



IBOV FUT 101295.000 -0.81 BIT 11849.510 -1.23 VIX 22.100 2.74 BPAC11 84.160 1.80 BPAN4 8.800 1.90  
...EVA ANOVA QUARENTENA NO FIM DE 2020 ...FED ATA EM CENARIO PESSIMISTA ...

# Conference Call Presentation

## 3<sup>rd</sup> Quarter 2021

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



# Earnings Release

## Third Quarter 2021

### ENGLISH CONFERENCE CALL



- November 09, 2021 (Tuesday)
- 11am (New York) / 1pm (Brasília)
- Phone: +55 (11) 4935-1146
- Code: 8296

### PORTUGUESE CONFERENCE CALL



- November 09, 2021 (Tuesday)
- 09am (New York) / 11am (Brasília)
- Phone: +55 (11) 4935-1146
- Code: 1999

**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*



# Outstanding net inflows trend led our total AuM/WuM to R\$942bn

## Net New Money

(R\$)

**88bn**

3Q 21

3Q 20	37bn
9M 21	261bn
LTM	307bn

## AuM / AuA

(R\$)

**65%**

y-o-y growth

3Q 21	542bn
2Q 21	501bn
3Q 20	329bn

## WuM

(R\$)

**81%**

y-o-y growth

3Q 21	400bn
2Q 21	379bn
3Q 20	222bn

# Another quarter of record revenues and net income

## Total Revenues

(R\$)

# 55%

y-o-y growth

3Q 21	3.8bn
3Q 20	2.5bn
9M 21	10.4bn
LTM	13.2bn

## Adj. Net Income<sup>(1)</sup>

(R\$)

# 77%

y-o-y growth

3Q 21	1.8bn
2Q 21	1.7bn
3Q 20	1.0bn

## ROAE Adj

(R\$)

# 20.1%

3Q 2021

9M 21	20.6%
9M 20	15.7%

# Consistently strong funding inflows with solid capital ratios while maintaining a high-quality credit portfolio growth

## Unsecured Funding

(R\$)

# 45%

y-o-y growth

3Q 21	146bn
2Q 21	128bn
3Q 20	100bn

## Basel Ratio

(R\$)

# 16.1%

3Q 21

### Total Reg. K

3Q 21	36bn
2Q 21	35bn
3Q 20	27bn

## Credit and SME Portfolio (R\$)

# 43%

y-o-y growth

	Total	SME
3Q 21	98bn	14bn
2Q 21	86bn	14bn
3Q 20	68bn	6bn

# Performance Summary

## 3Q 2021

Another quarter of record revenues and net income, with a 20.1% ROAE

1

Total revenues and adj. net income of R\$3,845mn and R\$1,794mn, respectively

- Annualized ROAE<sup>(1,2)</sup>: 20.1%
- Net income per unit<sup>(1)</sup>: R\$0.47
- Accounting net income: R\$1,743mn

2

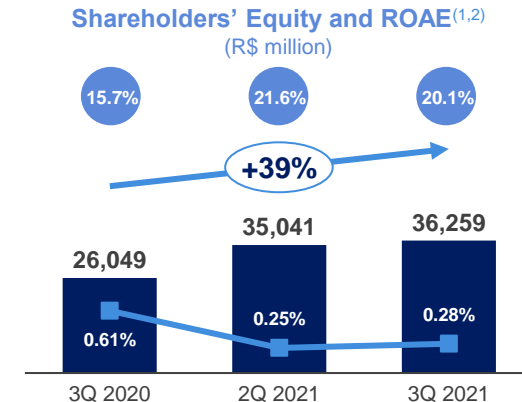
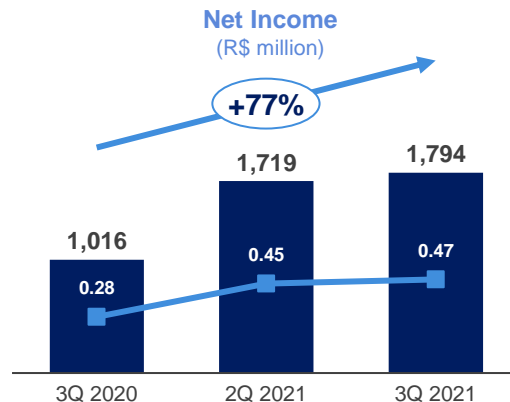
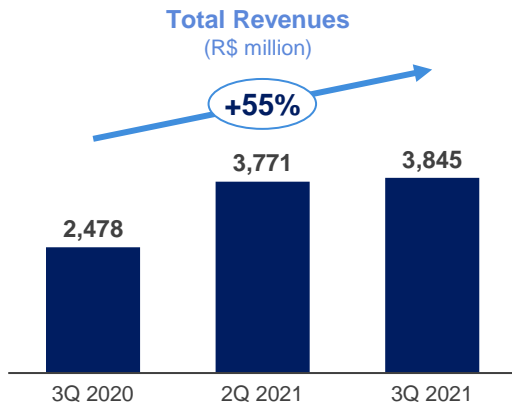
Cost-to-income ratio within historical levels given our increased technology investment

- Cost-to-income ratio: 42.6%
- Compensation ratio: 25.0%

3

Total assets were R\$372.2bn, BIS ratio was 16.1% and shareholders' equity reached R\$36.3bn

- Average VaR was R\$101.4mn, or 0.28% of average shareholders' equity, below historical levels



■ Adj. Net Income/Unit  
■ Adj. Net income

■ Avg. Daily VaR / Avg S.E. (%)  
■ Shareholder's Equity  
● Adj. ROAE



Notes:

(1) Balance sheet items present data as of the end of the period.

(2) Annualized ROAE and net income per unit uses adjusted net income as the basis for the calculations.

# Performance Summary

## 9M 2021

Outstanding growth in revenues from client franchises every single quarter

1

Total revenues and adj. net income of R\$10,412mn and R\$4,711mn, respectively

- YTD annualized ROAE<sup>(1,2,3)</sup>: 20.6%
- Net income per unit<sup>(1)</sup>: R\$1.23
- Accounting net income: R\$4,598mn

2

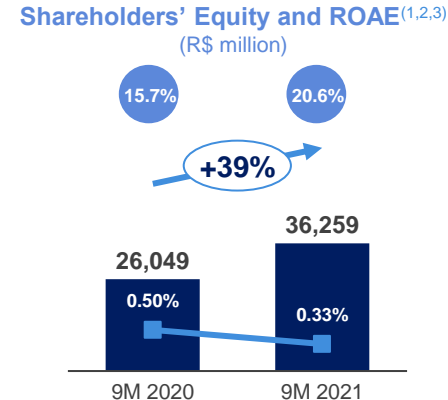
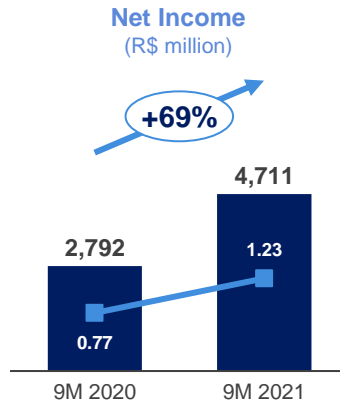
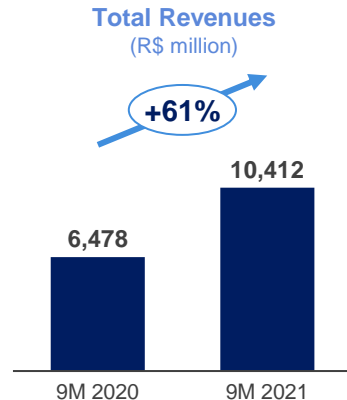
Cost-to-income ratio within historical levels, even with a large expansion of cost base due to investments in products and services

- Cost-to-income ratio: 42.1%
- Compensation ratio: 25.3%

3

Shareholders' equity increased 39.2% y-o-y and ended the period at R\$36.3bn

- Already adjusted by the JCP provisioning of R\$650 million



■ Adj. Net Income/Unit  
■ Adj. Net income

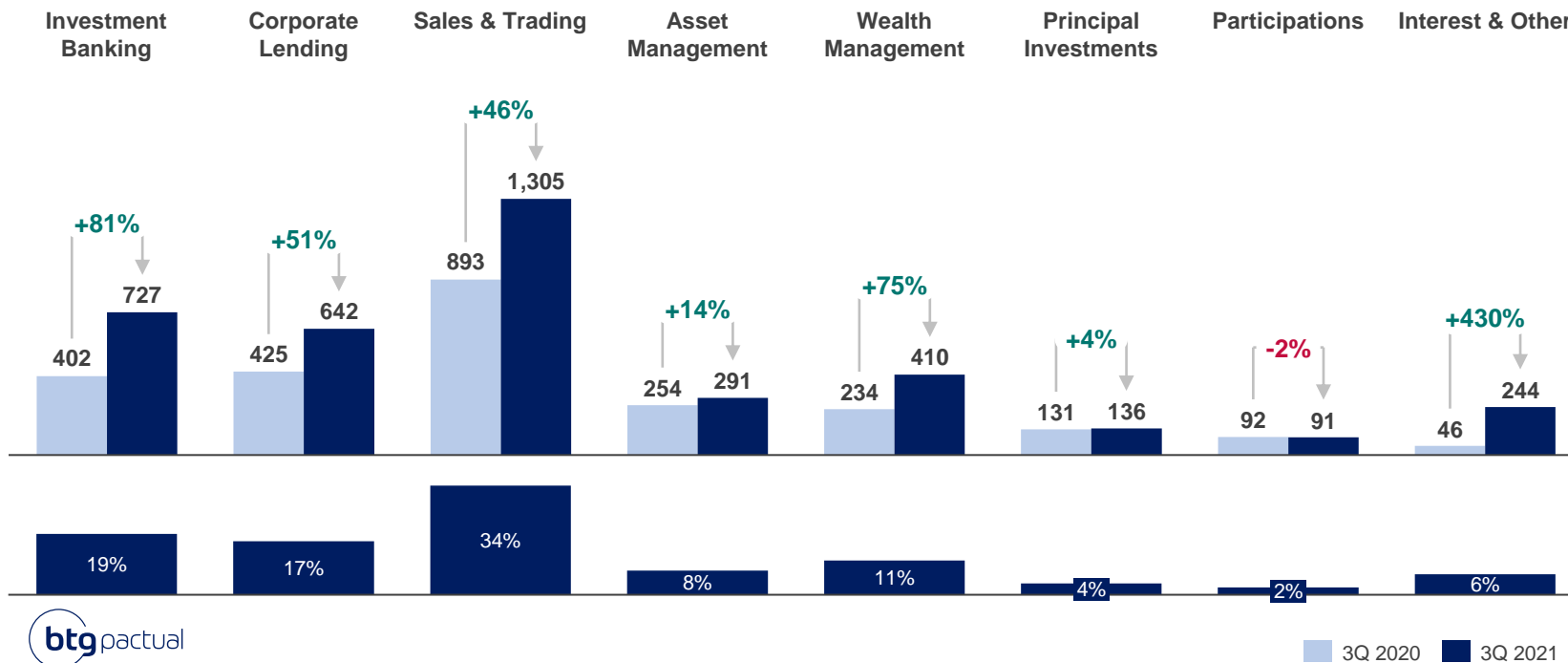
■ Avg. Daily VaR / Avg S.E. (%)  
■ Shareholder's Equity % Adj. ROAE

# Revenue breakdown by business unit

Revenue expansion driven by growing client franchises and increased diversification on our results

3Q 2021

Total Revenues = R\$3.8 billion





# ESG & Impact Investing Accomplishments



## Recent Awards



**Global Finance:**  
Outstanding Sustainable  
Financing in Emerging Markets



**Environmental Finance:**  
Impact Initiative of the Year |  
Latin America and Caribbean

## Eligible green credit portfolio reached R\$6.1bn

Volume of eligible transactions related to social and environmental benefits according to best in class international criteria

## Taskforce for Nature-Related Financial Disclosure



BTG Pactual joined the TNFD Forum which aims to deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks

## The Nature Conservancy Collaboration



BTG Pactual Timberland Investment Group has joined forces with TNC to pursue climate action and conservation

## US\$1.0bn distributed in Sustainable Finance during 3Q21

Strong quarter in the distribution of ESG labeled debt, reaching a cumulative total of US\$7bn since 2016

## ESG Recommended Portfolio and Research

Aiming to help our clients in their investment process, we launched our ESG Portfolio, a ten-stock recommended portfolio, reviewed monthly. We also continue to publish our award winning ESG research

## CFO Taskforce for the SDGs



BTG Pactual joined and actively participated in the taskforce which aims to provide recommendations to unlock private capital and create a market for mainstream SDG investment



# BTG Pactual Business Units

Section 1



# Investment Banking

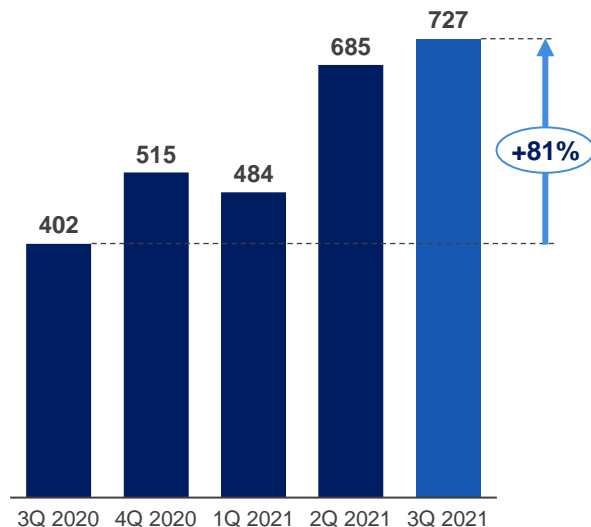
Another record quarter, achieving a leading position in DCM international for the first time ever

## Highlights of 3Q 2021

- In DCM, we concluded 40 transactions during the quarter, and were ranked, for the first time, the #1 player in DCM international
- ECM had its best quarter ever, due to high number of transactions and our leading market-share
- Financial Advisory revenues have picked up, M&A pipeline resumed stronger activity and we recorded a higher volume of concluded transactions

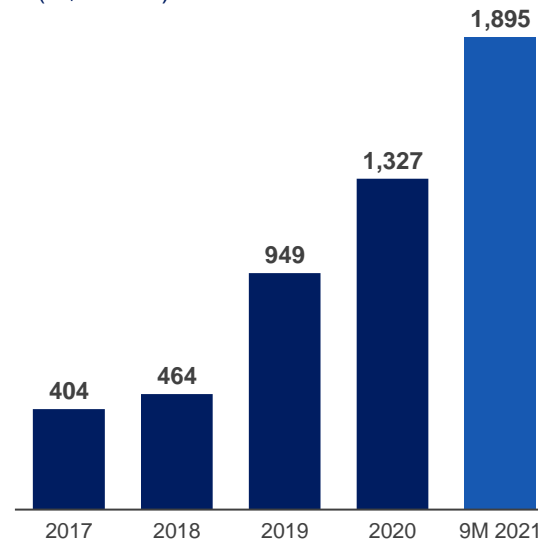
## Revenues by quarter

(R\$ million)



## Accumulated Revenues

(R\$ million)



### M&A

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

### ECM

#1 in number of transactions in LatAm and #2 in Brazil  
#1 in volume of transactions in LatAm

### DCM International

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

# Corporate & SME Lending

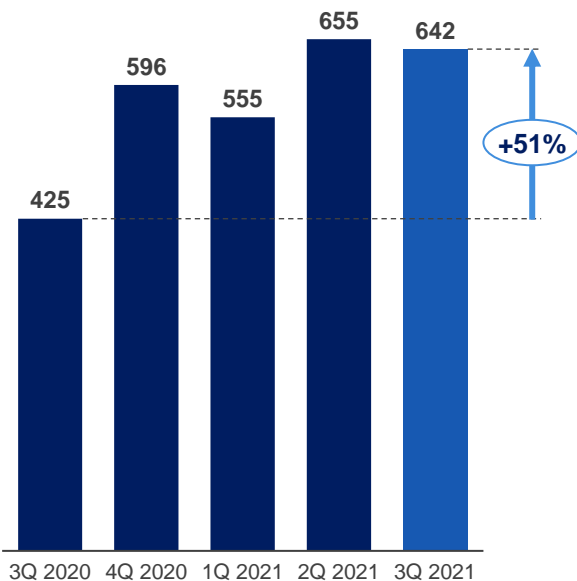
Strong performance from our high-quality credit portfolio with increasing recurring revenues

## Highlights of 3Q 2021

- Corporate & SME Lending portfolio grew 12.9% q-o-q and 42.9% y-o-y
- Record levels of accrual revenues as we grow our portfolio with competitive spreads and adequate levels of provision
- Special Situations continue to contribute to revenues – below a very strong 2Q 21, which led to a marginal decrease in total revenues
- Awarded Best SME Bank in Brazil by Global Finance
- Limited growth in SME portfolio due to delays on the credit card receivables clearing

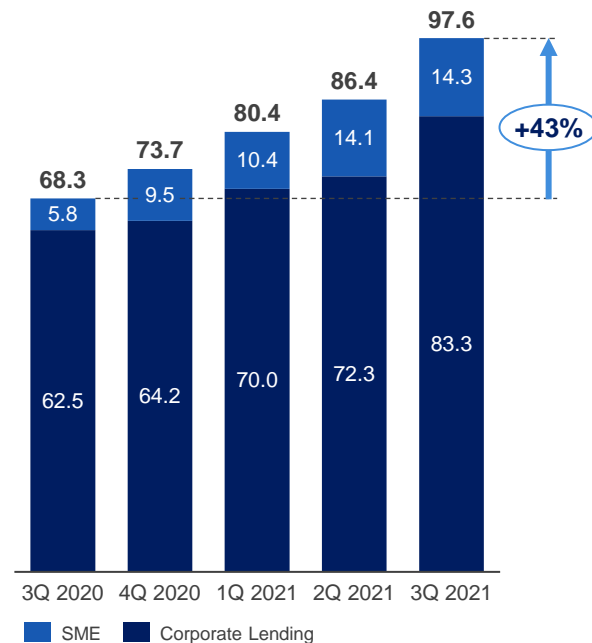
## Revenues

(R\$ million)



## Corporate and SME Lending Portfolio

(R\$ billion)



# Sales & Trading

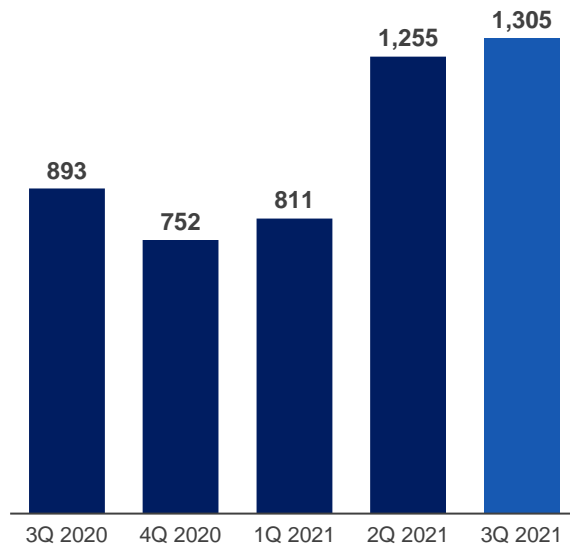
Strong performance with larger contribution from fee businesses and from the sale of CredPago

## Highlights of 3Q 2021

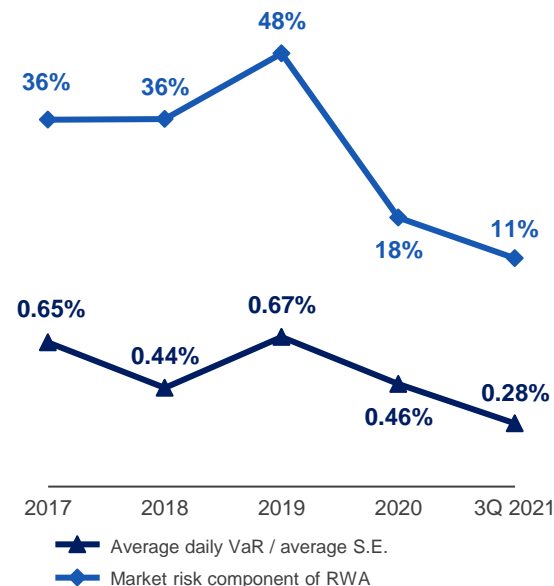
- Strong revenues with solid contribution from our Energy desk, increased activity in client-related franchises and contribution from the sale of CredPago<sup>(1)</sup>
- We continue to keep a very conservative risk allocation:
  - ✓ Market risk component of RWA decrease to the lowest level historically
  - ✓ VaR usage below historical levels

## Revenues

(R\$ million)



## VaR and market risk metrics



# Asset Management

## Fourth consecutive quarter of record-breaking NNM, and growing management fee income

### Highlights of 3Q 2021

- Record net inflows for the fourth quarter in a row, reaching R\$50bn

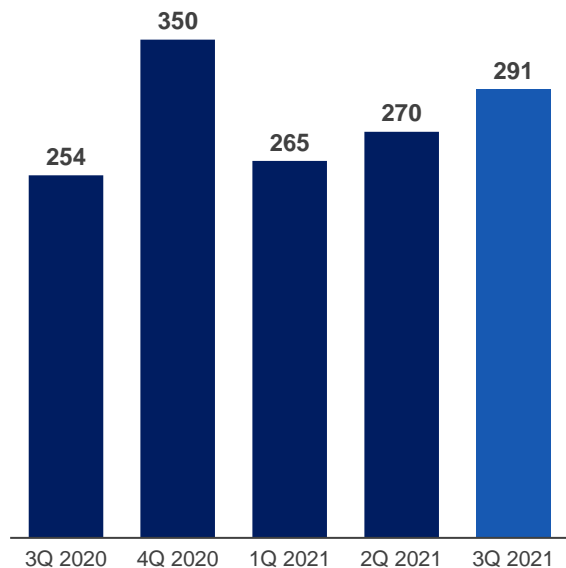
#### NNM:

9M 2021	R\$137bn
FY 2020	R\$64bn
FY 2019	R\$37bn

- Consistent growth in management fees – 31% increase over the same period last year
- ROAs by asset class continue to increase q-o-q
- Launch of The Reforestation Fund – US\$1bn fund that will finance projects in Brazil, Uruguay and Chile

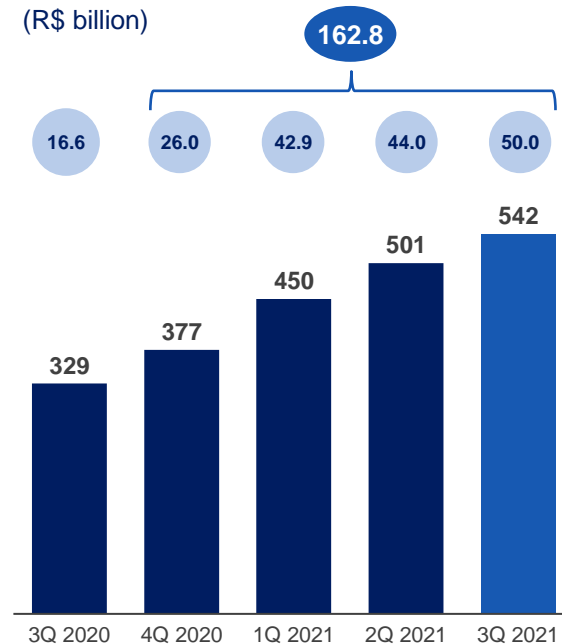
### Revenues

(R\$ million)



### AuM, AuA and NNM

(R\$ billion)



# NNM    ■ AuM/AuA

# Wealth Management & Consumer Banking

All-time high revenues and WuM, with solid contribution from retail platform

## Highlights of 3Q 2021

### Wealth Management

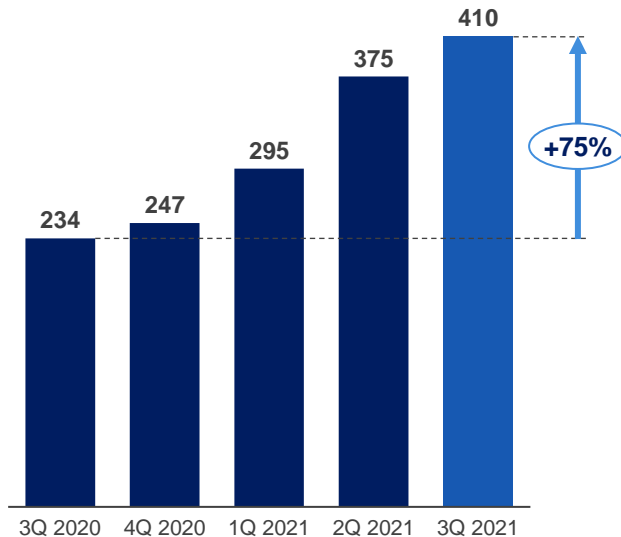
- Record revenues of R\$409.6mn, up 9.3% q-o-q and 75.1% y-o-y

### Consumer Banking

- Best-in-class and most innovative digital consumer bank, recognized by our most recent awards:
  - ✓ *Most Customer Centric Bank by The Global Economics*
  - ✓ *Best Customer Service by ABT<sup>1</sup>*
- New products launched:
  - ✓ Garmin Pay – we are the only local credit card available in all payment schemes: Apple, Samsung, Google and Garmin
  - ✓ Modular Mastercard Black credit card plans offering flexible benefits, such as mileage programs (*Livelo*, *Esfera* and *Dotz*), IOF discount on international expenses, and others

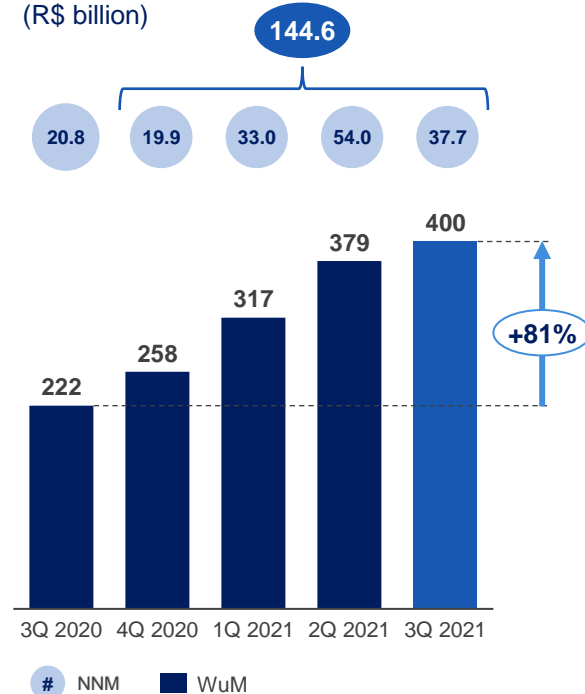
## Revenues

(R\$ million)



## WuM and NNM

(R\$ billion)



# Principal Investments & Participations

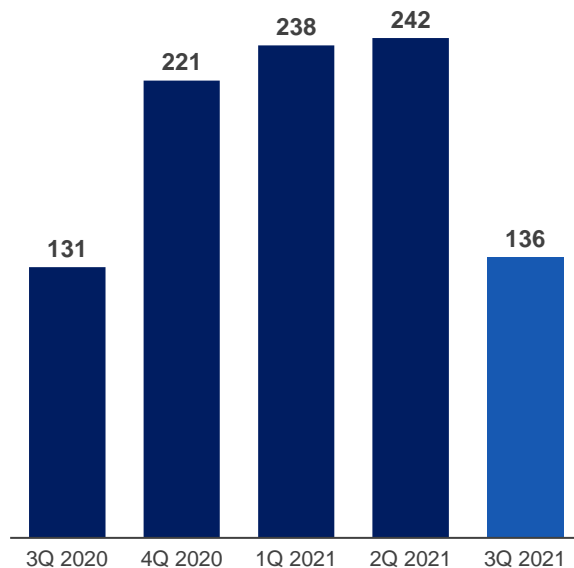
## Consistent performance in both segments

### Highlights of 3Q 2021

- Principal Investments revenues of R\$135.9mn driven positive equity pick up, from Prime Oil and Eneva
- Principal Investments revenues decreased 43.8% compared to 2Q 2021 due to lower contribution from Global Markets strategy
- Participations Earnings consists of equity pick up in:
  - Banco Pan: R\$82.9mn, including now R\$55mn of goodwill amortization expense
  - Too Seguros: R\$7.8mn

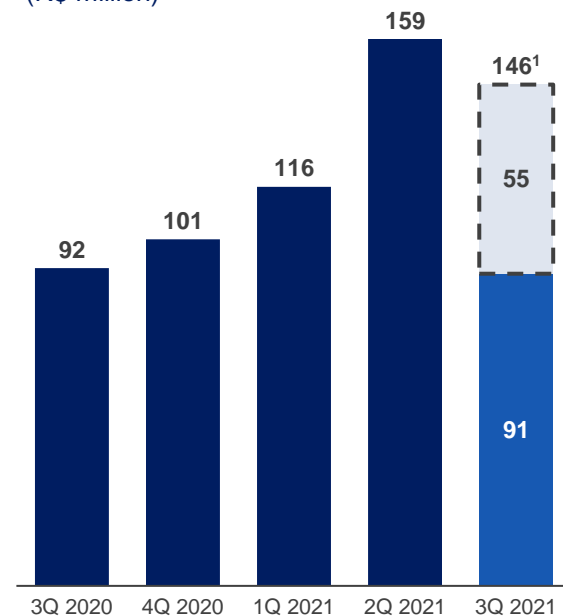
### Principal Investments Revenues

(R\$ million)



### Participations Earnings

(R\$ million)



Banco Pan Goodwill





# Expenses

## Section 2



# Expenses and Main Ratios

Cost to income ratio in line with historical average, despite cost base expansion...

## Highlights of 3Q 2021

- S&B increased 9.4% q-o-q, mostly due to increased headcount especially in our retail initiatives and IT
- A&O up 26.6% q-o-q mainly due to IT related costs
- Goodwill amortization costs had a slight increase in line with our acquisitions of businesses and IFAs
- Effective income tax positively impacted by declared JCP (interest on equity) and more favorable revenues mix

## Cost-to-income ratio at 42.6% and compensation ratio of 25.0%

(R\$ million)

(in R\$ mm, unless stated)	Quarter			3Q 2021 % change to		Year to Date		9M 2021 % change to
	3Q 2020	2Q 2021	3Q 2021	3Q 2020	2Q 2021	9M 2020	9M 2021	9M 2020
Bonus	(444)	(658)	(641)	45%	-2%	(970)	(1,761)	82%
Salaries and benefits	(230)	(292)	(319)	39%	9%	(661)	(877)	33%
Administrative and other	(248)	(315)	(398)	60%	27%	(746)	(1,000)	34%
Goodwill amortization	(11)	(65)	(91)	761%	39%	(38)	(186)	393%
Tax charges, other than income tax	(152)	(214)	(188)	24%	-13%	(356)	(555)	56%
<b>Total operating expenses</b>	<b>(1,084)</b>	<b>(1,544)</b>	<b>(1,637)</b>	<b>51%</b>	<b>6%</b>	<b>(2,771)</b>	<b>(4,380)</b>	<b>58%</b>
Normalized Cost to income ratio	44%	41%	43%			43%	42%	
Compensation ratio	27%	25%	25%			25%	25%	
<b>Income tax and social contribution</b>	<b>(392)</b>	<b>(549)</b>	<b>(465)</b>			<b>(960)</b>	<b>(1,435)</b>	<b>49%</b>
Effective income tax rate	28.1%	24.6%	21.1%			25.9%	23.8%	

...so we can continue to make significant additional investments without impacting the growth of our profit margin



# Balance Sheet

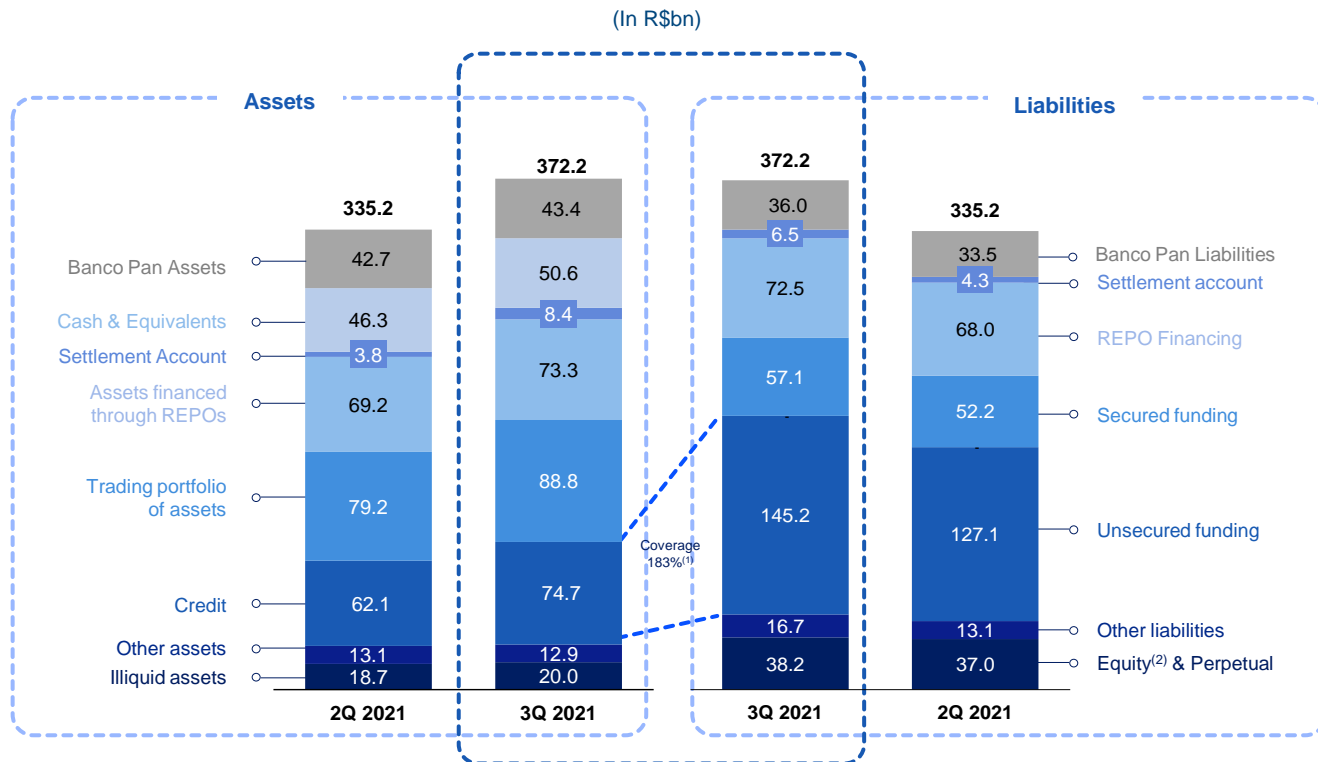
## Section 3



# Balance Sheet Analysis

## Highlights of 3Q 2021

- Total assets (10.3x equity) increased 11% q-o-q and 47% y-o-y due to Banco Pan's consolidation
- Record liquidity, with R\$50.6bn cash and cash equivalents, almost 1.4x our Net Equity, resulting in a LCR of 214%
- On balance sheet credit increased R\$12.6bn, while unsecured funding base increased R\$18.1bn (coverage ratio at 183%)
- Corporate Lending Portfolio equivalent to 2.7x Net Equity



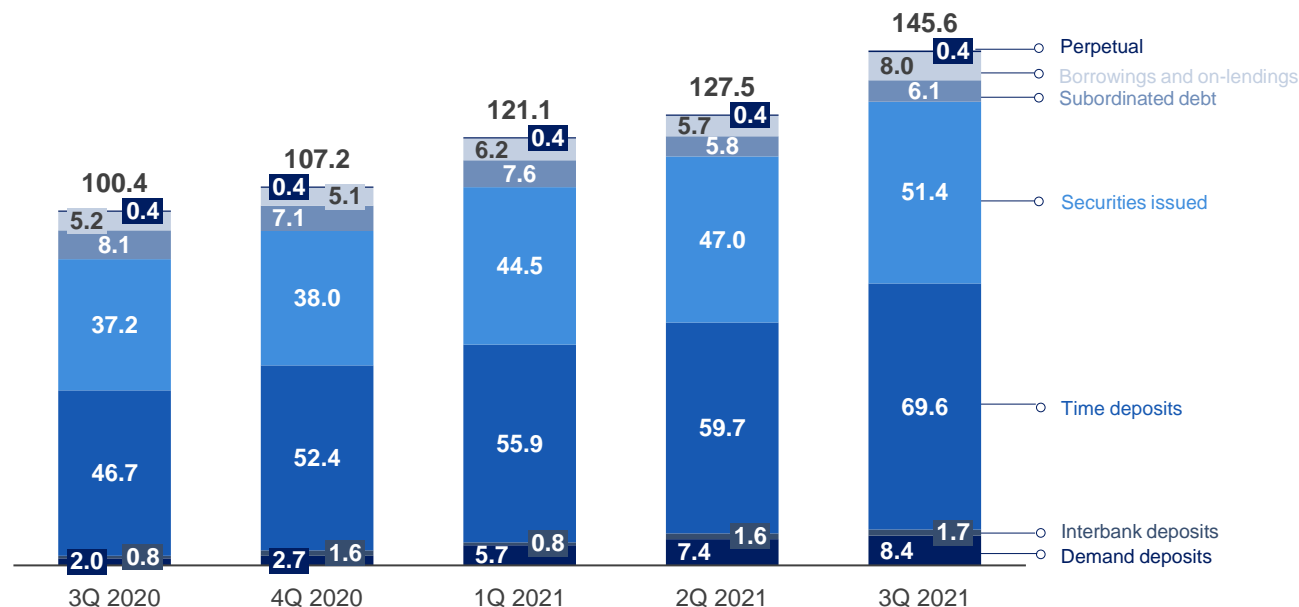
# Unsecured Funding Base

## Highlights of 3Q 2021

- Demand deposits reached R\$8.4bn, 5.8% of total base
- Share of our retail funding continues to expand, reaching 15% of total funding base and 25% considering Banco Pan's funding base
- New credit facility in the amount of US\$300 million provided by DFC<sup>1</sup> to expand our SME activities in Latin America

## Unsecured funding base growth of R\$18.1bn (+14.2% q-o-q)

(R\$ billion)



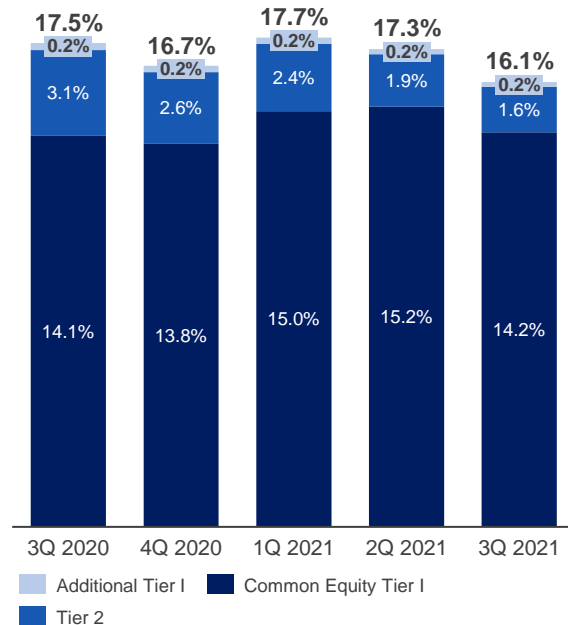
# BIS Ratio and VaR

## Highlights of 3Q 2021

- BIS capital ratio decreased to 16.1% at the end of 3Q 2021, with CET1 at 14.2%
- Total average daily VaR remained significantly below our historical levels
- Considering the R\$900mn we have raised in October in local Tier 2 LF, our BIS capital ratio will increase from 16.1% to 16.5%

## BIS Ratio

(%)



## Average daily trading VaR

(% of average shareholders equity)

