

## Transcript–2Q25 Results

### **Gustavo Lopes Rodrigues (Investor Relations Officer)**

Hello! Good morning, everyone. My name is Gustavo, and it's a pleasure to have you with us for our second quarter of 2025 earnings video conference. As always, Milton will soon walk you through our performance, and afterwards we'll open the floor for a Q&A session, where analysts and investors will be able to interact with us directly.

But before handing over to Milton, I'd like to share a few instructions to help you make the most of today's event.

For those accessing this video conference via our website, there are three audio options available on your screen: the entire content in Portuguese, the entire content in English, or the original audio. The first two options offer simultaneous translation. To select your preferred option, simply click on the flag icon in the upper left corner of your screen.

Questions can also be submitted via WhatsApp to the number displayed on your screen. Today's presentation is also available for download on the hotsite and, as always, on our Investor Relations website.

With that, I'll now hand over to Milton, and I'll see you again shortly for the Q&A session.

Milton, over to you!

### **Milton Maluhy Filho (CEO)**

Good morning, everyone! It's a pleasure to be here with you once again to discuss our second quarter 2025 results. Today, I'll present an executive overview focused on our results and provide a brief update on our guidance. I'll also share with you an update on the "One Itaú" initiative as I promised on our last quarter earnings videocall. I'll comment on our migration agenda and on the bank's digital acceleration process. Finally, I'll share some key figures and wrap up with an invitation to all of you.

Let's move on to the numbers. As you can see, we're presenting the same key indicators as always: recurring managerial net income, recurring managerial Return on Equity, NII with clients, NIM, NPL over 90 days, and Common Equity Tier 1 ratio.

Starting with our results: this quarter, we delivered net income of R\$11.5 billion, representing a 3.4% increase over the first quarter and a 14.3% increase year-over-year. These are very strong results, stemming from a solid performance base established over recent years.

As a result, our consolidated ROE reached 23.3%, expanding both quarter-over-quarter and year-over-year. In Brazil, ROE was 24.4%, a robust return also showing expansion over both comparative periods. As always, I'd like to note that if we were operating with a capital ratio of 11.5%, which is roughly in line with market practice and our Board's approved risk appetite, our consolidated ROE would be 24.7%, and in Brazil, the most comparable figure would be an ROE of 26.1%. This is detailed in the slide's footnote.

How did we achieve this result? First, it was a very strong quarter for NII with clients, with a 3.1% increase over the previous quarter and 15.4% growth year-over-year. I'll provide more details on NII shortly. NIM also expanded significantly, both sequentially and year-over-year, reaching 9.2% on a consolidated basis and 10% in Brazil.

We had not reached double-digit NIM in Brazil since before the Covid pandemic, in other words, since 2019, underscoring a significant margin recovery for the bank's balance sheet over these years.

Delinquency rates remained well-behaved. Consolidated NPL over 90 days stood at 1.9% and reached 2.0% in Brazil. This indicator is stable quarter-over-quarter and is down year-over-year, indicating that, despite some first-quarter pressure in short-term delinquencies, we performed very well this second quarter in long-term overdue loans — a very positive development for the portfolio.

The common equity tier ratio posted another solid increase—up 50 basis points quarter-over-quarter, already adjusted for IoC provisions, and some risk-weighted asset effects, but that were immaterial. Thus, we see a 50 basis points expansion in Common Equity quarter-over-quarter, and flat year-over-year. This is excellent news for capital generation and it shows our ability to generate capital organically—another very positive sign.

Moving on to the loan portfolio, I want to highlight that the individual loan book grew 8.0% year over year and 0.7% in the quarter, with a notable 1.6% quarterly increase in credit card loans. More important than total credit card loan book growth is the financed credit card portfolio growth, which I will address specifically.

Regarding personal loans, it's crucial to break down this number because it includes products like unsecured credit lines and overdrafts, as well as debt renegotiation products. Breaking it down is key to understanding the quality of growth and how each credit line performed in the quarter. I'll provide more detail on this shortly.

Payroll loans underperformed this quarter, due to multiple factors. The payroll loans for INSS beneficiaries' dynamic was impacted by both the cap on interest rates and funding costs, as well as by a process change in originations. Private payroll loans are advancing gradually due to ongoing product process improvement. I'm positive that there will be questions on this in the Q&A session.

In auto loans, risk management is key, and the portfolio continues to perform very well. Both credit card and auto loan portfolios are outperforming market benchmarks for the national financial system. Effective risk management discipline is essential here.

The mortgage loan book grew 2.1% in the quarter and 17.2% year-over-year, further demonstrating our capacity to expand such an important credit line for our clients.

The SMEs loan portfolio grew 0.8% in the quarter. I'll provide more details on the quarter growth and on the performance of what we classify as small companies in a little while. The large companies' portfolio grew 1.4% in the quarter and 6.4% year over year.

It is worth noting that the loan book in Brazil grew 1.0%, while in Latin America the portfolio declined 2.3%, a clear effect of the appreciation of the Brazilian real against other currencies.

The total credit portfolio grew 0.4% in the quarter, and excluding the FX impact it would have grown 1.3%. For large companies, the 1.4% quarterly growth would have been 2.3% excluding the FX impact. This breakdown provides an insight into the impact of FX fluctuations. In previous quarters, we have noticed the impact of the Brazilian real depreciation; however, this quarter, the Brazilian real appreciated versus other currencies. Those are the main messages.

Let me provide further details on the loan book performance. The financed credit card portfolio grew 5.4% in the quarter and 6.1% year-over-year. It's worth highlighting that 100% of annual growth came from the Uniclass and Personnalité segments. There are several reasons for this, some of which I'll detail later, but primarily it's about new products and solutions in cards that have supported the expansion in the financed credit card lines.

For Personal Loans, breaking down the figures is critical, as I've said. Unsecured credit portfolio, including installments and overdrafts, posted a 1.1% quarterly increase and 12.1% yearly growth, and 83% of this growth comes from Uniclass and Personnalité segments—mid and high-income clients with great credit quality.

Debt composition, in terms of an analogy, would be the "bad cholesterol", while unsecured credit would be the "good cholesterol". Debt composition, or the "bad cholesterol", posted a 3.8% reduction in the quarter and a 12.6% annual drop. Thus, tracking this breakdown is essential to understanding the personal loan portfolio dynamic.

Moving on to SMEs, we see that small businesses grew 5.4% in the quarter. Government program volumes grew 21.7% in the quarter, with very sound credit quality. Over recent months, we've become highly skilled in operating these programs, generating positive results and expanding net financial margin for the segment—a very positive outcome as well.

Now, let's talk about NII and NIM. First, focusing on NII, then on annualized average margins. In client NII, we exclude the working capital effect—which was R\$4 billion last quarter and R\$3.8 billion this quarter. I'd like to remind you that last quarter there was a significant additional dividend distribution, which reduced the shareholders' equity and explains the difference in working capital margin.

What's most important is that all core margin lines contributed positively. The average volume contributed by R\$200 million; product mix and segment mix added another R\$300 million; spreads and liability margins are posting very strong results, with our investment franchise delivering extraordinary results; the calendar effect of one additional day also contributed positively; and Latin America and others added R\$100 million in the quarter. This resulted in core margin expanding 4.5% in the quarter, or R\$1.1 billion, a very positive performance.

Moving on to NIM, the first message is that NIM continues to expand sequentially, reaching 9.2% this quarter, the highest in the historic series. As we always say, it's important to analyze risk-adjusted NIM, since the hard figure may be misleading. On a risk-adjusted basis, NIM reached 6.3%, a significant expansion in the quarter.

In Brazil, NIM hit double digits this quarter, a level we've not seen for many quarters. Risk-adjusted NIM was also the best in the series at 6.9%, showing that we've managed to expand margins while maintaining strong credit quality. In summary, net financial margin this quarter posted the strongest and most solid expansion to date.

Moving on to market NII, let me take a moment to focus on this slide. We posted very strong results in the quarter, exceeding our expectations. It's always challenging to forecast trading results, which were outstanding this quarter and contributed to a very solid overall outcome. On the other hand, the cost for hedging the capital index, which is easier to forecast, is expected to increase in the coming quarters as we mentioned last quarter. This is the impact of the interest rate gap.

The 2025 guidance for NII with the market is a range between R\$1 billion and R\$3 billion; thus, R\$2 billion is the midpoint of the guidance. In the first half of the year, NII with the market reached R\$1.8 billion. It is still hard to forecast market NII performance, especially in trading, but we've seen very positive results so far, and we're reaffirming our guidance as the range fits our best estimates. If there are any updates, we'll discuss it again, and I'll provide more details when addressing the guidance framework later on this presentation. The cost for hedging the capital index is expected to continue expanding over the coming quarters.

Moving on to service fee income, I'd like to highlight a few lines. Card Issuance revenues are growing 4.5% year-over-year, with TPV performing well, directly impacting interchange revenue.

In the asset management business, I want to emphasize the growth in revenues from R\$1.7 billion to R\$1.9 billion. We had a very strong and solid performance fee, significantly better than last year, leading to a 17.5% annual increase, a sound result.

In advisory and brokerage services, revenues declined both quarter-over-quarter and year-over-year, mainly explained by DCM activities. Last year, in the same quarter, we experienced the best DCM quarter in the bank's history. Although we maintain significant market share and a strong position in the rankings, due to lower activity and fewer transactions, we naturally captured less revenue.

Another noteworthy line is the insurance, pension, and capitalization businesses, which grew 8.8% in the quarter and 17.3% year-over-year. This shows that our operation has delivered very solid results, more than doubled earnings over recent years and is keeping growth at a robust pace. I'll provide further details on this shortly.

In the asset management business, a positive highlight is the net inflow of R\$47.5 billion in the second quarter of 2025, a 30% increase compared to the second quarter of 2024—an outstanding result. Itaú Asset was the leading asset manager in terms of performance fees this quarter. We are growing not only through distribution capacity but also through value creation, delivering sound performance to our clients and improving performance fees—a very robust outcome.

Moving next to insurance, earned premiums are up 14.6% year-over-year, with significant expansion in the quarter. Recurring insurance income grew 7.7% in the quarter and 25.2% year-over-year. Our core insurance operation, bancassurance, continues to expand at a very favorable pace, with growth concentrated mainly in personal accident and credit insurance, underscoring the recurring and solid nature of these results.

Moving on to credit quality, I'll first address short-term delinquency (NPL 15-90 days), followed by long-term delinquency.

Short-term delinquency indicators are very positive, showing delinquency is well-controlled. Overall NPL 15-90 days posted a slight 10 basis points decrease and so did the indicator for the Brazilian operation. In Latin America, we had only isolated cases impacting the quarter, with very low volatility and no further concerns.

Alongside, we have the indicator including corporate securities, in compliance with Resolution 4,966, which we'll continue to monitor closely. The chart contains extensive information, but this is due to the limited historical data available under the new regulation. I expect that, within another quarter, we'll be able to provide more comprehensive insights for monitoring. The

direction remains consistent, with the main change being in the information level, particularly in Brazil, where corporate securities are more relevant.

The short-term delinquency ratio for individuals in Brazil dropped 10 basis points quarter-over-quarter and there is no corporate securities effect in this portfolio. For SMEs, the credit quality remains healthy, and NPL was flat in the quarter at 1.4% considering the credit-only portfolio, and flat at 1.2% when adding corporate securities to the credit portfolio. So, the trend is the same, but the absolute level changes.

I'd like to remind you of some information I shared last quarter: a significant portion of the growth in the SMEs portfolio came from government-sponsored products. Most of this portfolio is currently under a grace period, which benefits the denominator with the loan portfolio increase, while the numerator is not impacted by the amount of overdue payments since under the grace period no installments are due yet, resulting in a temporary indicator benefit. We expect this to normalize over the coming quarters in both short- and long-term overdue loans, with no cause for concern.

Therefore, a slight uptick is expected for the SMEs portfolio, which shows remarkable credit quality and no credit risk concerns. We have reaffirmed the cost of credit guidance. The main reason why we are highlighting the expectation of NPL growth is to be very transparent regarding our expectations going forward.

Analyzing long-term credit quality, the news is equally positive, with very well-controlled indicators. We did not experience significant rollovers from the first to the second quarter, which is typically seasonal. In Brazil, despite a slight increase in NPL creation, loan portfolio growth resulted in stable indicators, which is very positive.

For SMEs, the earlier comment regarding gradual normalization over the coming quarters applies. As short-term overdue loans mature, they will eventually impact long-term delinquency ratio as grace periods expire.

Another credit portfolio indicator that we are monitoring is the loan book by stage and coverage by stage for both stages 2 and 3. In stage 2, there are no material concerns, as movements largely reflect the mechanical rollover from short-term overdue loans, in line with expectations and without any significant issues in either loan portfolio or coverage. Stage 2 is expected to slightly decline this quarter.

This mechanical rollover impacted stage 3 for individuals. There is a dual effect: the coverage ratio drops in stage 3 for individuals since loans recently entered into stage 3 tend to be provisioned at a slightly lower rate compared to those exiting it via write-off, even though provision is made by expected lifetime loss. As there were more entries than exits in this stage, coverage mathematically drops.

For large companies, the opposite trend was posted: coverage increased because we sold a credit portfolio in stage 3 at a lower-than-average provisioning ratio due to its strong collaterals. This sale removed the loan with lower provisions from the portfolio, improving overall coverage as the remaining loans have higher average provisions due to their credit risk profile.

As a result, we have seen a significant reduction in restructured loan portfolios. We continue to provide ample transparency regarding renegotiated and restructured portfolios. This is a relevant figure to monitor, as it demonstrates our progress and ongoing evolution. There was a R\$1.1 billion reduction in the quarter, driven by both restructured and renegotiated

portfolios. Credit and securities renegotiated portfolio decreased from R\$40.1 billion to R\$38.8 billion, posting a healthy trend in both renegotiated and restructured categories.

The combined effect of all these indicators is very well-behaved cost of credit, with only a slight nominal increase as the loan portfolio grows. We should analyze the cost of credit growth compared with the loan book growth. The annualized cost of credit over the loan portfolio remained flat at 2.7%, which is a very healthy portfolio with an indicator far below historical average.

All in all, we are growing the loan portfolio with high-quality assets, resulting in a robust credit performance across all segments—a highly positive outcome.

Regarding non-interest expenses, we posted an 8.7% increase in Brazil when comparing the first half of 2025 to the first half of 2024, and a 9.2% increase on a yearly basis.

Personnel and transactional expenses remain very well-controlled lines. The bank continues to deliver solid and growing results, which impacts many of these lines, whether through higher transaction volumes or an increase in variable compensation. In terms of technology expenses, we continue to invest heavily in business, technology, products, and solutions to meet client needs and make the bank increasingly efficient and modern. This has been the prevailing trend. And most importantly, all of this was delivered 100% within budget, meaning every initiative was fully aligned with our financial planning. This underscores our ability to forecast and manage the bank's cost structure with discipline and precision.

When we look at the half-year comparisons, we observe another positive evolution in our efficiency ratio, which declined to 36.4% in Brazil in the first half of 2025, compared to 37.0% in the first half of 2024. On a consolidated basis, the ratio was 38.5% in the first half of 2024 and now stands at 38.4%. This represents another relevant improvement in our efficiency levels, demonstrating that the tech capex continues to translate into efficiency gains and solid and sustainable results.

Moving on to capital, net income—already adjusted for the full provision of Interest on Equity which alone would imply a payout ratio of approximately 32%—generated a capital increase of 60 basis points in the quarter. Risk-weighted assets had an immaterial impact during the period. So, we expanded our CET1 ratio to 13.1%, with AT1 at 1.5%. Although our AT1 is structurally higher, Basel regulations cap our AT1 contribution at 1.5%.

We just announced the call option on two perpetual foreign currency debt instruments totaling approximately USD 1.5 billion—in two tranches of USD 750 million each—alongside our 2Q25 earnings release yesterday. Due to this call option, our AT1 ratio should converge to approximately 1.3%, which remains fully aligned with our capital appetite.

This was feasible because of our liability management. We issued approximately R\$ 5 billion in perpetual debt in the local market, which enabled us to exercise the call option on these instruments and repurchase them. Again, the Notice to the Market on this was released yesterday.

Moving on to our 2025 guidance, we are reaffirming our expectation for credit portfolio growth, NII with the market, cost of credit, fee income growth, and non-interest expense growth. However, we are updating our expectations for NII with clients' growth since we are posting stronger growth than originally expected. Accordingly, the range previously set was between 7.5% and 11.5% and now has been updated to between 11% and 14%. The lower end of the new

guidance is nearly equivalent to the top end of the previous range—this is a very positive development for NII with clients.

On the other hand, given the higher earnings, the benefit from IoC is diluted, resulting in an increase in the bank's effective tax rate. In addition to that, we've been posting a higher share of earnings coming from banking operations versus non-financial entities. Together, these effects lead to a slight upward revision in our effective tax rate, from the previous range between 27% and 29% to a new range between 28.5% and 30.5%. These are the two updates we are making to the 2025 guidance this quarter.

Last quarter, many of you asked me about the performance of One Itaú and whether we had any data to share. As I've mentioned before, we are in the midst of a critical migration phase, and our focus remains on executing this transition carefully, ensuring a smooth and client-centric experience.

We now have solid data to share—not only from the One Itaú initiative, but also from our broader digital acceleration agenda, including product delivery, solution development, and clients' problems resolution. Over 10 million clients have already migrated to the One Itaú platform, with an NPS of 80 points and a conversion rate of 99.3%, well above expectations. Notably, 54% of these clients already hold three or more products with the bank, reflecting our successful transition from a monoline offering to a full-bank proposition. This shift has led to a 32% increase in engagement among this client base, as they adopted the full-bank offering. These are very encouraging results.

We are enhancing the user experience in the super app and improving results. Over the past 18 months, we have launched 19 key products and posted a 25% increase in SuperApp usage per client. This has significantly boosted frequency, activation, and engagement across our digital channels.

For example, our recently launched digital savings feature called “cofrinho” or “Piggy Bank” reached a balance of R\$ 13 billion in less than 90 days, with an NPS of 93 points. It's important to highlight that most of these funds came from a deeper client relationship.

Our expense tracking tool, launched less than 90 days ago, already has 1.8 million active users and an NPS of 85 points. Interestingly, 57% of users were unaware of their largest spending categories—highlighting our ability to address client pain points and promote financial education. This drives engagement, strengthens relationships, and increases long-term client lifetime value.

We now have 15% of our Uniclass and Personnalité client base using Pix Credit, which is a very positive development. This functionality has contributed meaningfully to the growth in our financed credit portfolio. Over R\$ 13 billion in credit limits have been reallocated across cards, allowing clients to define their preferred limits and products. This flexibility has led to over 20% transactional growth in the past three months. Once again, this demonstrates how well-designed digital offerings can radically improve product adoption.

Digital origination of loans—including personal loans and payroll loans—grew 31% compared to 2Q24. This emphasizes digital origination is improving significantly.

Origination of daily financing, such as “Pix Crédito”, overdraft limit, paying bills and credit card instalment plan, grew 72% versus 2Q24. These results reflect the impact of our investments in

technology and modernization. These are very positive results, and we decided to share them with you.

On the AI front, we've deployed over 500 internal use cases focused on efficiency and productivity. We've launched Pix via WhatsApp for our entire client base, powered by AI and transactional capabilities, enabling self-service through intelligent automation. We are making significant progress in both investments and Pix. Transactionality is key to scaling our models.

If you're a client, try it—you'll see the results yourself. Regarding investment advisory, we've launched a 24x7 AI-powered investment specialist pilot, already serving 10,000 clients. As results evolve, we'll expand this solution to a broader base. This is a fully scalable advisory model.

As I always say, having good AI technology is necessary, but not sufficient. What truly matters is combining technological know-how with deep expertise in investment products and solutions, which has always been a core strength of the bank.

Our investment front has always been robust. Our understanding of client behavior, economic cycles, and solution design is what powers what we call Itaú Intelligence. Technology alone, without domain expertise, does not deliver outstanding results. And I believe we've been able to do this in a differentiated way within the industry.

To wrap up, I'd like to invite you to Itaú Day, which will take place on September 2<sup>nd</sup>, from 9 a.m. to 12 p.m. (Brasilia time). This is an event we host for clients, investors, employees, and competitors, where we share more about our journey and strategy, and all members of the Executive Committee join the event.

So, there's our invitation—and I hope to see you soon. We close another quarter posting very solid results, strong across all lines, with high quality, and most importantly, with a long-term view across the balance sheet. We truly believe in long-term management.

We must continue to follow our mantra: capital allocation, portfolio management, resilience, and consistency. That's what underpins the numbers you've seen so far. It's a highly entrepreneurial environment, where people are energized, results are growing, and we're building remarkable things.

I'm very excited about what we've been able to accomplish—without ignoring the challenges ahead. Let's talk more about this, and now I'll join Gustavo for our traditional Q&A session.

Thank you for your trust and for being here. See you soon.



## Q&A

### **Gustavo Lopes Rodrigues (Investor Relations Officer)**

Hello! We're back live from our studio for the Q&A session. Before we begin, I'd like to remind everyone that this session is bilingual—we'll respond to questions in the language in which they are asked.

For those who need translation support, our platform continues to offer audio options in Portuguese, English, or the original language. Additionally, questions can be submitted via WhatsApp using the number displayed on the screen.

We're joined now by Milton and Gabriel, our CFO, who will participate in this Q&A session. Welcome to both.

Let's begin with the first question, which comes from Daniel Vaz from Banco Safra. Good morning, Daniel.

### **Daniel Vaz (Banco Safra)**

Good morning, Gustavo. Good morning, Milton. Good morning, Gabriel. Congratulations on the earnings. The capital generation was impressive, showing that the bank is well-positioned to execute its strategy of distributing dividends to stockholders when capacity allows. We've already seen some headlines about this toward the end of the year.

But I'd actually like to shift focus and talk about Rede. We saw TPV, the total payment volume, increased by 7.5% in the quarter, on a quarter-on-quarter basis. Looking at issuer data, Itaú's TPV was closer to 5%, similar to Bradesco and Santander. This suggests that you may be gaining market share in recent months.

I'd like to understand the strategy behind this. Where are you seeing greater competitiveness? What initiatives have already been implemented? Is there a targeted offering for specific client segments that could help us better understand Rede's strategic direction? Again, congratulations on your earnings.

### **Milton Maluhy Filho (CEO)**

Thank you, Daniel. Great to see you again and thank you for your opening remarks.

Regarding Rede, we've been releasing Rede's results less and less on a separate basis, as it's been a long time now since we started incorporating these results into the bank's strategy. We now take a flow-based view rather than a product-based view of acquiring. When you compare card market TPV to total flow TPV, cards represent just 4% of the total flow.

So, for us, it's much more important to look at the completeness of the offering and the client-centric view—that's how we approach it. Of course, we monitor other indicators. Rede's results are embedded in our reporting structure. We've grouped them under "Payments and Collections." What you see there includes MDR and FLEX revenues, such as rental income. Meanwhile, RAV (receivables discounting revenue) results and FLEX's financial cost are reflected in the margin with clients.

Therefore, it's difficult to isolate Rede's performance or take rate from this structure. Market share is not a goal for us. I always emphasize this point: market share is a consequence of everything we do and believe in.

We focus first on the right client, the right pricing, and a holistic view of the relationship. Market share follows naturally. We don't manage the business by chasing market share, as we've seen in some cases where companies operate with negative contribution margins—essentially renting market share. While this may bring volume and big names, it doesn't translate into results and can even detract from performance. The result at the end of the day, and many times it is more like a criticism. The outcome of everything we do is our leadership position. But we can leave this position, of being the number one. This is not necessarily an issue, as we know that the bulk of the volume, when it comes to market share, concentrates in big names. We know that results and contributions are much lower, MDR rates are too tight and many times we end up recording a negative contribution margin in the operation.

We remain committed to our strategy. The integration was a success, and we're very pleased with the results and how our commercial teams engage with the acquiring business. Acquiring is simply another way for clients to receive payments, alongside other options.

That's how we manage the business—through natural flow that creates value. We continue to focus on deepening our share of cash and share of payments. That's how we view client relationships.

#### **Gustavo Lopes Rodrigues (IRO)**

Let's move on to the second question, from Renato Meloni at Autonomous, who's already on screen. Good morning, Renato.

#### **Renato Meloni (Autonomous)**

Congratulations on the earnings again and thank you for taking my question. I'd like to touch on the financed credit card portfolio you mentioned during the presentation. It's interesting to see it growing faster than the overall credit card portfolio, while you're increasingly focusing on the Personnalité and Uniclass segments. That suggests you're improving portfolio profitability without necessarily increasing credit risk.

So I'd like to understand what initiatives or new products you're developing and deploying in this segment. Also, was this a relevant contributor to your net financial margin with clients this quarter, and do you expect it to continue throughout the year?

#### **Milton Maluhy Filho (CEO)**

Thank you, Renato, and thank you for your opening remarks. We've seen very healthy progress. This quarter, especially in the margin with clients, we saw a significant contribution.

I believe this is the result of a combination of factors. The margin from financed credit cards is one component, but not the only one. That's why we chose to highlight and break out the personal credit portfolio—to show that revolving credit is also performing well. There is the matter of some seasonality, as there is a natural rollover from the last quarter, from the first to the second quarter. It has to do with a tendency and greater propensity to seek financing. That's one factor.

The second factor is the evolution we've been driving in the client's journey. When we penetrate segments like Uniclass—and especially Personnalité—with this product, it demonstrates how we can bring digital products to life in the context of the client's journey and transaction.

Often, the customer is making a short-term purchase and receives a discount for paying via PIX. It makes sense for them to finance that purchase under competitive conditions. Of course, we adjust rates based on the customer's profile and segment—more on the profile than the segment, as we're able to hyper-personalize offers. That's what we've been seeing.

So yes, there's an expansion of PIX Credit within the credit card framework. We believe it's the best chassis for contextual, journey-based financing.

In short, I'd say this is a combination of initiatives. It contributes to the margin with clients, and when you break down this line, there are more contributing factors, such as average volume and liabilities. Looking specifically at product mix, which has a strong contribution, there's definitely an impact. Revolving credit also contributes, and there's a third positive impact on the mix: the growth we've seen in retail SMEs compared to the Middle segment, as we report MSME.

I believe that these three lines are the major drivers for the good margin with clients. I believe we've reached a relevant level of maturity this quarter, and we probably won't see the same level of growth in the coming quarters, given that maturity.

This quarter, especially in the margin with clients, with—and expanding a bit on your question—we saw important growth driven by several positive factors: growth in revolving credit, financed cards, government-related products that expand the net financial margin; we had one extra business day, which also impacts results.

We also had early recognition of results from structured wholesale operations that we expected to materialize in the second half but came earlier. So, it was a combination of very positive factors.

Looking ahead, I don't think we'll see the same acceleration we saw this quarter, but even so, the guidance was revised, and we believe we'll deliver stronger results for the full year than originally planned.

**Gustavo Lopes Rodrigues (IRO)**

Thank you. Let's move on to the third question, from Mário Pierre at Bank of America, who's already on screen. Mário, over to you.

**Mário Pierre (Bank of America)**

Good morning, everyone. Again, congratulations on your earnings. Milton, what impresses me most is that the bank is already delivering strong results and generating significant capital, yet management still seems unsatisfied—you're always striving to improve.

What caught my attention was the extraordinary expense this quarter—nearly R\$600 million—allocated to restructuring. Could you elaborate on the measures being considered? I

assume this is primarily related to reducing the bank's physical footprint, but could you share any targets or goals around sustainability, efficiency, or branch count? Thank you.

**Milton Maluhy Filho (CEO)**

Thank you, Mário, and I appreciate your opening remarks. I believe the point you raised reflects our culture—it's deeply embedded in our organization's DNA: the drive and intensity to improve every single day. We're never fully satisfied. Of course, we celebrate strong results, but that celebration is brief because the challenges ahead are significant. We're always looking toward the next day and what's coming, aiming to exceed both our own expectations and yours. This performance-driven culture has long been a defining trait of our organization.

Regarding this specific restructuring provision and its efficiency: when we look at the scale of investments the bank has made over the years, it's clear we've built an increasingly scalable and digital platform. To remain competitive, we must continue evolving our efficiency ratio—not only to deliver value through digital solutions and productization but also through pricing, so we can compete effectively and operate in credit pockets where lower efficiency allows for greater risk absorption than we can currently accommodate.

We've made restructuring provisions in the past, and I want to emphasize that this is not a recurring non-recurring item. If you look at our financial statements, we last made such a provision in 2019. Now, in 2025, we're making another one with similar characteristics. These provisions are made when we look ahead and recognize that we're entering a phase of harvesting the investments we've made. So yes, it's extraordinary and non-recurring.

We'll continue advancing our digital agenda. The progress I mentioned earlier with One Itaú—which is a key enabler for our super app strategy—has delivered incredible results. The acceleration of our digital transformation allows us to be more ambitious in our plans, and that's exactly what we're doing.

Looking at efficiency, we've once again achieved a highly competitive ratio this semester. We may see some volatility in the efficiency ratio in the coming quarters, as it naturally reflects revenue and cost dynamics. But directionally, we need to improve efficiency in areas where we must be more competitive. Some of our wholesale operations are already global benchmarks in efficiency, but we still see significant opportunities to improve in retail.

That said, everyone has work to do—it's not a challenge for one segment alone, though the degree may vary. We've made meaningful progress on this agenda. Gabriel, who's here with me, has been leading this effort across the organization. It's not a finance initiative—it's an enterprise-wide effort. It's not a project owned by one area; it's a collective endeavor. And I believe we've now entered a strong execution phase. We've spent a long time investing, and now we're in a period of meaningful execution. We expect to advance these restructuring efforts over the coming quarters and years.

We don't provide footprint guidance. Ultimately, footprint is a consequence of client demand. It's natural to see traffic decline by half over relatively short periods. We continue to adjust our footprint accordingly. There has been a reduction, an adjustment, and we'll keep refining it as needed to ensure the sustainability of our service models and value propositions.

So, this has been our focus. We'll undoubtedly work – we are already working – on it. This provision is the clearest implementation of our plans and the broader execution of this strategic project.

**Gustavo Lopes Rodrigues (IRO)**

Thank you for the question, Mário. Let's now move on to Yuri Fernandes from JP Morgan. Yuri, over to you.

**Yuri Fernandes (JP Morgan)**

Good morning, everyone. Thank you, Gustavo. Congratulations, everybody. Another very strong set of earnings, with solid capital generation across the board.

I'd like to ask about the fees services line, which I believe is another key variable in your Efficiency ratio. It seems to be the only bank's line that is lightly weaker – but I understand the logic of it. I believe the bank has sacrificed some service lines, such as revenue from current accounts, decreasing by 15%, due to the focus on the client vision.

Could you please comment on it, Milton? When do you think this line should stabilize? Drawing on the example of the current account, this is a line that has been very lower, weaker in fact. You've provided some very cool data in your 'Net New Money' presentation: the consórcio is performing well, as well as the insurance line.

So I'd also like to understand whether your efficiency improvement plan includes any stabilization in fee service revenues. And if possible, could you break it down between retail and wholesale? Interestingly, the weaker performance this quarter came more from wholesale than retail, which was unexpected. Any insights into the trajectory of this line would be helpful. Thank you again, and congratulations.

**Milton Maluhy Filho (CEO)**

Thank you, Yuri, and thank you for your words and for joining our call.

I think we need to break this down into a few chapters. First is transactional activity. In retail, transactional volumes remain very strong. As I mentioned earlier, we distinguish between "good cholesterol" and "bad cholesterol"—and we're seeing healthy transactional activity across issuers, acquirers, and digital channel engagement. Volumes are increasing consistently and meaningfully.

There are two lines that, directionally, we expect to decline over time, which is why we've changed how we report them. When we present current account fees for individuals, we're referring about fees and packages. We've been reframing these packages. I don't think it tends to zero because, as you create value in the packages – and we've been able to do so – the charge for the package increases, as there will be a different way of serving the client. But we emphasized the direction, due to first the relevance of this line in a quarter and, second, because I think it will continue to fall gradually, looking forward, even if we keep reframing these packages. The deltas, expressed in millions of Brazilian reais, are of little relevance for the entire commissions and fees and results of insurance. Percentages are higher because we are already talking about lower figures, and any variation in this line leads to a rise in percentages.

Looking at cards, it's important to remember that this includes not only interchange revenue but also annual fees and loyalty program costs. For us, card annual fees are becoming increasingly irrelevant, and we've been reducing them as part of our strategy for quite some time.

We're very cautious here—when you increase fees significantly, you reduce the lifetime value of that client and create adverse selection. High-value clients with access to better offers will migrate elsewhere. You lose a client with strong transactional behavior and a solid relationship, and you may attract clients willing to pay a fee but who lack cross-sell potential or deeper engagement. That's a long-term risk we always consider.

So yes, annual fees continue to fall and we are doing this by design. Loyalty programs remain important because we don't view the card as a stand-alone product—it's part of a broader relationship.

Moving on to payments and collections, this includes the entire corporate segment: revenues from Rede, collection fees, payments services, and PIX within the corporate universe. This is a different relationship logic, more flow-driven, and we're seeing positive results.

In the wholesale business, I'd break it into two parts. Economic and financial advisory services were weaker when compared to the second quarter of the previous year, which was historically strong in debt-related activity. The result was stronger last year. There is a lower volume in the market now and this quarter, we had one standout transaction with unique characteristics. Excluding that, overall volumes are down about 20%, which naturally impacts this line.

On the other hand, *Consórcio* administration fees is performing very well, and with strong year-over-year growth. The second aspect relates to performance fees, which also performed well. We had the best performance fee in the market in the second quarter, which reflects added value. Our best expectation is to deliver solid performance fees again in the fourth quarter. It will obviously depend on the market conditions and all the inherent risks of that line brings.

In insurance and pensions, pension plans are delivering solid, growing results—volumes are up, and we also had strong performance fees in this segment, again reflecting added value.

Core insurance is growing very robustly: 25% year-on-year and 7.7% quarter-on-quarter. So we continue to see expansion.

Now, this is closely tied to activity levels. When DCM activity is lower—and given our market share in that space—we naturally feel the impact, which was the case this quarter. Outside of that, we believe the other lines are performing well.

It's important to evaluate these lines not just in isolation, but through the lens of client lifetime value. It's not about growing the line for its own sake. If I came here showing growth in current account fees or card annual fees, I think you should be concerned—not pleased. That would suggest we're not adapting to market shifts or enhancing our value proposition to improve client lifetime value, long-term engagement, and relationship depth.

**Gustavo Lopes Rodrigues (IRO)**

Thank you, Yuri. Let's now move on to Bernardo Guttmann from XP. Good morning, Bernardo!

**Bernardo Guttmann (XP)**

Good morning, Gustavo, Milton, Gabriel. Thank you for the opportunity to ask a question, and congratulations on your earnings.

My question is about ROE by segment. Retail profitability has surpassed wholesale for the first time in several years. How should we interpret and break down this reversal? Which segments contributed most to the retail recovery? Was it driven more by spread, efficiency, or even improvements in risk profile?

And how does the bank view the sustainability of this ROE differential going forward, especially considering the competitive landscape and more selective credit environment expected in the second half?

**Milton Maluhy Filho (CEO)**

Thank you, Bernardo, and I appreciate your opening remarks. It's a pleasure to see you again.

Back in the third quarter of 2022, when we reached 16.4% retail profitability, I told you we weren't satisfied with that level. We were coming out of a more challenging credit cycle, but we were confident we would catch up over the following quarters.

This improvement is the result of a lot of hard work and effort—there's no silver bullet. Naturally, credit and the de-risking we've done across the portfolio played a major role. We've focused increasingly on resilient clients, longer cycles, and have significantly evolved the bank's digital journey and product delivery capabilities. Earlier, I highlighted the progress of our digital acceleration program and everything we've achieved.

This quarter, specifically in retail, we saw a meaningful expansion in net financial margin. Financed credit cards grew, revolving credit grew, and we benefited from funding. Next quarter, we expect to see some pressure on capped products. Credit costs declined nominally this quarter. So, when you look at retail, we managed to grow and expand margins with client while reducing credit costs—this was the main driver.

We believe that this level of profitability is sustainable, though some volatility is natural. This quarter benefited from a favorable alignment of several factors, but the profitability level remains very comfortable. Our BUPJ retail segment has consistently delivered strong returns and continues to improve. The major catch-up occurred in personal retail, where we've shifted to a new profitability level, and the business is now creating value for the organization.

Even in more volatile products like cards, we no longer manage by product view, but we still maintain high profitability and generate significant value. So, it's a combination of contributing factors.

The efficiency agenda is paramount, as we'll have to increasingly advance. It will be a key driver of long-term profitability. We're very focused on that.

As for wholesale, we don't typically break it down, but I'll share something relevant. When we separate Brazil and Latam, Brazil is running at 30–31% profitability, combining WMS and Itaú BBA. Latam is around 15.8%, close to 16%, also creating value.

So, even though retail expanded, wholesale continues to deliver solid results in Brazil, around 30% across all business lines. That's the advantage of having a diverse, relevant portfolio—we can navigate both wholesale and retail with strong profitability. That's the strength of a universal bank with deep presence and market leadership in most of the segments we operate in.

**Gustavo Lopes Rodrigues (IRO)**

Thank you, Bernardo. We now have Henrique Navarro from Banco Santander Brasil on screen. Good morning, Navarro!

**Henrique Navarro (Banco Santander Brasil)**

Good morning, everyone, and congratulations on the earnings. My question is about the corporate loan portfolio. This quarter presented some headwinds—such as IOF tax and FX volatility—yet you still managed to deliver very strong growth in this portfolio.

My question is: what's driving this growth? What's the DNA behind it? Was it capital markets activity? A more aggressive credit policy? And what should we expect for the coming quarters? Thank you.

**Milton Maluhy Filho (CEO)**

Thank you, Henrique. Great to see you again.

Indeed, as you mentioned, FX effects were relevant this quarter, given the portfolio's sensitivity to foreign currency. The growth in wholesale business is driven by the volume of operations to which we end up adding portfolios, without changing appetite—which I believe is the most important point. This reflects our strong portfolio management discipline.

Within Itaú BBA, we serve large corporates across multiple segments. We've been able to grow the portfolio with quality, eliminating the effect of exchange rate fluctuations. We also have the Agribusiness line, with a massive performance. We are talking about the Middle market, which is likewise affected by exchange rate fluctuations, but even when excluding currency effects, it continues to expand—though growth is stronger in the BUPJ segment.

There's no single driver here. All segments are gaining market share. And again, we're doing this at the right price. We maintain strict pricing discipline—pricing in terms of capital allocation and return on allocated capital. When we identify excesses in the market—and they do occur—we prefer to lose market share rather than sacrifice profitability or take on undue risk. We've been very disciplined in this regard.

We don't foresee any difficulty in continuing to grow this portfolio at the right price, with adequate profitability and within the full scope of our client relationships. Growth is well diversified, with no major concentrations and no shift in appetite. That's the key point: we haven't become more aggressive or taken on more risk. Quite the opposite—we're operating



with greater caution, given the challenges ahead, such as interest rates and economic activity. We remain prudent, as needed.

**Gustavo Lopes Rodrigues (IRO)**

Let's move on to the next question from Eduardo Rosman at BTG. Good morning, Rosman.

**Eduardo Rosman (BTG)**

Good morning, everyone. I have two related questions.

First, regarding the credit business. This quarter, we saw value creation—ROE came in slightly above the cost of capital. Historically, you've indicated that ROE should hover around the cost of capital, with excess returns coming from other business lines. But the retail business has changed, especially in the lower-income segment.

So my question is: should we expect this number to continue rising? And to build on that—if the efficiency improvements you've mentioned materialize, could the bank's risk appetite increase? Could we see more growth opportunities for Itaú? Perhaps even a scenario where payout is reduced to reinvest more and grow further, while maintaining high ROEs? Thank you.

**Milton Maluhy Filho (CEO)**

Thank you, Rosman. Great to see you again, and I appreciate your opening remarks.

Yes, this was a very strong quarter for credit, for the reasons I mentioned earlier: margin expansion and a very well-behaved credit cost. In retail business specifically, we've seen nominal declines in credit cost, which is a highly relevant point.

There were some questions around this quarter's formation. It's important to clarify that we manage the bank based on expected loss. The main effect for the provisions was the NPL 15-90 of last quarter. When it migrates to the NPL 90 portfolio, a good portion of the provisions has already been recognized. That's why we see that the coverage ratio – which is not how we manage the bank – on NPL. We recognized a provision on formation of 120% in the last quarter and, in this one, close to 100% in retail even below 100%, it was 98%.

This shows again that we have an expected loss. This NPL 15-90 – that's why I talk about the importance of this breakdown by segment – has driven the expected loss at the balance sheet. Anything different from that means that you are operating at a loss in the run, not necessarily at an expected loss. I just have to make this clarification.

Even so, formation remains aligned with the portfolio and within expected volatility. Remember that there is a seasonality in the first quarter, which is important for the second quarter, which is the rollover of the NPL 15-90, typically migrating to NPL 90 and then normalizing. I've taken advantage of your question to clarify this aspect as well.

This quarter was rock solid in terms of net financial margin, and loans have performed well. If you look at the end of the curve, the cost of capital is closer to 15. So, since we are looking at the average cost of capital, an average ROE, it ends up creating value. If we were operating at 15 on average for the entire quarter, we would already be slightly below the cost of capital. So you're always running up against the cost of capital.

It will be highly dependent on the interest rate cycle in Brazil, and on the bank's cost of equity in the long term. With the entire efficiency agenda, we continue to believe that it's ideal for us to work close to the cost of capital, as thus we'll be able to naturally evolve in our client relationship. That obviously changes from segment to segment.

Much of this is tied to the credit we've originated in recent years, which has brought very positive quality and strong value creation. So the outlook for credit remains positive.

As we make stronger adjustments to the Efficiency Ratio, we'll have more opportunities for the loan operations facing challenges today – as their profitability is not reasonable. We'll thus be able to reach out to other target audiences we have no access today due to this limitation in the Efficiency Ratio.

This is where we are advancing. Our goal is not to have a high payout. But rather to reinvest the bank's capital in adequate profitability and distribute naturally the excess that will not be used.

With the full migration to One Itaú and the progress we're making in the retail business, especially among individuals, our expectations for efficiency improvements will undoubtedly allow us to tap into underserved pockets and client segments we currently under-serve or cannot serve fully. There's a significant growth opportunity here. One Itaú is already enabling this, and as we continue improving efficiency, I'm confident we'll have room to grow these portfolios further.

**Gustavo Lopes Rodrigues (IRO)**

Let's move on to the next question from Thiago Batista at UBS. Good morning, Thiago.

**Thiago Batista (UBS)**

Good morning, Gustavo. Good morning, Milton and Gabriel.

I'd like to follow up on the questions from Rosman and Mário regarding efficiency. Are you now comfortable saying that your retail banking app—not One Itaú, but the standard retail app—is already state-of-the-art, to the point where physical branches have become secondary or less relevant in the client relationship?

I wanted to ask another question, now concerning the asset quality: you are clearly very comfortable with the evolution of the loan portfolio in the coming six-month periods, potentially up to next year. Is this a specific factor for you, that you were able to focus on more defensive clients, slightly moving away from riskier clients? Or, for the market as a whole, would you have a similar view that portfolio or asset quality is not a niche, thinking about the second half of the year?

**Milton Maluhy Filho**

Great, thank you, Thiago. It's a pleasure to see you again, and I appreciate your comments.

I'll start answering the second question. But I promise to answer both of them. On cost of credit, the Bank's very clear strategy to carry out a long-term portfolio management, both in the wholesale and retail business. We experience a few bumps on the way, a little volatility in our figures. But when you carry out a management having a longer cycle in mind, you can have a

better control over the credit quality. You define the audiences, you can better group the base into “clusters”, you can define the boundaries of the appetite for cluster. In this sense, you navigate consistently, in a much less volatile way.

The worst that can happen in a credit relationship is the stop and go, where you offer and then have to stop. An abrupt stop takes away the predictability of the client and the bank in the results. I believe this is one aspect.

I'll give you two market indicators – and I'm not doing any kind of qualification here, as it is basically what we see. I think that the performance has two indicators of credit delinquency that we monitor and are important, as disclosed by the system: credit cards and vehicles.

In the last quarter, delinquencies in the payment of credit cards rose to 100 points. One could always say that the criterion for write-offs has changed. The fact is that ours went up 20. When comparing it with the market performance – and our write-off criteria didn't change – we saw the performance in the industry that was different from what we've observed. Remember that we are 25% of the ballpark in this market. Thus, when you exclude Itaú from the sample, the impact is really more significant.

This doesn't change for vehicles. Sometimes we hear that “what caused this in vehicles could be the change in the write-off or in the write-off policy”. Things do not work that way. NPL 15-90 for payments of vehicles is also stronger than what we've already observed. And this NPL 15-90 hasn't caused by a write-off policy.

We remain very consistent. We've gained market share among clients deemed as the organization's target audience, with significant market share and a double-digit growth. So, this is a management strategy. I believe every bank has its own strategy, policies and criteria. This is ours, and I believe it has proven its consistency, especially when you allocate capital correctly in transactions and look at the profitability with capital allocation. I believe this has been a major driver.

Concerning the first point, I'd like to emphasize all the investments we've made in the Super App, in the digital journeys, in the completeness, aside from transnationality. We cannot force the client to go to the branch. The client goes to the branch if they want to do so. Every digitization and modernization journey of the bank had such logic. Allow the client to self-serve in the Super App to the extent they deem necessary. If the client wants to use the remote service or go to a branch or talk to the manager at a digital branch or to an investment consultant, or a real estate or insurance consultant, they can do so, the decision is up to the client.

We cannot force the client to make transactions through a given channel due to lack of completeness of the offer. This is what we've been striving to do. We've been very satisfied with the evolution of our Super App. We look at both the absolute NPS and competitive NPS. These two levels are impressive. We drastically reduced the difference to digital, which had much higher NPSs. From a quality point of view, we are in the same competitive arena today, with the opportunity to continue evolving.

Our ability to release and launch new products – we launched 19 new products in the last cycle, has shown the results today. This digital production capability is the bank's new normal. It's not

a project, it's not that we delivered a product, it's not the output ("I delivered the product, and it's over"); rather, it's the outcome, it's engagement, it's activation, it's greater share in client relationships.

I understand this is the bank's new normal. We'll have a digital bank for clients who want to be 100% digital. But we have 70 million clients with very different profiles. There is the retiree who wants in-person service, while other specific audiences require remote service for specific products. I believe this is our advantage: being able to meet the client's needs in all their needs. I have no doubt that the entire Super App will be a facilitator, an enabler for the evolution of the Efficiency Ratio of the retail business.

**Gustavo Lopes Rodrigues (IRO)**

Thank you. We now have Gustavo Schroden from Citi on screen. Schroden, over to you.

**Gustavo Schroden (Citi)**

Good morning, Gustavo. Thank you. Good morning, Milton and Gabriel. Congratulations on the solid results and continued growth—well done.

I believe we've already covered the bank's strategic positioning quite thoroughly, and it's clear where you stand. I'd like to shift focus to a specific topic: private payroll loans.

It's been two or three months since the product launched—maybe a bit longer. Milton, could you share your assessment of how the product is evolving and how Itaú plans to position itself with "*Meu Consignado Privado*"? Thank you.

**Milton Maluhy Filho (CEO)**

Great, Gustavo. Thank you for your comments and for joining our call.

This is indeed a product in evolution, as you rightly pointed out. From the outset, the concept made a lot of sense, and we've seen the portfolio grow steadily in the market. It's worth noting that this was historically a R\$40 billion market, but one that was highly concentrated in specific payroll agreements. We've consistently held around 30% of that market, so while our share is significant, the market itself has been relatively small.

That said, it's expanding, and we've seen the portfolio evolve over recent months. Initially, there was more activity, followed by a slowdown due to operational issues and risk aspects-related factors. Just for the record, talking about platform, modernization and technological capacity, we were one of the first banks, along with Banco do Brasil (here, citing a specific case) to enter into this niche. This for a very simple reason: the understanding and ability to adapt to the changes being made.

Being involved from the beginning gave us valuable learning opportunities throughout the platform's evolution. We've not only navigated the operational challenges but also refined our strategy. It's now very robust, with a clear matrix defining which client segments we want to serve and how we intend to grow. And we've been able to grow with quality.

We ended up having 30% of the production share in certain weeks. To give you a figure, in the aggregate we've been running at 11%, 12% of the production market share. Again, looking at

the target audiences, the share is much larger, because there were many non-account holders, many segments and higher risk clients in which we chose not to participate in the offer.

The portfolio continues to grow, and we've been able to maintain highly competitive pricing. If you look at the market's pricing curve, we're among the most competitive players—which speaks to the quality of the clients we're reaching with this product.

We've also successfully transitioned from the legacy product to the new one, reaching production volumes comparable to what we had previously. That shows a clear ramp-up over time. Today, we're well-positioned, with well-structured teams, and we're very pleased with the progress.

We've observed two challenges. First, while delinquency levels are higher across the market, that hasn't been the case for us. Our delinquency remains well-controlled. Second, from an operational standpoint, we've seen issues with payment transfers—two installments have already been paid, and we've seen meaningful improvements in transfer reliability from the first to the second. There's still room for further improvement, but we've found mechanisms to move forward even in these cases, given the client profiles we're working with.

We're optimistic about the product's evolution. There's still a long road ahead—companies need to adapt, borrowers need to adjust, and entities like Dataprev and CTPS need to continue doing their part. But overall, the outlook is positive. It's not yet a game-changer in terms of volume, but directionally, it's a very promising path.

**Gustavo Lopes Rodrigues (IRO)**

Let's move on to the next question from Marcelo Mizrahi at Bradesco. Marcelo, over to you.

**Marcelo Mizrahi (Bradesco)**

Hi everyone, hope you're well. Thank you for the opportunity to ask a question, and congratulations on the results.

I'd like to revisit the topic of growth. I understand the message, but when we look line by line, several areas showed slower growth compared to the previous quarter—whether in personal loans, credit cards, or auto loans. Even SME portfolio growth seems to have decelerated somewhat.

My question is about guidance. When we look at your guidance, the only line that appears slightly at risk is portfolio growth. Could you comment on whether you considered revising the guidance? If the guidance remains unchanged, how confident are you in reaching the midpoint or the lower bound? What should we expect in the coming quarters, and which portfolios are expected to drive that growth?

And as a follow-up, regarding dividends: it seems the payout ratio could be higher this year than last. It may be too early to say, but anything you can share would be appreciated.

**Milton Maluhy Filho (CEO)**

Great, thank you, Marcelo, and I appreciate your opening remarks. It's a pleasure to have you on the call.

You're right to point out the difference between actual and projected performance. When we review guidance, we do so line by line. We've revisited all components, and if better information becomes available, we'll make adjustments as needed. But yes, portfolio growth does appear to be the most challenging line, so your observation is valid. That said, we are reaffirming our guidance.

The best information we have today includes the impact of exchange rate fluctuations, which are significant. As the Brazilian real appreciated against other currencies, that worked against us—especially in consolidated portfolio guidance. So FX explains part of the behavior. It's difficult to forecast currency movements for the second half, so we don't know whether it will help or hinder portfolio growth. Still, we believe all segments, as planned for this year and reflected in our guidance, will deliver as expected.

We don't provide point guidance, so I won't say whether we're aiming for the midpoint. We provide a range, and we still believe that range represents our best expectation for portfolio growth. If anything changes, we'll adjust accordingly. But we remain confident in our ability to deliver based on the information we have. Of course, this depends on the macro environment, the credit cycle, and demand. We've seen softer demand, influenced by higher interest rates, among other factors.

Growth is well distributed—there's no single segment driving it. We continue to grow with quality in personal, SME, and large corporate portfolios. Some may grow more than others, but no segment stands out as the sole driver. Again, we're operating within our initial expectations.

Now, on payout: we don't provide payout guidance. You asked whether it's too early—I'd say yes, it's still a bit early. But directionally, I can say we've been able to grow capital with high quality. We expanded our CET1 ratio by 50 basis points, and by 60 basis points when adjusted for the IOC provision. So we're maintaining a solid pace of capital generation.

We still have the entire second half ahead of us, so we'll wait to see how we perform over the next two quarters, and how the macro and micro environments evolve. If we deliver strong results, we'll revisit our projections next year, including portfolio growth and investment opportunities. Naturally, we'll assess our appetite, and we've been using 12% CET1 as the benchmark for dividend distribution.

We also have some regulatory impacts ahead—operational risk and credit risk adjustments. We've already paid the first installment, in four interest-free tranches, as required by the Central Bank. We expect another impact in the first quarter in the next year. With these projections, we'll be able to calibrate effectively.

Our goal isn't to retain excess capital unnecessarily. What used to be extraordinary payments has now become an additional dividend distribution. That's how we've been operating—it's become recurring, as we've consistently generated a strong capital base. Our best expectation is that we'll continue to make additional payments, using the same modeling logic we applied this year. Next year, with more information, we'll provide further details. But we're optimistic.

**Gustavo Lopes Rodrigues (IRO)**

Now let's switch to English, as we have a question from Tito Labarta at Goldman Sachs. Tito, the floor is yours.

**Tito Labarta (Goldman Sachs)**

Great, thank you, Gustavo. Hello, Milton. Hello, Gabriel. Thank you for the call and for taking my questions. Congratulations on the strong results.

My question is about your long-term sustainable profitability. Your ROE is very strong, you have excess capital that could be returned, and there's still room to improve efficiency. So, if you continue to build on what you've already achieved, ROE could potentially rise further—perhaps to 24% or 25%. Of course, the cycle could shift, and interest rates may change.

But how do you think about sustainable profitability? I ask this in the context of the competitive environment. You've reduced exposure to lower-income segments, where competition is intense, and now many players are trying to move into the high-income space—where I believe you have a competitive edge.

Given this fluid competitive landscape, you continue to deliver strong results. What do you believe is the right level to maintain a sustainable ROE? I'm looking for a general view, considering all the moving parts involved. Thank you.

**Milton Maluhy Filho (CEO)**

Hi Tito, thank you for your opening remarks. It's great to see you again, and I appreciate your participation.

In terms of long-term ROE, we don't provide formal guidance—and we never have. We still believe that's the best way to give you a fair and balanced view of how we project the bank's future performance.

As you mentioned, there are many relevant factors: macroeconomic conditions, business activity levels, and ultimately, the cost of equity. If the long-term cost of equity changes, ROE could behave differently. That said, we are always focused on capital generation and value creation—that's our core mantra and the foundation of how we manage the organization.

Looking at this year specifically, I don't think it's unreasonable to say that something around 20% or more is a fair expectation. That's implicitly reflected in the guidance we just revised. And we believe we still have the capabilities and performance to continue delivering strong profitability.

Of course, this depends on competition—and competition is always intense, across all segments. We know there are several very capable banks working hard to grow in the same areas where we lead. But we believe we have the capabilities, the teams, the structure, and the benefit of years of investment to compete effectively and maintain a strong position across all segments in which we operate.

With the information we have today, I see no reason to expect profitability to fall below the levels we've been delivering. That said, I'm not forecasting ROE—please don't take it that way. I'm simply saying that the current level of profitability appears sustainable.

We'll see what challenges arise in the coming quarters—whether in Brazil, in macro or micro conditions, in competition, interest rates, or business activity. All of these factors have a meaningful impact on profitability. But for now, I don't see any reason why we shouldn't continue delivering strong returns.

**Gustavo Lopes Rodrigues (IRO)**

Let's continue the discussion in English, as we now have Nicolas Riva from Bank of America on the call. Nicolas, great to see you—please go ahead.

**Nicolas Riva (Bank of America)**

Thanks, Gustavo. Great to see you again, and also Milton and Gabriel.

Milton, I have a question regarding your AT1 instruments, which I believe you briefly mentioned earlier. You announced the redemption of two dollar-denominated AT1s. My first question is: I assume there won't be a new dollar AT1 issuance at this time to replace the 55 basis points—please correct me if that's not correct.

Then, to another question: on the announcement, you've mentioned the impact on capital is 55 basis points of the redemption of both AT1s, but can you distinguish between the impact on the Tier 1 capital and on the Tier 2 capital? And what are the reasons for the impact on Tier 2 capital if you redeem both the AT1s? From what I understand, AT1s count 100% as AT1 capital before and after the call day.

**Milton Maluhy Filho (CEO)**

You're absolutely right, Nicolas—there is no impact on Tier 2 capital.

To be clear, what we did was manage liabilities, as we see a good opportunity for issuance in Brazil. We made almost R\$10 billion in issuances in the first half of the year and, more recently, R\$5 billion in local AT1s. That's a very good market, a deep market in good conditions.

Given that our CET1 ratio stand at 13.1%, we don't think we need to have full strength in AT1s of 1.5%. We are very comfortable going back. After all these redemption options, the \$700 million and \$750 million AT1s, we should stay below 1.5%. Our best estimate, which we are very comfortable with, is 1.3%.

In the short term, with the market conditions we've observed, we do not anticipate going to the international market to issue new AT1s. Of course, if an opportunity arises in Brazil, at a good price level, we can have more issuances, and we'll always be mindful of the 1.5% regulatory cap. While our total AT1 outstanding is currently around 1.8% to 1.9%, but we can only recognize up to 1.5% for regulatory capital purposes. That's why we disclosed the figures exactly as presented.

For the others, who are winning in Tier 2, we've got options and purchase options until the end of the year. So, it's still too early to anticipate what we will do. We'll take into consideration the level of capital allocation in Tier 2, which is a relevant piece of information for deciding whether or not to redeem these bonds. Of course, taking into account that you are decreasing the level of capital allocation in Tier 2.



So there is no impact on Tier 2, 100% AT1, tier 1 capital in Tier 1, and that's what we announced yesterday with the published results.

**Gustavo Lopes Rodrigues (IRO)**

We'll now return to Portuguese for the next question from Eduardo Nishio at Genial. Nishio, please go ahead.

**Eduardo Nishio (Genial Investimentos)**

Good morning. Thank you for the opportunity. Good morning, Milton, Gustavo, and Gabriel — and congratulations on the earnings.

I have two questions. The first question concerns your entry into new credit niches, probably more in the low-income segment and, with the improved individuals portfolio, rates improving significantly throughout the year, improved One Itaú, the rollout of One Itaú, and reduced footprint, I wanted to know if you are already revisiting this mass-market strategy and what is needed to get there. What is needed to reduce costs, what efficiency do you aim for in this segment?

My second question concerns delinquency. We've seen the industry worsening for a while now, for about six months, consistently in the industry, and you came up with great figures. You've already explained a part of this aspect here. The SME segment is expected to be normalized up the end of the year, with the individuals segment remaining very low. What is the main reason for this improvement vis-à-vis what you had before? What do you think has improved, and is it possible to stay with this discrepancy compared to the industry for a long time? Are the new harvests still coming in very good conditions for you to keep such a big gap in relation to the industry? Thank you.

**Milton Maluhy Filho (CEO)**

Great, thank you, Nishio. It's a pleasure to see you again, and I appreciate your opening remarks.

Let me start with your second question. Based on the information we have today, we see no reason to expect any disruption in credit performance. Looking ahead, we remain very comfortable with delinquency levels. Regarding SMEs, we expect normalization of delinquency indicators in the range of 10 to 20 basis points—well within expectations. It's a mechanical effect: when there's no grace period and the portfolio denominator is growing, the indicator naturally improves—artificially, in a sense. As it normalizes, it returns to levels still well below what we've seen in previous cycles.

Brazil is cyclical, and we must remain attentive to the cycle and economic activity. With the data we have today—including our reaffirmed credit cost guidance—we believe this is the best available information. We saw strong expansion in net financial margin this quarter as a result. We've been able to grow with quality, and we see no reason why that shouldn't continue.

All these harvests are aligned with our target client profiles. This long-term portfolio view is key to sustained performance. Of course, volatility can always arise—we've seen that many times in Brazil. But I believe our portfolio is more resilient than in previous periods.

Given our diversification, portfolio management discipline, and the way we've been managing both wholesale and retail credit, I believe our portfolio is less volatile than what we're seeing in the broader market. And that includes significant penetration in products like credit cards, where we're market leaders with a strong position relative to the second-largest player.

Although we have some historically more volatile products, we've been able to significantly grow with quality in our target audiences. We won't give up a well-aware, careful and balanced management for short-term targets, as we know that after two, three years we'll still be paying the cost of credit.

We aim for positive present value in every decision. That's how we manage the bank's balance sheet, and we're very comfortable with our position. This applies to all retail portfolios and to wholesale as well.

I've seen increased interest in agribusiness this quarter, along with some questions about performance. It's a sector that—just to zoom in briefly—has faced more challenges over the past two years: tighter margins, commodity price fluctuations, unprecedented climate events in some regions, and higher funding costs due to rising Selic rates. After three or four very strong years, the last two have been more difficult.

That said, I think it's a good example. While the market has seen more volatility in this portfolio, ours remains well-balanced. We're present in all major crops, with carefully selected geographic distribution and diversification across agribusiness activities—from large clients to high-revenue rural producers. We've focused on resilient regions and well-defined crops. Our performance has been solid, and our indicators reflect healthy results despite the challenges.

To give you a relevant figure: our agribusiness portfolio is around R\$130 billion. When we look at the percentage of judicial recovery (RJ) cases in the market, our volume share in RJ is just 5%, despite having a portfolio of R\$130–140 billion. That shows how actively and carefully we've managed the portfolio, with strong collateral penetration and appropriate crop selection.

I wanted to clarify that, as it's a recurring question about agribusiness. The portfolio is resilient, though of course subject to changing conditions.

Now, on your first question about new credit pockets: we're moving step by step. Our goal isn't simply to open credit access—we still have efficiency improvements to capture. One Itaú and the migration process are already laying the groundwork for this segment, and we're observing and working with that base more intensively. But it's a highly qualified segment within One Itaú. We have Uniclass and Personnalité clients—it's not just traditional low-income profiles.

We've de-risked the portfolio, reduced exposure to more vulnerable segments, and that has lowered balance sheet volatility. As we gain confidence in our efficiency ratio, we'll continue evolving our credit models, artificial intelligence, machine learning, and advanced modeling. When the opportunity arises, we'll expand in a consistent and disciplined way.

We're not in a rush—we want to do it right, always with a long-term view.

**Gustavo Lopes Rodrigues (IRO)**

Now, let's switch back to English, as we have Carlos Gomez Lopez from HSBC. Carlos, great to see you—please go ahead.

**Carlos Gomez Lopez (HSBC)**

Thank you for taking the time to answer all our questions. We truly appreciate it. I have two brief questions on areas we haven't covered during the call.

First, regarding corporate spreads: you mentioned how receptive the market has been to your AT1 issuances, and overall, the Brazilian market seems to be operating with very low corporate spread levels today. Do you think this makes economic sense? Do you expect corporate spreads to increase in the future?

Second, could you comment on a part of your portfolio we haven't discussed much—your mortgage credit portfolio? I believe this is currently the fastest-growing segment in your retail business, up 17%. How are you achieving this growth given the high interest rate environment? Thank you.

**Milton Maluhy Filho (CEO)**

Thank you very much, Carlos. You're right—spreads in the DCM market, especially for large corporates, are quite tight, and companies accessing the market have been able to do so at very competitive pricing levels. The same applies to us when we go to market with AT1s, as you mentioned. So this is a trend across the board.

We'll have to wait and see, as there's still strong demand at current interest rate levels. A lot of flows are going into credit, which is why we're seeing these pricing levels. We're optimistic that the credit environment will remain as it is. If volatility stays low, we believe it's possible to maintain these pricing levels. However, this will depend heavily on market volatility and credit conditions. If volatility increases, we may see pricing adjustments, but that's not our current forecast.

The market has been very active, although volumes have been lower than last year; however, the price level is still very competitive, and companies that have a long-term liability management program or infrastructure investments are taking advantage to operate in the long-term and carry out issuances at this price level. This is what we've witnessed.

Now the second question, concerning mortgage loans. Although I think the entire industry is over-operating in savings-related products, we are striving to match prices with what we have in savings. In the private sector, we are the top bank in terms of volume. That's why we still have less necessity of it, although we still need to access the market with other instruments, such as letters of credit and similar products. We've accessed markets with other instruments, such as LCI, to create a good funding mix.

We've been very disciplined on pricing, which is key. Ultimately, we continue to see strong demand from high-quality retail clients—segments we believe are more resilient and have higher income levels. That's where we've achieved solid growth.

In terms of market share, we've reached 45–46% among private banks. We know this product is crucial for long-term client relationships. Our advantage lies in having larger savings account balances, which makes us more competitive in general reaching these clients.

So, it's solid and consistent growth, and we still see opportunities, especially in retail. On the wholesale side, we have capacity to execute transactions but remain cautious — focusing on existing clients and avoiding riskier credits. We've seen the market take on risks we don't believe are sustainable long-term, so we've been very disciplined in our approach to real estate credit, particularly mortgage products.

**Gustavo Lopes Rodrigues (IRO)**

And now, for our final question, we'll hear from Natalia Corfield of JP Morgan. Natalia, it's great to see you again—please go ahead.

**Natalia Corfield (JP Morgan)**

Thank you, Gustavo. It's great to see you again, and great to reconnect with everyone.

My question is also related to capital, and much of it you've already addressed in response to Nicolas—specifically, that there's no impact on Tier 2, which had left me a bit confused.

I just have one more point to clarify. You mentioned that you cannot exceed 150 basis points in AT1. I had always understood that Itaú considered this an optimal level, but that it could go beyond 150 basis points. For example, Banco do Brasil has done so.

So I just wanted to clarify whether there's been any regulatory change in Brazil that now prevents issuing more than 150 basis points in AT1.

**Milton Maluhy Filho (CEO)**

Hi Natalia, great to see you—thanks for joining.

No, there's no restriction. We can issue as much as we want. However, the Central Bank only allows us to use up to 1.5% of capital in AT1 for Basel purposes.

We do hold more than that at times, for various reasons—such as liability management. For instance, we issued nearly R\$10 billion in perpetual financial notes in the first half of the year. The calls come later, so there's a timing mismatch. During that period, we end up with excess AT1, but only 1.5% is recognized under regulation.

This means the excess carries a higher cost—it's AT1 cost—but doesn't count toward AT1 capital.

So these timing mismatches between issuance and call execution do happen. That's what occurred here: we temporarily exceeded the threshold, which is perfectly fine.

Given the bank's current capital level CET1 (13.1%) and strong core capital generation capacity, there's no need to operate with a fully utilized 1.5% AT1 buffer at all times. We're very comfortable with this—it doesn't affect our risk appetite or dividend policy.

Having more or less AT1 is not a constraint for dividend distribution. Our planning is always based on core equity.

The logic is simple: we saw an opportunity to exercise the calls based on pricing—a purely economic decision—and we’re comfortable operating below 1.5%.

So we don’t feel the need to always be at the limit. We’ll operate at 1.5% if we see attractive funding opportunities in the local market. If not, we’re fine with 1.3% or even less, depending on market conditions and our core equity level.

Over time, this usage may vary, as it has now, but it’s not a limitation or a change in appetite—it’s circumstantial.

And regarding Tier 2, just to clarify—there’s no issue. Any decision on Tier 2 calls will be made later, with more information, considering the capital decay factor, which is key to assessing the economic value of that issuance.

That’s what we’re referring to.

I hope this clears things up.

**Gustavo Lopes Rodrigues (IRO)**

Thank you, Milton, Gabriel, and everyone who joined and listened to our video conference. That concludes our Q&A session. Before we wrap up, I’d like to hand it back to you, Milton, for your closing remarks.

**Milton Maluhy Filho (CEO)**

Once again, thank you all for your participation, your questions, and your kind words.

What stands out here is our culture—the strength of our organization and our collective dedication. We’re all deeply engaged, alert to the evolving landscape, and constantly striving to improve. That’s what has driven the bank’s progress over the years.

We’re pleased with our results, but that’s already in the past. We’ve discussed them—now it’s time to keep working hard for the coming quarters, always believing in the long-term value of our franchise.

That’s our daily focus: sustainable growth, improving customer satisfaction, ensuring customer-centricity, and solving client pain points every day.

We’re at a unique moment—not just in terms of financial results, but also strategic positioning—to face upcoming challenges and continue advancing in our digital journey, artificial intelligence, and all available technologies.

Above all, we remain committed to our clients—and, naturally, to our investors.

Thank you for your trust, your messages, and your questions. Let’s keep moving forward—there’s plenty of work ahead. Thanks, everyone. See you next time.