

1Q19 Conference Call
Banco Inter
May 09, 2019

Operator: Good morning and thank you for waiting. Welcome to Banco Inter's conference call to discuss the earnings of the first quarter of 2019.

We have today our CEO, **João Vitor Menin**, Vice-President, Mr. **Alexandre Riccio de Oliveira**, and Investor Relation Head, **Ms. Helena Caldeira**.

This conference is being recorded and all the participants will be in listen-only mode during the presentation, then we will start our Q&A session when further instructions will be provided. Should any participant need any assistance during this call, please request help of an operator by pressing star 0.

This event is being recorded and transmitted online through a webcast that can be accessed through: ri.bancointer.com.br, where the presentation slides are available. This event can be replayed after it is finished. Participants of the webcast may send their questions to Banco Inter, that will be answered after the conference finishes.

We would like to inform that this conference call is being also translated into English for our foreign investors to follow.

We'd also like to clarify that statements that can be made during this conference about the business outlook of Banco Inter, projections, operational and financial targets are responsibility of the administration and information that's currently available to Banco Inter. Forward-looking statements are not a guarantee of performance and involve risks, uncertainties and premises because they refer to future events and then they depend on circumstances that may or may not happen.

And I'd like to turn it over to Mr. João Vitor Menin, the CEO, who will start the presentation. Mr. João Vitor, you can start.

Mr. João Vitor Menin: Thank you, good morning everyone. It's a great pleasure to have you here again for our 5th earnings release since we started our open public last year, so we have a year of our first anniversary as going public with a very good share performance, and we are happy about it.

In this 5th earnings release we will report very interesting results and we will also discuss not only the results, but also our earnings, but also discuss our future, we are very young and modern company, digital disruptive company and we believe that we can talk about our next steps in this call, and this is very important in order to help you in our earnings release that is reported in our investor relation website at little bit about this journey to build a super app in Brazil's market.

We'd like to illustrate this journey from its very beginning in 2015, when we launched

our digital account, the first 100% free digital accounts in Brazil until the arrival of the super app in 2019. This brought us some interesting landmarks, one of them which is crucial are 2 million account holders that we consolidated at the beginning of April, and in addition to these 2 million account holders, which have been increasing since 2015, we were also very happy to learn that in April our last closed models, we hit a record of new account holders.

And this is not about clients, customers, but of account holders, 197,000 new account holders; a record that is very good when we compare it to the previous month.

I'd also like to discuss considering our diagram the last 2 transactions that we made, which paved the way to our super app, and this is our PAI, and this is our open investment platform that was launched at the end of December, and in the first quarter of 19 it was made available and it was highly successful, it was really nice and Alexandre will discuss the figures with you, these really are telling.

We'd also like to say that we are like an XP in our equity department, now our second achievement, which is maybe even more telling that was announced yesterday and the market is aware of that, it has been following it up and this is our partnership with Inter Seguros in our insurance.

We have the largest independent insurance broker in Brazil, a disruptive broker that has everything to do with Banco Inter digital and young, and also, we are taking very important steps which is quote and quote the launch of our area of insurance, the digital insurance. So when we talk about this in the companies that we have seen around, we haven't seen digital insurance yet, and this is very interesting to happen in Brazil for both digital and insurance services.

In fact, the concept of banking insurance is old for us, of course, we already sold it, the bank sells it, but it will be much more dynamic from now on, and this was a very important achievement. Today we will hold a meeting with the press in a press conference and we will give you more details and give more news about this later on today.

And these 2 adjustments together with our banking platform, or digital checking account that started in 2015 as well as the fact that we are not 100% in the cloud with a very lean IT that is scalable, let's us pave the way to reach our super app in the 2Q, sorry, half of the year.

When we think about the number of people, not only customers, but also the number of account holders that now are on our platforms, we believe that our super app is already a fact for Banco Inter. Last year, we had 25 million logins on our app, on our application, so that the audience with the banking platform and the cloud that is a scalable and also 2 important verticals that's about the insurance and investment, we believe that we are on the right track.

We also believe in Banco Inter's view that is really easy to say that, we were the main and the first bank in Brazil having digital services, but we don't see in the near future we don't see a digital banking that is not associated with super app or marketplace. In other words, our digital bank with marketplace and super app, this is very important, symbiotic relationship, so we are working hard to make it happen. In the first quarter, we had 1.5 billion transactions in our debit and credit cards outside or platform, so it's really safe to say that we can bring part of that and increase this number on our marketplace with products and services.

Now about our purposes, our business purpose, we are still strong in this idea of having a banking revolution in Brazil, it is happening at incredible speed and I'm really proud and happy to be doing this. At the beginning of April/end of March our fee reader (or *tarifômetro*) we measure, the fees that are customer stopped paying that is net over R\$1 million in savings for our clients since we started our process in the mid-2017.

Why do we stress this? Although of course this reduces our revenue and makes our efficiency rate lower, we believe there is no return and we want to be the main character, the main protagonist in this trend. Of course, this may decrease our profits and resilience, but we want to anticipate this trend and improve all the indicators rather than lagging behind and no longer being at the front of this trend.

One other point about our future is what we've been becoming. In addition to the super app, when you think about thinking alone, we were looking at the figures and we are highly likely to reach the end of this year being the 5th largest Brazilian bank in terms of account holders. This journey started about 3 years ago, so we are really proud to have achieved to this figure in a very short period of time and also providing high-quality services and products that are well-accepted in Brazil and society.

This is important for other reasons too, I'm talking about banking and credit, not only services and not super app, but we have a retail bank of this caliber that is very good anchoring, we have very competitive on the cost of funding, and that's also really scattered and healthy, a healthy funding let us have an interesting cost that is much more competitive to our clients and with much more competitive interest cost for our customers leads us to get a much larger and better base of borrowers that produce our NPL. So with stable funding that is abundant, that's very good, and for us to improve our credit front in banking.

So these are our highlights, we really have taken this last to talk about digital insurance and we will hold a press conference at 2:30pm to discuss this partnership later today.

Now back to our diagram, we wanted to have these deliverables in orange to show how we will be doing to reach the super app. So digital accounts, life scalable, IT systems in the cloud and digital insurance. This is the recap. Really happy about this and we hope to be able to keep delivering good results to you, our shareholders throughout 2019.

I'll turn it over to Alexandre, our CFO, and then we will have our Q&A session. Thank

you very much.

Mr. Alexandre Oliveira: Good morning everyone, thank you for attending this call. I'll talk about some metrics and indicators of growth and engaging as well as monetization. I'll also give you some financial highlights.

So to start with, I'd like to discuss growth. We are really close to 2 million customers in the first quarter of 2019, over 2000 accounts, 20% growth in the number of the accounts opened year over year, sorry, compared to last quarter of 2018, with 1000 accounts for business day, which is an excellent delivery figure in our growth, it's 8000 accounts per business day, so 151 is the cost acquisition that's really competitive, a very low cost for acquisition, and this is the result of our strategy.

We want a thorough product with a high referral index and a net promoter score of 71. What does that mean? It means that our customers recommend us, and it keeps growing as a result with this cost of acquisition.

As for engagement, at the end of the quarter we had over 1.1 million active users generating revenue, and for the first time in this release we have a table showing our activation index per yield, which is really an interesting figure, we see that in older yields we had about 73% activation. In other words, these are generating revenue and even better than this. There is no yield that has been reducing an engagement, rather than that it has been growing quarter after quarter as a result of having a complete bank that is increasingly more complete [unintelligible], those who didn't use us, those who have no reason to engage started seeing a reason to do so as we launch e-cards and other products.

In this release we are also showing a cross-selling table that's our cross-selling indicators per yield showing again how we have been evolving with very interesting figures, so with more mature yields we have about 3 products per client, and in this cross-selling movement that's just beginning to have a complete banking with many different products, and this gives us 3 products per client on average and with more mature yields, and as we become increasingly more efficient and explored the logins, 25 million the first month and 26 in the first quarter, 26 million logins, we can increase this cross-selling figures. So 3 is just the beginning.

Monetization. Let me talk about the cost of funding. Our cost of funding still concentrates on retail, so when we include demand deposits it is 76.2% of CDI or interbank deposits, which is lower than the best of our expectations. If we go back to the end of 15 and this cost is highly competitive and lower than the largest banks.

We've also in the first quarter we reached 26.5% of our fee income ratios, so 28,5 in quarter 1, 106% growth as regards the first quarter 2018, and 9.5 million in e-cards interchange revenue, 1.5 billion in movements in transactions, and brokerage 4.4 million.

Another important indicator that has been evolving really well are the R\$143 million of demand deposits in the of quarter 1, over 220 million in growth. This indicator is very important for 2 reasons: To reduce our funding cost, but it's also a very good indicator of customer engagement, engagement with the client is of course bringing money into their accounts. So this is also a control indicator, it shows that things are going well, and we have very good growth rates.

Now, we have had 700,000 cards used in quarter one this year, last year we talked about 200,000, and now, I mean, this is very important growth.

Our open platform. Last year when we released our earnings, we set an open platform to speed up the number of investors in this bank, and this has indeed happened; we grew 52%. That's the increasing number of customers with assets invested here, 55,000 people now invest in the bank, especially DTVM and home broker. So we tripled the number of customers, not to mention cash back, which was a novelty cash back for fund investment, which was launched in April and this will also be a catalyst for our growth.

Now, some final financial highlights. Our assets 3 billion at the end of the quarter, a bit more than 3.5 billion in our increase credit portfolio, major growth, our net profit over 12 million and our ROE 5.9, and finally our Basel rate last year 29.9, this year 25.8.

I'll now turn it over to Helena for final considerations because we move on to the Q&A.

Ms. Helena Caldeira: Good morning everyone. In our last earnings release call we requested Brazil Central Bank a presidential decree for us to have a foreign capital in our voting shares. In April this year we released a communicate to the market saying that we finally received this decree, and this was very important to us, it is a very relevant step for our future growth because with this decree we become more flexible for any capital transaction that may be made in the future.

Based on this decree we also analyze the possibility of listing our ON shares, and also monetizing our exchanger rate, bring more liquidity to Banco Inter shares in the future, which will be discussed in our next board meeting. As soon as we have an answer, we will release this to the market.

I'd also like to thank everyone for participating in this call and I'd like to give a special thanks to our 25,000 shareholders individuals who complete our shareholders base and seem that have a lot of engagement for our customers and a very good potential for growth and value generation.

So we can now open our call for questions and answers.

Question-and-Answer Session

Operator: Ladies and gentlemen, we will now start our Q&A session. In order to ask a question, please press star 1. To remove your question press star 2.

Our first question is from Mr. Thiago Kapulskis, with BTG Pactual.

Mr. Kapulskis: Good morning João Vitor, Alexandre and Helena, and everyone who is listening to this call. Thank you for letting me ask questions. I have 2 questions. The first I think you've already touched upon this; you were really clearly about super app and your plans in this respect, maybe you can make some further comments about this, expand on that.

My question is you are building clearly an ecosystem like on a step-by-step basis, so you built your digital account then you built an investment platform that is increasingly more robust, with increasingly more products, now you have a well-known partner and reputable to help you insurance. So my question is: What do you think is missing for your ecosystem to be 100% complete?

In other words, is there anything that you still believe is a gap that can be improved? And this is not about financial services, super app, of course has... you've already discussed it really well and you are really working on this. Maybe about credit or cards, is this a possibility to really enforce, to strengthen your ecosystem?

But, you know, maybe make some comments about it, your new CRO, maybe you could also discuss the building of this product. I think this is an interesting thing to discuss.

Now, my second question is about the cost of funding. We see that this cost has been following every quarter, so I need to understand what you think could be a good level. Do you think it will keep falling or will it reach a plateau like a more stable? Okay, I think that's it. Thank you.

Mr. Menin: Okay Thiago, this is João Vitor. Thank you for your questions. I'll go from back to front. Let's discuss cost of funding first. Well, in terms of cost of funding, as I said at the beginning, this anchoring of funding is crucial. I don't see or for me a bank that is physical or digital and modern and judicial I don't see it working under normal conditions without competitive funding, and I don't refer to cost alone, I also think quality is important. We have billions and billions of digital bank deposit, and this is just in the hands of a single person, or the distributors we currently in the market, but the funding is in the hands of just one or 2 people.

So this is very important, we are really happy with what we achieved in terms of cost of funding. And how far will it go? Well, I think there is a technical limit, Thiago. Where is the barrier? Well, it's not reducing to 70 or 60 or 50 as we have more demand deposits and that people are really using Banco Inter as its primary bank, we may have infinite ceiling and keeps falling forever? No, the technical reason is that we can't have a liability of demand deposit alone, we need other deposits more lengthened revenues.

So if we put this in a blender if you will, maybe 70% I think is a good ceiling, and at this level we may have more deposits and other instruments. I'm not really good in real

estate, so this is also very good, so I think that 70% is maybe a ceiling for our cost of funding.

As for your first question about a gap in terms of financial services, of course, this is a very wide set of services, there is a lot to do, but I think we are in a very good position. When we talk about digital insurance, we are doing well in terms of our digital insurance services and financial services. For example, car loan we don't have that, but we then have actually a Consortium, we can also have working Social Security, capitalization, although this is rather criticized, it's for a specific type of audience.

When we talk about a retail bank with millions of customers, we have a variety of customers at different income brackets, so this may be a good product for them. So I think we are all covered in this respect.

Now, what is missing? Well, it's not about product I think, and just about financial products, but I think we should be scaling up on our penetration, including our penetration rates. So Rogerio is very important as we improve our models, not only our credit models, but also our possibility of evaluating the social and economic profile of our customers with lots of technology, we can preapproved many financial services and products for these customers, we can also make our CRM to be more assertive as we have all the social data, we have technology of our customers so we can do this.

So in terms of a gap in financial products, I think we are doing well. Our credit card as you mentioned and debit cards, the trend is for them to grow 100% of our spending, of our customers outside our platform, but this will change. It won't change fast, but we want this to be on our platform, including non-financial services. This is part of our super app.

Mr. Kapulskis: Your answer was really clear. Thank you very much João Vitor and everyone.

Mr. Menin: Thank you.

Operator: The next question is from Mr. Gabriel da Nóbrega, Citibank.

Mr. Nóbrega: Good morning João Vitor, Alexandre, Helena. Thank you very much for taking my question. We saw operational data that you already reached 50 million accounts, so I expect that these 2 million of accounts they are generating more volumes. So my question is: With greater volumes, can you reduce them of your bearable costs, like SAC and the payment of bills (*boletos*)? Maybe you could share this with us and your negotiation with your suppliers and that you're growing your customer base so fast.

Thank you and I have another question later.

Mr. Menin: Gabriel, this is João Vitor again. That's a very important point you are

making. In fact, what we realized in terms of variable cost is: The more we grow the greater these costs are in nominal terms. So at first, you may say “well, in theory you have this problem of scale, but what is going on?”, in some fronts we’ve already captured this, and we are doing more in others.

So SAC is a very important example. So our SAC or customer assistance costs have been increasing financially, but because we’ve replaced it. That’s the 5th largest bank in terms of account holders and the 6th largest in withdrawals. Banco Inter today [unintelligible] 2 companies, I mean, new to the sector, so in terms of the customer service now it costs R\$5, so from June we believe it will hold at 2.8, so that’s a 20% reduction in our greatest factor that’s customer assistance, SAC.

Now, banking fees, that’s another very interesting fact, for the first time in March or February the number of money transfers between Banco Inter’s clients was higher than Itaú Bank, which used to get more money transfers, electronic money transfers or TEDs. So as we grow in scale, we get better results in terms of electronic money transfers and our negotiation with our suppliers.

Credit cards. We also have an initiative about optimizing this. We currently issue 200 cards a day, so we are really excited about what we will be delivering in terms of reducing operating costs, Opex, [unintelligible] digital account growing.

And you have a second question?

Mr. Nóbrega: I have another question and it’s about compensation. With new digital banks coming up in Brazil, some of them split up into large banks in Brazil, so how you’re competing with these other banks? Are they stealing your customers?

Mr. Menin: Okay, very good. First, if these banks will steal clients or customers, well, this hasn’t happened yet. As I told you before, you may remember April was our best month clearly in terms of new account holders, so with less investment in social media than we had in February and March. So investing less in digital channels to advertise our products and we have a record number of new account holders. So this hasn’t happened yet as you said.

Now as for international players, some people say “well, digital banks are so nice, but then on the other hand, anyone can come and compete with you”. Well, I don’t think this is true. Digital banks they also have barriers operating and I’m not talking about checking accounts, so operating checking accounts under all safety and security conditions, with all the regulatory aspects in place, we all the products that a checking account requires, people may invest, have exchange or any other product, then we see the increase of administrative expenses. We need a well-trained team to serve while good systems follow-up, ombudsman.

It’s not a place and having a Fintech or what, you have small barriers, the thing of having a digital bank the barriers are really large. So there is competition, of course, but

it's not really a reason for concern for us.

And again, let me stress this: It's really important to say or marketplace added to our digital financial services. They work in symbiosis; I hope that they will work along in the future. We need all these services together with banking services for your consumers to access, so you have the right audience, increasingly larger audience in your apps, and this is a very important trend and I think we are really well-positioned in this respect to be again ahead of our competitors on the marketplace.

Mr. Nóbrega: Thank you very much João Vitor.

Operator: Our next question comes from Mr. Jorge Kuri, Morgan Stanley.

Mr. Kuri: Sorry, i'm going to ask my question in English but feel free to answer in Portuguese. When you talk about earnings, actually, consensus was expecting your Operating Income and your Net Income to grow around 50 to 60% YoY. Your first quarter came well below expectations and with a pretty sharp reduction in profits. Your pre-tax income was around 75% YoY, 80% QoQ, and so, with your expenses growing more than you expected in order to build this client base. So, the question is: how far are you from starting to really monetize the client base and start to deliver on earnings? And will you need to reset expectations for this year, you know, is it still 50 to 60% growth in Operating Profits and Net Profits for the year given what we've seen in the first quarter? What do you think given what happened in the first quarter to earnings? What do you think is now the correct expectation to 2019 and when do you think we will see that 50 to 60% or even more growth in earnings as you monetize all the clients that you have picked up in the last six months or so?

Mr. Menin: Jorge Kuri, I'll answer that question in Portuguese.

Mr. Kuri: Okay, it's alright if you speak in Portuguese.

Mr. Menin: So, let's talk about our financial earnings in the first quarter of 2019. Well, our earnings is 50% larger year-over-year, it's typically the worst of all quarters, last year we had the worst and we improved considerably throughout the year for many different reasons, many activities, we had an impact that was really large in this quarter and that's IGPM, we have a large IGPM portfolio, that's our mortgage and home equity portfolio, so in isolation we had a very significant impact.

And then there was another significant impact that was not expected by the market, and this refers to cost. And what kind of cost? Bringing new clients, new customers on. This is not our major cost; our largest cost is really to set up and put up the whole platform. We should highlight by the way, Jorge, that we cannot set up a bank, the 5th largest Brazilian bank, and not only a bank, but the entire platform, insurance, a complete app without investing, without bringing new people on, a handful of things that have a cost of course. So that's part of the impact.

Now there is a third type of impact, which is a slightly larger about provisioning. We had more provisioning in our credit card than what was budgeted, and this is almost good news and it shows how important it has been to have Rogerio, our new CRO, we've already implemented a new model and we believe and expect to have very good level of improvement in terms of our credit card positions. But then provision is important.

We've also adjusted our fee, it didn't have so much of an impact in quarter one because this changed in March, so the impact will be felt after this from now on, and then we consider the year's expectations, are really excited about the earnings that we are expecting to achieve. I think you should think about Banco Inter going a little further than just credit or NII. We have lots of nonrecurring effects, results, when you think about the number of account holders that we have, we have lots of leverage to monetize in terms of services, to have a lot of leverage, lots of options to monetize services and that's more a more positive than NII.

I that was all. If I forgot anything, please let us know.

Mr. Kuri: Yes, thank you. I was wondering to what extends what happened in the first quarter in terms of earnings coming down 70% YoY or 80% YoY depending if you look to pre-tax earnings or operating profits, but somewhere around 80% YoY, which obviously has nothing to do with the functionality but so to what extension can you get to the consensus number of growing your profits or operating profits around 50 to 60%. Were this a very particular quarter and we should see the rest of the year very sharp ramp up or do you think that given that you've been building the platform at a faster pace as you mentioned, gaining more clients, what are the expectations for that 50 to 60% growth? Is it not the right one anymore for 2019, or maybe the 2020 number should be better than consensus? I'm just trying to understand how the consensus and expectations now seem to be far from the reality, at least to what we saw in this quarter and that is the part I'm trying to understand.

Mr. Menin: Very good point. Let me try to address your question the best possible way. first, I think we will indeed improve our earnings in the next quarters as a result of everything that I've already mentioned: Provisioning, cards, IGPM and more expenses. I don't know the results at the top of my head, I don't know a more [unintelligible] view about our earnings, I should say, however, that we will do what we believe is the most important for our shareholders in the mid and also long-term.

If we wanted higher earnings, we could have done that easily, all our board meetings we will discuss profitability and growth. Again, we are talking about a disruptive company, we are a bank, we're innovative and we are growing considerably. So our decisions are always being made and we will adjust to this throughout the year, I believe we do have the conditions to reach the figures that the market is expecting about 40% growth in earnings. However, this will only be done if we believe (and this is about management and the board) if this is the best thing for us. The best way to grow.

Now, in terms of earnings and share price, this is your call, I can't give you this. We can

give you the all the elements, discuss our journey, our trajectory, our challenges, but we have ended the options. So I think this is for market analysts also to try to predict whether we are on the right track or make it the wrong track.

So this is all I can give you in terms of predictability and information.

Mr. Kuri: Thanks. That was clear. I'm referring to the consensus numbers, not necessarily my numbers. There is a market expectation now that you seem to be far from and maybe it is in the best interest of the company that the market also understands exactly what the reality of the earnings could be. But I fully understand. Thank you.

Operator: Ladies and gentlemen, remind you that in order to ask questions, press star 1.

Our next question comes from Mr. Rodolfo Ribeiro, of Capital Plan.

Mr. Ribeiro: Hi everyone, good morning. Thank you for your conference call. I have 2 very brief questions. First, about your investment platform. I need to understand how over time you want to position yourselves. You have other companies like XP and perhaps with very good services, so what do you want to do and have a new [unintelligible] like Santander with totally digital platforms, but also deliver a pilot of making a structure of investing cheaper, at lower prices. So over time do you want to have your own investment platform? Do want to make a... people that have better pricing and have a platform more traditional?

Now, my second question is about growth. So over time again we see that new clients, you have been increasing clients, and I'd like to understand in the mid and long-term I'd like to hear your views about what needs doing for you to keep growing this number of new accounts.

Along the same line, how do you see, or is there any pace, any top speed that you believe is sustainable in the long run for new clients or whether you will adjust over time to have like growth as a result of recommendations?

Mr. Menin: Okay Rodolfo, thank you. First, let me discuss our Inter open platform, which gives me a lot of pleasure and pride. We are really excited, I think this is great news that we made, we may even have made a mistake in saving to communicate for the market appropriately. Your question it surprises me in a way, this is exactly what we really built our inter open platform around. And why? Well, our platform has a lot to do with our DNA, we made the first of digital account in Brazil. What was the premise behind it? When we have a digital account without a branch, without a brick-and-mortar branch we can get back to our customer everything that should be kept to maintain that physical network.

So I this is not clear to the market, but let's make this clearer. We were born 100%

digital, in other words, we spent 0% in commissioning autonomous agents, we have no autonomous, independent investing agents connected to us. It's 100% of our customer base that are involved, and this is our value. As we said, and traditional banks we can take all the savings and share it with our customers, it's like what other players are doing, and we want to deliver a more profitable fund for our customers and, again, especially longtail. I'm not talking about private, longtail guys that are not so well treated by the market if you will.

So this is your first question. Now, as for growth and new account holders, again, it's not easy for us to predict, we finished the first quarter with very good figures and in April we had our record with a very good margin. In other words, in May what will happen to us we don't know, maybe the record won't be so high as in April.

The point is: We don't think about a figure in isolation, what we do is we need to serve our customers in the best possible way with very good products, with our focus on our customers. We are not a cliché, we really want to know what our customers need, give them I might say a combination of digital experience, free services or efficiency in profitability at lower interest rates and also a thorough, complete platform with lots of shipped services, embedded services in our app.

We really believe in success together with our super app, digital banking and super app. And we will need the audience of these customers, but in terms of investments, loans, financial services, digital insurance, which is also a very strong quality for us as well as additional services in our super app mobility, housing, also leisure, entertainment. This is crucial to us and this I believe will help us bring new customers.

Now, what is an ideal number? I don't know what is an ideal pace of growth. We are at the top of number of accounts, I this is... we don't know yet. I believe we can keep growing, having more account holders and reaching the end of the year with a much larger number of account holders than we have today. As we discussed with our market analysts in our roadshows, we have the 2.5 million account holders, and I this is a number that we can easily reach.

So this is our lines and our predictability in terms of account holders.

Mr. Ribeiro: Thank you, excellent.

Operator: Ladies and gentlemen, we remind you that in order to ask questions press star 1.

We now close the Q&A session. I'd now like to turn it over to Mr. João Vitor Menem for the final remarks.

Mr. Menin: Okay, thank you again everyone. Thank you for attending. We had a great audience, lots of listeners, we had over 25 million shareholders, we really like the funds on our base and we really like having these days 25,000, almost 26,000 individual

investors after a year, the year after our IPO.

So we are again at your disposal with our investor relations team, under Helena, to show you our strengths and also discuss our weaknesses, to discuss any topics you may want to discuss.

We want to educate our shareholder base about our strategies, our journey, our convictions, where we believe the bank will be in the next few quarters and years, and again, this is our goal, we're really working hard and doing the best we can to deliver good services, good business to our stakeholders, our employees, our 1300 employees and 2,200,000 account holders and in the future our 26,000 in the future we hope investors and shareholders.

Thank you for your support, rest assured that we are doing the best to make this bank having a very prosperous future. Thank you.

Operator: The conference call is now closed. Thank you very much for your participation, have a great day and thank you for using Chorus Call.