity - Aegea	**5,449**	**702**
Goodwill	**-**	**251**
Total consideration transferred	**-**	**2,475**

The impact related to amortizations and write-offs of goodwill for fiscal year 2022 was R$64 and is recorded as a contra entry to "Equity in the earnings of investees".

15.2.5. Acquisition of minority interest in ABC da Construção – Subsidiary Dexco

On December 30, 2021, subsidiary Dexco completed the purchase of 10% of the voting capital of ABC – Atacado Brasileiro da Construção S.A. ("ABC da Construção") for R$102. With over 150 stores in the states of Minas Gerais, São Paulo, and Rio de Janeiro, ABC da Construção has pioneered digital implementation in the retail finishing segment, and is recognized as one of the top so-called construtechs in Brazil. The operation was approved, without restrictions, by CADE, the Brazilian antitrust agency.

15.2.6. Purchase of shares under a restricted offering from jointly-controlled subsidiary Alpargatas

On February 25, 2022, within the scope of the Priority and Institutional Offerings of jointly-controlled subsidiary Alpargatas, ITAÚSA subscribed, with its own funds, 30,382,808 shares issued by Alpargatas (18,745,712 common and 11,637,096 preferred shares) at R$26.30 per share, totaling an investment of R$799.

Accordingly, ITAÚSA now holds 199,355,304 shares issued by Alpargatas, of which 148,274,505 are common and 51,080,799 are preferred shares, representing 29.57% of Alpargatas' total capital (excluding treasury shares).

Net proceeds from the restricted offering will be used to finance the payment of Alpargatas' purchase of an equity interest in Rothy's Inc.

The purchase price allocation (segregating the fair value of assets, liabilities and goodwill) is presented earlier and represents the Management's best estimate at the end of these Financial Statements, which will then be completed over the upcoming months, after the independent appraiser's report is issued.

15.2.7. LD Celulose kicks off operations – Subsidiary Dexco

On April 12, 2022, subsidiary Dexco announced to the market the start of operations of equipment and production ramp-up of the new dissolving wood plant (DWP) of LD Celulose, which is jointly-controlled by Dexco and Lenzing.

The industrial investment in the project totaled approximately USD1.38 billion, including all infrastructure and taxes levied. Located in the Triângulo Mineiro region of the Minas Gerais State, LD Celulose will have an annual production capacity of 500,000 metric tons of DWP, set to be 100% allocated to Lenzing's manufacturing units.

15.2.8. Purchase of equity interest in CCR

On September 12, 2022, ITAÚSA informed the market that, alongside Votorantim S.A., it had completed the transaction to purchase all shares held by Andrade Gutierrez Participações S.A. in CCR.

This transaction included the purchase of 300,149,836 shares in CCR, representing 14.86% of its total capital, with total investment worth approximately R$4.1 billion. Of this total, ITAÚSA purchased 208,669,918 shares, representing 10.33% of CCR's total capital, with a total investment worth R$2.9 billion, whose funds came from its own cash and the proceeds of the 5th issuance of debentures (Note 20).

As provided for in the Stockholders' Agreement negotiated with the other controlling stockholders of CCR, ITAÚSA will be entitled to appoint the same number of board members as the other signatories to the Stockholders' Agreement and one member for each of its following Advisory Committees: (i) Personnel and ESG; (ii) Audit, Compliance and Risks; and (iii) Strategic.

Incorporated in 1999, CCR is one of the largest infrastructure and mobility concession companies in Latin America, operating in the highway concession, urban mobility, airports and services segments.

This investment showcases key features of ITAÚSA's efficient capital allocation strategy, which factors in leading companies in their sectors, an attractive risk-return ratio, potential of growth and positive impact for society, as well as strategic partners with proven experience in their sectors of operation, and governance that will enable ITAÚSA to exercise influence and share the best ESG practices.

The purchase price allocation (segregating the fair value of assets, liabilities and goodwill) is presented earlier and represents the Management's best estimate at the end of these Financial Statements, which will then be completed over the upcoming months, after the independent appraiser's report is issued.

15.3. Reconciliation of investments

	Parent company								
	12/31/2022								
	Jointly-controlled companies			Controlled companies			Associates		
	Itaú Unibanco	IUPAR	Alpargatas	Dexco	Itautec	ITH Zux Cayman	XP	CCR	Copa Energia
Equity of the investee	167,953	42,799	5,758	5,872	21	3	17,036	11,465	1,932
Holding %	19.84%	66.53%	29.56%	37.86%	100.00%	100.00%	6.55%	10.33%	48.93%
Interest in the investment	**33,314**	**28,476**	**1,703**	**2,224**	**21**	**3**	**1,116**	**1,184**	**945**
Unrealized profit or loss	(11)	-	-	-	-	-	-	-	-
Adjustments arising from business combinations									
Surplus value	41	-	392	-	-	-	1	-	137
Goodwill	429	-	721	-	-	-	784	1,600	204
Accounting balance of the investment in the parent company	**33,773**	**28,476**	**2,816**	**2,224**	**21**	**3**	**1,901**	**2,784**	**1,286**

	Parent company							
	12/31/2021							
	Jointly-controlled companies			Controlled companies			Associates	
	Itaú Unibanco	IUPAR	Alpargatas	Dexco	Itautec	ITH Zux Cayman	XP	Copa Energia
Equity of the investee	152,864	39,004	3,396	5,734	90	3	14,417	1,685
Holding %	19.88%	66.53%	29.18%	36.86%	100.00%	100.00%	13.68%	48.93%
Interest in the investment	**30,387**	**25,951**	**991**	**2,113**	**90**	**3**	**1,973**	**825**
Unrealized profit or loss	(13)	-	-	-	-	-	-	-
Other	-	(21)	-	-	-	-	-	-
Adjustments arising from business combinations								
Surplus value	44	-	410	-	-	-	3	175
Goodwill	429	-	674	-	-	-	1,689	191
Accounting balance of the investment in the parent company	**30,847**	**25,930**	**2,075**	**2,113**	**90**	**3**	**3,665**	**1,191**

15.4. Summarized consolidated information of the relevant investes

	Jointly-controlled companies				Associates	
	Itaú Unibanco		IUPAR		XP	
Non-financial segment	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Number of outstanding shares of investees (in thousands)	**9,800,867**	**9,779,891**	**1,061,396**	**1,061,396**	**541,316**	**558,822**
Common	4,958,290	4,958,290	710,454	710,454	541,316	558,822
Preferred	4,842,576	4,821,600	350,942	350,942	-	-
Number of shares owned by ITAÚSA (in thousands)	**1,944,076**	**1,944,076**	**706,169**	**706,169**	**35,471**	**76,471**
Common	1,943,907	1,943,907	355,227	355,227	35,471	76,471
Preferred	169	169	350,942	350,942	-	-
Holding % [(1)]	**19.84%**	**19.88%**	**66.53%**	**66.53%**	**6.55%**	**13.68%**
Holding % in voting capital [(2)]	**39.21%**	**39.21%**	**50.00%**	**50.00%**	**2.29%**	**4.30%**
Information on the balance sheet	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	35,381	44,512	146	15	3,553	2,486
Financial assets	2,172,726	1,915,573	1,098	650	177,682	127,745
Non-financial assets	115,333	109,121	43,962	40,087	10,800	9,109
Financial liabilities	1,836,690	1,621,786	1,139	587	127,709	91,358
Non-financial liabilities	309,407	282,944	1,268	1,161	47,283	33,563
Equity attributable to controlling stockholders	167,953	152,864	42,799	39,004	17,036	14,417
Information on the statement of income	2022	2021	2022	2021	2022	2021
Profit from banking products	144,857	126,374	-	-	13,347	12,077
Income tax and social contribution	(6,796)	(13,847)	-	(1)	136	(223)
Profit attributable to controlling stockholders	29,702	26,760	7,588	7,231	3,579	3,589
Other comprehensive income	(6,329)	(2,827)	(1,656)	(807)	216	(547)
Information on the statement of cash flows	2022	2021	2022	2021	2022	2021
Increase (decrease) in cash and cash equivalents	24,649	23,805	132	14	1,232	1,468

[(1)] ITAÚSA has a direct interest in Itaú Unibanco of 19.84% (19.88% on December 31, 2021) and an indirect interest of 17.41% (17.44% on December 31, 2021), by means of the investment in IUPAR, which holds a 26.16% (26.22% on December 31, 2021) direct interest in Itaú Unibanco, totaling a 37.24% (37.32% on December 31, 2021) interest in total capital.

[(2)] The direct interest in the common shares of Itaú Unibanco is 39.21% (39.21% on December 31, 2021) and the indirect interest is 25.86% (25.86% on December 31, 2021), by means of the investment in IUPAR, which holds a 51.71% (51.71% on December 31, 2021) direct interest in the common shares of Itaú Unibanco, totaling a 65.06% (65.06% on December 31, 2021) interest in total capital.

	Controlled company		Jointly-controlled company		Associates				
	Dexco		Alpargatas		CCR	AEGEA		Copa Energia	
Non-financial segment	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Number of outstanding shares of investees (in thousands)	**807,921**	**754,474**	**674,350**	**579,082**	**2,019,998**	**1,019,114**	**1,019,114**	**352,430**	**352,430**
Common	807,921	754,474	339,511	302,011	2,019,998	709,956	709,956	352,430	352,430
Preferred	-	-	334,839	277,071	-	309,158	309,158	-	-
Number of shares owned by ITAÚSA (in thousands)	**305,897**	**278,088**	**199,355**	**168,972**	**208,670**	**131,300**	**131,300**	**172,430**	**172,430**
Common	305,897	278,088	148,275	129,529	208,670	72,416	72,416	172,430	172,430
Preferred	-	-	51,081	39,444	-	58,885	58,885	-	-
Holding %	**37.86%**	**36.86%**	**29.56%**	**29.18%**	**10.33%**	**12.88%**	**12.88%**	**48.93%**	**48.93%**
Holding % in voting capital	**37.86%**	**36.86%**	**43.67%**	**42.89%**	**10.33%**	**10.20%**	**10.20%**	**48.93%**	**48.93%**
Information on the balance sheet	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current assets	5,174	4,661	3,773	3,224	12,621	3,362	3,642	1,080	806
Non-current assets	10,451	8,759	4,726	4,807	37,926	13,819	12,459	4,151	4,171
Current liabilities	3,265	3,372	1,495	4,291	10,767	1,997	1,056	994	674
Non-current liabilities	6,398	4,314	1,245	273	27,958	9,228	8,641	2,306	2,628
Equity attributable to controlling stockholders	5,872	5,734	5,758	3,396	11,465	5,490	5,994	1,932	1,675
Cash and cash equivalents	1,772	1,421	648	583	5,229	74	106	275	71
Debts and debentures	5,600	3,870	1,275	111	29,031	9,805	8,569	2,108	2,227
Information on the statement of income	2022	2021	2022	2021	2022	2022	2021	2022	2021
Net revenue	8,486	8,170	4,182	3,949	19,182	4,634	3,711	11,741	10,172
Finance income	384	404	439	146	2,222	1,401	1,151	45	27
Finance costs	(916)	(307)	(369)	(51)	(5,329)	(2,639)	(1,750)	(355)	(192)
Income tax and social contribution	(153)	(263)	(87)	(52)	(2,793)	(374)	(311)	(127)	(42)
Profit attributable to controlling stockholders	756	1,725	121	690	4,133	260	501	300	199
Other comprehensive income	(149)	170	(299)	(23)	(180)	(343)	(94)	9	23
Information on the statement of cash flows	2022	2021	2022	2021	2022	2022	2021	2022	2021
Increase (decrease) in cash and cash equivalents	350	(307)	64	(110)	635	46	24	204	(40)

15.5. Impairment test

Parent company

ITAÚSA tested its investments for impairment and did not identify the need to recognize a provision for impairment losses on these investments.

For the investees Itaú Unibanco, XP, Alpargatas, Dexco and CCR, whose shares are traded in an active market (B3), the assessment of the recoverable amount took into consideration the value of the shares of the above mentioned companies, multiplied by the number of shares held by ITAÚSA on the date of the financial statements. For the investee IUPAR whose only investment is the equity interest in Itaú Unibanco, the assessment of the recoverable amount took into consideration the same procedure mentioned above, however, the value of Itaú Unibanco shares was used instead.

For the investees Itautec, ITH Zux Cayman, Copa Energia, Aegea, Águas do Rio 1 e Águas do Rio 4, the recoverable amount was determined based on the value in use of the assets, calculated in accordance with assessment methodologies.

16. PROPERTY, PLANT AND EQUIPMENT (PPE)

16.1. Breakdown

	Parent company							
	12/31/2022				12/31/2021			
	Depreciation rates (% p.y.)	Cost	Accumulated depreciation	Net balance	Depreciation rates (% p.y.)	Cost	Accumulated depreciation	Net balance
Property, plant and equipment in use								
Land	-	18	-	18	-	18	-	18
Buildings and improvements	2.5%	89	(21)	68	2.5%	86	(18)	68
Machinery, installations and equipment	10.0% at 20.0%	21	(7)	14	10.0% at 20.0%	18	(5)	13
Furniture and fixtures	10.0%	5	(3)	2	10.0%	4	(2)	2
Subtotal		**133**	**(31)**	**102**		**126**	**(25)**	**101**
Construction in progress		**2**	**-**	**2**		**6**	**-**	**6**
Total		**135**	**(31)**	**104**		**132**	**(25)**	**107**

	Consolidated							
	12/31/2022				12/31/2021			
	Depreciation rates (% p.y.)	Cost	Accumulated depreciation	Net balance	Depreciation rates (% p.y.)	Cost	Accumulated depreciation	Net balance
Property, plant and equipment in use								
Land	-	719	-	719	-	715	-	715
Buildings and improvements	2.5% at 4.0%	1,286	(565)	721	2.5% at 4.0%	1,373	(618)	755
Machinery, installations and equipment	6.3% at 20.0%	5,250	(3,404)	1,846	6.5% at 20.0%	5,472	(3,662)	1,810
Furniture and fixtures	10.0%	74	(51)	23	10.0%	81	(57)	24
Vehicles	20.0% at 25.0%	42	(30)	12	20.0% at 25.0%	73	(64)	9
Other	10.0% at 20.0%	293	(213)	80	10.0% at 20.0%	321	(244)	77
Subtotal		**7,664**	**(4,263)**	**3,401**		**8,035**	**(4,645)**	**3,390**
Construction in progress		**654**	**-**	**654**		**346**	**-**	**346**
Total		**8,318**	**(4,263)**	**4,055**		**8,381**	**(4,645)**	**3,736**

16.2. Changes

	Parent company							
	Land	Buildings and improvements	Machinery, installations and equipment	Furniture and fixtures	Vehicles	Others	Construction in progress	Total
Balance on 12/31/2020	**18**	**68**	**14**	**2**	**-**	**-**	**1**	**103**
Acquisitions	-	3	2	-	-	-	9	14
Write-offs	-	-	-	-	-	-	(4)	(4)
Depreciation	-	(3)	(3)	-	-	-	-	(6)
Balance on 12/31/2021	**18**	**68**	**13**	**2**	**-**	**-**	**6**	**107**
Acquisitions	-	-	2	-	-	-	-	2
Depreciation	-	(3)	(2)	-	-	-	-	(5)
Transfers	-	3	1	-	-	-	(4)	-
Balance on 12/31/2022	**18**	**68**	**14**	**2**	**-**	**-**	**2**	**104**

	Consolidated							
	Land	Buildings and improvements	Machinery, installations and equipment	Furniture and fixtures	Vehicles	Others	Construction in progress	Total
Balance on 12/31/2020	**738**	**803**	**1,825**	**23**	**12**	**79**	**136**	**3,616**
Acquisitions	16	8	96	5	-	14	427	566
Write-offs	(1)	-	(2)	-	-	(1)	(5)	(9)
Depreciation	-	(41)	(285)	(4)	(3)	(20)	-	(353)
Transfers	-	8	196	2	-	5	(212)	(1)
Transfer to held-for-sale assets	(35)	(14)	(1)	-	-	-	-	(50)
Others	(3)	(9)	(19)	(2)	-	-	-	(33)
Balance on 12/31/2021	**715**	**755**	**1,810**	**24**	**9**	**77**	**346**	**3,736**
Acquisitions	15	5	101	3	1	18	593	736
Write-offs	(4)	(3)	(11)	(1)	-	(1)	(3)	(23)
Depreciation	-	(40)	(294)	(4)	(3)	(23)	-	(364)
Transfers	1	26	236	-	4	9	(276)	-
Acquisition of companies	-	-	37	1	1	2	1	42
Others	(8)	(22)	(33)	-	-	(2)	(7)	(72)
Balance on 12/31/2022	**719**	**721**	**1,846**	**23**	**12**	**80**	**654**	**4,055**

16.3. Property, plant and equipment in guarantee

On December 31, 2022, subsidiary Dexco recorded in its PPE some plots of land pledged in guarantee of lawsuits totaling R$2 (R$2 on December 31, 2021).

16.4. Assessment of the recoverable amount

For the years ended December 31, 2022 and December 31, 2021 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.

16.5. Revision of the useful life of assets

Controlled company Dexco and its controlled companies revisited the estimated useful life of the property, plant and equipment items. Among the assumptions used to revise depreciation rates, we may highlight: (i) internal and external antecedents; (ii) benchmarking and recommendations from manufacturer’s manuals; (iii) condition of preservation and operation of the assets; (iv) history of maintenance and use of assets until allocation for scrap purposes; and (v) alignment to overall business planning.

After revision, depreciation rates basically remained unchanged.

17. INTANGIBLE ASSETS

17.1. Breakdown

	Parent company							
	12/31/2022				12/31/2021			
	Amortization rates (% p.y.)	Cost	Accumulated amortization	Net balance	Amortization rates (% p.y.)	Cost	Accumulated amortization	Net balance
Software	20,0%	9	(5)	4	20,0%	10	(4)	6
Total		**9**	**(5)**	**4**		**10**	**(4)**	**6**

	Consolidated							
	12/31/2022				12/31/2021			
	Amortization rates (% p.y.)	Cost	Accumulated amortization	Net balance	Amortization rates (% p.y.)	Cost	Accumulated amortization	Net balance
Software	15% at 20%	320	(132)	188	20,0%	262	(120)	142
Trademarks and patents	-	209	-	209	-	209	-	209
Goodwill from the expectation of future profitability	-	432	-	432	-	324	-	324
Customer portfolio	6,0%	401	(348)	53	6,7%	403	(322)	81
Total		**1.362**	**(480)**	**882**		**1.198**	**(442)**	**756**

17.2. Changes

	Parent company		
	Software	Intangible assets in progress	Total
Balance on 12/31/2020	**4**	**4**	**8**
Amortization	(2)	-	(2)
Transfers	4	(4)	-
Balance on 12/31/2021	**6**	**-**	**6**
Amortization	(2)	-	(2)
Balance on 12/31/2022	**4**	**-**	**4**

	Consolidated					
	Software	Trademarks and patents	Goodwill from the expectation of future profitability (Note 17.3)	Customer portfolio	Intangible assets in progress	Total
Balance on 12/31/2020	**93**	**209**	**324**	**109**	**4**	**739**
Acquisitions	62	-	-	-	-	62
Write-offs	(3)	-	-	-	-	(3)
Amortization	(14)	-	-	(26)	-	(40)
Transfers	4	-	-	-	(4)	-
Other	-	-	-	(2)	-	(2)
Balance on 12/31/2021	**142**	**209**	**324**	**81**	**-**	**756**
Acquisitions	65	-	-	-	-	65
Write-offs	(1)	-	-	-	-	(1)
Amortization	(19)	-	-	(26)	-	(45)
Acquisition of companies	-	-	108	-	-	108
Other	1	-	-	(2)	-	(1)
Balance on 12/31/2022	**188**	**209**	**432**	**53**	**-**	**882**

17.3. Goodwill from the expectation of future profitability

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

	Consolidated	
	12/31/2022	12/31/2021
Satipel	46	46
Metalúrgica Jacareí	2	2
Caetex Florestal	20	9
Cerâmica Urussanga	93	93
Massima	6	6
Cecrisa	168	168
Castelatto	97	-
Total	**432**	**324**

17.4. Impairment test

The controlled company Dexco tested for impairment its intangible assets with indefinite useful lives that are allocated to the cash generating units that produce wood panels, bathroom fixtures and fittings, showers and ceramic tiles. On December 31, 2021, and 2020, cash flow amounts of cash generation units were higher than the accounting amounts, and therefore there was no need to record impairment.

Projections adopted by controlled company Dexco for impairment valuation, approved by the Board of Directors, were based on macroeconomic growth and inflation projections, as well as its operational conditions.

The main assumptions used were:

Description	12/31/2022	12/31/2021
Cash flow term	5 years for all the Business areas	5 years for all the Business areas
Discount rate (Weighted Average Cost of Capital (WACC) measured using the Capital Asset Pricing Model (CAPM)	All the Business areas: 13.50% p.y.(*)	All the Business areas: 11.15% p.y.(*)
Growth rate (gross margin)	Panels: 0.5% p.y. Bathroom fixtures: 2.1% p.y. Bathroom fittings: 1.5% p.y. Showers: 1.2% p.y. Ceramic tiles: 0.6% p.y.	Panels: (1.8% p.y.) Bathroom fixtures: 7.9% p.y. Bathroom fittings: 3.5% p.y. Showers: 4.7% p.y. Ceramic tiles: 2.4% p.y.
Growth rate (perpetuity)	5.6% p.y.	3.0% p.y.

(*) Rate before Income tax of 20.5% for 2022 and 16.67% for 2021.

18. TRADE ACCOUNTS PAYABLE

		Parent company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Local		6	19	805	1,046
Foreign		-	-	107	152
Related parties		-	-	6	5
Forfaiting	18.1	-	-	325	471
Total		**6**	**19**	**1,243**	**1,674**

18.1. Forfaiting

Controlled company Dexco entered into agreements with Santander and Itaú to allow domestic market suppliers to prepay their receivables. Under these operations, suppliers transfer the right to receive securities from the sale of their goods to financial institutions and, as a consideration, receive these funds in advance from the latter at a discount charged directly by these financial institutions upon the credit assignment. These financial institutions then become the creditors of the operation.

Management assessed that the economic essence of these transactions was operational in nature and any potential effects of adjustment to their present value were immaterial for measurement and disclosure purposes. Furthermore, it considered that these transactions generated no material changes in the original liabilities with suppliers, with the payments of such securities recorded as cash outflows from operating activities in the Statement of Cash Flows in accordance with IAS 7 / CPC 03 (R2), alongside other payables to suppliers.

19. DEBTS

19.1. Breakdown

				Consolidated			
				12/31/2022		12/31/2021	
Type	Charges	Form of amortization	Guarantees	Current	Non-current	Current	Non-current
Local currency							
BNDES (with swap)	103.89% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	-	-	12	60
BNDES (with swap)	117.51% of CDI	Monthly	Endorsement (70% Itaúsa / 30% Individuals)	-	-	-	3
FINAME DIRECT (with swap)	IPCA+ 3.82% up to 4.42% p.y.	Until February 2038	Mortgage and endorsement - 67% Itaúsa and 33 % Individuals	24	697	17	510
FINAME	Fixed up to 3.5% p.y.	Monthly	Secured fiduciary sale	-	-	3	-
Export credit note	CDI + 0.91 up to 1.45% p.y.	April 2025	--	633	400	-	546
Export credit card	CDI + 1.81% p.y.	May 2023	30% assignment of credit rights on financial investments	40	-	96	40
Commercial note	CDI + 1.71% p.y	March 2028	--	11	299	-	-
Commercial note – linked to CRA (with swap)	IPCA + 6.2% p.y.	Up to June 2032	--	-	386	-	-
Commercial note – linked to CRA	CDI + 0.6% p.y.	June 2028	--	1	200	-	-
FINEX - Resolution No. 4,131	CDI + 0.48% p.y.	August 2027	--	16	400	2	400
Bank credit note - Working capital	CDI + 1.45% p.y.	October 2024	--	7	250	5	250
Agribusiness receivables certificate - CRA	98.0% of CDI	Semi-annually	Surety Dexco S.A	-	-	699	-
Commercial note – linked to CRA (with swap)	IPCA + 6.2% p.y	Up to June 2032	Endorsed by Dexco	-	195	-	-
Constitutional Fund for Financing of the Northeast - FNE	Fixed 4.71% up to 7.53% p.y.	Annually	Surety Duratex Florestal Ltda + land mortgage	2	28	2	12
Total in local currency				**734**	**2,855**	**836**	**1,821**
Foreign currency							
Leasing	IBR up to + 2%	Monthly	Promissory Note	1	1	-	1
Resolution No. 4,131 (with swap)	US$ + 2.26% up to 4.66% p.y.	January 2027	--	7	783	-	-
Total in foreign currency				**8**	**784**	**-**	**1**
Total debts				**742**	**3,639**	**836**	**1,822**

The covenants related to Debt contracts are presented in Note 4.2.3.1.

19.2. Changes

	Consolidated
Balance on 12/31/2020	**2,005**
Inflows	913
Interest and monetary adjustment	121
Repayment - Principal amount	(309)
Amortization - Interest and monetary adjustment	(72)
Balance on 12/31/2021	**2,658**
Inflows	2,500
Interest and monetary adjustment	371
Repayment - Principal amount	(876)
Amortization - Interest and monetary adjustment	(290)
Acquisition of companies	18
Balance on 12/31/2022	**4,381**
Current	**742**
Non-current	**3,639**

19.3. Maturity

	Consolidated 12/31/2022		
	Local currency	Foreign currency	Total
Current			
2023	734	8	742
Total	**734**	**8**	**742**
Non-current			
2024	293	-	293
2025	471	392	863
2026	86	-	86
2027	486	-	486
2028 - 2032	1,352	392	1,744
2033 onwards	167	-	167
Total	**2,855**	**784**	**3,639**

20. DEBENTURES

20.1. Breakdown

Issuance	Issuer	Type of issuance	Effectiveness	Number of debentures	Unit value (R$)	Issuance amount (R$ milhões)	Charges	Form of amortization	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
Parent company												
2nd	ITAÚSA	Single series ICVM No. 476/09	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)	-	-	411	800
3rd	ITAÚSA	Single series - CVM Instruction No. 476/09	12/2020 to 12/2030	1,300,000	1,000	1,300	CDI + 2.40%	Semiannual interest and principal amounts in three annual consecutive installments (12/2028, 12/2029 and 12/2030)	8	1,300	7	1,300
4th	ITAÚSA	1st tranche – under CVM Instruction No. 476/09	06/2021 to 06/2027	1,250,000	1,000	1,250	CDI + 1.40%	Semiannual interest and principal amounts in three annual consecutive installments (06/2025, 06/2026 and 06/2027)	8	1,250	6	1,250
4th	ITAÚSA	2nd tranche CVM Instruction No. 476/09	06/2021 to 06/2031	1,250,000	1,000	1,250	CDI + 2.00%	Semiannual interest and principal amounts in three annual consecutive installments (06/2029, 06/2030 and 06/2031)	8	1,250	6	1,250
5th	ITAÚSA	1st tranche – under CVM Instruction No. 476/09	08/2022 to 06/2025	2,500,000	1,000	2,500	CDI + 1.12%	Annual interest and principal in a single installment (08/2025)	140	2,500	-	-
5th	ITAÚSA	2nd tranche CVM Instruction No. 476/09	08/2022 to 06/2025	1,000,000	1,000	1,000	CDI + 1.12%	Annual interest and principal in a single installment (08/2025)	-	-	-	-
Subtotal Debentures									**164**	**6,300**	**430**	**4,600**
3rd	ITAÚSA	Transaction cost	12/2020 to 12/2030	-	-	(9)	-	Monthly amortization	(1)	(5)	(1)	(6)
4th	ITAÚSA	Transaction cost	06/2021 to 06/2031	-	-	(9)	-	Monthly amortization	(1)	(5)	(1)	(7)
5th	ITAÚSA	Transaction cost	08/2022 to 08/2025	-	-	(7)	-	Monthly amortization	(2)	(3)	-	-
Subtotal Transaction costs									**(4)**	**(13)**	**(2)**	**(13)**
Total Parent Company									**160**	**6,287**	**428**	**4,587**
Consolidated												
2nd	Dexco	Single series ICVM No. 476/09	05/2019 to 05/2026	120,000	10,000	1,200	108.0% of CDI	Semiannual interest and principal amounts in two annual installments (05/2024 and 05/2026)	20	1,200	13	1,198
Subtotal Debentures									**20**	**1,200**	**13**	**1,198**
2nd	Dexco	Transaction cost	05/2019 to 05/2026	-	-	-	108.0% of CDI	Monthly amortization	-	(1)	-	-
Subtotal Transaction costs									**-**	**(1)**	**-**	**-**
Total Consolidated									**180**	**7,486**	**441**	**5,785**

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

The covenants of subsidiary Dexco related to the Debentures are presented in Note 4.2.3.1.

20.2. Changes

	Note	Parent company	Consolidated
Balance on 12/31/2020		**2,494**	**3,696**
Inflows - Principal amount		2,500	2,500
Inflows - Transaction cost		(8)	(9)
Interest and monetary adjustment		243	300
Settlement - Transaction cost		2	2
Amortization - Interest and monetary adjustment		(216)	(263)
Balance on 12/31/2021		**5,015**	**6,226**
Inflows - Principal amount		3,500	3,500
Inflows - Transaction cost		(7)	(7)
Interest and monetary adjustment		834	991
Settlement - Transaction cost		6	6
Amortization - Principal amount	20.2.1	(2,200)	(2,200)
Amortization - Interest and monetary adjustment		(701)	(850)
Balance on 12/31/2022		**6,447**	**7,666**
Current		**160**	**180**
Non-current		**6,287**	**7,486**

20.2.1. Early redemption of debentures

Of the amount of R$2,200, R$1,800, in December 2022 ITAÚSA redeemed, on an early and optional basis, all of the following debenture issuances: (i) R$800 from the single series of the 2nd issuance; and (ii) R$1,000 from the 2nd series of the 5th issuance. Interest paid in advance was R$53, including the premium for early redemption of the 2nd issuance.

Said redemption is part of a strategic deleveraging decision by allocating the proceeds from the last XP share sales.

20.3. Maturity

	Parent company	Consolidated
Current		
2023	160	180
Total	**160**	**180**
Non-current		
2024	(3)	597
2025	2,915	2,915
2026	414	1,013
2027	415	415
2028 - 2031	2,546	2,546
Total	**6,287**	**7,486**

21. 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.

21.1. Provisions

We present below the changes in provisions for the years:

	Parent company	Consolidated			
	Tax	Tax	Labor	Civil	Total
Balance on 12/31/2020	**1,784**	**2,044**	**141**	**150**	**2,335**
Lawsuits					
Recognition	282	395	28	32	455
Monetary adjustment	46	52	18	5	75
Reversal	-	(174)	(27)	(3)	(204)
Payments	-	(17)	(22)	-	(39)
Business combinations	-	1	-	(41)	(40)
Subtotal	**2,112**	**2,301**	**138**	**143**	**2,582**
(-) Judicial deposits (*)	**(449)**	**(461)**	**(31)**	**(50)**	**(542)**
Balance on 12/31/2021 after the offset of judicial deposits	**1,663**	**1,840**	**107**	**93**	**2,040**
Non-current	**1,663**				**2,040**

	Parent company	Consolidated			
	Tax	Tax	Labor	Civil	Total
Balance on 12/31/2021	**2,112**	**2,301**	**138**	**143**	**2,582**
Lawsuits					
Recognition	17	29	38	22	89
Monetary adjustment	119	137	14	11	162
Reversal	-	(14)	(23)	(30)	(67)
Payments	-	(8)	(29)	(8)	(45)
Judicial deposits conversion	(449)	(449)	-	-	(449)
Business combinations	-	2	9	18	29
Subtotal	**1,799**	**1,998**	**147**	**156**	**2,301**
(-) Judicial deposits (*)	**(24)**	**(54)**	**(21)**	**(48)**	**(123)**
Balance on 12/31/2022 after the offset of judicial deposits	**1,775**	**1,944**	**126**	**108**	**2,178**
Current	**1,763**				**1,763**
Non-current	**12**				**415**

(*) 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.

21.1.1 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.

Parent Company and Consolidated

Noteworthy is the Writ of Mandamus filed by ITAÚSA claiming the right to adopt the PIS and COFINS cumulative tax system at 3.65%, on the grounds of the illegality and unconstitutionality of including holding companies in the non-cumulative tax system (9.25%). The challenged and unpaid 5.60% difference, related to the period from April 2011 to October 2017, was demanded through a Tax Foreclosure pledged by a performance bond. The difference for the November 2017 to February 2020 period was deposited in court and, as from March 2020 ITAÚSA had been paying the full PIS and COFINS amounts while it waited for the appeals it had filed to be tried by higher courts. The appeals were tried and a final unappealable unfavorable decision was issued in April 2022, with the deposited amounts being converted into federal income in the 3rd quarter of 2022.

ITAÚSA's Management, on September 30, 2022, reclassified the provision from Non-Current Liabilities to Current Liabilities in the amount of R$1,733. On December 31, 2022, this provision totaled R$1,763 (R$2,078 on December 31, 2021 in Non-Current Liabilities), with no impact on ITAÚSA's results, as a result of the unfavorable ruling to the Writ of Mandamus that will cause the Tax Foreclosure to be tried within a period of less than 12 months, which will then result in the disbursement of funds to the Federal Government.

21.1.2. Labor

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

21.1.3. Civil

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

21.2. 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	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Tax	266	222	1,280	987
Labor	-	-	21	37
Civil	-	22	94	60
Total	**266**	**244**	**1,395**	**1,084**

21.2.1. Tax

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

- Taxation on the revaluation reserve of the controlled company Dexco: Dispute related to the taxation of the Revaluation reserve in corporate spin-off operations carried out in 2006 and 2009 whose adjusted balance on December 31, 2022 amounts to R$321 (R$304 on December 31, 2021) in the controlled company Dexco.

- 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 December 31, 2022 amounts to R$319 (R$319 on December 31, 2021) in ITAÚSA and its controlled companies.

- Corporate income tax (IRPJ) and social contribution on profit (CSLL) on SELIC rate: Exclude the levy incurred in the refund of undue tax, whose balance updated on December 31, 2022 is R$197 in subsidiary Dexco;

- 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 December 31, 2022 amounts to R$88 (R$71 on December 31, 2021) in the controlled company Itautec;

- ICMS levy and credits: Litigation involving levy, recognition and use of ICMS credits, with updated balance on December 31, 2022 totaling R$73 (R$64 on December 31, 2021) at subsidiaries Dexco and Itautec;

- IRPJ and CSLL (taxes on income) tax assessments regarding installment payment under Law No. 11941/09: Litigation involving IRPJ and CSLL levy on the grounds of non-taxation of the revenue generated upon adoption of installment payment under Law No. 11941/09, and non-addition of finance costs to the 2009 calculation, with updated balance on December 31, 2022 totaling R$57 (R$54 on December 31, 2021) at subsidiary Dexco.

21.3. Contingent assets

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

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

		Consolidated	
	Note	12/31/2022	12/31/2021
Tax and Civil			
PIS and COFINS	21.3.1	180	66
IPI credit premium (1980 to 1985)		157	140
Monetary adjustment of credits with Eletrobras		135	102
IPI Credit – Inputs from the Manaus Free Trade Zone	21.3.2	114	-
INSS – Social security contributions		25	23
Profits abroad (withdrawal of the deposit)		12	12
Collection/payment of extra judicially enforceable instruments		6	3
Others		19	18
Total		**648**	**364**

21.3.1. PIS/COFINS – ICMS excluded from calculation basis

No final and unappealable decision has been issued on the remedy filed by subsidiary Dexco in connection with the extinct corporate taxpayer's registry (CNPJ) of Duratex SA, after the association with Satipel and Duratex Florestal Ltda, which covers the 2001-2015 period.

With respect to subsidiary Itautec, the PIS and COFINS credit amount will be discussed under an action for recovery of undue payment filed in November 2022. After a final and unappealable decision is granted, it will be received by means of a certificate of judgment debt of the government.

21.3.2. IPI Credit – Inputs from the Manaus Free Trade Zone

In September 2022, subsidiary Itautec was granted a final court decision recognizing the right to IPI credit, arising from exempt inputs purchased from the Manaus Free Trade Zone, according to the Federal Supreme Court (STF) ruling on a general repercussion basis (Topic 322: Extraordinary Appeal No. 592.891/SP).

The inflation-adjustment criterion for these credits (basic interest rate SELIC from April 2008, when the lawsuit was filed) was defined in September 2022 only. The credit amount will be calculated over the execution of the judgment aimed to issue a certificate of judgment debt of the government, when it will then be recognized.

22. EQUITY

22.1. Capital

Capital is R$63,500 on December 31, 2022 (R$51,460 on December 31, 2021) represented by book-entry shares with no par value.

On December 13, 2021, ITAÚSA's Board of Directors decided to increase capital by R$7,945, through capitalization of revenue reserves with bonus shares, in the proportion of 5 new shares for every 100 shares of the same type, attributed free of charge to stockholders. As a result of such bonus shares, 144,491,889 common and 276,048,858 preferred shares were issued.

On November 7, 2022, the Board of Directors approved the cancellation of 11,892,300 treasury shares (3,492,300 common and 8,400,000 preferred shares), purchased under the Share Buyback Program in effect from February 2021 to August 2022. Cancellation was carried out through the absorption of the Revenue Reserve for Working Capital Increase with no reduction in capital.

Furthermore on November 7, 2022, ITAÚSA's Board of Directors decided to increase capital by R$12,040, through capitalization of revenue reserves with bonus shares, in the proportion of one (1) new share for every ten (10) shares of the same type, assigned free of charge to stockholders. As a result of this bonus shares, 303,083,736 common and 578,862,602 preferred shares were issued.
Capital is broken down as follows:

	12/31/2022					
	Common	%	Preferred	%	Total	%
Controlling group (Egydio de Souza Aranha family)	2,111,901,708	63.35	1,129,291,576	17.74	3,241,193,284	33.41
Other shareholders	1,222,019,387	36.65	5,238,197,044	82.26	6,460,216,431	66.59
Total	**3,333,921,095**	**100.00**	**6,367,488,620**	**100.00**	**9,701,409,715**	**100.00**
Residents in Brazil	3,331,540,899	99.93	4,059,247,721	63.75	7,390,788,620	76.18
Residents abroad	2,380,196	0.07	2,308,240,899	36.25	2,310,621,095	23.82

	12/31/2021					
	Common	%	Preferred	%	Total	%
Controlling group (Egydio de Souza Aranha family)	1,919,910,655	63.27	1,047,918,892	18.08	2,967,829,547	33.61
Other shareholders	1,114,419,004	36.73	4,740,707,126	81.78	5,855,126,130	66.30
(-) Treasury shares	-	-	8,400,000.00	0.14	8,400,000.00	0.10
Total	**3,034,329,659**	**100.00**	**5,797,026,018**	**100.00**	**8,831,355,677**	**100.00**
Residents in Brazil	3,031,669,932	99.91	3,908,670,409	67.43	6,940,340,341	78.59
Residents abroad	2,659,727	0.09	1,888,355,609	32.57	1,891,015,336	21.41

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, ensuring a dividend at least equal to that of common shares; and

- 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.

By resolution of the Board of Directors the Capital may be increased by up to 10,500,000,000 shares, of which up to 3,500,000,000 are common shares and up to 7,000,000,000 are preferred shares.

22.2. Capital reserves

	Parent company	
	12/31/2022	12/31/2021
Stock options granted	688	599
Goodwill on the issue of shares	4	4
Tax incentives	2	2
Revaluation reserve	6	6
Other	(137)	(39)
Total	**563**	**572**

22.3 Revenue reserves

		Parent company					
			Statutory reserves (b)				
	Note	Legal reserve (a)	Dividend equalization	Increase in working capital	Increase in the capital of investees	Proposed dividends (c)	Amount
Balance on 12/31/2020		**2,615**	**5,656**	**2,656**	**3,570**	**48**	**14,545**
Recognition		610	4,120	1,648	2,472	-	8,850
Capitalization of Reserves (Bonus Shares)	22.1	-	(7,938)	-	-	-	(7,938)
Dividends and interest on capital		-	-	-	-	(48)	(48)
Proposed dividends and interest on capital		-	(564)	(91)	(142)	797	-
Expired dividends		-	6	-	-	-	6
Equity in the earnings of investees		-	904	-	-	-	904
Balance on 12/31/2021		**3,225**	**2,184**	**4,213**	**5,900**	**797**	**16,319**
Recognition		684	4,146	1,658	2,488	-	8,976
Capitalization of Reserves (Bonus Shares)	22.1	-	(5,865)	(2,328)	(3,847)	-	(12,040)
Cancellation of treasury shares	22.1	-	-	(133)	-	-	(133)
Dividends and interest on capital		-	-	-	-	(797)	(797)
Proposed dividends and interest on capital		-	-	-	-	877	877
Expired dividends		-	7	-	-	-	7
Equity in the earnings of investees		-	389	-	-	-	389
Balance on 12/31/2022		**3,909**	**861**	**3,410**	**4,541**	**877**	**13,598**

(a) Legal reserve

The legal reserve is recognized at 5% of profit for the year, under the terms of Article 193 of Law No. 6,404/76, up to the limit of 20% of capital.

(b) Statutory reserves

- **Dividend for equalization reserve**: it is aimed at ensuring funds for the payment of dividends, including in the form of interest on capital or their advance payment, to maintain the flow of stockholders' remuneration, limited to 40% of capital;

- **Reserve for working capital increase**: it is aimed at ensuring financial means for ITAÚSA's operations, limited to 30% of the capital; and

- **Reserve for the increase of capital of investees**: it is aimed at ensuring the preemptive right of subscription in capital increases of investees, limited to 30% of the capital.

The amount of the above mentioned statutory reserves will not exceed the limit of 95% of capital. Additionally, the balance of these reserves, together with that of the Legal reserve, may not exceed the total capital.

(c) Proposed dividends

These refer to Dividends and Interest on Capital, as approved by the Board of Directors, to be ratified by the Annual General Stockholders' Meeting, in the year following the Financial Statements.

22.4. Carrying value adjustment

	Parent company	
	12/31/2022	12/31/2021
Post-employment benefit	(558)	(537)
Fair value of financial assets	(2,090)	(912)
Translation/hyperinflation adjustment	1,011	2,282
Hedge accounting	(3,227)	(3,201)
Total	**(4,864)**	**(2,368)**

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

22.5. Distribution of profit, Dividends and Interest on capital

22.5.1. Distribution of profit

	Parent company	
	2022	2021
Profit	13,674	12,200
(-) Legal reserve	(684)	(610)
Calculation basis of dividends/interest on capital	**12,990**	**11,590**
Mandatory minimum dividend (25%)	**3,248**	**2,898**
Appropriation:		
Distribution to stockholders		
Dividends	-	336
Interest on capital (gross)	3,821	3,014
Interest on capital proposed (gross)	877	-
	4,698	**3,350**
Revenue reserves	**8,292**	**8,240**
	12,990	**11,590**
Gross % belonging to stockholders	**36.16%**	**28.90%**

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 for the period 2022 is as follows:

	Date of payment (made or expected)	Amount per share		Amount distributed	
		Gross	Net	Gross	Net
Paid					
Interest on capital	07/01/2022	0.02353	0.02000	207	176
Interest on capital	08/30/2022	0.01030	0.00876	91	78
Interest on capital	08/30/2022	0.11337	0.09636	1,000	850
Interest on capital	10/03/2022	0.02353	0.02000	207	176
		0.17073	**0.14512**	**1,505**	**1,280**
Recognized in a provision					
Interest on capital	01/02/2023	0.02353	0.02000	228	194
Interest on capital	04/03/2023	0.02353	0.02000	228	194
Interest on capital	12/29/2023	0.04940	0.04199	436	370
Interest on capital	12/29/2023	0.05154	0.04381	500	425
Interest on capital	12/29/2023	0.04450	0.03782	432	367
Interest on capital	03/10/2023	0.05062	0.04303	492	418
		0.24312	**0.20665**	**2,316**	**1,968**
Proposed					
Interest on capital	03/10/2023	0.09038	0.07682	877	745
		0.09038	**0.07682**	**877**	**745**
Total		**0.50422**	**0.42859**	**4,698**	**3,993**

22.5.2. 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 12/31/2020	**349**	**883**	**1,232**	**350**	**975**	**1,325**
Deliberated dividends and interest on capital	336	2,722	3,058	633	3,268	3,901
Expired dividends	(3)	(3)	(6)	(3)	(3)	(6)
Payments	(673)	(1,729)	(2,402)	(970)	(2,365)	(3,335)
Balance on 12/31/2021	**9**	**1,873**	**1,882**	**10**	**1,875**	**1,885**
Deliberated dividends and interest on capital	-	3,944	3,944	-	4,084	4,084
Expired dividends	(5)	(2)	(7)	(5)	(2)	(7)
Payments	-	(3,851)	(3,851)	-	(3,851)	(3,851)
Balance on 12/31/2022	**4**	**1,964**	**1,968**	**5**	**2,106**	**2,111**

22.6 Treasury Shares

On February 22, 2021, the Board of Directors approved a Share Buyback Program in connection with treasury shares, up to the limit of 250 million shares (50 million common shares and 200 million preferred shares), which represent 4.5% of ITAÚSA's outstanding shares. In August 2022, the period for purchase of shares issued under the aforementioned program expired being the average purchase share price was R$11.18 (R$10.22 Common and R$11.59 Preferred).

As described in Note 22.1, on November 7, 2022, the Board of Directors approved the cancellation of treasury shares purchased under the Share Buyback Program.

	Parent company			
	Number of shares			
	Common	Preferred	Total	Value
Balance on 12/31/2020	**-**	**-**	**-**	**-**
Acquisition of shares	-	8,000,000	8,000,000	(90)
Bonus Shares	-	400,000	400,000	(7)
Balance on 12/31/2021	**-**	**8,400,000**	**8,400,000**	**(97)**
Acquisition of shares	3,492,300	-	3,492,300	(36)
Cancellation of shares	(3,492,300)	(8,400,000)	(11,892,300)	133
Balance on 12/31/2022	**-**	**-**	**-**	**-**

23. NET REVENUE

	Consolidated	
	2022	2021
Service and sales revenue		
Domestic market	8,706	8,584
Foreign market	1,756	1,568
	10,462	**10,152**
Deductions from revenue		
Taxes and contributions on sales	(1,976)	(1,982)
Total	**8,486**	**8,170**

24. RESULT BY NATURE

	Parent company	
	General and administrative expenses (G&A)	
	2022	2021
Employee compensation and costs	(89)	(75)
Third-party services	(44)	(10)
Insurance	(17)	(16)
Depreciation and amortization	(10)	(10)
Advertising expenses	(5)	(9)
Other expenses	(7)	(23)
Total	**(172)**	**(143)**

		Consolidated							
		Cost of products and services		Selling expenses		General and administrative expenses (G&A)		Total	
	Note	2022	2021	2022	2021	2022	2021	2022	2021
Change in inventories of finished products and work-in-progress		1,012	857	-	-	-	-	1,012	857
Change in fair value of biological assets	12	598	129	-	-	-	-	598	129
Raw materials and consumables		(4,996)	(4,338)	-	-	-	-	(4,996)	(4,338)
Employee compensation and costs		(991)	(885)	(163)	(161)	(298)	(274)	(1,452)	(1,320)
Depreciation, amortization and exhaustion		(788)	(651)	(3)	(4)	(38)	(31)	(829)	(686)
Third-party services		-	-	-	-	(119)	(85)	(119)	(85)
Advertising expenses		-	-	(131)	(115)	(6)	(29)	(137)	(144)
Transport expenses		(16)	(13)	(630)	(515)	-	-	(646)	(528)
Commissions		-	-	(100)	(144)	-	-	(100)	(144)
Allowance for estimated losses on doubtful accounts		-	-	(16)	(21)	-	-	(16)	(21)
Insurance		(15)	(9)	(1)	-	(17)	(17)	(33)	(26)
Other expenses		(415)	(386)	(76)	(46)	(70)	(71)	(561)	(503)
		(5,611)	**(5,296)**	**(1,120)**	**(1,006)**	**(548)**	**(507)**	**(7,279)**	**(6,809)**

25. OTHER INCOME AND EXPENSES

		Parent company		Consolidated	
	Note	2022	2021	2022	2021
Gains/losses on sale of investments	15.2.3	2,551	903	2,551	903
Dividends and Interest on capital	6.1	312	209	312	209
Rental revenue		7	7	5	5
Employee benefits		5	(2)	13	(2)
Impairment		-	-	(4)	5
Income from sale of PPE		-	-	(11)	(18)
Donations - COVID-19		-	-	(2)	(5)
Reversal of provision – ICMS from PIS/COFINS calculation basis		-	-	-	113
Exclusion of ICMS from PIS/COFINS calculation basis		-	-	-	392
Result of lawsuits		(19)	(277)	(20)	(315)
Amortization of customer portfolio		-	-	(26)	(26)
Others		31	(18)	65	78
		2,887	**822**	**2,883**	**1,339**

26. FINANCE RESULT

	Note	Parent company 2022	Parent company 2021	Consolidated 2022	Consolidated 2021
Finance income					
Interest income from financial investments		317	67	515	132
Fair value of marketable securities	6.1	567	648	567	648
Foreign exchange variation – assets	26.2	-	59	27	105
Adjustment to judicial deposits		26	15	44	18
Other monetary adjustments		6	7	47	33
Restatement of PIS/COFINS credits		-	-	45	245
Other finance income		-	14	85	47
		916	**810**	**1,330**	**1,228**
Finance costs					
Debt charges		(841)	(260)	(1,425)	(447)
Fair value of marketable securities		(78)	(124)	(78)	(124)
PIS/COFINS on financial income	26.1	(347)	(235)	(381)	(249)
Interest on lease liability		-	-	(8)	(6)
Foreign exchange variation – liabilities	26.2	-	(101)	(98)	(147)
Adjustment to provisions for lawsuits		(118)	(51)	(125)	(52)
Other monetary adjustments		(1)	-	(30)	(25)
Transactions with derivatives		-	-	(92)	(8)
Other finance costs		(23)	(5)	(106)	(27)
		(1,408)	**(776)**	**(2,343)**	**(1,085)**
		(492)	**34**	**(1,013)**	**143**

26.1. PIS/COFINS on financial income

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

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

In 2021 total line items derive from the amount payable to Nova Infraestrutura Fundo de Investimento em Participações e Multiestratégia fund, due to the purchase of a 7.65% stake of NTS. On December 16, 2021, liabilities were fully contributed to NISA.

27. 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	
	2022	2021	2022	2021
Income before income taxes	**13,924**	**11,869**	**14,556**	**13,240**
Income tax and social contribution calculated at nominal rates (34%)	**(4,734)**	**(4,035)**	**(4,949)**	**(4,502)**
(Addition)/Reduction for calculation of effective income tax and social contribution				
Equity in the earnings of subsidiaries	3,978	3,793	3,903	3,535
Dividends on investments classified as financial assets	105	69	105	69
Interest on Capital	564	178	650	419
Profits earned abroad	(154)	(26)	(154)	(26)
Tax credits	-	309	(2)	344
Tax incentives	-	-	22	59
Difference in taxation of controlled company	-	-	35	20
Selic adjustment on ICMS-related amount at PIS/COFINS calculation basis	-	-	15	107
Other non-deductible adjustments	(9)	43	(27)	26
Income tax and social contribution calculated	**(250)**	**331**	**(402)**	**51**
Current	-	(7)	(129)	(278)
Deferred	(250)	338	(273)	329
Effective rate	**1.8%**	**-2.8%**	**2.8%**	**-0.4%**

28. EARNINGS PER SHARE

	Parent company and Consolidated	
	2022	2021
Numerator		
Profit attributable to controlling stockholders		
Preferred	8,974	8,007
Common	4,700	4,193
	13,674	**12,200**
Denominator		
Weighted average number of outstanding shares		
Preferred	6,367,488,620	6,372,710,183
Common	3,334,460,517	3,337,762,625
	9,701,949,137	**9,710,472,808**
Basic and diluted earnings per share (in Brazilian Reais)		
Preferred	1.40941	1.25638
Common	1.40941	1.25638

29. SHARE-BASED PAYMENT

Sttock option plan – controlled company Dexco

As provided in the Bylaws, the controlled company Dexco had, until 2019, a stock option plan whose purpose was to integrate its executives into the company's development process in the medium and long terms, providing them with the option of benefiting from the value that their work and dedication would add to Dexco shares.

The options entitled their holders to subscribe to the common shares of the controlled company Dexco's authorized capital, subject to the conditions established in the plan.

The rules and operating procedures related to the plan were proposed by the Personnel, Governance and Nomination Committee ("Committee"), appointed by Dexco's Board of Directors. This committee periodically submitted proposals regarding the application of the plan for the approval of the Board of Directors.

Options were only be granted in the years when there was sufficient profit to allow for the distribution of mandatory dividends to stockholders. The total number of options granted each year did not exceed the limit of 0.5% of the totality of the outstanding shares of Dexco on the date of the financial statements for that year.

The strike price payable to Dexco was set by the Personnel, Governance and Nomination Committee when the option is granted. To determine the strike price of options, the Personnel Committee considered the average price of Dexco's common shares on B3's trading sessions in a period of at least five and at most ninety trading sessions prior to the option issuance date, at the discretion of this Committee, to be adjusted, either up or down, up to 30%. Prices thus set will be adjusted up to the month prior to exercise of option based on the IGP-M index or, in its absence, by the index indicated by the Personnel Committee.

We present below the characteristics of the shares granted and the main assumptions for the calculation of fair value:

	2016	2018	2019
Main characteristics			
Total stock options granted	1,002,550	1,046,595	1,976,673
Exercise price on the granting date	5.74	9.02	9.80
Fair value on the granting date	4.00	5.19	5.17
Option exercise deadline	8,9 years	8,8 years	8,8 years
Date of the grace period	3,9 years	3,8 years	3,7 years
Main assumptions for the calculation of fair value			
Volatility of the share price	39.82%	38.09%	38.49%
Dividend yield	2.00%	2.00%	2.00%
Return rate free of risk (IGP-M coupon)	6.95%	4.67%	4.05%
Effective exercise rate	94.90%	94.90%	94.90%

The controlled company Dexco carries out the settlement of this benefit plan by delivering its own shares held in treasury until the effective exercise of the options by the executives. In the years of 2015 and 2017 no stock options were granted.

We present below the appropriation of the stock options granted:

Granting year	To be exercised 12/31/2022	Total amount	Periods Due	2016 and 2017	2018	2019	2020	2021	2022
Overdue in previous years			95	-	-	-	-	-	-
2016	58,830	5	-	3	1	1	-	-	-
2018	651,118	5	-	-	1	2	1	1	-
2019	1,755,602	10	-	-	-	2	3	3	3
Total	**2,465,550**	**20**	**95**	**3**	**2**	**5**	**4**	**4**	**3**
Exercise effectiveness		**95.19%**	**96.63%**	**96.63%**	**94.90%**	**94.90%**	**94.90%**	**94.90%**	**94.90%**
Computed value		**20**	**92**	**3 (1)**	**2 (2)**	**5 (3)**	**4 (4)**	**4 (5)**	**3(6)**

(1) Amount charged to income in 2016 and 2017.
(2) Amount charged to income in 2018.
(3) Amount charged to income in 2019.
(4) Amount charged to income in 2020.
(5) Amount charged to income in 2021.
(6) Amount charged to income in 2022.

On December, 31 2022 controlled company Dexco had 29,138,345 treasury shares (6,489,405 on December, 31 2021), which may be used to cover a possible option exercise.

30. EMPLOYEE BENEFITS

30.1. Private pension plans

ITAÚSA and its controlled companies in Brazil are part of a group of companies that sponsor Fundação Itaúsa Industrial ("Foundation"), a nonprofit entity whose purpose is to operate private plans for the concession of annuities or supplementary income or benefits similar to those conferred by social security, being regulated by the competent agencies.

The Fundação manages the Defined Contribution Plan – PAI – CD ("CD Plan") and the Defined Benefit Plan – BD ("BD Plan") and the employees have the option to voluntarily participate in CD Plan.

30.1.1. Defined Contribution Plan – CD Plan

This plan is offered to all employees of the sponsoring companies and had 6,271 participants on December 31, 2022 (6,833 on December 31, 2021).

There is no actuarial risk for the sponsoring companies in the CD Plan, that is, there is no additional payment obligation after the contributions are made. The regulation of the plan provides for the contribution of the sponsoring companies between 50% and 100% of the amount contributed by the employees.

Due to the surplus position of the plan, presented in item (a) below, ITAÚSA and its controlled companies did not make any contributions in 2022 and 2021.

(a) Employer's Pension Fund

Contributions made by the sponsoring companies that remained in the plan because the participants had opted for redemption or early retirement, formed the Employer's Pension Fund, which, according to the plan's regulation, has been used to offset future contributions made by the sponsoring companies.

The present value of future regular contributions, using the average percentage of the regular contribution of the sponsoring companies, was calculated by actuaries and is presented below:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Present value of obligations	(123)	(106)	(1,882)	(1,756)
Fair value of assets	139	170	3,026	2,804
Restriction in the recognition of assets	(3)	(55)	(1,021)	(939)
Assets recognized (non-current)	**13**	**9**	**123**	**109**

The positive change in the balance receivable in ITAÚSA's financial statements, in the amount of R$4 and in the consolidated financial statements, in the amount of R$14, was recorded in profit or loss as a contra-entry to the "Other income and expenses" account.

30.1.2. Defined Benefit Plan – BD Plan

The main purpose of this plan is the concession of benefits that, as a lifetime monthly income, are intended to supplement, under the terms of its regulation, the income paid by social security. This plan is considered extinguished because no new participants can be admitted to it.

The resources of the plan are converted into benefits in the event of retirement based on the time of contribution, special circumstances, age and disability, in addition to a retirement premium, lifetime monthly income and death annuity.

In December 2019, PREVIC approved the appropriation of the BD Plan special reserve for the year 2016 to be refunded to all sponsors in 36 monthly installments from January 2020, in the amounts of R$2 in ITAÚSA and R$18 in Consolidated, with sponsors receiving the last reserve amounts in December 2022.

In October 2020, PREVIC approved the appropriation of the BD Plan special reserve for the year 2017 to be refunded to all sponsors in 36 monthly installments from November 2020, in the amounts of R$1 in ITAÚSA and R$14 in Consolidated.

Both refunds were recorded in the Balance Sheet under "Other assets" (Note 11) as a contra-entry to income for the year under "Other income and expenses".

Due to the surplus position of the plan, presented in item (a) below, ITAÚSA and its controlled companies do not expect to make any contributions in 2023.

(a) Changes in actuarial assets and liabilities

		Parent company							
		12/31/2022				12/31/2021			
	Note	Present value of the plan's obligations	Fair value of the plan's assets	Restriction in the recognition of the asset	Recognized net assets (liabilities)	Present value of the plan's obligations	Fair value of the plan's assets	Restriction in the recognition of the asset	Recognized net assets (liabilities)
Opening balance		**(15)**	**25**	**(9)**	**1**	**(16)**	**26**	**(8)**	**2**
Cost of interest		(1)	2	(1)	-	(1)	2	(1)	-
Actuarial gains (losses) arising from demographic assumptions		(2)	-	-	(2)	(1)	-	-	(1)
Actuarial gains (losses) arising from economic assumptions		1	-	-	1	1	-	-	1
Change in unrecoverable surplus		-	-	1	1	-	-	-	-
Contributions paid by the sponsoring companies		-	(1)	-	(1)	-	(1)	-	(1)
Benefits paid		2	(2)	-	-	2	(2)	-	-
Closing balance		**(15)**	**24**	**(9)**	**-**	**(15)**	**25**	**(9)**	**1**
Current	11				-				1
Non-current	11				-				-

		Consolidated							
		12/31/2022				12/31/2021			
	Note	Present value of the plan's obligations	Fair value of the plan's assets	Restriction in the recognition of the asset	Recognized net assets (liabilities)	Present value of the plan's obligations	Fair value of the plan's assets	Restriction in the recognition of the asset	Recognized net assets (liabilities)
Opening balance		**(141)**	**229**	**(70)**	**18**	**(156)**	**254**	**(72)**	**26**
Cost of interest		(12)	19	(6)	1	(11)	18	(5)	2
Return on the plan's assets		-	(2)	-	(2)	-	(14)	-	(14)
Actuarial gains (losses) arising from demographic assumptions		(16)	-	-	(16)	(4)	-	-	(4)
Actuarial gains (losses) arising from economic assumptions		8	-	-	8	13	-	-	13
Change in unrecoverable surplus		-	-	11	11	-	-	7	7
Contributions paid by sponsors		-	(14)	-	(14)	-	(12)	-	(12)
Benefits paid		18	(18)	-	-	17	(17)	-	-
Closing balance		**(143)**	**214**	**(65)**	**6**	**(141)**	**229**	**(70)**	**18**
Current	11				6				13
Non-current	11				-				5

(b) Classes of assets

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Classes of assets	%	%	%	%
Fixed income	100	100	100	100
Total	**100**	**100**	**100**	**100**

(c) Main actuarial assumptions

	Parent company and Consolidated	
	12/31/2022	12/31/2021
Economic assumptions		
Discount rate	9.67%	9.13%
Inflation rate	3.50%	3.75%
Salary growth rate	3.50%	3.75%
Increase of benefits	3.50%	3.75%
Demographic assumptions		
Mortality table	AT-2000 (rated down by 10%)	AT-2000 (rated down by 10%)
Mortality table of disabled people	RRB - 1983	RRB - 1983
Disability table	ARRB - 1944 (rated down by 70%)	ARRB - 1944 (rated down by 70%)
Turnover table	Null (ITAÚSA and Itautec) / Actuary experience (Dexco)	Actuary experience
Retirement age	First age entitled to one of the benefits	First age entitled to one of the benefits

(d) Sensitivity analysis

We present below a sensitivity analysis that takes into consideration the effects arising from the changes in the main actuarial assumptions used to determine the result of the BD Plan:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Discount rate				
+1.0%	15	14	135	130
-1.0%	17	16	154	148

(e) Analysis of the maturity of benefits

	Parent company	Consolidated
	12/31/2022	12/31/2022
2023	2	18
2024	2	17
2025	2	17
2026	2	17
2027	2	16
2028 - 2032	9	76
Total	**19**	**161**

30.2. Health care plans

The controlled company Dexco offers two health care plans:

- **Post-employment health care plan:** Dexco offers plans that were contributory, which are currently co-participated with its employees and their respective dependents. On December 31, 2022 and 2021, 10 health care operators 29,408 and 28,299 participants, respectively (active, dismissed, retired and dependents), characterizing the obligation to extend the coverage to dismissed and retired employees, in accordance with Law No. 9,656/98.

- **Health care assistance to dismissed employees:** Dexco offers a healthy care assistance plan to dismissed employees.

Controlled company Dexco has engaged a number of independent actuaries to carry out an actuarial assessment of the plan liabilities on December 31, 2022 and 2021. The hypotheses and actuarial method used for the assessment adopted were in compliance with actuarial principles and CPC 33 (R1)/ IAS 19 - Employee Benefits

(a) Changes in actuarial liabilities

	Consolidated	
	12/31/2022	12/31/2021
Present value of the plan's obligations		
Opening balance	**38**	**50**
Cost of interest	3	4
Return/Losses on the plan's assets	(5)	(3)
Actuarial gains (losses) arising from economic assumptions	-	(13)
Closing balance	**36**	**38**
Recognized in profit or loss	(2)	1
Recognized in other comprehensive income	-	(13)

30.3. Long Term Incentive Plan (LTIP)

Investee Dexco and its controlled companies approved the Long Term Incentive Plan (LTIP) on April 30, 2020.This plan aims at (i) fostering executive's long-term commitment by encouraging them to succeed in all their activities and achieve the Company's goals; (ii) attracting and retaining the best professionals by offering incentives in line with the Company's ongoing growth; and (iii) providing a competitive edge variable compensation wise compared to the market. The LTIP is broken down as follows:

- **Performance shares:** Shares issued by investee Dexco will be transferred to participants if performance target is met, based on Dexco's strategic planning, for a five-year period. Only non-employee officers (statutory officers) are eligible to these shares.

- **Matching:** Investee Dexco will invite beneficiaries to invest a percentage of their Short-Term Incentive (STI) to buy Company's shares and beneficiaries must hold these shares for the period covered by the program. After four years, Dexco will transfer an additional amount corresponding to 50% of the shares acquired by the beneficiary, and after five years elapse, Dexco will complete the contribution with the remaining 50%, thus totaling the 100% matching. Only non-employee officers (statutory officers) are eligible to these shares.

- **Restricted shares:** Investee Dexco will transfer shares to its employees, free of charge, provided that these have outperformed and ensured high impact on the Company's business in a one-year period. Employees hired under the Consolidation of Labor Laws (CLT) are eligible to this program. Shares will be transferred after a three-year vesting period.

With respect to the plans described above, during 2022 the amount of R$10 (R$6 in 2021) was recognized in profit or loss, with the balance in equity as of December 31, 2022 totaling R$14 (R$6 as of December 31, 2021).

31. 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, in all its material respects. 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:

- **Dexco:** It has four business segments: (i) Deca – manufactures and sells bathroom fixtures, fittings and showers traded under the Deca, Hydra, Belize, Elizabeth and Hydra Corona brands; (ii) Ceramic Tiles – manufactures and sells floor and wall tiles under the Ceusa, Portinari and Castelatto brands; (iii) Wood – manufactures and sells medium- and high-density wood panels, better known as MDP, MDF and HDF, made from pine and eucalyptus, under the Duratex and Durafloor brands; and (iv) DWP - new dissolving wood pulp plant with annual production capacity of 500,000 metric tons, in partnership with Austrian company Lenzing.

- **Others:** These refer to the information on Itautec and ITH Zux Cayman.

	Dexco	ITAÚSA	Other	(-) Elimination	Consolidated	Dexco	ITAÚSA	Other	(-) Elimination	Consolidated
Balance sheet			12/31/2022					12/31/2021		
Total assets	15,625	83,254	68	(2,310)	96,637	13,420	74,602	165	(2,206)	85,981
Total liabilities	9,663	10,457	45	(63)	20,102	7,686	8,716	71	-	16,473
Total stockholders' equity	5,872	72,797	24	(5,896)	72,797	5,734	65,886	92	(5,826)	65,886
Statement of income			2022					2021		
Net revenue	8,486	-	-	-	8,486	8,170	-	-	-	8,170
Domestic market	6,893	-	-	-	6,893	6,742	-	-	-	6,742
Foreign market	1,593	-	-	-	1,593	1,428	-	-	-	1,428
Equity in the earnings of subsidiaries	55	11,701	-	(277)	11,479	(69)	11,156	-	(690)	10,397
Finance result	(532)	(492)	11	-	(1,013)	97	34	12	-	143
Depreciation and amortization	(845)	(10)	-	-	(855)	(712)	(10)	-	-	(722)
Income tax and social contribution	(153)	(250)	1	-	(402)	(263)	331	(17)	-	51
Profit	765	13,674	(8)	(277)	14,154	1,725	12,200	56	(690)	13,291
Performance analysis										
ROE [1]	13.7%	20.0%	-	-	-	31.3%	20.1%	-	-	-

[1] *Represents the ratio of net income to average stockholders' equity, both attributable to controlling stockholders.*

Even though Itaú Unibanco, XP, CCR, Alpargatas, Aegea, Copa Energia 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.

- **XP:** platform providing financial products and services in Brazil.

- **CCR:** operates infrastructure and mobility concession companies in Latin America in the highway concession, urban mobility, airports and services segments.

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

- **Aegea:** is Brazil's largest private sanitation services companies.

- **Copa Energia**: It consolidates brands Copagaz and Liquigás that together account for 25% of LGP distribution in Brazil. They operate in 24 Brazilian states and the Federal District and have about 90,000 direct and indirect employees.

- **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 account for 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.

Balance Sheet	Itaú	XP Inc.	CCR	Alpargatas	Aegea	Copa Energia	NTS
	12/31/2022						
Total assets	2,323,440	192,035	50,547	8,499	17,181	5,231	11,836
Total liabilities	2,146,097	174,992	38,725	2,740	11,225	3,300	15,978
Total stockholders' equity	167,953	17,036	11,465	5,758	5,490	1,932	(4,142)
Statement of Income	2022						
Net revenue (1)	278,042	13,347	19,182	4,182	4,634	11,741	6,778
Domestic market	211,139	12,856	18,200	2,970	4,634	11,741	6,778
Foreign market	66,903	491	982	1,212	-	-	-
Equity in the earnings of subsidiaries	672	(12)	254	(186)	240	2	-
Finance result (2)	-	-	(3,107)	70	(1,238)	(310)	(1,223)
Depreciation and amortization	(5,750)	(206)	(1,733)	(164)	(443)	(154)	(425)
Income tax and social contribution	(6,796)	136	(2,793)	(87)	(374)	(127)	(1,532)
Net income	29,702	3,579	4,133	121	260	300	3,075
Performance analysis							
ROE	18.7%	22.1%	-	2.3%	9.4%	-	-

Balance Sheet	Itaú	XP Inc.	Alpargatas	Aegea	Copa Energia	NTS
	12/31/2021					
Total assets	2,069,206	139,340	8,031	16,101	4,977	11,410
Total liabilities	1,904,730	124,921	4,564	9,697	3,302	8,945
Total stockholders' equity	152,864	14,417	3,396	5,994	1,675	2,465
Statement of Income	2021					
Net revenue (1)	192,192	12,077	3,949	3,711	10,172	5,766
Domestic market	150,708	11,724	2,704	3,711	10,172	5,766
Foreign market	41,484	353	1,245	-	-	-
Equity in the earnings of subsidiaries	1,164	(8)	-	64	2	-
Finance result (2)	-	-	95	(599)	(165)	(209)
Depreciation and amortization	(5,548)	(232)	(131)	(326)	(182)	(414)
Income tax and social contribution	(13,847)	(223)	(52)	(311)	(43)	(1,521)
Net income	26,760	3,589	690	501	(199)	3,060
Performance analysis						
ROE	18.2%	28.6%	21.7%	15.2%	-	-

(1) 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.

(2) Since Itaú Unibanco and XP are part of the "Financial segment", finance income and costs are included in "Net revenue".

32. 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. On August 9, 2021 Related-Party Committee was created with the objective of assessing and resolving in advance the feasibility of related-party transactions according to the criteria set forth in the said policy.

In addition to the amounts of dividends receivable (Note 9), the other balances and transactions between related parties are presented below:

	Nature	Relationship	Parent company 12/31/2022	Parent company 12/31/2021	Consolidated 12/31/2022	Consolidated 12/31/2021
Assets						
Cash and cash equivalents			**-**	**-**	**35**	**15**
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	29	15
XP	Financial investments	Indirect associated	-	-	6	-
Customers			**-**	**-**	**53**	**23**
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Dexco	-	-	50	22
LD Celulose	Sales of goods	Indirect associated	-	-	3	1
Ativo Biológico			**-**	**-**	**61**	**38**
LD Celulose		Indirect associated	-	-	61	38
LD Florestal		Indirect jointly-controlled company	-	-	2	-
Total			**-**	**-**	**151**	**76**
Liabilities						
Debts			**-**	**-**	**(623)**	**(546)**
Itaú Unibanco	Debts	Jointly-controlled company	-	-	(623)	(546)
Leases			**-**	**-**	**(34)**	**(32)**
Ligna Florestal Ltda.	Lease liabilities	Non-controlling stockholder of controlled company Dexco	-	-	(34)	(32)
Debentures			**(1,165)**	**(1,162)**	**(1,165)**	**(1,162)**
Itaú Unibanco	Debentures	Jointly-controlled company	(1,175)	(1,173)	(1,175)	(1,173)
Itaú Unibanco	Transaction cost - Debentures	Jointly-controlled company	2	2	2	2
Itaú BBA	Transaction cost - Debentures	Jointly-controlled company	8	9	8	9
Other liabilities			**(1)**	**(1)**	**(24)**	**(12)**
Itaú Unibanco	Provision of services	Jointly-controlled company	-	-	(18)	-
Itaú Corretora	Provision of services	Jointly-controlled company	(1)	(1)	(1)	(1)
LD Celulose	Accounts payable	Indirect associated	-	-	(5)	(7)
LD Celulose	Suppliers	Indirect associated	-	-	-	(4)
Total			**(1,166)**	**(1,163)**	**(1,846)**	**(1,752)**

Profit or loss	Nature	Relationship	Parent company 2022	Parent company 2021	Consolidated 2022	Consolidated 2021
Net Revenue			**-**	**-**	**290**	**190**
Leo Madeiras Máquinas & Ferramentas Ltda.	Sales of goods	Non-controlling stockholder of controlled company Dexco	-	-	262	188
LD Celulose	Sales of goods	Indirect associated	-	-	28	1
Itaú Unibanco	Sales of goods	Jointly-controlled company	-	-	-	1
Cost of products and services			**-**	**-**	**(7)**	**(4)**
Ligna Florestal Ltda.	Agricultural lease contracts	Non-controlling stockholder of controlled company	-	-	(3)	(3)
LD Celulose	Product supply	Indirect associated	-	-	(2)	(1)
LD Florestal	Product supply	Indirect jointly-controlled company	-	-	(2)	-
General and administrative expenses			**(9)**	**(8)**	**(13)**	**(12)**
Itaú Corretora	Provision of services	Jointly-controlled company	(9)	(8)	(10)	(9)
Liquigaz	Gas supply	Others related parties	-	-	(3)	(3)
Other income and expenses			**7**	**7**	**3**	**3**
Dexco	Revenue from rental	Controlled company	4	4	-	-
Fundação Itaú para Educação e Cultura	Revenue from rental	Others related parties	3	3	3	3
Finance result			**(177)**	**(53)**	**(248)**	**(81)**
Itaú Unibanco	Financial investments	Jointly-controlled company	-	-	1	1
XP	Financial investments	Indirect associated	-	-	5	2
Copa Energia	Debentures	Associated	-	1	-	1
Itaú Unibanco	Finance costs	Jointly-controlled company	-	-	(77)	(31)
Itaú Unibanco	Derivative result	Jointly-controlled company	-	15	-	15
Itaú Unibanco	Finance costs - Debentures	Jointly-controlled company	(174)	(68)	(174)	(68)
Itaú Unibanco	Transaction cost - Debentures	Jointly-controlled company	(1)	-	(1)	-
Itaú BBA	Transaction cost - Debentures	Jointly-controlled company	(2)	(1)	(2)	(1)
Total			**(179)**	**(54)**	**25**	**96**

32.1. Other transactions

(a) Itaú BBA

To advise on the affiliate CCR purchase process, ITAÚSA engaged Itaú BBA, to the amount of R$11, recorded as part of acquisition cost under "Investment".

(b) XP

In November 2022, among the disposals of XP shares mentioned in Note 15.2.3, 5,500,000 shares were sold privately to XP itself under the same date and price conditions established in the transaction carried out via block-trade between independent parties, for the amount of R$559, recorded as part of "Income from the sale of investments" under "Other income and expenses".

32.2. Guarantees offerd

ITAÚSA is a guarantor of the following transactions:

Related party	Relationship	Type	Subject matter	Parent company 12/31/2022	Parent company 12/31/2021
Dexco [(1)]	Controlled company	Surety	Loan	483	375
Duratex Florestal Ltda.	Indirectly-controlled company	Surety	Loan	-	30
Itautec	Controlled company	Surety	Surety - Collateral in lawsuits	40	40
Águas do Rio 1 [(2)]	Associate	Disposal of shares	Debentures	53	51
Águas do Rio 4 [(2)]	Associate	Disposal of shares	Debentures	57	53
Copa Energia [(3)]	Associate	Disposal of shares	Debentures	1,007	1,061
Total				**1,640**	**1,610**

[(1)] In March 2021, aiming to improve its liquidity and indebtedness profile, subsidiary Dexco executed a financing agreement with BNDES in the amount of R$697 (balance of R$720 as of December 31, 2022), of which 67% is secured by ITAÚSA.

[(2)] In July 2021, ITAÚSA granted a fiduciary lien of all shares, either existing or future, representing the capital of SPCs Águas do Rio 1 and Águas do Rio 4, owned by ITAÚSA, under the terms of the "Private Fiduciary Lien Agreement of Shares" executed by and between ITAÚSA and other stockholders of SPCs, in the capacity of fiduciary lien assignors, to ensure the fulfillment of all obligations, either principal or accessory, to be taken on by the SPCs in connection with the 1st simple debentures, non-convertible into shares, with real guarantee in the total contracted of R$8 billion.

[(3)] In january 2021, ITAÚSA granted a fiduciary lien of all shares, either existing or future, representing the capital of Copa Energia, owned by ITAÚSA, under the terms of the "Contract for Fiduciary Alienation of Shares and Other Agreements" executed by and between ITAÚSA and other stockholders of Copa Energia, in the capacity of fiduciary lien assignors, to ensure the fulfillment of all obligations, either principal or accessory, to be taken on by the Copa Energia in connection with the 2nd simple debentures, non-convertible into shares, with real guarantee in the total contracted of R$1.95 billion.

32.3. Management compensation

	Parent company		Consolidated	
	2022	2021	2022	2021
Compensation	47	39	79	80
Payroll charges	7	6	12	10
Short-term benefits [(1)]	2	2	2	2
Share-based compensation plan	-	-	12	10
Total	**56**	**47**	**105**	**102**

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

33. 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.

The 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	
	2022	2021	2022	2021
Dividends/Interest on capital resolved upon and not received	1,694	949	1,631	(949)
Dividends/Interest on capital resolved upon and not paid	(1,958)	(1,871)	(2,099)	(1,871)
Contingent consideration in the acquisition of investments	(21)	-	(21)	-
Increase in investee's capital with payment of debentures	-	21	-	21
Debt derivatives	-	-	(210)	10
New lease contracts and amendments thereto	-	-	(285)	(68)
Write-off of lease contracts	-	-	48	2
Total	**(285)**	**(901)**	**(936)**	**(2,855)**

34. 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.

There were no significant impacts on the financial statements of ITAÚSA and subsidiaries for the year-end of 2022. We highlight below some effects recorded by main investees:

- **Itaú Unibanco:** (i) increase in loans and financing in 2021 and 2022, notably for very small, small and middle-market companies in the amount of R$18,662 on December 31, 2022; (ii) extension of grace periods, terms and lower interest rates to individuals and very small and small companies; (iii) provision for loan losses of R$52,324 mainly driven by the risk and default levels caused by changes in the clients' financial prospects and significant worsening of macroeconomic variables. In December 2022, the coverage level of provisions for loan losses was at 177% from 193% in December 2021. Specifically for expected loss from loans with no indication of worsening so far (client default or rating downgrade), the provisioning increased by 18.1% in the year-end; and (iv) increase, in 2022, in Covid-19 related claim expenses in the amount of R$52, mainly related to life and credit insurance.

- **Alpargatas:** Alpargatas has been monitoring the impact of the crisis and, during year-end of 2022, the company have operated at its normal production capacity.

- **Dexco:** During the year-end of 2022 all industrial units operating capacity was above the one recorded in the pre-Covid 19 period. Terms for trade receivables and payables to suppliers are back to normal levels and there were no extended tax payment terms too.

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.

35. SUBSEQUENT EVENTS

35.1. Recognition of Allowance for estimated losses on doubtful accounts - Jointly-controlled subsidiary Itaú Unibanco

Jointly-controlled subsidiary Itaú Unibanco recognized in its Financial Statements the impacts from a subsequent event in connection with a specific case of a large retail company who had filed for judicial reorganization, but whose credit conditions already existed on December 31, 2022. The allowance for estimated losses on doubtful accounts was increased to cover 100% of this exposure, generating an additional impact on this investee's profit or loss of R$1.3 billion (R$719, net of taxes).

35.2. STF ruling – Res judicata in tax matters to be limited

On February 8, 2023, the Federal Supreme Court ("STF"), through the trial of Items 881 and 885, which addressed limitations on res judicata effects, has ruled that their decisions issued in the scope of a direct action or on a general repercussion basis, will automatically cease the temporal effects of final and unappealable decisions involving a continuing tax legal relationship.

Based on the STF's understanding disclosed to date, the Company and its subsidiaries analyzed the final and unappealable decisions issued on their individual lawsuits and identified no case in which the STF's positioning had been changed in terms of constitutionality control.

35.3. Credit facility raised – Subsidiary Dexco

On February 10, 2023, subsidiary Dexco raised an export finance credit facility (FINEX) with Banco Santander, in the amount of R$500, with expected maturity in December 2023.

35.4. Tender offer of shares in Itaú Corpbanca - Jointly-controlled subsidiary Itaú Unibanco

On March 2, 2023, the jointly-owned subsidiary Itaú Unibanco disclosed a Material Fact announcing that the Board of Directors had approved the engagement of advisors to start the work aimed to a voluntary tender offer for the purchase, by Itaú Unibanco or its affiliates, of up to 100% of the outstanding shares issued by Itaú Corpbanca (a financial institution headquartered in Santiago, Chile), in which it (and its affiliates) currently holds 65.62% of the total and voting capital.

The amount to be offered per share will be CLP2.00 (two Chilean pesos), equivalent, on the Material Fact disclosure date, to a premium of approximately 10% over the amount per share according to the average trading price on the Santiago Stock Exchange of the last 60 trading sessions. It is certain that this price will be adjusted to reflect the declaration and/or payment of dividends by Itaú Corpbanca before the settlement of the offering.

The tender offer is still to commence, being expected to be carried out in the first half of 2023. This transaction is subject to the fulfillment of conditions usual in operations of this type, including obtaining applicable regulatory approvals from the Central Bank of Brazil and the Comisión para el Mercado Financiero de Chile ("CMF").

35.5. Payment of interest on capital

On March 10, 2023, ITAÚSA paid the first installment of the interest on capital declared on December 1, 2022, based on the final stockholding position of December 8, 2022, in the amount of R$0.141 per share with a rate of 15% of withholding income tax, resulting in net interest of R$0.11985 per share.

35.6. Resolution on Interest on Capital – Jointly-controlled subsidiary Itaú Unibanco

On March 13, 2023, jointly-controlled subsidiary Itaú Unibanco's Board of Directors resolution interest on capital in the amount of R$0.262 per share, that will be paid until August 31, 2023, with 15% withholding income tax, resulting in net interest of R$0.2227 per share, based on the final stockholding position of March 23, 2023.

35.7. Resolution on Interest on Capital

On March 20, 2023, ITAÚSA's Board of Directors resolved to declare, in advance, interest on capital in the amount of R$0.0773 per share, which will be allocated to the dividend for the year 2023 and that will be paid until August 31, 2023, with 15% withholding income tax, resulting in net interest of R$0.065705 per share, based on the final stockholding position of March 23, 2023.

* * *

Independent auditor's report on the parent company and consolidated financial statements

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

Opinion

We have audited the accompanying parent company financial statements of Itaúsa S.A. (the "Company"), which comprise the balance sheet as at December 31, 2022 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Itaúsa S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

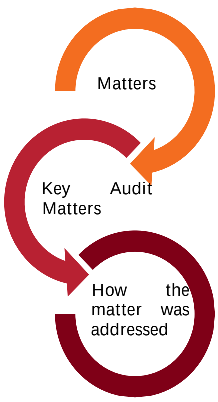
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Itaúsa S.A. and of Itaúsa S.A. and its subsidiaries as at December 31, 2022, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and the Professional Standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current fiscal year. Considering the holding activity carried out by the Company, its KAM are themes arising from investments in subsidiaries, jointly controlled entities and associates, as set out below. These matters were addressed in the context of the audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter	How the matter was addressed in the audit

Jointly-controlled subsidiaries - Itaú Unibanco Holding S.A. ("IUH") and Itaú Unibanco Participações S.A. ("IUPAR") - (Note 15)

Investments in IUH and IUPAR represent a substantial part of the Company's individual and consolidated assets, being recorded on the "Investments" accounting balance and accounted for under the equity method.

IUPAR is a holding company created to control IUH, which is its main asset. The IUH, in turn, is a financial institution that operates in various banking business, as well as in insurance, pension plan and capitalization activities.

IUH carries out an expressive number of transactions related to all areas and due to the size of its operations, its technology environment is composed of several different processes and segregated controls. As a result, IUH is highly dependent on its Information Technology environment to process these operations.

In addition, IUH's financial statements present critical accounting estimates related to operations that require a high level of judgment, especially due to the economic environment, to record and measure transactions and to calculate accounting balances. These accounting estimates involve the following main areas:

- provision for expected credit loss;
- fair value of financial instruments, including derivatives;
- provisions and contingent liabilities.

As a result of the foregoing, we continue to consider these accounting estimates as well as the Information Technology environment itself as areas of audit focus.

As part of our audit procedures, we performed tests on the calculation of the investments accounting balances accounted for under the equity method carried out by the Company's Management in relation to investments in IUH and IUPAR, comparing the results obtained with the accounting records. We also evaluated the disclosures in the Company's financial statements in accordance with the requirements of accounting standards.

The results of our audit procedures are consistent with the disclosures in the notes.

In addition, our audit procedures as IUH's auditors included, among others, the following:

- Regarding the Information Technology environment:

  With the support of our specialists, we updated our assessment around the Information Technology environment, including the automated controls of the application systems that are significant for the preparation of the financial statements.

  The procedures we performed were comprised of a combination of relevant control tests and performance of tests on certain aspects related to the information security, including access management and segregation of duties.

  The combination of tests on controls and other additional tests allowed us to establish an adequate level of audit confidence in the operation of IUH's automated systems and controls for the purpose of our work.

- In relation to the critical accounting estimates:

  We tested the design and operation of the relevant controls used to measure, record, write-off and disclosure the operations, in accordance with IFRS 9 - "Financial Instruments".

With the support of our specialists, we analyzed, when applicable, the reasonableness of selected assumptions and judgements applied by IUH's management, also considering the current context of operations and the economic environment. We also tested the completeness of the databases and the models involved in the calculation of the balances.

Why it is a Key Audit Matter	How the matter was addressed in the audit
	We performed tests of details to assess existence, correct and recoverable amount, integrity, and timely recording of the operations; also, we performed external confirmation procedures with lawyers of IUH to confirm the probability of loss on the judicial proceedings. We consider that the criteria and assumptions adopted by management to determine these critical estimates lead to consistent amounts that remain within the acceptable intervals in relation to the accounting practices.
Other investments in Subsidiaries, Jointly Controlled Subsidiaries and Associates (Note 15) The other investments in subsidiaries, jointly controlled subsidiaries and associates ("Investees"), represent approximately 16% of the total assets in the Company's individual financial statements and are measured using the equity method in the individual financial statements. The financial statements of the Investees present critical accounting estimates related to operations that require a high level of judgment to record, measure transactions and determine accounting balances. Due to the uncertainties inherent to the critical accounting estimates, the possible impacts on the financial statements of the Investees and, consequently, on the calculation of the Company's equity accounting, this was considered an area of focus in the audit.	In relation to the equity accounting of the investees, we performed tests on its calculation comparing the results obtained with the Company's accounting records. We also evaluate the disclosures in the financial statements in accordance with the requirements of accounting standards. The audit procedures in relation to the Investees' critical accounting estimates, as the case may be, included communication with the audit teams and/or other auditors in order to discuss the audit risks identified, the approach, scope and timing of the work. We also reviewed their working papers and discussed the results achieved. Specifically, in relation to critical accounting estimates of the investees, we considered: • The work performed and the conclusions of the auditors, including their specialists, when applicable, regarding the assessment of the assumptions and methodologies used by the management of the investees; and • The corresponding disclosures in Itaúsa's individual and consolidated financial statements. After applying these procedures, we consider that the assumptions and methodologies used for accounting estimates are adequate to mitigate the associated risks of material misstatements.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2022, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's Management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and the consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance in the Company and its subsidiaries are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and that we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 20, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

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

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OPINION OF THE FISCAL COUNCIL

The members of Fiscal Council of ITAÚSA S.A. ("Company") examined the management report and the individual and consolidated financial statements of Company as of December 31, 2022, which were audited by the independent auditor, PricewaterhouseCoopers Auditors Independents ("PwC").

The Fiscal Councilors 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 and meet the required conditions to be submitted to the appreciation of the Stockholders at the 2023 Annual General Stockholders' Meeting. São Paulo (SP), March 20, 2023. (signed) Tereza Cristina Grossi Togni – President; Eduardo Rogatto Luque, Guilherme Tadeu Pereira Júnior, Isaac Berensztejn and Marco Tulio Leite Rodrigues – Councilors.

ALFREDO EGYDIO SETUBAL
Investor Relations Officer

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AUDIT COMMITTEE REPORT

Introduction

The Audit Committee (“Committee”) of Itaúsa S.A. ("Itaúsa" or “Company”) is a non-statutory advisory body with a technical purview and reports to Itaúsa’s Board of Directors. Its recommendations are not binding.

It is incumbent upon the Committee to ensure: (i) the quality and completeness of the account statements, (ii) the compliance with legal and regulatory requirements; (iii) the performance, independence and quality of the work of the independent audit firm; (iv) the performance, independence and quality of the work of the internal audit function; and (v) the quality and effectiveness of the internal control and risk management systems.

Composed of four (4) members, one of whom is independent, the Committee carries out the duties and responsibilities provided for by applicable legislation and Itaúsa's Board of Directors through its Internal Charter.

Set up in August 15, 2022, the Committee met on a single occasion in 2022 with the attendance of representatives of the Management and Finance department and the Independent Auditors. The work carried out on topics within the Committee's jurisdiction was reported by its Coordinator at a meeting of the Company's Board of Directors.

In connection with the performance of its duties, the Committee analyzed and discussed the topics below and submitted its recommendations to the Board of Directors:

i. the Individual Company’s and Consolidated Account Statements for the third quarter of 2022, together with the Management Report; and

ii. the proposal for engaging a new independent audit firm, on the grounds of the mandatory rotation of auditors, as well as for engaging additional services other than those related to the audit of the account statements of Itaúsa.

Conclusion

Based on the information and clarifications provided by the representatives of the Company and PricewaterhouseCoopers Auditores Independentes and on the activities carried out by the Committee in 2022, as well as considering its responsibilities and the limitations arising from the scope of its performance, the Committee has reviewed the Individual Company's and Consolidated Account Statements, together with the Management Report, for the year ended December 31, 2022, and understands that they were prepared in accordance with Brazilian accounting practices and international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB). Therefore, the Committee recommends their approval by Itaúsa's Board of Directors.

São Paulo, March 17, 2023. (undersigned) Edson Carlos De Marchi – Coordinator; Henri Penchas, Patrícia de Moraes, and Ricardo Egydio Setubal – members.

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SUMMARIZED MINUTES OF THE MEETING OF THE BOARD OF OFFICERS HELD ON MARCH 20, 2023

DATE, TIME AND PLACE: on March 20, 2023 at 1:00 p.m., held at office the ITAÚSA S.A., located at Avenida Paulista, 1938, 5th floor, in the city and state of São Paulo.

CHAIR: Alfredo Egydio Setubal, CEO.

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

RESOLUTIONS ADOPTED: following due examination of the individual and consolidated account statements, accompanied by the Management Report, referring to the fiscal year ending December 31, 2022, which were favorably recommended by the Finance Commission, the **Board of Officers** unanimously resolved and pursuant to the provisions in sub-section V and VI, of paragraph 1st, of Article 27 of CVM Resolution 80/22, as amended, declare that:

(i) it has reviewed, discussed and agrees with the opinion expressed in the report issued by PricewaterhouseCoopers Auditores Independentes as Company's independent auditors, referring to the individual and consolidated financial statements as of December 31, 2022; and

(ii) it has reviewed, discussed and agrees with the individual and consolidated financial statements for the fiscal year ending December 31, 2022.

CONCLUSION: there being no further matters to discuss, these minutes were read and approved by the Executive Committee. São Paulo (SP), March 20, 2023. (signed) Alfredo Egydio Setubal - CEO; Alfredo Egydio Arruda Villela Filho, Ricardo Egydio Setubal and Rodolfo Villela Marino – Executive Vice Presidents.

ALFREDO EGYDIO SETUBAL
Investor Relations Officer