

Q4 2003 Earnings Call

Company Participants

- Henri Penchas, Senior Vice President and CFO
- Roberto Setubal, CEO

Other Participants

- Carlos Gomez Lopez, Analyst
- Jason Mullin, Analyst
- Maria Martini
- Paul Tucker, Analyst
- Roberto Tobi, Analyst

Presentation

Operator

Ladies and gentlemen. thank you for standing by. At this time, all lines are in listen-only mode. Later there will be a Q&A session, and instructions will be given at that time. If you should require any assistance during the call, please press *0. As a reminder, this conference is being recorded. At this time, I would like to turn the conference over to Miss Maria Martini[ph] from Thomson Financial. Please go ahead, miss.

Maria Martini {BIO 4193153 <GO>}

Good morning, ladies and gentlemen. and welcome to Banco Itau Holding Financeira SA conference call to discuss 2003 results. I would like to mention that a slide presentation has also been made available on the company's website, at www.itau.com during this call. I would also like to remind you that this slide presentation is viewer controlled.

Before proceeding, let me mention that forward-looking statements are being under the Safe Harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from those anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks, and other factors.

With us today in this conference call in Sao Paulo are Mr Roberto Setubal, CEO; Mr Alfredo Setubal, Investor Relations Director; Mr Henri Penchas, Senior Vice President and CFO; Mr Silvio de Carvalho, Executive Director; and Mr Candido Bracher, Vice President of Banco Itau-BBA.

First, Mr Roberto Setubal will comment on 2003 results. Afterwards, management will be made available for a Q&A session. It is now my pleasure to turn the call over to Mr Roberto Setubal. Mr Setubal, you may now begin.

Roberto Setubal {BIO 1525746 <GO>}

Thank you. Good morning, for you in the US. Good afternoon for you in Europe. It's a pleasure to be here to comment on our results of 2003. I'd like to call your attention to the fact that we will comment on three institutions on this presentation. The first institution will be Banco Itau Holdings; the second institution, Banco Itau; and the third institution, Banco Itau-BBA. For those of you connected on the internet, we made different colors for different institutions, so the screens that

you see mostly in black are related to Banco Itau Holdings; those more blue will be related to Itau-BBA; and those more orange will be more related to Banco Itau itself.

Let me start on page two with the results of Q3 and the year of 2003. I will not comment too much on those numbers, because I'm sure that you have all seen those numbers. I just would like to call your attention for the fact that we have increased our net income per share in 29%, which is a great result, and is our more important commitment, which means to bring value for the shareholder.

On page three, I'd like to comment that we have been able to have a return on equity of very high levels for a long period of time. Here we have four years; the average is 28% all those years, and is very high and very sustainable. We have been able to show you the sustainability of our performance. Our capitalization, which you can see on the BIS ratio, has been improving along the years, and our return on assets have been very high throughout the period.

One of the reasons for our performance is our commitment to control costs, which can be seen on page four, that shows our efficiency ratio, which now is nearly below 50%, have been improving year by year. I'd like to comment that we have a very, very strong target for 2004, of only a 1% growth in our expenses, which is much below the inflation that we are living on in Brazil. So this will keep our ratio in a very low level, which is very good, and is preparing the bank very well for the change in environment that we will be living throughout the coming years on an environment of lower interest rates and lower margins.

Page five, you can see the evolution of our assets. This year the growth has not been very big, basically because the combination of Itau and Itau-BBA has meant we could use the liquidity of Itau to fund Itau-BBA, so the combination didn't improve this side of the asset, but made intermediation much more efficient itself, by the combination of the two institutions.

Page six is the growth of our credit operations, which has not been very big, and I will comment in the following screens.

The next one shows the growth in credit operations segment by segment, and we can see basically that we have had very reasonable and important growth in small and medium sized companies, and also in individuals. On the other hand, the corporate side has decreased the size of the credit operations. In these three segments, I have to call your attention that we are placing a very big emphasis on Banco Itau itself "we're talking about Itau, not talking about Itau-BBA, but talking about Itau" is focusing very much now in medium sized and small companies after the creation of Itau-BBA, which is focused on corporate loans for corporate clients.

One of the reasons for the decrease in corporate loans were the fact that we had a revaluation of the Real, so that all the foreign exchange credit operations had a decrease in Real values. This explains one part of the decrease, but you can see also, in page eight, that we had an increase in Reais operations.

On page nine we can see that Itau has kept very strong provisions on loan losses, at a level which can be checked again in page ten, because we have maintained our coverage ratio very close to 200%. You can see also that nonperforming loans are decreasing, especially in the last part of the year, where the economy had an increase in the activity, and this helped the nonperforming loans. We expect that, for the year 2004, an additional improvement in the loan portfolio.

Page 11 we can see the revenues and services. We had important growth of 14% on the year, very consistent with the years that we had before, and this is an important source of revenue for Itau, and we have plans to additionally increase for next year.

On page 12, and here we have to spend some time, I'd like to talk about the expenses. We have announced last year that we would try to keep flat the expenses for Banco Itau, not including the expenses coming from Itau-BBA and Itau (inaudible) "that's Fiat" and I think we have pretty much achieved our goal, since we had only a 1% increase in our expenses on that basis, and so most of the increase you can see on the balance sheet comes from Banco BBA and Banco Fiat, and we have a new commitment for the year 2004, which is have 1% increase in this basis of expenses that we had in 2003, so we have kept, as one important goal for next year and the years after, a very strong hold on the administrative expenses, so our goal for the year 2004 is total expense of below 8bn Reais.

The next screen, you can see basically the amount of unrealized income we have in our balance sheets. Basically, we have some improvements on the market. I would like to especially draw your attention for the adjustment of securities available for sale, and the movement coming from last year, basically due to the fact that the markets have been very good for Brazil, as you all know. Most of this income is already in our equity, but has not gone through profit and losses, so we have a big profit unrealized on our security portfolio for the coming years.

Now I will talk about Itau and Itau-BBA, but before, I'd like to draw your attention to the fact that we have, for the year 2002, just had the numbers of Banco Itau and Banco Itau-BBA, and I reshaped a bit so that we can have a comparison between the year 2003 and the year 2002 for each one of the two major institutions of Itau Holdings.

So on page 15, you can see pro forma net income and shareholders' equity for each one of the two major businesses, and again the year 2002, we have had the results of Banco BBA, together with the corporate results of Banco Itau, so that for the year 2002 we had a virtual Itau-BBA here on a pro forma basis. So we can see the numbers. We have improved most results. I think it was a very good year for both institutions, especially because of the integration of Itau and Itau-BBA. I think we have remarkable results of two, 22, return on equity on a wholesale (inaudible). I'll talk later more about Banco Itau-BBA.

I'd like to go to page 17, and draw your attention to the fact that we're now talking only about Banco Itau, not including Banco Itau-BBA, and on those pages we have the orange as the main color. Page 17, you have the numbers and the return on equity of Banco Itau for the year 2003 and the last quarter. We had a very good year in terms of loan losses; a reduction in loan losses, as a matter of fact; and we believe that this will remain in a low level for the next year, because of the recovery of the economy. Banking fees are improving. Administrative expenses, as I had commented, are pretty much under control, and we had an increase of net income and return on equity of that institution compared with last year.

Important thing, I think, is that Itau, has been able, as you can see on page 18, has been able to diversify the source of net income. As you can see here, we are more and more increasing our insurance business, our credit card business, and you can see the numbers for those two businesses, together with funds, have contributed in a very, very important number.

Page 19, we can follow the credit operation of Banco Itau. As I mentioned, the emphasis now is on medium sized and small companies, and we believe here that we have an opportunity which is pretty much under the focus of Banco Itau, since all the corporate business was moved to Itau-BBA, so Banco Itau now is placing its focus and efforts on medium sized and small companies, and I believe that Itau has here an important opportunity of growth, since we have a market share which is below our potential.

Individuals; we have an important increase, due to the fact that we have incorporated Banco Fiat here, otherwise we would have a very small increase in flat situation for the year.

On credit cards, as you can see on page 20, we had a small increase in the number of cards, but a much better turnover â€” a 20% increase, which was a very good year. We had enriched our card base this year, which was the focus of our strategy on credit cards, and it pretty much came along. Our net income has improved very, very much. Many things happened, as I mentioned: enrichment of the portfolio, control of expenses, and reduction of the debt to loans on the cards, were responsible for this major increase in results.

Credicard net income has decreased. Basically in this sector we had amortization of the premium paid on the transfer of 300,000 cards for Itau, and we are basically under Itau Credicard portfolio.

The next screen, we can see the remarkable year that we had on insurance business. We had 75% growth on our technical provisions, and we became the second largest pension company in the market in Brazil, a big increase in that business â€” almost 100% increase â€” in the provisions on that segment.

The results also have improved a lot, as you can see on page 22, so now, as I mentioned before, insurance business is an important part of our strategy, and we expect, for the year 2004, the insurance business will keep on growing in much better moves than other business that we have been managing. Funds have been very sustainable growth in the year. We believe that we'll keep on growing for the next year as well.

On page 24 we have some comments on what we expect for the year 2004. As already mentioned before, we will place very important emphasis on Banco Itau, on the growth of the small and medium sized companies' credit portfolio. We do not expect to grow on our individuals credit portfolio as much as the market. Compared to the segment, we will go above market on the small and medium sized company portfolio. We expect, overall, a reduction on debtor loans and lower margin, as we have been talking in this presentation, and also we will keep the insurance business growing above market, as I mentioned before. Very important, I think, is very strict cost control, as I have mentioned before, so we have this goal of keeping the costs growing under 1% of the year, compared to inflation (inaudible) level.

Now, moving to page 26, we are now talking about Itau-BBA. We have mostly blue colors on those Itau-BBA screens. First we have results of Itau-BBA for the year, remembering again that, for 2002, we are adding the BBA profits and results altogether, but anyway, although it was a year of integration of business, integration of teams, integration of cultures, we had a very good year, I think. The final result was very good, although we had a difficult year in terms of provisions. We had some corporations[ph] that we had to pay provisions.

By improvizing[ph] our concepts on provisions, we have also taken some hits on the provisions, because we always took the worst of the two banks' classification when we were validating the level of provisions needed for each one of the clients.

Page 27 is the level for nonperforming loans in the last quarter, which pretty much kept the same level, and we expect a very (inaudible) result for credit performance in the year 2004. Possibly, we might have some reversal of provisions that we have been doing during the year of 2003.

In terms of Itau-BBA, we expect that for the year 2004 that we will be able, by the fact that we have already fully finished the integration of the two companies, we think that we have a better use, maximization of synergies, that we have been putting in place. We believe that the capital markets, in general, will be much more active in 2004 than it was in 2003, so here we have opportunities of growth in revenues in that area of the business, and we believe that next year, or this year, we will have the client relationship managers much better trained and much more aware of the new and much more broad product line portfolio. Some of those managers came from Itau, and they were not really fully aware of the products of BBA, and on the other hand, the relationship managers coming from BBA were not also pretty much aware of the products,

especially cash management, that came from Itau, so we believe we will be much more effective, in terms of sales, in the year 2004.

Going ahead, I'd like to comment on page 30, some important facts that we have happening since Q3 last year. First, we have closed the capital of some of the subsidiaries – Banestado, Bemge and Beg. The cancellation of the listing of those companies were fully done in the last quarter. I think this makes it much easier for us to fully integrate those companies in our business, although I recognize that most of the gains are already done.

I'd like to especially emphasize this fact, that was the election of Tereza Grossi to the board of directors. Tereza Grossi is a former supervisory director of the Central Bank of Brazil. She is very much well known internationally, because of her capabilities and competencies on this supervision area, and we selected and invited her to be the financial expert of our audit commission that will approve the final regulation and bylaw of that committee in our next assembly, and she will be the financial expert, and this committee will be pretty much in line with the Sarbanes Oxley regulation, and also in line with the Central Bank of Brazil regulations, and she'll be the financial expert.

I think this is a major step in terms of governance. She'll be part of the board, and the full auditing of the bank will be reporting to her, so will be reporting to the board directly, and it is very important that she is a highly recognized debt net professional. We are very much happy that she is on board now with Itau.

We have also decided at the last board meeting that we will be grouping the stock in Brazil 1,000 shares to 1 share, and the ADR will be grouped 2 to 1, in order to have exactly 1 share amounts in the ADR than Bovespa, so basically the difference will be one be traded in Reais and the other in dollars.

Finally, we have an opportunity to comment with you the acquisition of AGF. We show some numbers. AGF is a subsidiary of the French AGF company. In Brazil we acquired some of the business that they have here. Basically, they are a life and pension business. As you can see on page 31, the size of that company adds something around 10% of our (inaudible) business in those lines. Important and good acquisition for a very interesting price, and we are very happy about the integration that we are having at this moment, so this will add additional business to insurance, which I mentioned is one of our priorities for the year.

Finally, I'd like to finish with the evolution of the net income per share that we have on page 32, which is our major commitment to you, the shareholders, and I think we have been delivering a good job by growing net income per share at a rate of 28% a year in this last period of time since '96.

Thank you, all for your patience, and we are all here to answer your questions.

Questions And Answers

Operator

Ladies and gentlemen. we will now begin the Q&A session. If you have a question, please press the * key followed by the 1 key on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue, press the # key. Our first question comes from Mr Roberto Tobi[ph] of Credit Suisse First Boston.

Q - Roberto Tobi {BIO 19800141 <GO>}

Hello. Good afternoon. My question is about your provisioning. If you look at the breakdown of provisions, since Q2, between individuals and corporates, although individuals have been basically

stable, there has been a jump in corporates from, like, 100 million per quarter to 250, 270 now. We know have there been two problems in the last couple of quarters, but my question is, do you expect this provision level on the corporate side to go back to the level that we saw in Q2?

A - Roberto Setubal {BIO 1525746 <GO>}

Well, the last quarter, as you mentioned, we had some special events, some of them very well-known everywhere in the world, and we fully provisioned at that time, and I don't think that this is a threat. I think that, as I mentioned during the presentation, during the year 2004, probably we might have a reversal of some of the provisions that we made during this year. So we are not expecting any kind of deterioration on our corporate portfolio. We are very much secure of that.

Q - Roberto Tobi {BIO 19800141 <GO>}

Okay. Thank you.

Operator

Our next question comes from Mr Jason Mullin[ph] with Bear Stearns.

Q - Jason Mullin {BIO 20996238 <GO>}

Hello, everyone. My question relates to some statements you made during your presentation. First, on expenses, you stated twice, in fact, that you are going to maintain total expenses at around 1bn Reais, or about 1% growth, in nominal Reais terms, much less than inflation, and since we saw in Q3 a 12% increase in Itau's personnel expenses, and we would probably expect in Q3, again, increase in salaries; Q3 of '04; somewhere in line with inflation, and with personnel expenses representing about 40% of your total expenses, can you characterize how you plan to go about keeping expense growth solely to this 1% range?

Secondly, you talked about loan growth to "or the loan growth you posted in Q4, impressive 22% quarter over quarter growth in small and medium sized companies, and stated in the presentation you expect to grow faster than the market in that segment and, yes, you're coming from, I would say, a below market share, where a bank of your size could be in that segment, but could you explain how you plan to grow in this business, and what were the drivers for the growth in Q4? Specifically, have the lower interest rates in the country allowed you to provide loans at lower rates, and what kind of rates are they today, and what are the maturities on these loans, and have you extended maturities in that segment?

A - Roberto Setubal {BIO 1525746 <GO>}

Okay, let me start with personnel expenses. In fact, we had an increase in the last quarter, but this, as I mentioned, this does not " is pretty much in line with our expectations, and is pretty much in line with the commitment that I mentioned about expenses growth for 2004. One of the things that affects personnel expenses are labor provisions that we have been making during the last years, especially the fact that we have acquired many banks. We have the consolidation of those institutions into Itau. We have some very important decreases in the amount of employees that we had in those institutions, during the way that they were transferred into Itau.

Nowadays, and during this restructuring process, we had to make a lot of labor provisions, which we are decreasing, in fact, the amount of labor provisions for the next year, basically because we have not had major restructuring and lay-offs in last year, so we do not expect an increase in the claims that we are going to have in 2004. As a matter of fact, we expect a decrease in labor claims this year. So this is one of the items that we have important decrease for 2004, explaining why is one of the reasons why we can imagine we can keep the whole level of expenses pretty much flat, or almost flat, at least.

Going to the small company portfolio, I'd like to mention a few things. First is we mentioned this two years ago, that we have implemented and created a new structure to serve the small companies segment. This was two years ago, and it was started two years ago, and we have basically this segment the new platform ready, fully in work now, and so we have a basis, a new fully focus on this segment, and this is one basis for our growth, so it's a very specialized segment, and we have very specialized people. We have a specific credit policy for that segment, and, as I mentioned, we are pretty much below our expectation level in terms of market share. We are something around 5-7% in our estimatives, and Itau, in both businesses that we have, we run at between 10-15%, so we have potential to grow a lot, and we have been growing.

As I mentioned, last year was a good year. We grew a lot, especially in the last quarter, and the growth of that quarter was pretty much driven by the fact that the economy has improved a lot in the last quarter. We were, during the first three quarters of the year, in a stable recession mood[ph], and in the last quarter, basically because the reductions on interest that we had along the year, the economy has picked up, and this helped a lot, especially this segment, which is very much de-catalyzed, so they need, when they have a big improvement in sales, it is working capital to keep growing the loans, and we believe that, this year, the fixed[ph] economy will improve additionally. We believe that there will be very good growth in that segment and, as I mentioned, and we expect to grow more than the market average, since we have this potential to grow. I think those are the facts.

Q - Jason Mullin {BIO 20996238 <GO>}

Maybe just a follow-up on have you lowered the rates, on average, that you're charging these small and medium sized companies for loans, and in addition, have you extended maturities?

A - Roberto Setubal {BIO 1525746 <GO>}

Basically, we have extended maturities. This is one of the reasons. We're not really decreasing spreads at all. I think that the rates have been decreasing, basically because the basic rate of the economy has been decreasing, but spreads are pretty much the same. Maybe the mix has been changing, but the spreads have not moved since last year.

Q - Jason Mullin {BIO 20996238 <GO>}

Thank you, very much.

A - Roberto Setubal {BIO 1525746 <GO>}

Okay, Jason.

Operator

Our next question comes from Mr Paul Tucker[ph] with Merrill Lynch.

Q - Paul Tucker {BIO 2367847 <GO>}

Thank you. Good afternoon. I've just three quick questions. One of them would be whether you could say something with regard to your capital position. Clearly, that's getting somewhat large at the moment. Secondly, do you have any thoughts on the direction and likely timing, if any, of changes in reserve requirements? That would be interesting for us to here. Then, finally, you've mentioned before that you had aspirations to grow organically in the consumer finance business and, again, I wondered if you could shed any further light on that.

A - Roberto Setubal {BIO 1525746 <GO>}

Okay. On the capital, we are, as you mentioned, in a very comfortable position in terms of capital. We don't have " I mean, we have basically three options to use our capital. One is a new acquisition, which we will need capital, so this always a possibility in Brazil. We have, along the

years, been doing a lot of acquisitions, and we always like to have a comfortable position, so that we can move very rapidly, and not be dependent of any capital raise that would be necessary for any position. We are in a position to make any acquisition that comes up. This would be one of the reasons.

Another possibility, acquiring our own shares. We have been doing this in the last years. We can speed up our own share acquisition, which would use some of the capital by reducing the equity by cancellation of those shares that we would acquire. Third would be increase the (inaudible) which would be " at this point we're not planning. We believe that we have value to add to the shareholder, either by acquiring our own shares, or by doing a new investment.

On the reserve requirement, yes, we do expect some reduction during the year in terms of reserve requirement, and this would be a positive move in terms of revenue for Itau, but on the other hand, I believe that we will have pressures on margins. Probably this would help to offset the pressures on margin that we will have.

The third question was related to the finance company " to the CD segment. Yes, as you know, we tried to acquire Losango here in Brazil. We had not been able to do it. Losango is very well placed in this CD segment, and we want to be in that segment. This is one of the few segments that Itau, today, is not present in an important situation, so we decided, by an arising alternative that we had, to start up a new green field operation, which probably will be an important source of profit and revenue, I'd say five years from now.

When you look back, for instance, the insurance business, if you go back five years, we were really starting to talk about insurance as something that we are putting effort. At that time it was a small business. It didn't add too much to our revenues, but five years after that " and I think five years is very good time to really (inaudible) sustainable, growing and good business, the insurance is there. The same for (inaudible), the same for cards, which were businesses which we did not have a few years ago. Now, we are looking at this CD segment as new business that we will develop. It will only be affecting effectively our results some years down the road.

Q - Paul Tucker {BIO 2367847 <GO>}

Thank you, very much.

Operator

Our next question comes from Mr Carlos Gomez Lopez[ph] with Citigroup Asset Management.

Q - Carlos Gomez Lopez {BIO 18817238 <GO>}

Yes, hello. Well, I was going to ask also about the capital position. In particular, I wanted to know if you have talked La Caixa about the possible buyback of their stake, or do you want to continue to pursue ventures with them. My second question would be about BBA. They had this large negative tax rate in Q4. Maybe you have referred to that before. Could you explain that, and could you tell us what tax rate we should expect in the coming year? Thank you.

A - Roberto Setubal {BIO 1525746 <GO>}

Okay. In terms of La Caixa, I think that they are very happy about the investment that they have in Itau. Those are the feedback that we've got. They were here for the last four weeks, and they were very happy about the investment that they have. We have no signs that they would like to sell their investment, but maybe if they decide something on that, which I don't think will be the case. We probably would be pretty much in the position to acquire those shares in cash our equity. I'll turn over to Henri; he'll talk about the fiscal situation that you have questioned.

A - Henri Penchas {BIO 1525748 <GO>}

Good morning. How are you Carlos? Henri speaking.

Q - Carlos Gomez Lopez {BIO 18817238 <GO>}

Very well. How are you?

A - Henri Penchas {BIO 1525748 <GO>}

Carlos, if I understood your question, it was about the low rate of income tax of Banco BBA in Q4, because we book, just in Q4, the interest on capital of BBA paying to Itau Holding and, as you know, the interest on capital is tax deductible, so that was the reason.

Q - Carlos Gomez Lopez {BIO 18817238 <GO>}

And for two thousand and â€” how could I question it? Do you expect a different tax rate at BBA and at Itau in the future?

A - Henri Penchas {BIO 1525748 <GO>}

We think that the tax rate will be the same, Carlos, and, as you know, it depends a lot on the devaluation or revaluation of our currency against the dollar mainly, because all the gain or loss in translation of investments we have abroad is non-taxable or non-deductible, and that makes the main difference in the tax of the bank.

Q - Carlos Gomez Lopez {BIO 18817238 <GO>}

Okay, and if I could have issue[ph] with one more question, could you tell us what your current foreign exchange position is, whether positive or negative versus the dollar?

A - Henri Penchas {BIO 1525748 <GO>}

After tax, you have that in a footnote in our balance, but at present value, with actual interest, it's almost zero, our position, after tax.

Q - Carlos Gomez Lopez {BIO 18817238 <GO>}

Thank you.

Operator

Ladies and gentlemen. as a reminder, if you would like to pose a question, please press the * key, followed by the 1 key, on your touch-tone phone now. Our next question comes from Mr Jason Mullin with Bear Sterns.

Q - Jason Mullin {BIO 20996238 <GO>}

Hello, again. Just a follow-up on the question of share buybacks. We did see Itau repurchase, according to my calculations, approximately 4.5% of still outstanding shares in Q4. If you could give us a sense of the average price that you paid, and is it something that we can expect these kinds of acquisitions on a quarterly basis, and do you have a share buyback plan that's in place today?

A - Roberto Setubal {BIO 1525746 <GO>}

We had opportunities to acquire a reasonably big amount of shares in Q4. This is because the investor decided to sell. They came to us and we could buy back. We are checking here the numbers to see if we have the average price that we paid. I don't have here the average price that we paid in the last quarter. I just have the average price we paid for the year, which was about 210 Reais of the shares, but you can call Silvio â€” he will give you the numbers.

Q - Jason Mullin {BIO 20996238 <GO>}

Thank you, very much.

A - Roberto Setubal {BIO 1525746 <GO>}

Okay, what was the other question?

Q - Jason Mullin {BIO 20996238 <GO>}

Well, it was just if you plan to continue -- I guess you answered that by saying that this was an investor that wanted to sell, so it's not as if this is a plan to buy similar amounts going forward.

A - Roberto Setubal {BIO 1525746 <GO>}

Yes, you are right. Basically, we are looking for acquire some shares back, but we are not really on the market. We basically come in when we have, maybe when somebody is look for us, and with some big stake and decided, so we try to buy it back.

Q - Jason Mullin {BIO 20996238 <GO>}

Great. Thank you, very much.

Operator

Ladies and gentlemen. as a reminder, if you would like to pose a question, please press the * key, followed by the 1 key, on your touch-tone phone now. As a reminder, if you would like to pose a question, please press the * key, followed by the 1 key, on your touch-tone phone now. This concludes today's Q&A session. Mr Roberto Setubal, at this time you proceed with your closing statements.

A - Roberto Setubal {BIO 1525746 <GO>}

Okay. Thank you all for your patience. I'd like to say also that Silvio, Alfredo, Henri and myself, Candido as well, we would be very glad to answer additional questions if you still have. You can contact with us, and we would be pretty much happy to answer them. Before we close, I'd like to call your attention to the fact that this year we have released a lot of information on our site in the internet. We have, different from previous years, we have already issued our annual report, so the full annual report, which we, previous years, we used to release in April/May, you have the full annual report for 2003 already in internet, so this is additional efforts that we are doing to communicate with our shareholders in a more fast and (inaudible) way. Thank you, all for your attention and to be present, and see you next time. Thank you.

Operator

That does conclude our Banco Itau conference for today. Thank you, very much for your participation. You may now disconnect.

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