Banco BTG Pactual - Earnings Release

First Quarter 2020

May 12, 2020

Highlights

Rio de Janeiro, Brazil, May 12, 2020 - Banco BTG Pactual S.A. (“Banco” and together with its subsidiaries “BTG Pactual”) (B3: BPAC11) today reported total revenues of R$1,517.6 million and adjusted net income of R$789.4 million for the quarter ended March 2020.

BTG Pactual’s adjusted net income per unit and annualized adjusted return on average shareholders’ equity (“Annualized ROAE”) were R$0.91 and 14.5%, respectively, for the quarter.

As of March 31, 2020, total assets of BTG Pactual were R$200.4 billion, a 21.9% increase when compared to December 31, 2019. Our BIS capital ratio was 19.4%.

Banco BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			Year to Date	
	1Q 2019	4Q 2019	1Q 2020	3M 2019	3M 2020
Total revenues	1,482	2,486	1,518	1,482	1,518
Net income	675	1,179	768	675	768
Adjusted Net income	**721**	**1,010**	**789**	**721**	**789**
Adjusted Net income per unit (R$)	0.83	1.16	0.91	0.83	0.91
Annualized ROAE	**15.1%**	**19.1%**	**14.5%**	**15.1%**	**14.5%**
Cost to income ratio	43.3%	39.5%	42.9%	43.3%	42.9%
Shareholders' equity	19,449	21,387	22,053		
Total Number of Shares (# in '000)	2,618,160	2,615,969	2,607,390		
Number of Theoretical Units (# in '000)	**872,720**	**871,990**	**869,130**		
Book Value per unit (R$)	**22.3**	**24.5**	**25.4**		
BIS Capital Ratio	17.6%	14.9%	19.4%		
Total assets (in R$ Billion)	211.8	164.4	200.4		
AuM and AuA (in R$ Billion)	214.1	273.0	268.8		
WuM (in R$ Billion)	133.6	168.0	160.6		

Covid-19 Pandemic | Context, Initiatives and Impacts

The Covid-19 pandemic has dramatically altered the global landscape and has created enormous challenges for every aspect of society – from health and safety, to the economy, to friends and families.

For firms like BTG Pactual, it has resulted in the need to adjust our operating model to ensure the health and safety of our employees without sacrificing the client service which has always been a foundation of how we operate and the need to focus on our broader responsibility as members of the communities in which we operate.

Before we cover the financials for the quarter, we wanted to describe some of the important initiatives that we have taken (and will continue to take) with respect to our operating model and our role in the community. And, we want to take a moment to express our sincere hope that all of you are in good health during these difficult times.

(i) We are maintaining the Bank operational, with all services, communication channels and functionalities available to our clients, even with 93% of our employees working from home to maintain social distancing and ensure the safety of everyone;

(ii) Our technology teams have delivered the connectivity and cybersecurity necessary for us to operate in this new work environment, with all our teams working stably, continuously, and without any operational incidents - and with a very high level of engagement all around the Firm;

(iii) In the first weeks of the crisis, our client and operations teams cleared unprecedented volumes of transactions in secondary markets – in the last two months we have faced almost 2x higher volumes compared to the same period a year ago - keeping our operational platform available and working intensely in cooperation with our market counterparts;

(iv) Using technology, we are keeping ourselves close and available to clients in all segments, bringing quality information and specialized advice on a daily basis, to support them in their business needs or in the management of their portfolios;

(v) We also joined the "Não Demita" ("Don't Fire") movement, a social responsibility commitment signed by several companies that have agreed to not making staff reductions at this moment.

Various initiatives from companies and individual leaders in Brazil are being announced daily, including large donations to help health care workers and people who lost their sources of income to face the challenges of Covid-19.

At BTG Pactual, we were proud to announce the donation of R$50 million (50% from the Bank, and 50% from our Partnership holding) to projects to combat Covid-19 on two main fronts: social support and support for the healthcare system. We helped 16 hospitals, delivering equipment, respirators, heart monitors, hand sanitizers, and delivered more than 86 thousand basic food baskets to 32 institutions and more than 430 thousand people were assisted. We also raised R$7 million in donations from our clients to match our own funds.

BTG Pactual Performance

This was an extremely atypical quarter, with almost 2 months of normal operation and above-average business areas' performance, and more than a month of operation in a crisis environment.

At the beginning of the crisis, we made the decision to immediately reduce our market exposures, limiting the use of the balance sheet, favoring the maintenance of high liquidity and capitalization. As a result, we ended the quarter with a Basel ratio of 19.4% and a cash equivalent level 80% of our equity, both among the highest levels recorded in our most recent history, with this level of capitalization being the highest among banks that are currently part of Banking Supervision Segment 1 in Brazil.

In 1Q 2020, annualized adjusted ROAE and adjusted net income were 14.5% and R$789.4 million, respectively. When compared to 1Q 2019, adjusted net income was up 9.4%.

We have reported revenues of R$1,517.6 million, a 2.4% year-over-year growth, with solid contribution from all of our core businesses: (i) Investment Banking finished 1Q 2020 with leading position in the industry rankings, despite the revenue decrease, (ii) Corporate Lending delivered a 16.3% revenue increase, and a R$3.9 billion (or 9.0%) quarter-on-quarter portfolio growth, reaching its highest levels and maintaining good asset quality and adequate levels of provisions, (iii) Sales & Trading revenues were down 32.9% when compared to the previous quarter, which is in line with the decrease in our risk allocation - VaR, nonetheless, we posted historical levels of brokerage fees during the quarter, (iv) Asset Management continues to deliver good results and had significant inflows during the quarter. Revenues were down 24.7% due to natural seasonality of performance fees accrued in the 4Q 2019, and (v) Wealth Management revenues were up 4.1%, establishing record high revenues in a quarter, with strong inflows in all segments. BTG Pactual Digital continues to demonstrate a strong operational and growth capacity, even during this crisis. In our non-core business units, Principal Investments had negative contribution and Participations performed well, with positive results from all business lines.

Our operating expenses were R$650.4 million in 1Q 2020 (a 33.7% decrease when compared to 4Q 2019). The decrease was mostly due to lower bonus provision and lower tax charges, other than income tax. As a result, cost-to-income ratio was 42.9% our compensation ratio was 19.4%.

Our accounting net income was R$767.9 million in 1Q 2020, a 34.9% decrease when compared to 4Q 2019 and a 13.8% increase when compared to 1Q 2019.

Our shareholders' equity was R$22.1 billion, a 3.1% increase when compared to 4Q 2019, and a 13.4% increase compared to 1Q 2019. Our liquidity coverage ratio ("LCR") was 140%.

AuM and AuA ended 1Q 2020 at R$268.8 billion, a 1.5% decrease when compared to 4Q 2019 and WuM ended the period at R$160.6 billion, a 4.4% decrease when compared to 4Q 2019. Both franchises had strong net new money during the quarter, achieving R$21.2 billion aggregate inflows, an important sign of the quality of our management and clients' trust.

Adjusted Net Income and ROAE (unaudited)	1Q 2020 Accounting	Non Recurring Items & Goodwill	1Q 2020 Adjusted
Investment banking	188.6		188.6
Corporate lending	266.6		266.6
Sales and trading	455.0		455.0
Asset management	214.0		214.0
Wealth management	169.8		169.8
Principal investments	(17.8)		(17.8)
Participations	97.7		97.7
Interest and other	143.7		143.7
Total revenues	**1,517.6**	**-**	**1,517.6**
Bonus	(88.8)		(88.8)
Salaries and benefits	(205.3)		(205.3)
Administrative and other	(272.6)	17.3	(255.3)
Goodwill amortization	(11.9)	11.9	**0.0**
Tax charges, other than income tax	(71.8)		(71.8)
Total operating expenses	**(650.4)**	**29.2**	**(621.2)**
Income before taxes	**867.2**	**29.2**	**896.4**
Income tax and social contribution	(99.3)	(7.8)	(107.0)
Net Income	**767.9**	**21.4**	**789.4**
Annualized ROAE	**14.1%**		**14.5%**

Results excluding non-recurring items and goodwill provide a more meaningful information of the underlying profitability of our businesses

Non-Recurring Items & Goodwill

Administrative and Others: Mainly related to legal expenses from BSI legal proceedings
Goodwill: Mainly related to the remaining 5% stake in EFG

Relevant Events

On March 31, 2020, the acquisition of 80% of interest on Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A was approved by Brazilian Central Bank.

On March 31, 2020, the Bank has 40.73% of interest in Banco Pan, due to primary and secondary public offering of shares and acquisitions in free float.

Global Market and Economic Analysis

The year began with constructive perspectives for the global economy after the truce in trade tensions between China and the United States and the lagged effects of monetary relaxation by the Fed and the ECB in mid-2019. This benign scenario suffered a severe blow with the emergence of COVID-19. The quarantines imposed by governments around the world to flatten the contagion curve of the pandemic resulted in the highest rise and recession in history.

The prospect of abrupt declines in cash flows led the real sector of the economy to an unbridled search for liquidity, withdrawing contingent lines of bank credit, cutting investment, wages and jobs, and selling financial investments. The demand for liquidity encountered an adverse scenario of retraction in the availability of credit, with banks and investors adopting a risk-averse stance to preserve capital. The tension between these antagonistic positions has resulted in the loss of functionality in the main global financial markets. Central banks around the world have acted promptly and forcefully to reduce these tensions that would otherwise result in the deepening of the crisis in the real economy. The Fed's performance is noteworthy given the dollar status as leading reserve currency in the global financial system. The Fed entered the field with a large set of instruments, aiming to offer ample and cheap liquidity to a large set of financial actors, both domestically and abroad (through billion-dollars lines of foreign exchange swaps with other central banks in developed countries. emerging countries, including Brazil). The Fed cut the Fed funds rate to the range of 0.00 to 0.25% per year and announced a Quantitative Easing program with full flexibility in terms of volumes and pace of purchases of Treasury bills and mortgages, committing itself to buy as much as needed to stabilize markets.

The abovementioned interventions have contributed decisively to returning enough functionality to the funding markets. With the side effect contained, there remained the main challenge of reducing permanent damage from the abrupt drop in cash generation, damage that may result from the bankruptcy of companies and high unemployment. The fiscal and quasi-fiscal (where the central bank and financial institutions act as agents of the Treasury) policies are responsible for this role. Gigantic tax packages (exceeding 11% of GDP in the USA, for example) were approved within tight deadlines, providing subsidies for maintaining jobs, increasing unemployment insurance, deferring or cutting taxes, etc. In the quasi-fiscal policy, the potential volumes of action are even more expressive, exceeding 20% of GDP in Germany and the United States (where the Fed will be able to buy large volumes of private credit and provide credit to small and medium-sized companies with the guarantee of Treasure).

The oil market also suffered an additional crash with the announcement by Saudi Arabia that it would increase its production volume to maximum levels, putting wide downward pressure on commodity prices at a time of strong retraction in demand. The first WTI future ended the quarter with a decrease of 58.8%, quoted at US$ 24.51. This crash had a strong impact on the High Yield debt markets of companies in the sector, given the increased risk of default.

The action of Treasuries and central banks allowed a partial recovery of risk assets at the end of March. Even so, the accumulated losses in the quarter were significant: -20.0% in the S&P 500 index, -23.0% in the EUROSTOXX 50 index and -23.9% in the MSCI EM. Risk aversion favored an appreciation of the USD against the major currencies - the DXY index appreciated 2.8% in the quarter, and an even greater appreciation against emerging currencies and particularly Latin American currencies. The 10-year Treasury interest rate closed 125 basis points, ending the quarter at 0.67% p.a.

In Brazil, Covid-19 effects start to materialize. March IPCA inflation was 0.07% m/m, decelerating from its 0.25% m/m February print, leading 12-month inflation to close 1Q20 at 3.30% y/y. The IPCA continued to suggest an overwhelmingly benign outlook. Services inflation and core measures lost steam and continue trending at low levels, with few signs of pressures. Food inflation is accelerating fast due to a surge in demand resulting from panic-buying by people looking to stock up on supplies. Added to that, items that are sensitive to commodity prices are also gaining steam as BRL depreciation has far outpaced the decline in international commodity prices. Finally, fresh food items, which are labor-intensive, may face labor shortages, leading to supply disruptions. Regarding fuels, it appears that retailers have increased the rate at which recent cuts by Petrobras to gasoline prices are being passed on to consumers, as the sudden drop in demand led them to accumulate excessive stocks. Hotels and tourism-related items dropped deep into negative terrain, as expected. Recent figures have already shown some impact from social distancing measures.

But the full effect will only be felt in the following months, with April and May figures expected to plunge into deflationary territory. We thus revised our forecast for 2020 IPCA to 2.3% and admit that major downside risks still prevail.

For February, services output declined 1.0% m/m s.a. (0.7% y/y), core sales increased 1.2% m/m s.a. (+4.7% y/y), broad sales also surprised to the upside, registering growth of 0.7% m/m s.a, and industrial production advanced 0.5% m/m s.a., with mining production a positive surprise. However, the next round of economic activity data will probably bring bad news given the latest developments of the coronavirus worldwide. Recent shutdowns in Brazil are mostly affecting services sectors and some industries have announced stoppages due to the coronavirus. The first indicators for March already signaled a strong decline in economic activity at the end of 1Q20. In March, there was a fall of 18.5% y/y in vehicle licensing, a 21.5% y/y decline in vehicle production and a 13.7% y/y drop in the Serasa retail indicator. As a matter of fact, energy consumption – which is highly correlated to industrial production – already declined in March (-0.6% y/y), showing an even stronger fall in the first weeks of April (-13.6% y/y). The indicators already out led us to revise our expectation for a decline in GDP in 2020 to 4%, but the length of the measures is still uncertain, meaning we cannot discard an even bigger fall in activity this year (5-6%).

Job situation in Brazil is fragile. Brazil's unemployment rate was 11.6% (non-seasonally-adjusted) in the quarter ending in February. Seasonally-adjusted unemployment declined to 11.3%, from 11.4% in the previous quarter, marking the lowest level since July 2016. The improvement was mainly due to growth in employment in informal sectors. We note that the Ministry of Economy suspended the release of CAGED data on payroll job creation for January and February. Although recent results continued to point to an improvement in the labor market, this trajectory should be interrupted in the coming months due to the impact of coronavirus. Despite recent proposals by the government to combat unemployment and aid informal workers during coronavirus, the unemployment rate should reach record levels this year, with major impacts on the wage bill. As per PNAD (IBGE) data, payroll jobs (people working in the private sector and public sector) represent only 48% of all jobs. Thus, a large part of the population works in informal sectors, which have no legal protection and no right to unemployment aid. We currently expect unemployment to end 2020 at 13.5%.

March data confirmed strong growth in loans to contain the economic effects of the coronavirus crisis that hit the country in the second half of the month. However, data show that this growth mainly occurred in the corporate segment. In March, corporate loans rose 26.2% m/m s.a. (in real terms), while personal loans fell 11.9% m/m s.a. (in real terms). Growth in corporate loans mainly occurred in non-earmarked credit (27.8% m/m s.a.) and in working capital loans (86.6% m/m). Other signs were mixed: interest rates continued to decline, especially in the earmarked segment, but personal loan delinquency rates rose to 3.9% s.a. (from 3.6%), although they remain at a low level in the historical comparison. Today's data shows that CB liquidity measures and recent cuts in the Selic rate ensured continued credit expansion, especially in corporate (non-earmarked) loans. In the coming months, we expect earmarked credit to grow due to government measures to combat the crisis, which include an increase in loans by public banks (~R$200bn). The recent increase in household indebtedness and delinquency combined with prospects of rising unemployment due to the coronavirus crisis could be an obstacle to household credit growth in the next few months, especially in the non-earmarked segment.

The consolidated fiscal result divulged by the Central Bank signaled a primary deficit of R$20.9bn and a nominal deficit of R$49.4bn in February. Negative results are no surprise at all and are a reflection of the past, before the Covid-19 shock – which will massively worsen Brazil´s fiscal results over the next few months. The gross debt of the general government in the domestic methodology advanced to 77% of GDP in February, from 76.1% in January and 75.9% in December. On the other side, net debt fell to 53.8% of GDP, from 54.2% in January and 55.7% in December, mainly influenced by FX devaluation, which expanded international reserves in BRL and contributed to the public debt reduction. In order to tackle COVID-19 effects on the economy, the policy response measures already announced by the government and in analysis in Congress surpass R$2.1trn or almost 30% of GDP. The fiscal and quasi-fiscal measures total R$611bn (8.6% of GDP), with the impact on the primary deficit equivalent to R$347bn (4.9% of GDP). Of the temporary measures that will damage primary accounts this year, most of it is related to an increase in expenditures, of R$333.5bn (4.7% of GDP), and just R$13.6bn (0.2% of GDP) to revenue losses. As such, we expect a primary deficit in the public sector of R$600bn for this year and, due to this temporary rise in spending, Brazil's gross debt should end 2020 close to 90% of GDP.

March posted a current account surplus of US$0.9bn, leading the 12-month current account deficit (CAD) to narrow to US$49.7bn (2.8% of GDP) in the end of 1Q20. The improvement in the current account result was largely due to the significant reduction in net expenses with (mainly) remittances of profits and dividends and services (especially international travel). We expect a more significant reduction in the CAD in the coming months, mainly due to the strong BRL depreciation and the contraction in domestic demand. We maintain our expectation of a CAD of US$12bn (0.8% of GDP) in 2020. The 12 months FDI increase to US$79.5bn in the end of the 1Q20 was concentrated in intercompany loans, in particular remittances from offshore subsidiaries to parent companies in Brazil. This movement was probably explained by the cash needs of Brazilian companies in this period of crisis, together with strong BRL depreciation. The negative highlight of March's result was a significant outflow from foreign investments in portfolio, which should continue in the coming months due to the adverse external scenario, the significant contraction in domestic activity and the low level of interest rates in the country. For its part, the increase in March's trade balance occurred in a context of a y/y decrease in exports, mainly explained by the significant reduction in sales of manufactured products abroad, and fall in total imports, especially in purchases of consumer goods and fuels and lubricants. The sharp slowdown in global economic activity and the acute reduction in commodity prices in the international market will keep stronger growth in the trade balance in check. We expect a trade surplus of US$53bn at YE20. Regarding the Brazilian currency, exchange rate suffered a 29% devaluation in the 1Q20, closing the quarter at BRL5.20/USD. Assuming that the coronavirus outbreak will be controlled in Brazil and globally by year-end, we project an exchange rate of BRL4.80/USD at the end of 2020.

Beware of counterproductive action? The monetary policy committee (Copom) delivered a 25bps reduction in its February meeting and a 50bps cut in March, as we expected, leading the Selic rate to close 1Q20 at 3.75% p.a. Importantly, although BCB simulations performed at the last meeting showed that a cut in excess of 50bps would be required to offset the impact of the coronavirus pandemic on domestic demand, the Board deemed the new Selic level as adequate. In fact, the committee reckoned that such decision could become counterproductive and result in tighter financial conditions, considering possible interaction between deterioration of the external setting, frustration with continuity of reforms and possible lasting changes in the fiscal scenario. So, we continue to expect no extraordinary or aggressive monetary action ahead. But we don't think the committee entirely closed the doors to additional easing as communication recognized that new information on economic conditions is essential to determine the next steps. In fact, conditional inflation forecasts, already below target in 2020 and 2021, are likely to move lower as BCB´s 2020 growth forecast (current 0%) declined significantly. So, we still expect another 50bps rate cut in the May meeting and see the policy rate reaching 3% or less at year-end.

Consolidated Adjusted Revenues

Revenues in 1Q 2020 decreased 39.0% when compared to the previous quarter, totaling R$1,518 billion, and increased 2.4% when compared to 1Q 2019. This is a positive outcome for a quarter marked by severe turmoil in markets, complete halt of primary equity and debt issuances, and significant impact in advisory services, as we will explain further below.

Adjusted Revenues (unaudited)	Quarter			1Q 2020 % change to	
(in R$ million, unless otherwise stated)	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019
Investment Banking	175	306	189	8%	-38%
Corporate Lending	186	229	267	43%	16%
Sales & Trading	436	678	455	4%	-33%
Asset Management	167	284	214	28%	-25%
Wealth Management	131	163	170	29%	4%
Principal Investments	180	574	(18)	n.a.	n.a.
Participations	104	93	98	-6%	5%
Interest & Others	103	159	144	40%	-10%
Total revenues	**1,482**	**2,486**	**1,518**	**2%**	**-39%**

Investment Banking

The tables below include details related to announced transactions in which BTG Pactual participated:

BTG Pactual Announced Transactions (unaudited)	Number of Transactions (1),(3)			Value (2),(3) (US$ mln)		
	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019	1Q 2020
Financial Advisory (M&A) (4)	4	8	5	1,144	497	2,397
Equity Underwriting (ECM)	4	12	5	248	673	300
Debt Underwriting (DCM)	7	14	14	917	680	987

BTG Pactual Announced Transactions (unaudited)	Number of Transactions (1),(3)		Value (2),(3) (US$ mln)	
	3M 2019	3M 2020	3M 2019	3M 2020
Financial Advisory (M&A) (4)	4	5	1,144	2,397
Equity Underwriting (ECM)	4	5	248	300
Debt Underwriting (DCM)	7	14	917	987

Source: Dealogic for ECM, M&A and International Brazilian DCM and Anbima for Local Brazilian DCM

Note

(1) Equity underwriting and debt underwriting represent closed transactions. Financial advisory represents announced M&A deals, which typically generate fees upon their subsequent closing.

(2) Local DCM transactions were converted to U.S. Dollars using the end of quarter exchange rates reported by the Brazilian Central Bank.

(3) Market data from previous quarters might vary in all products, due to potential inclusions and exclusions.

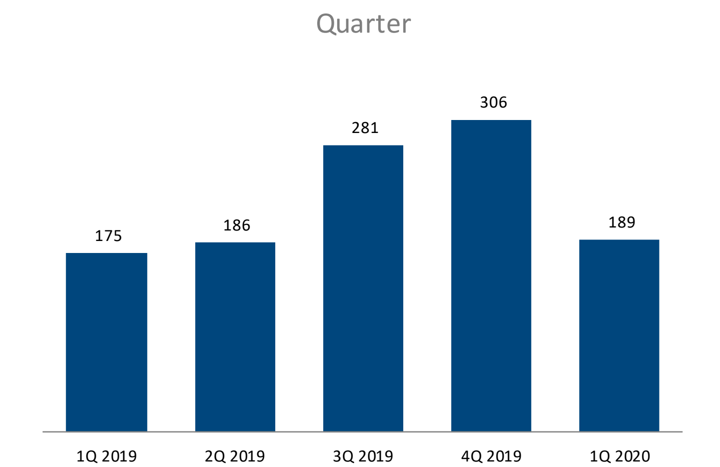
(4) M&A market data for previous quarters may vary because: (i) deal inclusions might be delayed at any moment, (ii) canceled transactions will be withdrawn from the rankings, (iii) transaction value might be revised and (iv) transaction enterprise values might change due to debt inclusion, which usually occurs some weeks after the transaction is announced (mainly for non-listed targets)

Investment Banking 1Q 2020 market share highlights

M&A: #1 in volume of transactions in Latin America and Brazil, #1 in number of transactions in LatAm and #2 in Brazil

ECM: #1 in number of transactions in Latin America and #2 in Brazil

Revenues
(in R$ million)



1Q 2020 vs. 4Q 2019

Investment Banking revenues were R$188.6 million, a 38.4% decrease compared to 4Q 2019, when we had the best performance in a quarter since IPO. In ECM and Financial Advisory, the decrease in revenues was attributed mainly to lower market activity and lower volume of concluded transactions, respectively. Nonetheless, we maintained leading market share. DCM continues to perform well, especially in Brazil, with higher market activity seen in the beginning of 1Q 2020.

1Q 2020 vs. 1Q 2019

Investment banking revenues increased 7.5% compared to the same period a year ago. The increase was driven mainly by higher revenues from ECM and DCM.

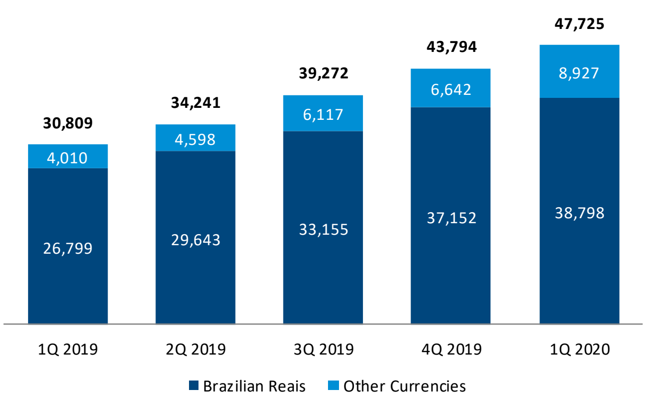
Corporate Lending

During the quarter, our Corporate Lending portfolio grew 9.0% and reached its highest level of R$47.7 billion. We had 54.9% year-on-year growth, in line with the gradual increase in confidence from our corporate clients during 2019. Our credit portfolio has expanded in the quarter with assets of good quality and higher spreads, in line with our historical average. In the period, our SME business (digitally-originated supplier financing trades) achieved R$3.3 billion portfolio.

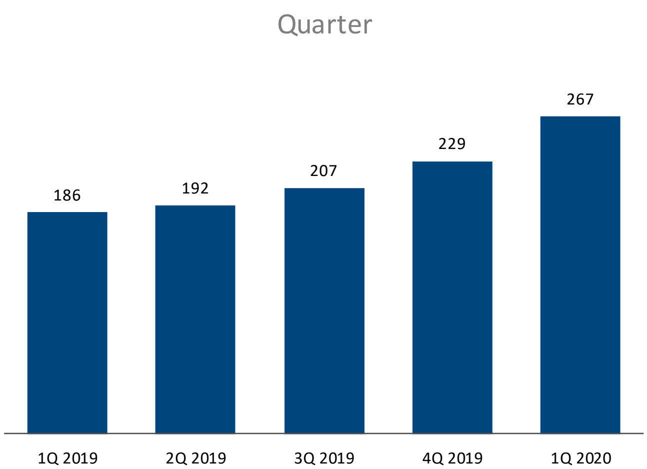
We are paying extremely careful attention to the behavior of our credit portfolio, performing full reviews of our credit provisions on a weekly basis. At this point, the expected losses are adequately reflected in the credit reserves, which incorporate our full knowledge of cash flow and operational impacts endured by our counterparties.

Corporate Lending Portfolio

(in R$ million)



Revenues
(in R$ million)



1Q 2020 vs. 4Q 2019

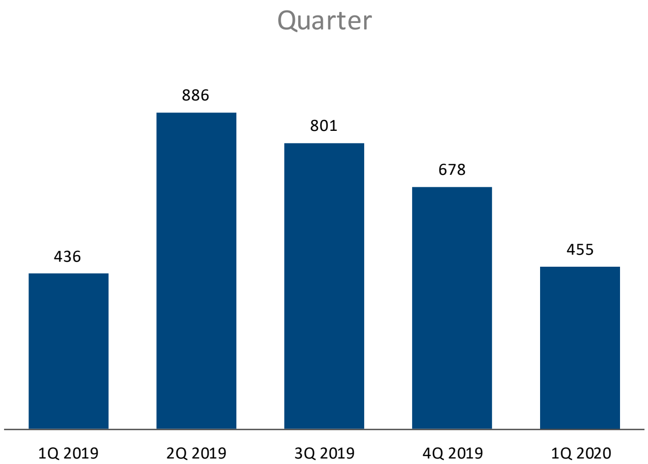
Revenues from Corporate Lending grew 16.3% from R$229.2 million in 4Q 2019 to R$266.6 million in 1Q 2020. The increase in revenues was mainly due to portfolio growth and higher contribution from our NPL portfolio, partially offset by higher provisions in the quarter, whilst still maintaining good asset quality and comfortable provisioning levels.

1Q 2020 vs. 1Q 2019

Revenues from Corporate Lending increased 43.5% from R$185.8 million in 1Q 2019 to R$266.6 million in 1Q 2020. The increase was mainly due to portfolio growth in the period, as average credit spreads were flat.

Sales & Trading

Revenues
(in R$ million)



1Q 2020 vs. 4Q 2019

In light of the very challenging and volatile trading conditions, we maintained a conservative risk allocation that led Sales & Trading revenues to R$455.0 million in 1Q 2020, 32.9% below 4Q 2019. This decrease was driven mainly by weaker revenues especially from our Equities desk. On the other hand, we posted solid results in Energy, FX and Rates desks and we saw unprecedented levels of brokerage fees during the quarter.

1Q 2020 vs. 1Q 2019

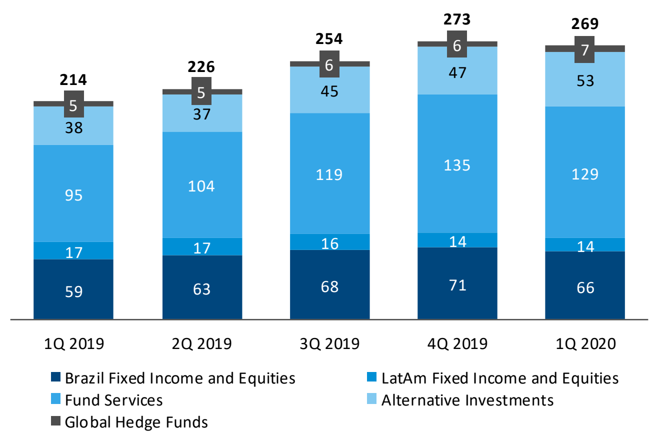
Sales & Trading revenues increased 4.5%, from R$435.6 million to R$455.0 million. The increase was mostly due to better contribution from our Energy desk, partially offset by lower revenues from Equities desk, as mentioned above.

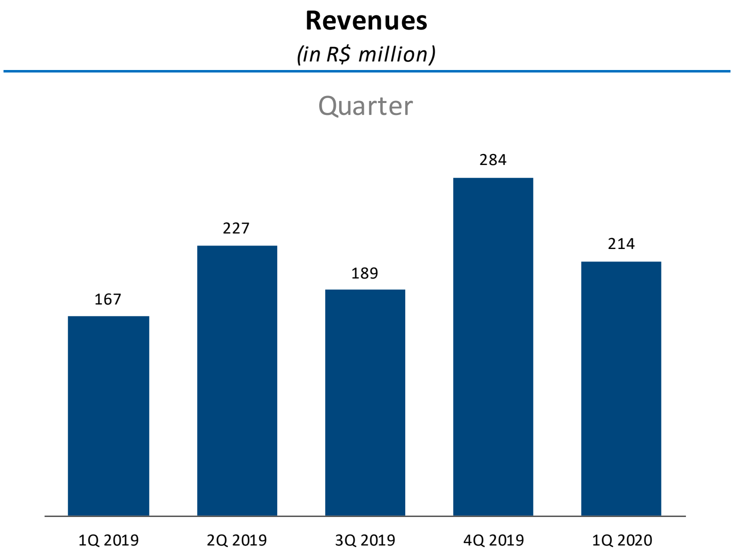
Asset Management

In 1Q 2020, total Assets under Management (AuM and AuA) were R$268.8 billion, a 1.5% decrease from the previous quarter and a 25.6% increase compared to 1Q 2019. Net new money was R$9.3 billion in the quarter, a strong inflow for the period, with a continuing positive contribution from Brazil Fixed Income and Equities Funds, and from Fund Services. The AuM reduction is attributed to the negative mark to market of some of the portfolios, mainly equity funds.

AuM & AuA by Asset Class

(in R$ billion)





1Q 2020 vs. 4Q 2019

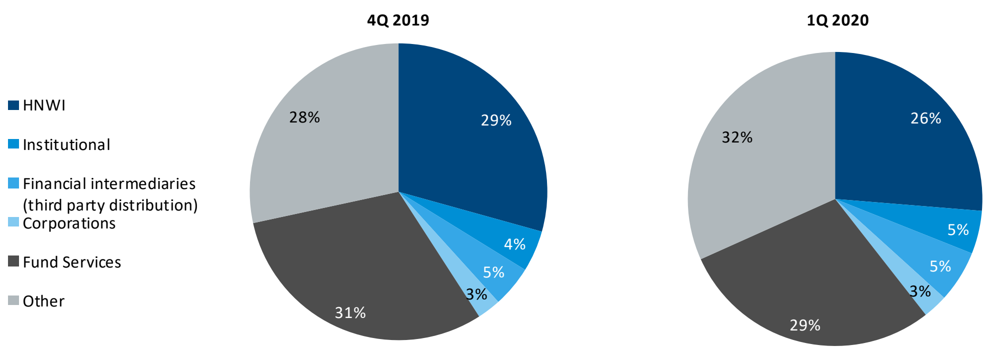
Asset management revenues decreased 24.7% in the period compared to 4Q 2019. The decrease was mainly due to performance fees accruals that are usually recorded at the end of each fund's fiscal year, most of which take place in December. Management fees grew in the quarter, mostly due to FX impact in our Global Hedge Funds.

1Q 2020 vs. 1Q 2019

Asset Management revenues increased 27.8% from R$167.4 million in 1Q 2019 to R$214.0 million in 1Q 2020. The increase was mainly attributable to 25.6% growth in average AuM/AuA, which impacted all business lines.

AuM and AuA by Type of Client

(%)

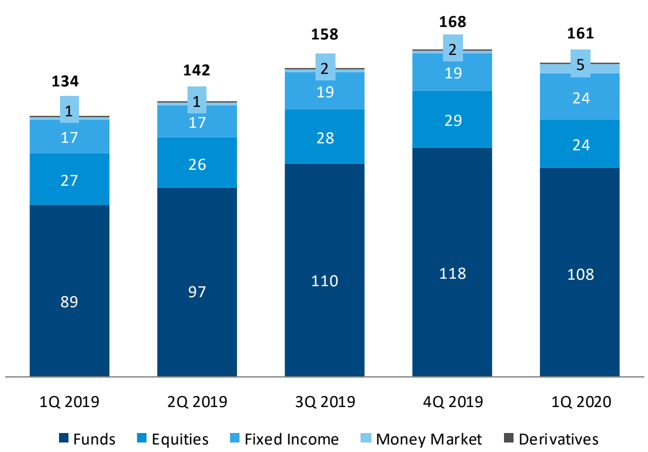


Wealth Management

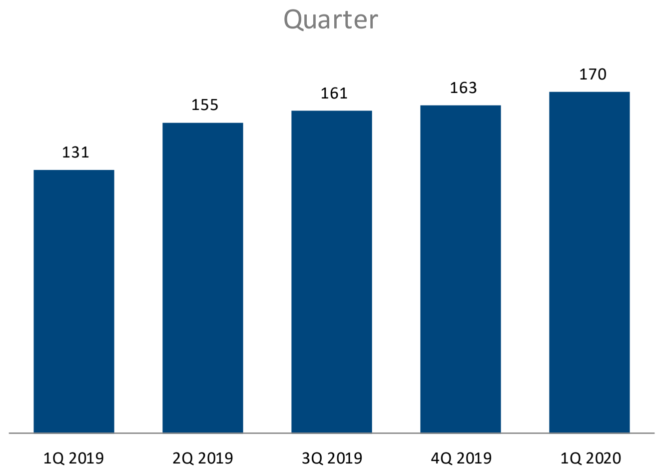
During the quarter, our Wealth under Management decreased 4.4%, from R$168.0 billion in 4Q 2019 to R$160.6 billion in 1Q 2020. Year-over-year WuM growth was 20.2%. We continue to receive significant inflows in most products and posted a record net new money in a single quarter of R$11.9 billion, with contribution from all segments. The WuM reduction is attributed to the negative mark to market of some of the portfolios, mainly equity assets.

WuM Breakdown

(in R$ billion)



Revenues
(in R$ million)



1Q 2020 vs. 4Q 2019

Wealth Management revenues increased 4.1% compared to 4Q 2019, establishing record high revenues in a quarter of R$169.8 million, mainly due to highest levels of brokerage and trading activities.

1Q 2020 vs. 1Q 2019

Revenues from Wealth Management increased 29.5%, from R$131.2 million to R$169.8 million, mostly owing to the 20.2% increase in WuM compared to the same period a year ago.

Principal Investments

Principal Investments Revenues (preliminary and unaudited) *(in R$ million, unless otherwise stated)*	Quarter			1Q 2020 % change to	
	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019
Total Revenues	**180**	**574**	**(18)**	**n.a.**	**n.a.**

1Q 2020 vs. 4Q 2019

Principal Investments revenues decreased compared to 4Q 2019, from gains of R$573.5 million to losses of R$17.8 million.
It is worth noting that, during the quarter, we had positive equity pick-up from investments, mainly from Prime (PetroAfrica) and our market-to-market from Eneva remained relatively flat. Investments from global markets and real estate had negative contribution mainly due to depreciation in value from other equity assets, and to internal funding cost allocation.

1Q 2020 vs. 1Q 2019

Principal Investments posted losses of R$17.8 million in 1Q 2020 compared to R$180.4 million gains in 1Q 2019. The decrease was due to higher losses in Global Markets and Real Estate strategies, partially offset by a positive equity pick-up from one investment, as explained above.

Due to the continuous reduction of the Principal Investments portfolio and exposures thereof, that represents below 3,5% of our assets, we have consolidated the previous segments (global markets, private equity and real estate) and will now report those under a single caption.

Participations

1Q 2020 vs. 4Q 2019

Participations posted gains of R$97.7 million, attributable to positive results from all business lines. Revenues in 1Q 2020 consisted of (i) R$67.4 million equity pick-up gains from Banco Pan, (ii) R$11.5 million gains from Too Seguros and Pan Corretora and (iii) R$18.8 gains from our remaining 5% stake in EFG. In 4Q 2019, we had earnings of R$92.9 million, mostly from Banco Pan, Too Seguros and Pan Corretora results.

1Q 2020 vs. 1Q 2019

Participations gains were R$97.7 million, as noted above, compared to gains of R$103.6 million in 1Q 2019. The decrease was related to a bigger stake in EFG at the time.

Interest & Others

1Q 2020 vs. 4Q 2019

Revenues from Interest & Others were R$143.7 million in 1Q2020, compared to R$159.4 million in 4Q2019. Revenues correspond mainly to interest rates of the Central Bank of Brazil applied over our tangible equity (i.e. internal cost of funding), and some minor PnL volatility in certain hedging instruments.

1Q 2020 vs. 1Q 2019

Revenues from Interest & Others increased 40.0% in the period, mainly due to the increase in our shareholders' equity.

Adjusted Operating Expenses

Adjusted Operating Expenses (unaudited)	Quarter			1Q 2020 % change to		Year to Date		3M 2020 % change to
(in R$ million, unless otherwise stated)	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019	3M 2019	3M 2020	3M 2019
Bonus	(170)	(356)	(89)	-48%	-75%	(170)	(89)	-48%
Salaries and benefits	(165)	(175)	(205)	24%	17%	(165)	(205)	24%
Administrative and other	(203)	(301)	(273)	34%	-9%	(203)	(273)	34%
Goodwill amortization	(37)	(11)	(12)	-68%	8%	(37)	(12)	-68%
Tax charges, other than income tax	(66)	(138)	(72)	8%	-48%	(66)	(72)	8%
Total operating expenses	**(641)**	**(982)**	**(650)**	**1%**	**-34%**	**(641)**	**(650)**	**1%**
Cost to income ratio	43%	39%	43%	-1%	9%	43%	43%	-1%
Compensation ratio	23%	21%	19%	-14%	-9%	23%	19%	-14%
Total number of employees	2,251	2,566	2,773	23%	8%	2,251	2,773	23%
Partners and associate partners	221	247	241	9%	-2%	221	241	9%
Employees	2,030	2,319	2,532	25%	9%	2,030	2,532	25%

Bonus

In 1Q 2020, bonus expenses were R$88.8 million, a 75.1% decrease compared to 4Q 2019, and 47.7% decrease compared to 1Q 2019. The decrease was mostly attributed to less revenues in the quarter.
Our bonuses are determined in accordance with our profit-sharing program, and are calculated as a percentage of our adjusted, or operating, revenues (which exclude Interest & Others revenues), reduced by our operating expenses.

Salaries and benefits

Staff costs increased 17.0% in the quarter and 24.1% when compared to 1Q 2019, mostly connected to personnel increase at BTG Pactual retail unit as well as the FX impact on our non-Brazilian businesses as a consequence of the Real devaluation. Expenses related to salaries and benefits were R$175.4 million in 4Q 2019 and R$165.4 million in 1Q 2019, compared to R$205.3 million in 1Q 2020.

Administrative and other

Total administrative and other expenses decreased 9.5%, from R$301.1 million in 4Q 2019 to R$272.6 million in 1Q 2020, mainly related to expenses usually impacted only in the fourth quarter. When compared to 1Q 2019, expenses increased 34.4%, due to BSI legal proceedings, FX impact over dollar denominated expenses and due to investments in our digital platform.

Goodwill amortization

In 1Q 2020, we recorded goodwill amortization expenses totaling R$11.9 million, mostly related to the remaining 5% stake in EFG. Goodwill amortization increased 7.7% when compared to 4Q 2019 and decreased 67.7% compared to 1Q 2019, mostly due to the Equity Linked Note issued to transfer the 25% of the share capital of EFG International from BTG Pactual to the Holding Company.

Tax charges, other than income tax

Tax charges, other than income tax, were R$71.8 million or 4.7% of total revenues compared to R$138.0 million in 4Q 2019 or 5.6% of total revenues.

Adjusted Income Taxes

Adjusted Income Tax (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			Year to Date	
	1Q 2019	4Q 2019	1Q 2020	3M 2019	3M 2020
Income before taxes	841	1,504	867	841	867
Income tax and social contribution	(166)	(325)	(99)	(166)	(99)
Effective income tax rate	**19.7%**	**21.6%**	**11.4%**	**19.7%**	**11.4%**

Our effective income tax rate for the quarter was 11.4% (representing an income tax expense of R$99.3 million), compared to a rate of 21.6% in the 4Q 2019 and 19.7% in 1Q 2019.

Balance Sheet

Total assets increased 21.9%, from R$164.4 billion at the end of 4Q 2019 to R$200.4 billion at the end of 1Q 2020, mainly due to an increase in assets financed through repos and in securities portfolio. There was also a 10.7% increase in our credit portfolio from 4Q 2019. Cash and cash equivalents increased 6.6% in the end of the quarter to R$ 18.5 billion, from R$17.3 billion at the end of 4Q2019 Therefore, our leverage ratio increased to 9.1x.

On the liability side, the repo financing and trading portfolio liabilities increased in line with the increase in our assets mentioned above. Unsecured funding increased 14.0% to R$61.1 billion.

Shareholders' equity increased from R$21.4 billion at the end of 4Q 2019 to R$22.1 billion at the end of 1Q 2020, mainly impacted by net income of R$767.9 million in the quarter.

Risk and Capital Management

There were no significant changes in the risk and capital management framework in the quarter.

Market Risk – Value-at-risk

Value-at-risk (unaudited) *(in R$ million, unless otherwise stated)*	Quarter		
	1Q 2019	4Q 2019	1Q 2020
Total average daily VaR	**133.0**	**114.8**	**81.1**
Average daily VaR as a % of average equity	0.69%	0.54%	0.37%

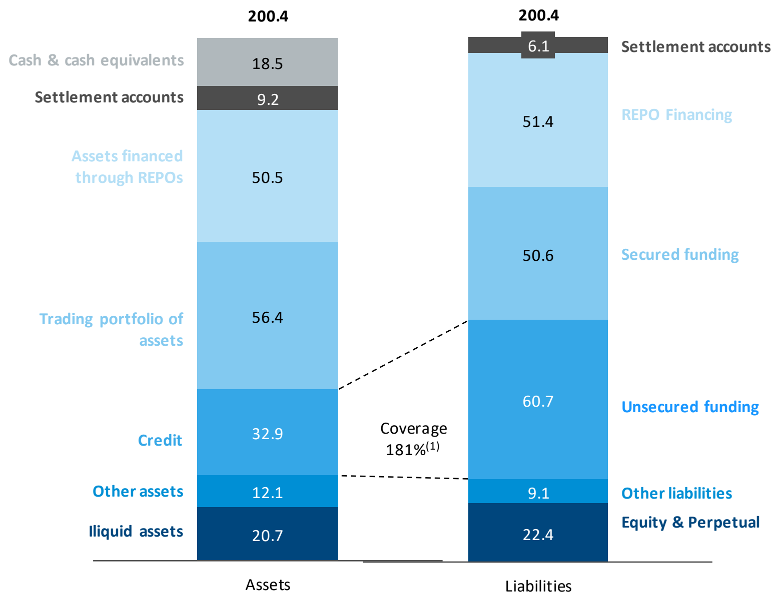
Our total average daily VaR went down 29.3% when compared to 4Q 2019. The decrease was mainly driven by the Brazilian Rates and FX desks, and, to a lesser extent in Energy and Equities desks.

Liquidity Risk Analysis

The chart below summarizes the composition of assets and liabilities as of March 31, 2020:

Summarized Balance Sheet (unaudited)

(in R$ billion)



Note:

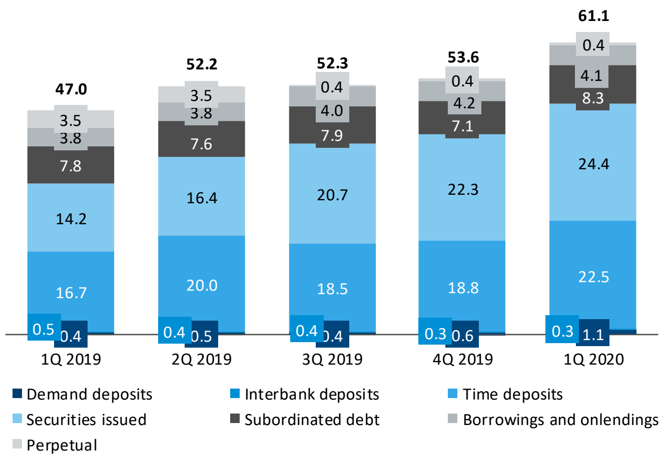
(1) Excludes demand deposits

Unsecured Funding Analysis

The chart below summarizes the composition of our unsecured funding base evolution:

Unsecured Funding Evolution (unaudited)

(in R$ billion)



Total unsecured funding increased from R$53.6 billion at the end of 4Q 2019 to R$61.1 billion in 1Q 2020, mainly due to an increase in time deposits, securities issued and demand deposits.

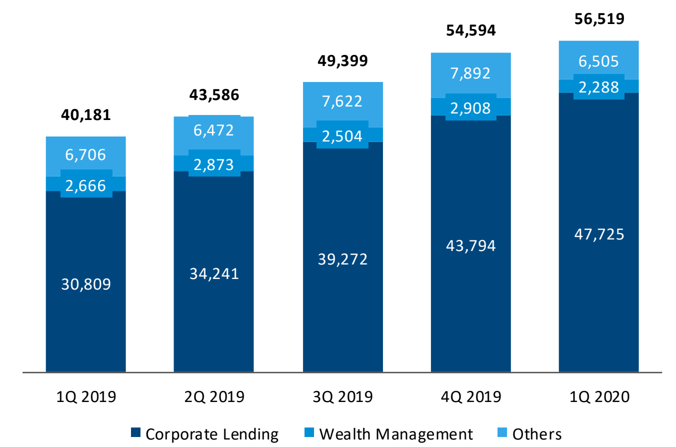
BTG Pactual Broader Credit Portfolio

Our broader credit portfolio is comprised of loans, receivables, advances on foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

The balance of our broader credit portfolio increased 3.5% when compared to the previous quarter, from R$54.6 billion to R$56.5 billion, and 40.7% compared to 1Q 2019.

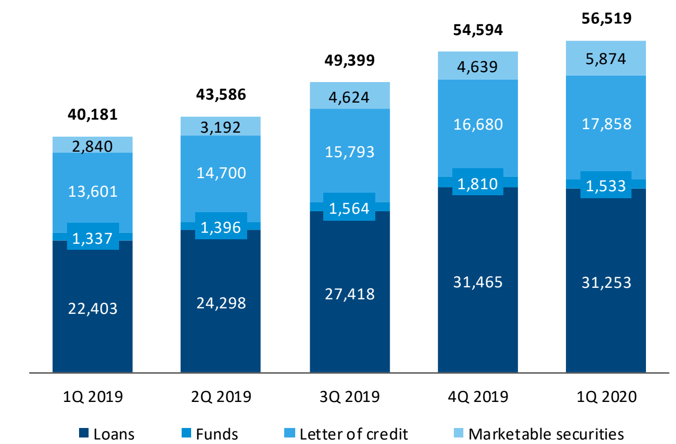
Broader Credit Portfolio Breakdown by Area

(in R$ million)



Broader Credit Portfolio by Product

(in R$ million)



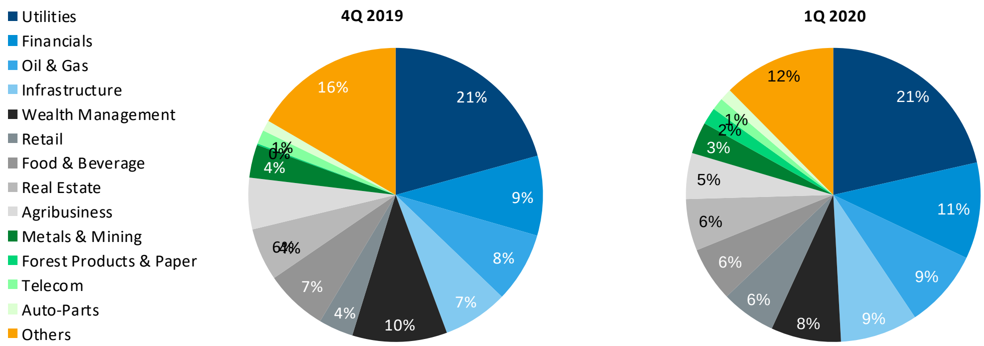
Notes:

Others: includes interbank deposits, Merchant Banking structured transactions and others

Wealth Management impacts WM results, others impact Sales & Trading and Merchant Banking results

Corporate Lending & Others Portfolio by Industry

(% of total)



Credit Risk

The following table sets forth the distribution of our credit exposures as of March 31, 2020 by credit rating. The ratings below reflect our internal assessment, consistently applied in accordance with the Brazilian Central Bank standard ratings scale:

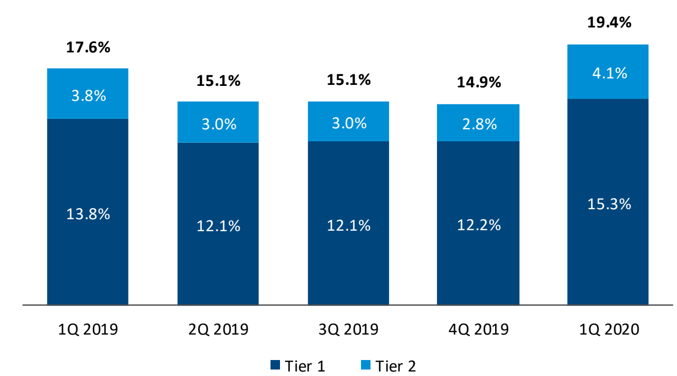
Rating (unaudited) (in R$ million)	1Q 2020
AA	26,548
A	12,611
B	10,612
C	2,774
D	1,982
E	496
F	972
G	272
H	251
Total	**56,519**

Capital Management

BTG Pactual complies with standards of capital requirements established by the Brazilian Central Bank that are consistent with those proposed by the Basel Committee on Banking Supervision, under the Basel Capital Accord. Our BIS capital ratios, calculated in accordance with the Brazilian Central Bank standards and regulations, are applicable only to BTG Pactual. The BIS capital ratio was 19.4% at the end of 1Q 2020. Our liquidity coverage ratio (LCR) ended the quarter at 140%.

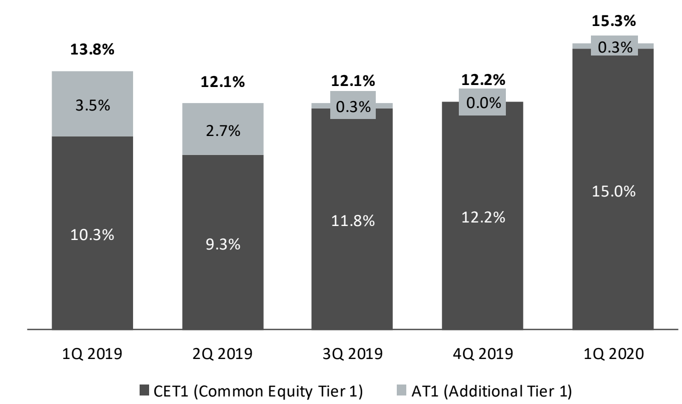
Basel Ratio (unaudited)

(%)



Tier 1: CET1 & AT1 (unaudited)

(%)



Exhibits

Basis for Presentation

Except where otherwise noted, the information concerning our financial condition presented in this document is based on our Balance Sheet, which is prepared in accordance with Brazilian GAAP for Banco BTG Pactual S.A. and its subsidiaries. Except where otherwise noted, the information concerning our results of operations presented in this document is based on our Adjusted Income Statement, which represents a revenue breakdown by business unit net of funding costs and financial expenses allocated to such unit, and a reclassification of certain other expenses and costs.

Our Adjusted Income Statement is derived from the same accounting information used for preparing our Income Statement in accordance with Brazilian GAAP and IFRS. The classification of the line items in our Adjusted Income Statement is unaudited and materially differs from the classification and presentation of the corresponding line items in our Income Statement. As explained in the notes to the Financial Statements of BTG Pactual, our financial statements are presented with the exclusive purpose of providing, in a single set of financial statements and in one GAAP, information related to the operations of BTG Pactual and represents the consolidation of transactions of Banco BTG Pactual S.A. and its subsidiaries.

Key Performance Indicators ("KPIs") and Ratios

The key performance indicators ("KPIs") and ratios are monitored by BTG Pactual's management and pursued to be achieved across financial periods. Consequently, key indicators calculated based on annual results across financial periods may be more meaningful than quarterly results and results of any specific date. KPIs are calculated annually and adjusted, when necessary, as part of the strategic planning process and to reflect regulatory environment or materially adverse market conditions.

This section contains the basis for presentation and the calculation of selected KPIs and ratios presented in this report.

KPIs and Ratios	Description
AuM and AuA	Assets under management and assets under administration consist of proprietary assets, third party assets, wealth management funds and/or joint investments managed or administrated among a variety of assets classes, including fixed income, equities, money market accounts, multi-market funds and private equity funds.
Cost to income ratio	It is computed by dividing the adjusted total operating expenses by adjusted total revenues.
Compensation ratio	It is computed by dividing the sum of adjusted bonus and salaries and benefits expenses by adjusted total revenues.
Effective income tax rate	It is computed by dividing the adjusted income tax and social contribution or (expense) by the adjusted income before taxes.
Net income per unit	Net income per unit presents the results of each pro-forma unit formed by 3 different classes of shares of Banco and it considers the outstanding units as of the date of this report. This item is a non-GAAP measurement and may not be comparable to similar non-GAAP measures used by other companies.
ROAE	Annualized ROE for the periods are computed by dividing annualized net income by the average shareholders' equity. We determine the average shareholders' equity based on the initial and final net equity for the quarter. For 4Q 2016, initial equity is adjusted for ECTP distribution.
VaR	The VaR numbers reported are calculated on a one-day time horizon, a 95.0% confidence level and a one-year look-back window. A 95.0% confidence level means that there is a 1 in 20 chance that daily trading net revenues will fall below the VaR estimated. Thus, shortfalls from expected trading net revenues on a single trading day greater than the reported VaR would be anticipated to occur, on average, about once a month. Shortfalls on a single day can exceed reported VaR by

KPIs and Ratios	Description
	significant amounts and they can also occur more frequently or accumulate over a longer time horizon, such as a number of consecutive trading days. Given its reliance on historical data, the accuracy of VaR is limited in its ability to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate predictions of future market risk. Different VaR methodologies and distributional assumptions can produce materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day. “Stress Test” modeling is used as a complement of VaR in the daily risk management activities.
WuM	Wealth under management consists of private wealth clients' assets that we manage across a variety of asset classes, including fixed income, money market, multi-asset funds and merchant banking funds. A portion of our WuM is also allocated to our AuM to the extent that our wealth management clients invest in our asset management products.
Leverage Ratio	Leverage Ratio is computed by dividing the total assets by the shareholders’ equity.

Selected Financial Data

Balance Sheet (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			1Q 2020 % change to	
	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019
Assets					
Cash and bank deposits	1,224	1,334	2,258	84%	69%
Interbank investments	53,995	26,945	57,780	7%	114%
Marketable securities and derivatives	73,166	49,036	39,365	-46%	-20%
Interbank transactions	1,164	1,160	569	-51%	-51%
Loans	19,565	27,475	30,343	55%	10%
Other receivables	53,617	50,574	60,174	12%	19%
Other assets	279	303	326	17%	8%
Permanent assets	8,797	7,556	9,542	8%	26%
Total assets	**211,806**	**164,383**	**200,357**	**-5%**	**22%**
Liabilities					
Deposits	19,973	22,149	24,912	25%	12%
Open market funding	70,250	35,007	55,036	-22%	57%
Funds from securities issued and accepted	14,846	22,720	24,940	68%	10%
Interbank transactions	116	41	44	-62%	8%
Loans and onlendings	5,342	4,179	4,890	-8%	17%
Derivatives	4,070	4,172	8,135	100%	95%
Subordinated liabilities	7,780	4,139	2,658	-66%	-36%
Other liabilities	69,058	50,069	57,244	-17%	14%
Deferred income	142	169	155	10%	-8%
Shareholders'equity	**19,449**	**21,387**	**22,053**	**13%**	**3%**
Non-controlling interest	780	352	290	-63%	-18%
Total liabilities	**211,806**	**164,383**	**200,357**	**-5%**	**22%**

Adjusted Income Statement (unaudited)	Quarter			1Q 2020 % change to		Year to Date		3M 2020 % change to
(in R$ million, unless otherwise stated)	1Q 2019	4Q 2019	1Q 2020	1Q 2019	4Q 2019	3M 2019	3M 2020	3M 2019
Investment Banking	175	306	189	8%	-38%	175	189	8%
Corporate Lending	186	229	267	43%	16%	186	267	43%
Sales & Trading	436	678	455	4%	-33%	436	455	4%
Asset Management	167	284	214	28%	-25%	167	214	28%
Wealth Management	131	163	170	29%	4%	131	170	29%
Principal Investments	180	574	(18)	n.a.	n.a.	180	(18)	n.a.
Participations	104	93	98	-6%	5%	104	98	-6%
Interest & Others	103	159	144	40%	-10%	103	144	40%
Total revenues	**1,482**	**2,486**	**1,518**	**2%**	**-39%**	**1,482**	**1,518**	**2%**
Bonus	(170)	(356)	(89)	-48%	-75%	(170)	(89)	-48%
Salaries and benefits	(165)	(175)	(205)	24%	17%	(165)	(205)	24%
Administrative and other	(203)	(301)	(273)	34%	-9%	(203)	(273)	34%
Goodwill amortization	(37)	(11)	(12)	-68%	8%	(37)	(12)	-68%
Tax charges, other than income tax	(66)	(138)	(72)	8%	-48%	(66)	(71.8)	8%
Total operating expenses	**(641)**	**(982)**	**(650)**	**1%**	**-34%**	**(641)**	**(650)**	**1%**
Income before taxes	**841**	**1,504**	**867**	**3%**	**-42%**	**841**	**867**	**3%**
Income tax and social contribution	(166)	(325)	(99)	-40%	-69%	(166)	(99)	-40%
Net Income	**675**	**1,179**	**768**	**14%**	**-35%**	**675**	**768**	**14%**

Income Statement (unaudited)	Banco BTG Pactual S.A.	
(in R$ million, unless otherwise stated)	4Q 2019	1Q 2020
Financial income	2,395	7,222
Financial expenses	(537)	(7,844)
Gross financial income	**1,858**	**(622)**
Other operating income (expenses)	50	843
Operating income (expenses)	**1,908**	**221**
Non-operating income/(expenses)	4	(38)
Income before taxes and profit sharing	**1,912**	**184**
Income and social contribution taxes	(350)	493
Statutory profit sharing	(355)	(74)
Non-controlling interest	**(28)**	**165**
Net income	**1,179**	**768**

Selected Presentation Differences

The table presents a summary of certain material differences between the Adjusted Income Statement and the Income Statement prepared in accordance to the BR GAAP:

	Adjusted Income Statement	Income Statement
Revenues	• Revenues segregated by business unit, which is the functional view used by our management to monitor our performance • Each transaction allocated to a business unit, and the associated revenue, net of transaction and funding costs (when applicable), is reported as generated by such business unit	• Revenues are presented in accordance with BRGAAP and standards established by COSIF and IFRS • Segregation of revenues follows the contractual nature of the transactions and is aligned with the classification of the assets and liabilities - from which such revenues are derived • Revenues are presented without deduction of corresponding financial or transaction costs
Expenses	• Revenues are net of certain expenses, such as trading losses, as well as transaction costs and funding costs • Revenues are net of cost of funding of our net equity (recorded at "interest & others") • SG&A expenses incurred to support our operations are presented separately	• Breakdown of expenses in accordance with COSIF • Financial expenses and trading losses presented as separate line items and not deducted from the financial revenues with which they are associated • Transactions costs are capitalized as part of the acquisition cost of assets and liabilities in our inventory • SG&A expenses incurred to support our operations are presented separately in our income statement
Principal Investments Revenues	• Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations • Revenues are reduced by associated transaction costs and by management and performance fees paid	• Revenues included in different revenue line items (marketable securities, derivative financial income and equity pick-up up from subsidiaries) • Losses, including trading losses and derivative expenses, presented as financial expenses
Sales & Trading Revenues	• Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations • Revenues deducted from transaction costs	• Revenues included in numerous revenue line items (marketable securities, derivative financial income, foreign exchange and compulsory investments) • Losses, including trading losses, derivative expenses and funding and borrowings costs, presented as financial expenses
Corporate Lending Revenues	• Revenues net of funding costs (including cost of net equity)	• Revenues included in certain revenue line items (credit operations, marketable securities and derivative financial income) • Losses, including derivative expenses, presented as financial expenses
Banco Pan Revenues	• Revenues consist of the equity pick-up from our investment, presented net of funding costs (including cost of net equity)	• Revenues from equity pick-up recorded as equity pickup from subsidiaries
Salaries and Benefits	• Salaries and benefits include compensation expenses and social security contributions	• Generally recorded as personnel expenses
Bonus	• Bonus include cash profit-sharing plan expenses (% of our net revenues)	• Generally recorded as employees' statutory profit-sharing
Administrative and Other	• Administrative and Others are consulting fees, offices, IT, travel and entertainment expenses, as well as other general expenses	• Generally recorded as other administrative expenses, and other operating expenses
Goodwill amortization	• Goodwill amortization of investments in operating subsidiaries other than merchant banking investments	• Generally recorded as other operating expenses
Tax charges, other than income tax	• Tax expenses are comprised of taxes applicable to our revenues not considered by us as transaction costs due to their nature (PIS, Cofins and ISS)	• Generally recorded as tax charges other than income taxes
Income tax and social contribution	• Income tax and other taxes applicable to net profits	• Generally recorded as income tax and social contribution

The differences discussed above are not exhaustive and should not be construed as a reconciliation of the Adjusted income statement to the income statement or financial statements. The business units presented in the Adjusted income statement should not be presumed to be operating segments under IFRS because our management does not solely rely on such information for decision making purposes. Accordingly, the Adjusted income statement contains data about the business, operating and financial results that are not directly comparable to the income statement or the financial statements and should not be considered in isolation or as an alternative to such income statement or financial statements. In addition, although our management believes that the Adjusted income statement is useful for evaluating our performance; the Adjusted income statement is not based on Brazilian GAAP, IFRS, U.S. GAAP or any other generally recognized accounting principles.

Forward-looking statements

This document may contain estimates and forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements may appear throughout this document. These estimates and forward-looking statements are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, and results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result, you should not make any investment decision on the basis of the forward-looking statements contained herein.

Rounding

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.

Glossary

Alternext	Alternext Amsterdam
BM&FBOVESPA	The São Paulo Stock Exchange (BM&FBOVESPA S.A. – *Bolsa de Valores, Mercadorias e Futuros*).
BR Properties	BR Properties S.A.
CMN	The Brazilian National Monetary Council (Conselho Monetário Nacional).
ECB LTRO	European central Bank Long-term repo operation.
ECM	Equity Capital Markets.
Euronext	NYSE Euronext Amsterdam
HNWI	High net worth individuals
IPCA	The inflation rate is the Consumer Price Index, as calculated by the IBGE.
M&A	Mergers and Acquisitions.
NNM	Net New Money
GDP	Gross Domestic Product.
Selic	The benchmark interest rate payable to holders of some securities issued by the Brazilian government.
SG&A	Selling, General & Administrative

Earnings Release - First Quarter 2020

May 12nd, 2020 (before trading hours)

English Conference Call

May 12nd, 2020 (Tuesday)
11:00 PM (New York) / 01:00 PM (Brasília)
Phone: +1 (412) 317-6373

Code: BTG Pactual

Replay until 21/02: +1 (412) 317-0088

Code: 10138321

Portuguese Conference Call

May 12nd, 2020 (Tuesday)
09:00 AM (New York) / 11:00 AM (Brasília)
Phone: +55 (11) 3193-8000

Code: BTG Pactual

Replay until 21/02: +55 (11) 2188-0400

Code: BTG Pactual

Webcast: The conference calls audio will be live broadcasted, through a webcast system available on our website www.btgpactual.com/ir

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

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