

Local Conference Call
Banco Inter
Third 2020 Earnings Results
November 13th, 2020

Operator: Good morning and thank you for waiting. Welcome to Banco Inter's conference call to discuss the earnings relative to the third quarter of 2020.

We have here today with us the CEO of Banco Inter, Mr. João Vitor Menin; the VP, Mr. Alexandre Riccio de Oliveira; and the Finance and IR Officer, Helena Caldeira.

This event is being recorded and all participants will be in listen-in mode only, during the conference presentation by Banco Inter. We will then have a Q&A session and further instructions will be provided.

If you need any assistance throughout the call, please ask the operator for help by dialing * 0. This conference is also being webcasted live, and it can be accessed through ri.bancointer.com.br. A replay of this conference will be available right after it is finished. We remind you that webcast participants can register questions to Banco Inter through the website, and these will be answered after the conference is over by Banco Inter's IR team.

I would also like to inform you that this call has simultaneous translation into English provided to the foreign investors in this company.

Before we proceed I'd like to mention that forward-looking statements that may be made during this call, regarding the company's business prospects as well as projections, operating and financial targets, are based on management's expectations and promises about the future of the company, as well as information that is currently available to Banco Inter. Future considerations are not in an assurance of performance and they involve risk, uncertainty and premises. They refer to future events and therefore depended on circumstances that may or may not occur.

And now I'd like to give the floor to Mr. João Vitor Menin, CEO, and he will start the presentation. Mr. Menin, please, over to you.

Mr. João Vitor Menin: Good morning everyone. It's a pleasure to be with you again for another earnings release call. I'll talk first about the company, and then we will have a Q&A session at the end.

So, first, I'd like to share with you that I am really happy about the current moment that Banco Inter is living. Considering our business model that we have a very good effect on our situation, our customers NPS of 83 points, our employees, so today we

are proud to be a very strong brand, a great employer.

We are hiring amid this pandemic, and in Belo Horizonte Inter is the company most people want to work for. Number three, our shareholders, we have a positive evaluation of our shares during the pandemic. In addition, we had our follow-on this September, so we have a very positive impact on our shareholders.

And then, in terms of society is at large - not everyone of course is a customer - but we are really proud to have a have left an important legacy, giving important legacy to our society to have this digital bank, so a successful model has worked for our regulatory framework, providing a benchmark to Brazil Central Bank with a very positive impact on Brazilian society, so we are really proud to do this. So, this year, in 2020, we have impacted these four major elements.

Now the micro-level, we have this presentation broken down into two steps. First, we will talk about targets, and then innovation. As for targets, we have always had three large targets. All companies, I believe, need these three targets: first, growth. Of course, Inter is a company with a high growth level, so it's a great challenge to keep it. Three is stronger than two, not only in terms of growth, but also engagements, not only the number of accounts, but also you need investment, so we have grown more in Q3 than Q2.

Now, the second, target – and this is also something we've been discussing - a very important target. In the last few quarters, we have noticed that this has taken place and we are talking about inflection points, and this is our cost to serve. So, we have a more positive variation at macro-level and the cost of service, but then we've had this inflection point... point of inflection generating or adding a lot of value to us.

And in the last two quarters, even with a low level of the SELIC rate, which has a very important number with a great impact for us, we have a lot of demand deposits. So, this is our inflection point.

Number three – and this is something we mentioned in our IPO –, this quarter when we see the service revenue that we have with very good numbers, we are really happy that this company is increasingly more an asset light company. And when we talk about our service revenue growth, we have also, of course, increased our banking spread revenue. So, the strength of the platform or its importance is increasingly higher when we think about bank spreading. Inter has been a strong credit originator, but we also need a very robust investment platform.

Now, in terms of innovation, there are four steps to this: first, innovation in our digital account in 2016 to 2019, this is when we put up this new way of doing or providing banking services in Brazil. Of course, we keep developing, and it's not over, and in the third quarter we launched our 9.0 service, and it has become really good, I don't know if you've experienced this, but it's really good;

As for investment – and this was our second step –, in January 2019, we launched our investment platform, and we're really happy to have 1 million investors. It's so good to see that Brazilians have never been very much good savers, at Inter we have at least 1 million people who invest. Our second step, in January 2020, we started implementing, and in quarter three, we have a growth of over 200%, so I think we've done the right thing;

Now, I'd also like to mention our fourth great moment at Inter, and this is about the concepts that we want to prove that are feasible. In our follow-on, in September, we had Consumer Finance 2.0 as of July 2020, as of quarter three, this is when we started designing this product, and we are really excited about Consumer Finance 2.0.

As I said before, Inter will have a real estate credit, payroll loans. We hadn't been able to address this sort of loans and credit to consumers, and now with some levers and by developing our products, we made strides in the third quarter. We are really excited about this development.

And one point I'd like to stress about the Consumer Finance is that we have CDB plus credit limits, so we have this new version, 9.0, and we're now raising about 12 million a day. So, it's really a highly successful, and this is a way to provide access to Brazilians to credit, they have better access to finance and it is all collateralized, so collateralizing purchases with our take rate.

So, this is our very important elements for our customers in our target – even for MasterCard, we have about 30 billion transactions on credit cards next year –, we have a high percentage of collateralization, so it's increasingly clear that Consumer Finance 2.0 is the name of the game from now on. We won't have Consumer Finance that is developed or civilized if we will in Brazil based on 13 or 14% a month, this is not possible. So, we have to put this up, and we're really happy with what we've built in quarter three.

Finally, in addition to this Consumer Finance 2.0, we've also had very good results from Brazilians. People are really... the Brazil Central Bank is providing information for financial services and consumer credit. In other words, this has come to stay, and Inter no longer compares to the mainstream banks, of course, they're doing fine, but in terms of in this segment, retailers are on a very good track. The difference is that Inter does a lot of payment and credit digitally, so we have lots of retail companies, like Magalu, they also use this, but I think we're a little ahead as we are working on financial segment.

For 2021, we have some plans, and we are again betting on this concept of platform. We are capturing the benefits of this model, so how many shopping malls can benefit from this benefit, and credit cards? So, we will work on this.

And finally, people always ask me about innovation, what's the next step to be taken by Inter, but the year has flown, and I'm really focused on this. We are studying this situation and we're really happy to open up our app to everyone, not only for our current account holders, for account holders, but for all Brazilians.

We are expecting to open that up to other countries, not necessarily regulated, but rather non-regulated services, so this won't be necessarily a banking or a credit app, so this is one more thing we can do and we're studying this possibility, and we're really excited.

So, as soon as we have news, we will inform the market, we will be informing our shareholders about this, and I'm really excited about this possibility.

Now, I have one more thing to say before I turn it over to Alexandre. I'd like to thank, really thank our customers for trusting us. It is clear that Brazilians they work really hard to save money, and Inter has been helping these people to have a more... a fair and more competitive banking service provided to them, and I think we are a lot of responsibility when we see the huge amount of money that gets into our bank, that is deposited into our bank every day.

So, Brazilians who have been able to save money and invested in our products, our CDBs, our investment platforms, and we have over 100 million being invested every day, we are really happy that our customers trust us, and we will do whatever we can to meet their expectations.

I'll now turn it over to Alexandre.

Mr. Alexandre Riccio de Oliveira: Good morning everyone! First of all, thank you everyone for attending this conference. I'll just give you the major figures this quarter.

So, we have nine months with this pandemic and having a very good second quarter, although we were in a high alert. The third quarter started with good expectations and we were really happy because most of them became real in our business.

Our major highlights. First, a larger number of customers, day-to-day banking, investment credit. So, I'll start with our clients, customers, and engagement. So, we have 2.2 million, a 120% growth of customers year-over-year, a reduction of our CAPEX in 4.4% compared to the previous quarter, so the acquisition cost was 22.14, so it's really good, and we also reduce the cost of service in 26% in this quarter year-over-year. And this was also important savings for us, and we have also reached an average recipe of R\$173 of average revenue, in this is very good, it shows we have been speeding up revenue generation for our retail customers, and this was one of our major growth challenges.

Our customer activities, 233 million logins in quarter three against 175 in the second quarter, and our cross-selling has also grown from 2.75 in quarter two to 2.94 for in our CSI, and this was our greatest historic growth since 2017, when our operations were rather small, with many improvements that have been made in the way that we serve our customers and the technology that we provide them with on our app.

Day-to-day banking, we've had a great quarter, 5.2 billion demand deposits, a growth of 256% year-over-year. The average balance R\$1,300, that's also very good growth, also a gain, and this is what we want. We transacted R\$5.2 billion in credit cards, 72%, and this was very good, this growth rate. We still have some pandemic situation, right, and we see full recovery of these numbers.

Now a final point in day-to-day banking, I'd like to finish by discussing Pix. So, the ability to execute from Brazil Central Bank to put up this project in 2020, they did a great job and we really happy about this, and the project couldn't be any better; it meets all our expectations and this will mean lots of savings in our transactions, and the cost, which is not usually low, it'll get rid of it virtually.

We are not providing a new B2B method of payment that is expected to reduce money that is circulated, that's good for our customers and also for all cost savings with many good consequences in retail too. So, we are really excited to see the evolution of this project, that will go live next week.

Marketplace, we had over 376 million, 760 million... 2.8 million transactions, so our growth is still impressive, we have delivered new important stores in our endo-to-end shopping, like Nespresso, Kopenhagen, and more recently Drogaria Araújo, that's a famous drugstore in Minas Gerais. So, we have a business that in December 2019 less than 10 million a year in GMV or transactions, and now in quarter three we have GMV of R\$1.5 billion annualized.

Now, the third quarter investment it is a 31.6 billion, we grew 80% this year, and we have reached 970,000 active costumers. João said already that we are almost over 1 million, and 310,000 have shares in custody with us, so about 10% of individual transactions here, they use us as their favorite platform.

Why have we been achieving this? What's the key to our success? Our services have been working, the way we segment our customers, everyone gets the service they want, we are really surgical here, and also the evolution of our platform PAI 2.0 has been launched, and this also have side effects, more engagement C2C with better revenue, they grew 86% in quarter three as compared to quarter two.

Insurance. We have reached 180,000 policyholders, 2.5% in our customer base, 75,000 sales in quarter three in terms of insurance, and we have reached 11 million as compared to 7 million in quarter two. Again, very good growth, and as a result we have now a mattress of revenue. For instance, we renewed our bill with Liberty of

378 million, and this was recognized in this period of 15 years, this is our contract term. We are really excited about this, which works in symbiosis with all the other avenues, so insurance is a product that also takes advantage of the other business lines.

Credit, our last avenue that will be discussing in this conference call. We have 7.3 billion in our credit portfolio, 64% growth, much higher than what we expected. We expected to have 40 or 50%, so this growth is very good, and we have to make the most of this opportunity.

We originated 2.5 billion in credit, that's a 100% growth year-over-year, and we've also achieved growth with operating, leverage, and product evolution with a commercial strategy, and also the use of data. So, in commercial and collection operations, we were really smart, we delivered smart services with no increase in structure.

Our growth had also modest default levels, and that's good for our collateralized credit strategy, and this is very important. We have grown our collateralized FMI and also payroll loans, and then real estate loans and credit or mortgages are doing fine, not to mention our credit cards. We have a very good situation in our concession model and also our collection department, which has been improving month after month.

Now some financial highlights. 349 million that was the total revenue, 32% growth year-over-year. An important highlight is 140 million in service revenues, that's 45% of our total net revenue and in this service revenue there's also a highlight which we haven't commented yet, and this are the shopping effects. In this third quarter and in the previous year, the volume was really small, so each of our avenues are growing in monetization, and we feel that this is just the beginning.

We should also say that although there is pressure from spread pressure, we have delivered 213 million, and that's... And finally, we lost 8 million in the a quarter, and that's consistent with what we have seen in growth, and we have Basel of 36.9, and so we had the impact of our follow-on with 1,200,000 in capital for us to keeping implementing our plans.

So finally, thank you everyone. You're invited to follow up our history. Now Helena, over to you.

Ms. Helena Caldeira: Thank you. Good morning everyone, thank you for attending another conference call.

Before we open the Q&A session, I have some comments about some of our initiatives and the revenue that has an impact on our shareholders. As João and Alexandre said, this quarter we had a follow-on that was successful in record time in

September and we raised R\$1,2 billion, that's a crucial number for our growth and also for our liquidity.

So, with this move, we increased, it's a second follow-on in 15 months, so R\$3 billion raised in three months, and this was very important, a very important move. We're working also to have a good Bovespa rate, we're expecting all our shareholders to benefit from this.

Now, a second point would like to highlight is that we're also working close to our teams, and this reflects in our property or ownership structure, and organizational structure too.

This bank is a very important avenue in our opinion, connecting all other business lines, and an ideal structure for us would be a Holding connecting all these businesses together. It takes time and we've been working on this, trying to design an ideal structure, this is how we discuss every year in property terms, company terms, labor terms, regulatory terms and so on and so forth. So, we are still working on this and maybe along 2021 we will have a solution, an answer to this.

Our idea is that this new structure keeps all the assets that are currently under the management of Inter, so the assets, all the economic value that we have in our structure today should be maintained.

Finally, I invite you to our Inter Investor Day that will be held this December. It will be totally online, just... we'll send you a save-the-date and more details about this date to tell you what we'll be planning for 2021, and we may chat with our executives, our top executives.

Again, thank you everyone for attending, and we can now open our Q&A session.

Question-and-Answer Session

Operator: Ladies and gentlemen, we will now start our Q&A session. To ask a question, please dial star 1. To remove the question of the list, star 2.

The first question comes from Thomas Peredo, of BTG Pactual.

Thomas Peredo: Good morning João and team. Thank you. Congratulations for your earnings and results. I have two questions. About credit engines which sped up in quarter three significantly.

So, what is now your risk appetite, just both for your pre-existing products and for your new products? Can you also discuss how you see CDB plus limit? What's your risk appetite? Will your customers have the same limit on the card and CDB? How

are you expecting or thinking of making that operational investment and also consumption? And finally, I can ask you another question later.

João Vitor Menin: Thank you for your question, this is João Vitor.

Well let's start from the back to the beginning. This limit will be available when you have a secured CDB. In other words, you run the risk, you can only rescue or redeem it after you pay the credit card, so everything is done on the app very transparently. This is why we have such good results.

It is interesting this product is also being sold to the United States, it is available there. I haven't used it before, I used to deposit money in an American bank to have credit cards there, but now it's not enough to have an idea, you have to implement it to make it happen easily to have a single app. With legacy systems, it's really helpful and it's really a huge success.

As I mentioned, when we think about CDB plus credit limits, we have extended credit using our take rate as collateral, people give up a cash back to have more credit. So, these two components are really helpful in collateralizing our credit cards.

In addition, we also created a mattress of customers and this offsets the losses of non-payers, so our perspective of our credit card as a credit engine for 2021 is really good. I'm not go into details about the economy, right, I'm just speaking from Inter interest perspective. So, are we prepared to have a very strong credit engine and credit cards, and that's Consumer Finance 2.0, as I mentioned. This is crucial, we need this, and having on a single app or investment platform.

And as for the other products, as we have a funding cost and that is really low because we have a platform that has over R\$100 million from Brazilians without a bank branch. As we have more know-how, new products that we launched, like *Poupança Mais*, with a stronger capital structure, and also, as we have investment platforms that help us, we will become more competitive and even act aggressive, and it's positive side.

And one example is our supply chain, that is a wonderful product with very short term, so we have demand deposits with extremely competitive rates. We may, I think, have the lowest, cheapest rate, and this product is really secure, it has been growing really well, not only for structured credit, but also for consumer loan credit.

Thomas Peredo: That was perfect.

Now my question is about marketplace. Your cashback percentage is really high, almost 100% in this quarter, so how do you see the strategy? Is this increase related to Inter Day incentives that ran throughout the semester, or are you being more aggressive to speed up the use of the platform? And how long do you think it will

take for you to go back for more sustainable levels in terms of cash back, maybe around 50%?

João Vitor Menin: Well, first, it is not exactly this way, we haven't had 100% of cashback. There is a delay between accounting information, depreciation information. We can explore this later, but with our affiliates, it takes a while for us to receive those amounts, so we have 70%, about 70% of cashback, some days we have more.

The important thing here is that our base growth, without additional cashback promotions, is really strong, so we have a base line of 1 million a day, then 3, 4, 5, 6 million a day.

Is cashback making sense, is it working? Of course, it is! When you come to think of it, Inter's shopping started in 2020, and we're talking about 9-10 months, and we'll finish this year with an annualized rate of 2 billion. So, we're working fine online with services and products, and R\$2 billion in a year!

I don't know other project that has been carried out in Brazil with such good results, it's really impressive. And, of course, it requires investment, and cashback is like investment in marketing, when we look at our figures, operating figures, for instance, this increase of expenses, well, a large part of these expenses are about marketing, CAC or shopping.

When we look at all that experience, our range of products, speeds, and additional credit limits, we will be competitive at shopping without needing to give cashback or a different cashback level to what is current in a market. In other words, it is decreasing, not increasing in 2021.

Thomas Peredo: Alright, perfect! Thank you and congrats again on such good results.

Operator: The next question is from Sofia Viotti, of Bradesco.

Sofia Viotti: Good morning everyone! Again, congrats on such great results.

My question is about marketplace. The last time you mentioned 50% of your partners allowed and end-to-end experience, in other words, users can make purchases 100% on the app, on your app. What's this proportion today, is it fifty-fifty? And what is the trend? Are you expecting this number to increase in end-to-end transactions on your platform?

João Vitor Menin: As Alexandre said, in the last quarter, we had 5, 6, 7 new stores, and this, of course, has been taking place in all companies that work in e-commerce. They will have their Black Friday, so we are in a standstill for a while, but then we

have very good interactions and talks with large consumer brands – not necessarily retailers –, even the brands that is this trend toward growth.

Our dream is to have 100% of our SKUs to be end-to-end, integration with the platform. But then you cannot achieve 100%, because maybe Amazon may not want end-to-end. Anyway, we want to increase this number. In our version 9.0., part of the services are also end-to-end and in the next version will have deliveries, we will have end-to-end for delivery, so the trend is to increase, to have faster, easier services with simple checkout procedures.

So, there's a lot of good things that will help people, people may have almost all products and services processed on the app.

Sofia Viotti: Great, perfect! Thank you.

Operator: The next question is from Jorg Friedemann of Citibank.

Jorg Friedemann: Hello, good morning João Vitor and everyone else. Thank you for inviting me to this call.

My first question is about how you are being recognizing your exclusivity agreement with Liberty. You said this is renewed every 15 years, R\$380 million and they should be paid in advance. Well, I looked this quarter at other financial assets, you have 38 million of future years related to this agreement with Liberty. So, this difference, 70 to 38, was this dealt with the semester?

João Vitor Menin: I'll let Alexandre answer.

Alexandre Oliveira: Okay, thank you Jorg for your question. There are two points to this. We have made no upfront acknowledgement; our plan is to acknowledge the entire agreement or contract throughout these 15 years.

Now, 38 million, this instalment, we have already received it, it's already cash in our company and it will be recognized in the next few years. And we also get another instalment, larger, that will also be part of this, and this is the way ahead. We're doing the same thing with MasterCard. In other words, we're building a revenue mattress and we will be measuring this every month, and, of course, adding whatever is delivered.

João Vitor Menin: Let me just add something to what Alexandre said. We have this upfront of 60 million and 40 million that have already been received, but not accounted for; and 20 million in January, that are not accounted for. So, we talk about 360 million, we are talking about 60 million, but then the 308 will be paid on performance.

So, when we think about insurance revenue in the next few years, it's about billion, and not hundreds of millions, and this is taking place both at Liberty and MasterCard. Even what we mentioned about the first quarter, the contract with MasterCard of over 1 billion, it is being acknowledged along the year, so we're monetizing this, we are having this... building this mattress, this reserve, but this is a digital bank with 15-20 million clients! So, those that want their products in Brazilian consumers hands, they'll need it, and this distribution partnership is great for us.

Jorg Friedemann: That was perfect. And I think that monetization is your strategy, okay, that's interesting to see. I just wanted to know if there was some acknowledgment in this brokerage, insurance brokerage revenue that came from this agreement with Liberty. I thought it was just from customers, right?

João Vitor Menin: This is a record margin we've been building.

Jorg Friedemann: Yes, that's perfect.

Now the other question, again thank you for being transparent, showing your active customers per quarter against total customers, that's really helpful analyzing the evolution of all your metrics and KPIs.

I've also noticed, on this chart on page 10, is that the gap between total customers and active customers has increased in the last two years. So, this was – I believe – expected because you have this increase in number of customers, that was very significant, but when you look at the cost of service per active customer, how has this been evolving? This is one of the things we really pay attention to.

You've growing the number of customers significantly and you've been... but then the cost of serving these active customers hasn't reached a plateau yet. So, when are you expecting to reach stability here?

Helena Caldeira: Hi Jorg! Well as for customer activation, our activation has been growing, although you've just mentioned this point that was very important to take into account, but this I think it's a natural trend.

One thing is having a small customer base, that's much easier to activate them all, there's a whole cycle for customer acquisition, so we usually acquire those that are more curious and test out all products, but we are now in a more mainstream phase, so it's expected to have a percentage of our client base to be inactive, and this is our focus, we still need to increase our customer base to be increasingly having them increasingly closer to the activation lever.

On the next slide or chart of the release, when we look at the activation of the seasons in the second and third quarter, this activation rate has been increasing significantly, and this is what we are doing with our marketing teams, our CRM

teams. There's a whole strategy of encouraging this activation or reactivation of customers, also providing better service to those who have just joined Inter. So, we try to explain all the functionalities that we have to them.

So, we're working hard to make this happen and to achieve better activation rates of 70%, for instance, in all the other seasons, and this may come as a result of a better experience with clients, better customer relations in terms of our initiatives.

Jorg Friedemann: Perfect...

Alexandre Oliveira: You can ask your question, Jorg.

Jorg Friedemann: One more thing, and that's quick. Sorry for taking so much time. And this is about credit cards. You've been growing consistently, but why did you have this fall? Was this a result of less demand or are you restricting origination of that?

João Vitor Menin: So, Jorg, this is João Vitor. I don't know if you remember, we've always believed that credit cards are not just a credit portfolio we pursue, but rather it's a necessary portfolio we need to serve our clients.

We have increased our credit card spending, but people are... more people are paying their bills on time, and this is the essence of our product, we don't want have a larger default rate to make money out of it, we don't want this. So, this model, I mean, sustaining consumer finance based on revolving credit, this is something of the past, this is something that just takes place in Brazil.

When we see that our revolving credit has been decreasing, we are really happy. We want our spending rate to grow, we want more people to be using Inter credit card. Our model is good, we don't want people to have debt and fail to pay and have revolving credit and then we charge high rates to them. We don't want this.

Alexandre Oliveira: Yes, and adding to what João said, our credit model is no longer new, we have 18 months, and every month it's increasingly better. Our digital collection service has been increasingly better, so this has been improving our default rates, and then we have now approved our cashback card, and that also increases our transaction volumes with very good, very positive results for our portfolio. So, people who spend a lot of money, they also pay on time.

Helena Caldeira: And then adding to this, Jorg, finally, adding to this part, on credit cards, we're expecting the trend to continue as we launch our CDB card, that will be collateralize this card, as João said, so our spending has increased. But then, a collateralized. In other words, we don't want our clients to be on revolving credit, so this, we believe, is very positive.

We empower our clients to be able to make purchases in installment without taking risks, neither for the bank nor for the client when our customers start using their cards. In other words, this product makes a lot of sense to us when we consider this situation in Brazil of purchases in installments.

João Vitor Menin: One more thing about our cars and Consumer Finance 2.0, that we don't want a high revolving credit rate. This is the old model, in our view. Our internal target is to have 20% of all our credit card spending collateralized with these two products: Cashback of our shopping and our CDB plus limit.

So 20%, so next year about 30 billion in streaming, we want this as a priority and if this does take place we'll be really happy, we want our customers to use the card and be able to pay their bills. We don't want to penalize our customers, this is not constructive, our focus is to have our credit cards as a method of payment. But, of course, we need to give people time to pay, not everyone can pay their bills on time, so we want to have 20% of that collateralized.

This is our target and that's what we want to achieve with our improvements, improvements we've been doing.

Jorg Friedemann: Okay, thank you, thank you very much for your clarifications.

Alexandre Oliveira: Thank you.

Operator: The next question comes from Marcelo Audi, Partners.

Marcelo Audi: Good morning. I want my question asked to João and Alexandre. When you consider your focus of action next year, where are the major restrictions and operating risks?

João Vitor Menin: Sorry, I was muted. So, operating risks, for Inter they're still the same, basically. The major risk is stability of our services, cyber, that's our major focus. We need to have an increasingly greater focus on this 24/7, 365 days a year to have a stable platform that's good and secure for our users. This is a major focus.

Then, there are other important factors. After we make sure that this is okay, then will can monetize cross-selling, making sure that an investor that has 1,000 invested will have 5,000, or those that use 1,000 will start using 5,000 on their cards, and those who don't use cards start using cards. And this is our cross-selling strategy, and this is our focuses for 2021. And this, of course, the idea is to double our platform volumes, platform strengthens our cross-selling activities.

Marcelo Audi: Okay. And what are the major gaps you have today, or bottlenecks, both in operating terms and in terms of your people? How about your M&A pipeline?

João Vitor Menin: That's a good question. We expected to announce two M&As in the last quarter, and indeed, we cannot do everything we can at home, in house, so we need to bring in more know-how.

Our M&A are not just for... just, you know, it's for acquiring new skills, if you will. Our greatest gap today is time, it's always a matter of time. There's always this joke about banks, we cannot deliver a baby with nine women. In other words, things take time.

So, launched 9.0, it was so cool and very thorough, and all our verticals, well, to achieve this we needed time. There's pointless to have 5,000 programmers, you won't be able to do it any faster. We always fight or run against time; we want a short time to market, but you also need some patience because things do take time.

Whatever can be sped up to have complimentary benefits, okay, having more people here, complimentary services, we will be doing this. And all other things that are in the pipeline that are... well, it made sense to do this.

Alexandre Oliveira: Okay, now about your... the question about risk. It's hard to point out one particular element. What we really strive for is operating excellence. We haven't started today, we've been working on this for over 18 months making all adjustments, adjusting our team mindsets, prioritizing and also following up the platform stability, and we have achieved a lot, and we want to keep working without leaving behind the risks that João mentioned, including cyber security risks.

So, a lot of things need attention and we have been positioning the company to be a good protector, to be able to protect everything.

Marcelo Audi: Thank you.

Operator: Ladies and gentlemen, in order to ask a question just type * 1.

We have one question by webcast. Geoffrey of Autonomous has two questions:

First, he would like to understand if the credit card product has guarantee in CDB. Can you discuss the opportunities that come from this product? Number two, he asks about PIX. How have been the registration PIX as compared to other players?

João Vitor Menin: Right, Geoffrey, this is João. As for PIX registration, we've been doing rather well. People want to cast it out before they start, but we think that throughout 2021 most of our customers will register their PIXs, and we've been really transparent with our customers, we are not forcing it on anyone, it's up to our customers to do it. So, I think it's like other market players in terms of PIX penetration.

As for CDB plus limit, this is a huge product, it's a wonderful product we've had for 15 days and we already captured 12-13 million a day. This shows that its experience

and the way it was designed was very well received, really welcomed by our customers.

So, when we consider cards, next year I think this product will lead to a lot of collateralization, and this is good for customers and also for everyone else. So, we are really excited about this.

Operator: The next question is from Gustavo Schroden, of Goldman Sachs.

Gustavo Schroden: Good morning everyone. Thank you again. I'd like to resume the question of M&As and pipelines. You've just raised funds recently, so you were saying that you will have M&A soon, now what can we expect? What is the focus of this capital? Are you focusing on insurance companies, credit cards? Where do you think we can expect your investment to be made, along these lines or are there any other things or lines?

João Vitor Menin: We've already discussed this throughout our follow-on, so I'll just repeat it: you can expect M&A focusing on our own products, the one we've been investing in, services, cross-selling, payment gateways, investment platforms, and much less on credit products or increasing our credit or loan portfolio.

And also, about banking and digital accounts, this is something we've already been addressing, so this is what we can tell you. We can expect, of course, from us buying know how as well.

Gustavo Schroden: Great, thank you.

Operator: We are now closing our Q&A session. I would like now to turn it over to Mr. João Vitor Menin for his final remarks.

João Vitor Menin: Okay everyone, thank you again for attending. Again, it was great to see you attending our conference call on our earnings release. We expect we are meeting your expectations, employees, consultants, analysts, shareholders, everyone.

We are closing now. You may ask questions online, later our IR department is at your disposal for answering all your questions, and we will also have an Inter Investor Day in December, so just pay attention, keep an eye on our date, and we'll be able to connect with you. Thank you, have a great afternoon.

Operator: Bank Inter's conference call is now closed. Thank you for attending, have a great day, thank you for using Corus Call.