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# Conference Call Presentation

2nd Quarter 2021

For additional information, please read carefully the notice at the end of this presentation



# Earnings Release

## Second Quarter 2021

### ENGLISH CONFERENCE CALL



- August 10, 2021 (Tuesday)
- 12pm (New York) / 1pm (Brasília)
- Phone: +55 (11) 2188-0155
- Code: BTG Pactual
- Replay: +55 (11) 2188-0400
- Code: BTG Pactual

### PORTUGUESE CONFERENCE CALL



- August 10, 2021 (Tuesday)
- 10am (New York) / 11am (Brasília)
- Phone: +55 (11) 2188-0155
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**Webcast:** The conference call audio will be broadcast live via a webcast system available on our website [www.btgpactual.com/ir](http://www.btgpactual.com/ir)

*Participants are requested to connect 15 minutes prior to the time set for the conference calls*



# Record AuM, WuM and NNM

## Net New Money

(R\$)

**+98bn**

2Q 21

**+257bn LTM**

**+174bn 1H21**

## AuM / AuA

(R\$)

**+65%**

y-o-y

**501bn in 2Q 21**

## WuM

(R\$)

**+96%**

y-o-y

**379bn in 2Q 21**

# High growth rates and strong profitability

## Total Revenues

(R\$)

**+52%**

y-o-y

**3.8bn in 2Q 21**

## Adj. Net Income

(R\$)

**+74%**

y-o-y

**1.7bn in 2Q 21**

## ROAE Adj <sup>(2)</sup>

(R\$)

**21.6%**

**2Q 21**

1. Accounting Net Income of R\$1.7bn in 2Q 2021
2. Annualized ROAE adjusted by time weighted average of equity events

# Strong growth in our credit portfolio and unsecured funding, keeping a disciplined and robust balance sheet

**Credit and SME  
Portfolio (R\$)**

**+51%**

y-o-y

Total of 86bn  
SME: 14.1bn  
(+265% y-o-y)

**Unsecured Funding  
(R\$)**

**+59%**

y-o-y

128bn in 2Q 21

**Basel Ratio**

**17.3%**

2Q 21

# We continue to implement a selective M&A agenda to accelerate growth and value creation



**Partnerships with Acqua-Vero and Wise:** IFAs with AuC of R\$8.5bn and R\$2.5bn, respectively, to become broker dealers with BTG Pactual's support. Those partnerships will expand even further BTG Pactual's distribution



**Acquisition of Grupo Universa:** Multi-platform model with strong know-how of digital marketing to leverage our distribution capabilities and strengthen our ecosystem, by enhancing content generation and reinforcing financial education



**Partnership with Perfin:** Asset and Wealth Management platform with R\$21bn under custody. The partnership will allow BTG Pactual's clients to access a range of sophisticated investment products



**Sale of BTGP's stake in CredPago to Loft (49%):** BTG Pactual will receive the cash proceeds in up to 24 months, and shares of Loft Holding Ltd

# Performance Summary

## 2Q 2021

We delivered 21.6% ROAE recording our highest revenues and net income in a quarter, with a 40.9% cost to income ratio

1

**Total revenues and adj. net income of R\$3,771mn and R\$1,719mn**

- Annualized adj. ROAE<sup>(1,2)</sup>: 21.6%
- Net income per unit<sup>(1,3)</sup>: R\$0.45
- Accounting net income: R\$1,678mn

2

**Cost-to-income ratio below our historical average, benefitting from the strong top line growth**

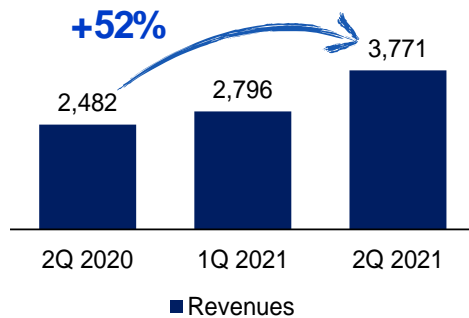
- Cost-to-income ratio: 40.9%
- Compensation ratio: 25.2%

3

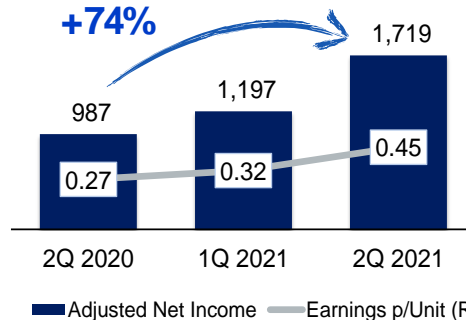
**Total assets were R\$335.2bn, BIS ratio was 17.3% and shareholders' equity reached R\$35.0bn**

- Average VaR was R\$80.6mn or 0.25% of avg shareholders' equity
- Follow-on offering of R\$2.98bn

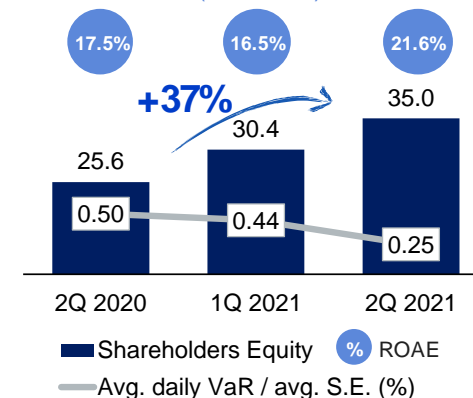
**Total Revenues**  
(R\$ million)



**Net Income <sup>(3)</sup>**  
(R\$ million)



**Shareholders' Equity and ROAE<sup>(1,2)</sup>**  
(R\$ billion)



# Performance Summary

## First Half 2021

1H 2021 was marked by outstanding business performance, especially in our client franchises

1

**Total revenues and adj. net income of R\$6,567mn and R\$2,916mn**

- YTD annualized ROAE<sup>(1,2)</sup>: 19.1%
- Net income per unit<sup>(1,3)</sup>: R\$0.76
- Accounting net income: R\$2,855mn

2

**Expansion of the cost base, with our cost-to-income ratio in line with historical average**

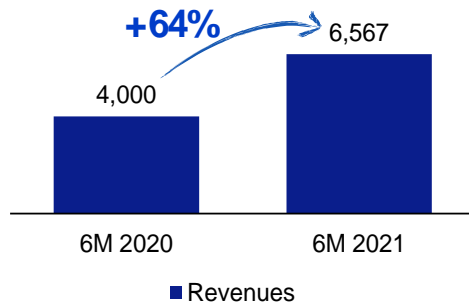
- Cost-to-income ratio: 41.8%
- Compensation ratio: 25.5%

3

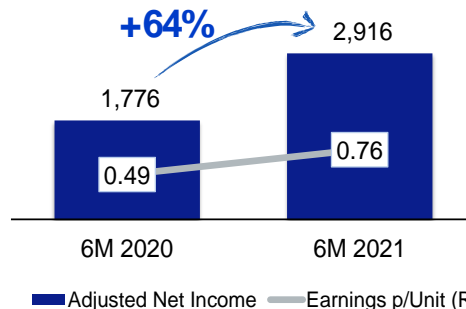
**Shareholders' Equity increased 36.7% y-o-y and ended the semester at R\$35.0bn**

- Follow-on offerings of R\$2.6bn in January and R\$2.98bn in June

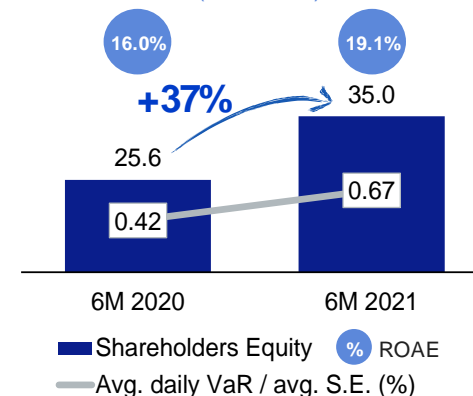
**Total Revenues**  
(R\$ million)



**Net Income <sup>(3)</sup>**  
(R\$ million)



**Shareholders' Equity and ROAE<sup>(1,2)</sup>**  
(R\$ billion)



Notes:

1. Balance sheet items present data as of the end of the period. Annualized ROAE and net income per unit uses adjusted net income as the basis for the calculations.
2. Annualized ROAE adjusted by time weighted equity events
3. Net Income p/unit pro forma: considering stock split

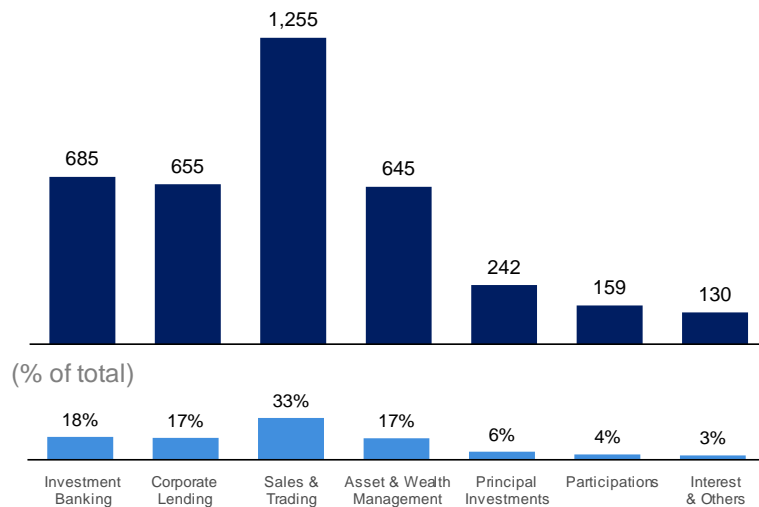


# Revenue breakdown by business unit

Revenue breakdown demonstrate a balanced distribution by business and the expansion of our client franchises

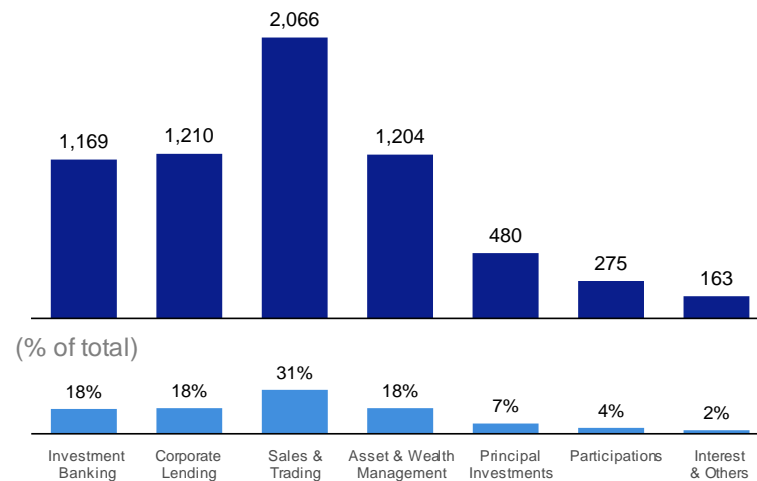
2Q 2021

Total Revenues = R\$3.8 billion



First Half 2021

Total Revenues = R\$6.6 billion



# ESG & Impact Investing Accomplishments



**Institutional  
Investor**

**BTG Pactual was awarded  
The Best ESG Research team in Brazil**

**Green credit portfolio  
reached R\$7bn**

Volume of eligible operations in accordance with our Green, Social and Sustainable Financing Framework grew 4.4% during the quarter

**We have started to allocate capital for  
Impact Investments**

Leveraged by our Private Capital expertise, we made the first investment in a technology-based company in the education sector

**Elected to join  
FTSE4Good Index**



BTG now integrates the FTSE4Good Index Series, from London's Stock Exchange - listed companies committed to strong ESG practices and selected based on 300 indicators

**US\$1.3bn distributed in  
Sustainable Finance in 2Q 2021**

Record distribution of ESG labeled issuances in debt capital markets in one semester, totaling US\$6.4bn since 2016

**We have joined PCAF to disclose  
financed greenhouse gas emissions**

BTGP joined the Partnership for Carbon Accounting Finance, which has more than 130 financial institutions in 43 countries, 5 continents, committing to measure and disclose greenhouse gas emissions

**Launching of the  
Carbon Calculator**



Following GHG Protocol, the calculator, which is available in our website by scanning a QR code, allows customers to check their carbon footprint, bringing more accountability and viable changes in clients' habits



# BTG Pactual Business Units

Section 1



# Investment Banking

Record revenues supported by integrated business model, from origination to distribution

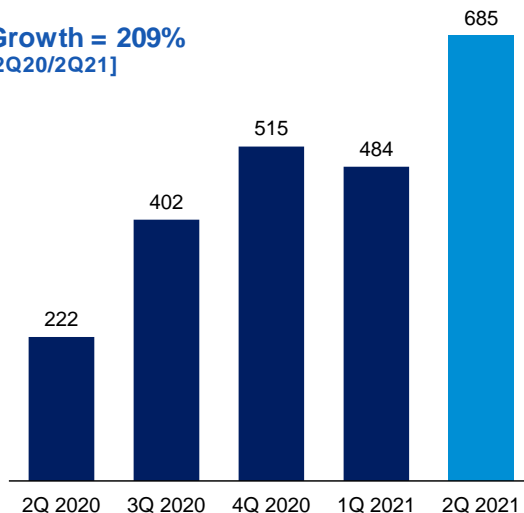
## Highlights of 2Q 2021

- DCM had its best quarter, due to higher number of concluded transactions, especially in the local markets
- Record revenues also in ECM driven by strong market activities – BTG acted as bookrunner in 20 transactions during the quarter
- Financial Advisory revenues have picked up with stronger M&A pipeline

## Revenues by quarter

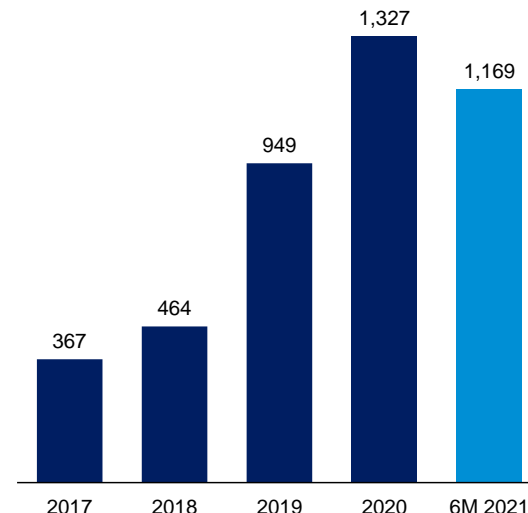
(R\$ million)

**Growth = 209%**  
[2Q20/2Q21]



## Accumulated Revenues

(R\$ million)



### M&A

#1 in number of transactions in Brazil and LatAm  
#1 in volume of transactions in Brazil

### ECM

#2 in number of transactions in Brazil and LatAm

# Corporate & SME Lending

Record revenues and growing portfolio as we continue to gain market share in SME business

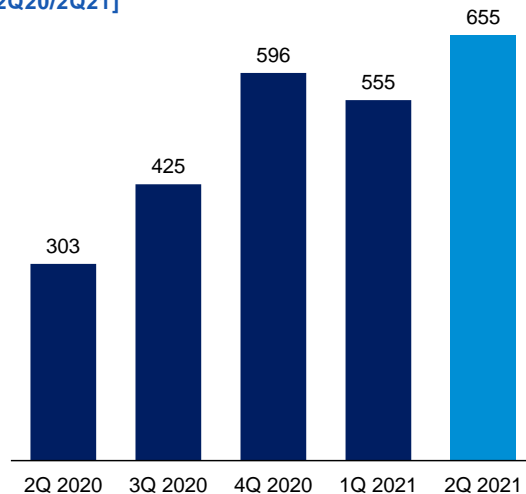
## Highlights of 2Q 2021

- Revenues were up 18.1% compared to 1Q 2021, due to credit book growth and stronger contribution from our Special Situations strategy
- SME portfolio grew 35% q-o-q reaching R\$14.1bn, representing 16% of total credit book
- Soft launch (friends & family) of our transactional bank for SMEs with a very robust and 100% digital product offering

## Revenues

(R\$ million)

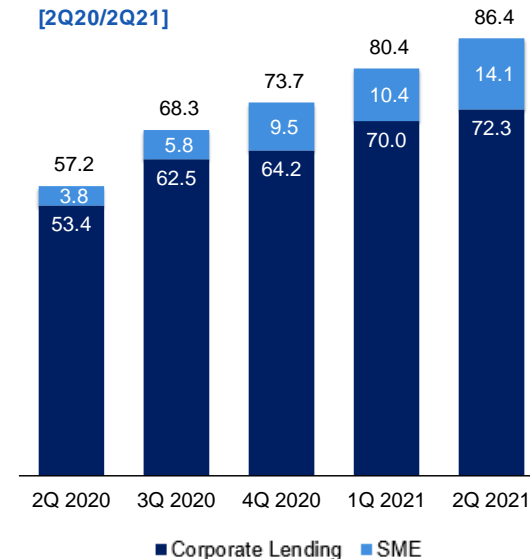
**Growth = 116%**  
[2Q20/2Q21]



## Corporate and SME Lending Portfolio

(R\$ billion)

**Growth = 51%**  
[2Q20/2Q21]



# Sales & Trading

## Strong performance with the lowest risk allocation ever

### Highlights of 2Q 2021

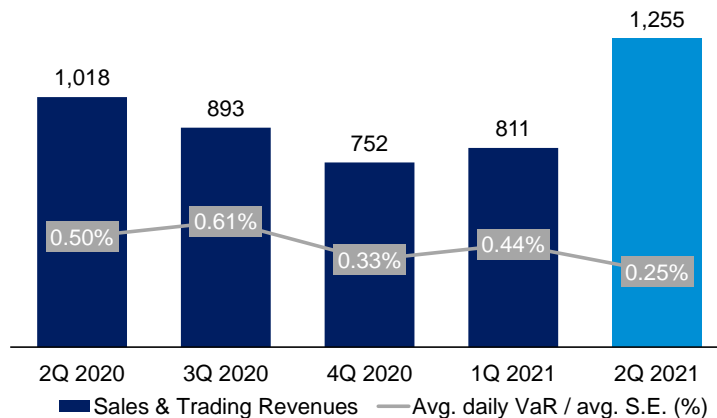
- Revenues of R\$1,255mn in 2Q 2021, with strong contribution from FX and Equities desks
- More conservative risk allocation: VaR usage went down to the lowest level ever (36.4% below last quarter), indicating strong client activities
- Market risk component of RWA continues to decrease, from 22% on 2Q 2020, to 12% on 2Q 2021
- We were ranked #1 in all Institutional Investors' categories



### Revenues

(R\$ million)

**Growth = 23%**  
[2Q20/2Q21]



**Institutional Investor**

#1 Research in LatAm  
#1 Research in Brazil  
#1 Trading team in LatAm

#1 Sales in LatAm  
#1 Sales in Brazil  
#1 Corporate Access LatAm

# Asset Management

## Total AuM/AuA surpassed the half-trillion milestone with record NNM

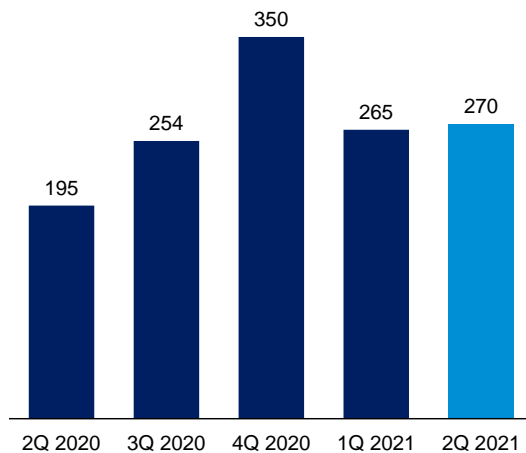
### Highlights of 2Q 2021

- All-time high NNM of R\$44bn for the third consecutive quarter. Over the last 12 months, NNM reached the impressive milestone of R\$129bn
- Successful launching of more sophisticated products:
  - Private Equity Fund focused on Impact Investing
  - Evergreen agribusiness Fund
  - Evergreen Infrastructure Credit Fund

### Revenues

(R\$ million)

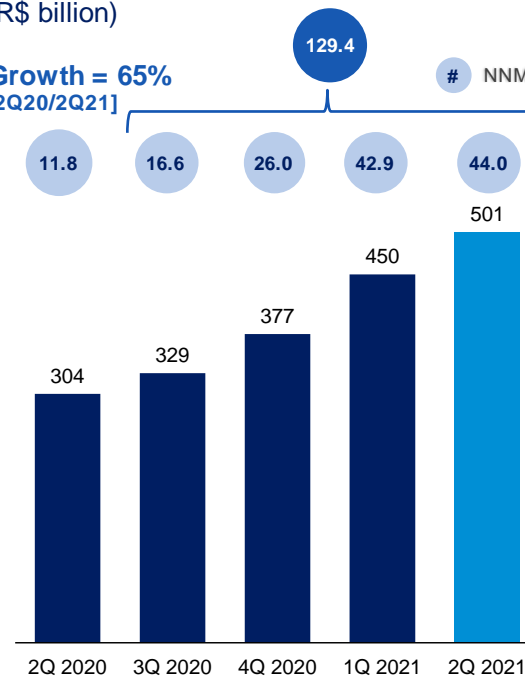
**Growth = 38%**  
[2Q20/2Q21]



### AuM and AuA

(R\$ billion)

**Growth = 65%**  
[2Q20/2Q21]



# Wealth Management & Consumer Banking

## Impressive NNM and revenues with strong growth from our digital retail platform

### Highlights of 2Q 2021

#### WM

- Record NNM of R\$54bn in the quarter and R\$127.7bn LTM - Necton consolidation effect of approx. R\$12bn AuC
- Record revenues of R\$374.9mn, up 27.2% q-o-q

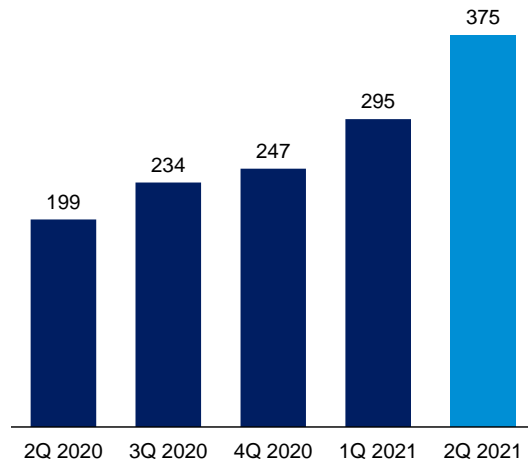
#### Consumer Banking

- Product offering expansion: (i) additional credit card, (ii) expense automatic debit and (iii) *Finanças+* (our PFM tool)<sup>(1)</sup>
- Best customer service among retail banks according to *Reclame Aqui*<sup>(2)</sup> and winner of Best Customer Experience Award 2021<sup>(3)</sup>

### Revenues

(R\$ million)

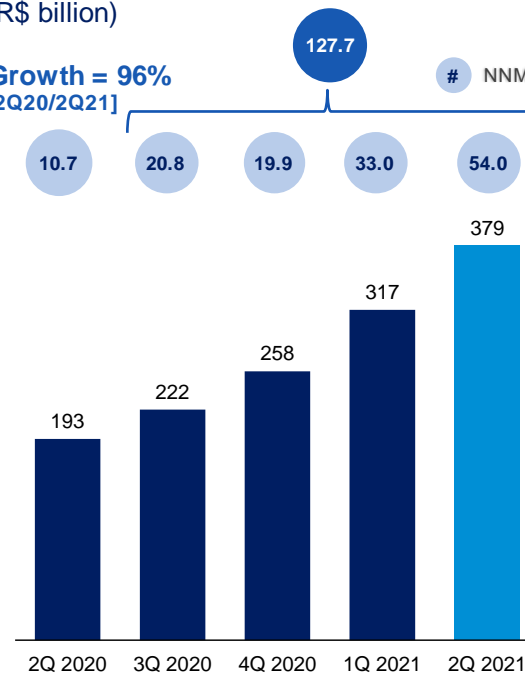
**Growth = 89%**  
[2Q20/2Q21]



### WuM

(R\$ billion)

**Growth = 96%**  
[2Q20/2Q21]



Notes:

1. Personal Financial Management
2. Scoring 8.2, higher than our peers
3. According to ABEMD - Associação Brasileira de Marketing de Dados



# Principal Investments & Participations

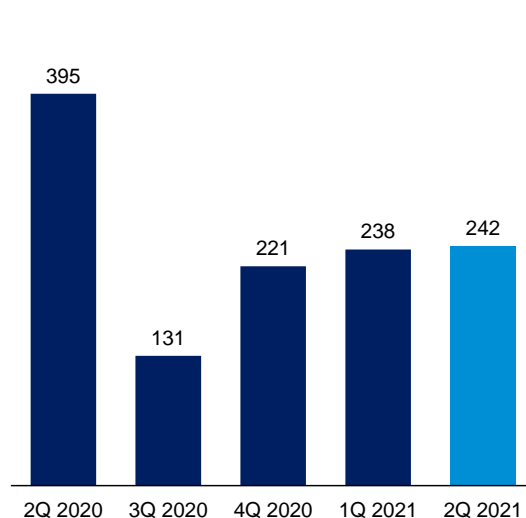
## Solid performance in both segments

### Highlights of 2Q 2021

- Principal Investments revenues of R\$242mn driven by positive equity pick up, mainly from Prime and Eneva
- Participations Earnings consists of equity pick up in:
  - Banco Pan: R\$108.5mn, including goodwill amortization
  - Too Seguros: R\$14.4mn
  - EFG: R\$36.0mn
- Closing of Banco Pan's transaction in May - BTGP now owns 71.7% of Bpan's total shares

### Principal Investments Revenues

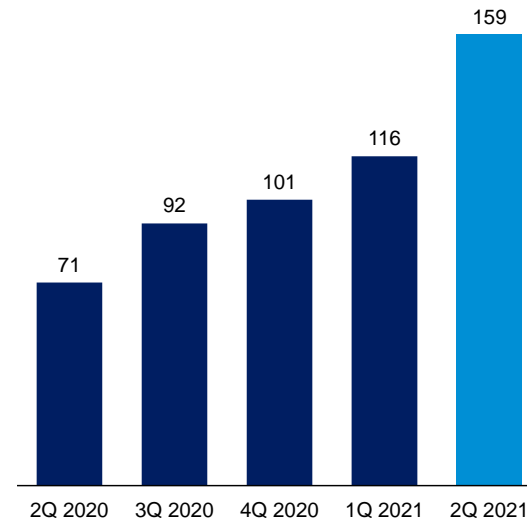
(R\$ million)



### Participations Earnings

(R\$ million)

**Growth = 122%**  
[2Q20/2Q21]





# Expenses

## Section 2



# Expenses and Main Ratios

Continue capturing synergies and gains of scale through our integrated business model

## Highlights of 2Q 2021

- Our IT team reached 1,900 people
- S&B increased 9.8% q-o-q, mostly due to new hires and the impact of Necton's payroll
- A&O up 9.4% q-o-q mostly due to the increase in (i) IT and infrastructure costs, and (ii) Necton's administrative costs
- Income tax positively impacted by declared JCP (interest on equity)

## Cost-to-income ratio at 40.9% and compensation ratio of 25.2%

(R\$ million)

(in R\$ mm, unless stated)	Quarter			2Q 2021 % change to		Year to Date		6M 2021 % change to
	2Q 2020	1Q 2021	2Q 2021	2Q 2020	1Q 2021	6M 2020	6M 2021	6M 2020
Bonus	(438)	(462)	(658)	50%	43%	(526)	(1,119)	113%
Salaries and benefits	(225)	(266)	(292)	30%	10%	(431)	(558)	30%
Administrative and other	(226)	(288)	(315)	39%	9%	(498)	(602)	21%
Goodwill amortization	(15)	(31)	(65)	324%	113%	(27)	(96)	251%
Tax charges, other than income tax	(132)	(153)	(214)	62%	40%	(204)	(368)	80%
<b>Total operating expenses</b>	<b>(1,036)</b>	<b>(1,199)</b>	<b>(1,544)</b>	<b>49%</b>	<b>29%</b>	<b>(1,687)</b>	<b>(2,742)</b>	<b>63%</b>
Normalized Cost to income ratio	42%	43%	41%			42%	42%	
Compensation ratio	27%	26%	25%			24%	26%	
<b>Income tax and social contribution</b>	<b>(469)</b>	<b>(421)</b>	<b>(549)</b>			<b>(568)</b>	<b>(970)</b>	<b>71%</b>
Effective income tax rate	32.4%	26.3%	24.6%			24.6%	25.4%	



# Balance Sheet

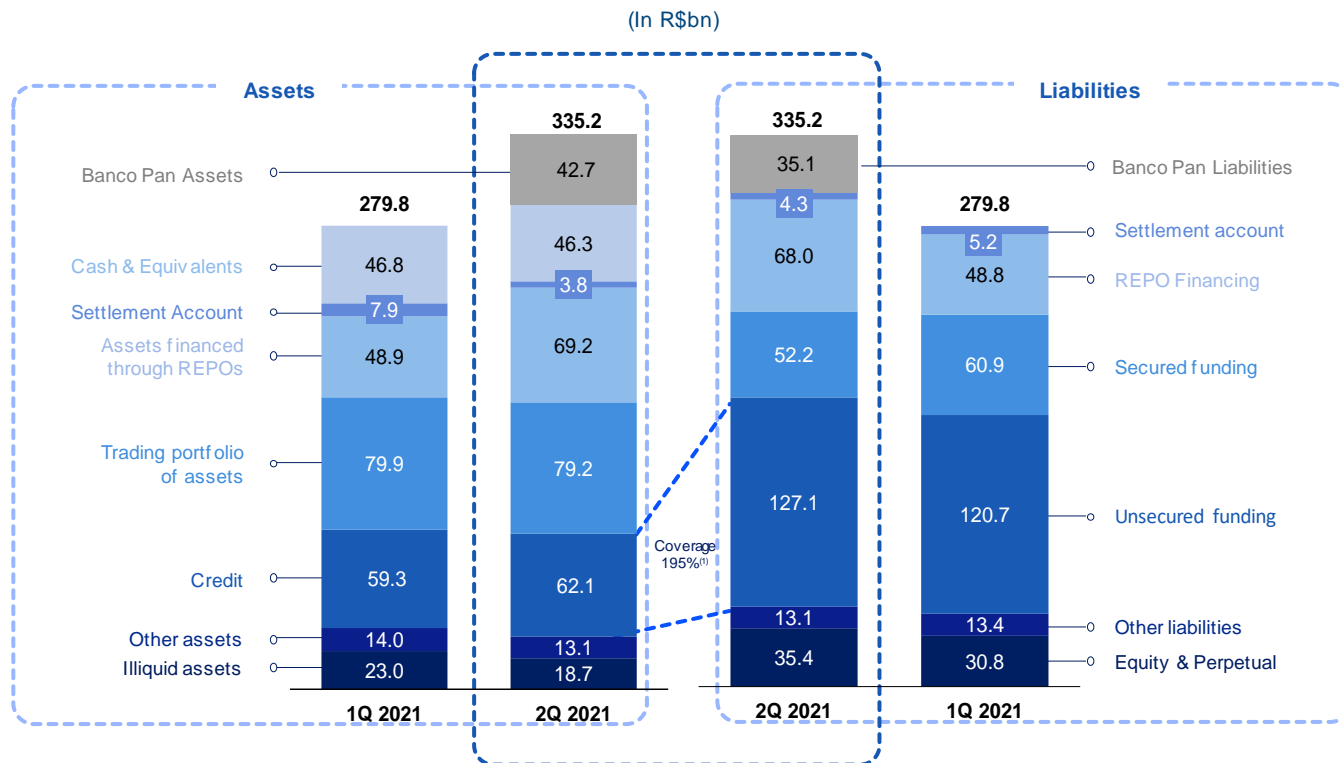
## Section 3



# Balance Sheet Analysis

## Highlights of 2Q 2021

- Total assets (9.6x equity) increased 20% q-o-q and 45% y-o-y due to Banco Pan's consolidation
- Comfortable coverage ratio<sup>1</sup> at 195%, unsecured funding base continue to increase above our on-balance credit portfolio
- Corporate Lending Portfolio equivalent to 2.5x Shareholders' Equity
- Successful follow-on offering, raising R\$2.95bn in additional capital net of its costs



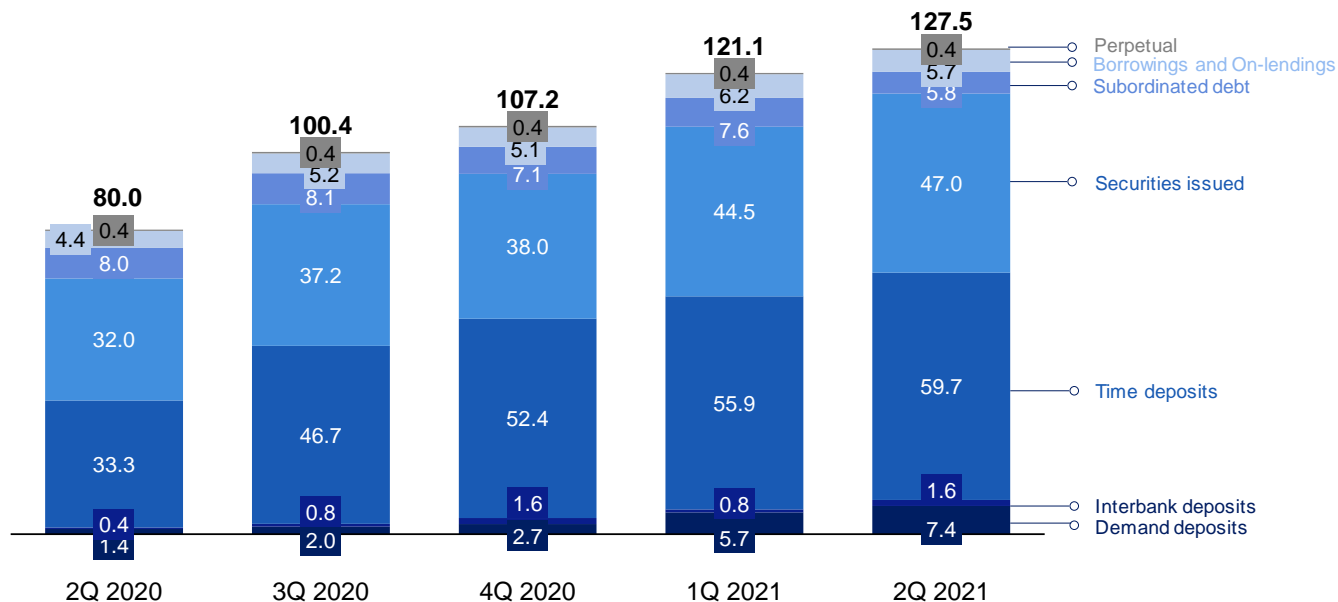
# Unsecured Funding Base

## Highlights of 2Q 2021

- Demand deposits increased R\$6.0bn in one year, reaching R\$7.4bn or 5.8% of total base
- Share of our retail funding continues to expand, reaching 13% of total funding base and 19% considering Banco Pan's funding base
- Liquidity coverage ratio at 215%, above our industry peers
- In July we reopened our 2025 Senior Unsecured Bond, issuing US\$250mn at fixed coupon rate of 3.25% p/a. Proceeds will be used to further strengthen our unsecured funding base

## Unsecured funding base growth of R\$6.4bn (+5.3% q-o-q)

(R\$ billion)

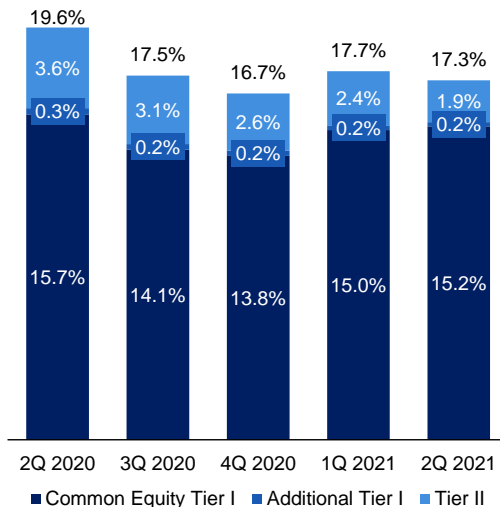


# BIS Ratio and VaR

- BIS capital ratio remained stable, totaling 17.3% at the end of 2Q 2021, after the follow on offering in June and Banco Pan's consolidation, with CET1 at 15.2%
- Total average daily VaR decreased when compared to the previous quarter, achieving the lowest level ever

## BIS Ratio

(%)



## Average daily trading VaR

(% of average shareholders equity)

