

# XP Earnings Call Transcript

**Date: 2025-11-18**

**Quarter: 3**

Andre Parize: Good evening, everyone. I'm Andre Parize. Investor Relations Officer at XP. And it's a pleasure to be here with you today. On behalf of the company, I would like to thank you all for your interest and welcome you to our third quarter 2025 earnings call. Today's presentation will be led by our CEO, Thiago Maffra, and our CFO, Victor Mansur, who will both be available for the Q&A session right after the presentation. If you would like to ask a question, please use the raise hand feature on Zoom, and we will address them in the order we received. [Operator Instructions]. Before we begin, please refer to our legal disclaimers on Page 2, where we provide additional information regarding forward-looking statements. You can also find more information in the SEC filings section on our IR website. Now I'll turn it over to Thiago Maffra. Good evening, Maffra.

Thiago Maffra: Thank you, Andre. Good evening, everyone. I appreciate you all joining us today for the third quarter 2025 earnings call. 2025 has been a very important year for XP as we have achieved significant progress on our agenda of excellence from the launch of the new way to attend and serve clients, implementing a culture to better understand clients' financial cycles as part of the main KPIs, new and more intelligent segmentation through a brand-new app with much more features and easier data access and new credit card offering. These few examples demonstrate our focus to become the leader in investments in the country while it brings a completely new approach on how Brazilians invest. Despite this advance we have made in different areas, the year has still proven to be challenging. But even with this challenge, our team is fully committed to keep evolving our business to deliver growth and profitability under different circumstances. Now going to the main KPIs. The first one is client assets, AUM and AUA for which we posted BRL 1.9 trillion, a 16% growth year-over-year. Total advisers accounted for 18,200, representing a small decrease year-over-year on the back of many of them becoming employees and our more restrictive policy, which requests higher standards of commercial behavior and productivity. And on activity clients, we posted 4.8 million clients with a 2% growth year-over-year. It's important to mention that we have been growing on core client segments, high income and private banking. For some quarters, we were not investing to capture and maintain low retail clients since it was too expensive to serve them in our old model. But now after some tests, we are almost ready to resume growth in this segment. We already see early stage of development on how to better serve the segment with profitability. Let's wait some quarters to be sure about the way we design to attend retail clients and maybe we'll see the overall number of clients growing again as this dynamic evolves. In the quarter, gross revenues marked BRL 4.9 billion, representing 9% growth year-over-year. EBT is 10% higher year-over-year, making BRL 1.3 billion. These results were positively impacted by the more constructive dynamics in Corporate & Issuer Services segments. Following this positive trend, our bottom line also posted an impressive growth year-over-year, reaching BRL 1.330 billion and representing a 12% growth when compared to the same period last year, which represents a new record. On profitability, we achieved 23% ROE during the quarter, a flat performance year-over-year. This represents our commitment to deliver profitability even in more challenging market scenarios. On capital ratio, we maintain a very comfortable level of 21.2%, which represented an increase of 180 bps quarter-over-quarter. Regarding diluted EPS, we posted 13% growth year-over-year, another quarter in which it grew faster than net income, driven by our share buyback program execution. Now let's see more details on the next slides. Our total client assets combined with

the assets under management from our asset management business and with the AUA from our fund administration business totaled over BRL 1.9 trillion, which represented a 16% growth year-over-year. On the right hand of the slide, we show how net new money related to client assets developed in the period. This quarter, we achieved BRL 20 billion in retail net new money and BRL 9 billion in corporate and institutional, which combined represented BRL 5 billion lower than last year, but 3x higher than last quarter. On the retail side, we started to see the early signs of progress on our agenda of excellence we mentioned before, lower noise of some events we had during the first half of the year and better GCM activity towards the end of the quarter. All this combined positively impacted the inflows coming from individuals. Additionally, despite the maintenance of the same market dynamics during the third quarter of the year, we saw better net new money figures, both from SMEs, which are incorporated in retail figures and large corporates. Recent developments in our product range offering and more positive capital markets activities translated into higher net new money for both segments. We are constantly improving our investment platform. And as we mentioned before, enhancing clients' experience through adviser initiatives. This combination reinforced our confidence to achieve our target of around BRL 20 billion in retail net new money per quarter. On the next slide, we will explore our retail strategy. As I mentioned earlier, 2025 has been a year of significant progress in our agenda of excellence. We are constantly enhancing our way of serving clients with the aim of once again disrupt the market with our value proposition focused on service level. Going back to our foundation, XP disrupted the investment industry in Brazil by democratizing access to investments through an open and comprehensive platform of products and service. In a second stage, we scaled this innovative business model by building the largest and most qualified base of financial advisers in the market. We have come this far by offering best-in-class investment products built by top market specialists. Now we are once again disrupting how Brazilians invest by democratizing access to high-quality wealth planning, a service that until now has been reserved for high net worth clients of multifamily offices. We delivered personalized and premium planning for clients with more than BRL 3 million, scaling financial planning for those with over BRL 1 million and offering goal-based investment planning for clients with less than BRL 1 million. Our approach is holistic, encompassing the complete financial lives of our clients, assets, liabilities, expense and savings. Tax and estate planning solutions are also considered. In the end, we are serving our clients with top-tier solutions for both their personal and business finance. We are doing this at scale, powered by proprietary technology we have developed over the past years. This technology enables process standardization, scalability and consistent quality in our servicing model. Examples include our CRM system, proprietary allocation platform and sales activity management, among others, all of them powered by AI. Some of these process KPIs are shown here. Proving that this journey towards excellence is gaining traction day by day. Additionally, combined with all this progress I have just mentioned, we are leading another change in the industry by having an agnostic business model. We are able to serve clients in the way that best fits their needs and preferences. The fee-based model already accounts for 21% of total retail AUC. It started in the wealth service segment, which still has more representativeness in the model, but we are accelerating in the other segments from this year on. We will still capture considerable growth coming from this new way to serve. It will happen in the medium term as we are transforming our business model and our value proposition. Nevertheless, we strongly believe that will give us a sustained competitive advantage in the long run. Finally, XP once again is a pioneer. We are not only leading this redefinition on how clients are served, but we are also uniquely positioned to capture future growth coming from this change in client behavior and new market trends. Retail cross-sell has been one of our focuses to diversify revenue streams during the last years. During Q3, we achieved important milestones in this business segment. Starting with credit card, TPV grew 9% year-over-year, marking BRL 13.1 billion during Q3. As we anticipated last quarter, at the end of Q2, we launched new products targeting affluent and private banking clients. We estimate that with this new segmentation, each one of them with a unique value proposition, we should grow faster in the coming quarters. Life insurance written premium posted 25% growth year-over-year in Q3. As we have mentioned in the past, our insurance business is still in its early stage. Given its significant expansion potential, we expect it to continue growing. On retirement plans, our client assets posted 15% growth year-over-year in Q3 and reached BRL 90 billion. We keep expanding our sales force and our product offering to increase our relevance in this industry. As mentioned before, we see a lot of potential in life

insurance business segment with a significant addressable market to penetrate in the coming years. Credit posted 11% growth year-over-year in Q3, achieving BRL 83 million in NII. In new products, we consider FX, global investments, digital accounts and consortium. Altogether, they presented 24% growth year-over-year with revenues reaching BRL 250 million this quarter. Beyond consortium, we also saw FX and digital account posting relevant growth this quarter. Moving to the next slide, we will address our wholesale bank evolution. Taking GCM into consideration, this quarter, we saw a sequential increase in industry volumes when compared to the previous quarter. This growth was pretty much concentrated in the last half of the period, backed by the progress in the tax discussion regarding tax exempt and incentivized instruments. In the third quarter of 2025, we had 10% market share in debt capital markets distribution. We still have a robust pipeline of fixed income offerings and depending on market conditions, we might see these mandates materializing into real deals still in 2025. Regarding XP broker-dealer, it was another positive quarter, and we kept leadership in the local industry with 17% market share. On corporate securities, this quarter, we kept about the same size of our corporate securities book with BRL 33 billion. The quarter started with possible change in taxation of tax-exempt fixed income instruments and finished with many companies taking advantage of low credit spreads to issue new debt. Next year, we can possibly see an increasing volatility and therefore, a reduction in corporate clients' appetite for new offerings. So our strategy, that being the case, is to increase this warehouse book in the last quarter of 2025 to sell it to our retail clients during the next year. As a final message, I would like to once again emphasize our ability to disrupt the market. We are the pioneers of this transformation trend, bringing clients unique value proposition or innovative offering combined with an agnostic business model and strong capital discipline position us as a distinctive player that successfully combines growth potential, profitability and risk management. I would also like to reinforce that our ecosystem today is far more complete than it was just a few years ago and there are multiple opportunities to be explored across all our businesses. We are confident that by executing this strategy, we will achieve our goals of market leadership in investments and deliver sustainable long-term growth. Now I will hand it over to Victor who will provide a deeper look into our financial performance this quarter, and I will be back for the Q&A; session.

Victor Mansur: Thanks, Maffra. Thank you all for being here today. Now we'll discuss our financial performance for the third quarter. Starting with gross revenues, we posted gross revenue of BRL 4.9 billion, a 9% growth year-over-year and 6% growth quarter-over-quarter. In retail, revenues reached BRL 3.7 billion, representing 6% growth year-over-year and 4% growth quarter-over-quarter. Institutional revenues were stable at BRL 304 million, flat year-over-year and slightly decreased quarter-over-quarter. Corporate & Issuer Services delivering outstanding performance, reaching a historic record of BRL 729 million, a 32% growth year-over-year and 33% growth quarter-over-quarter. This was driven by strong capital markets activity, followed by our leading position in corporate client solutions, which we will discuss in more detail in the next slides. Now starting in retail revenue. The performance was mainly driven by floating from both check and investment accounts, which benefited from higher average volumes and higher interest rates during the period. And second, new verticals included in other retail, such as international investments and global accounts, which delivered strong results. Lastly, it's important to mention that this quarter also includes the revenue of the expert event. If that, the other retail category totaling BRL 757 million, marking 24% growth year-over-year, 19% growth quarter-over-quarter, offsetting a weaker performance from other product lines due to lower ADTV and shorter duration. Now let's move to the next slide in Corporate & Issuer Services. This was the best quarter in our history. The outstanding performance was driven by a pickup in DCM activity compared to the previous quarter, and the continued development of our corporate client franchise. Issuer Services posted BRL 323 million, stable year-over-year and 21% growth quarter-over-quarter. Corporate revenues reached BRL 406 million, representing 77% growth year-over-year and 46% growth quarter-over-quarter. The strong growth reflects our increasing capability to deliver solutions to large corporate clients, particularly in hedging solutions. Moving on to the next slide, we explore SG&A; and efficiency ratios. SG&A; expenses totaling BRL 1.7 billion in the quarter, representing 10% growth year-over-year and 7% growth quarter-over-quarter. We remain committed to invest in the areas we consider critical for long-term growth including sales force expansion, marketing and technology, as highlighted by Maffra earlier. These initiatives are designed to enhance the client journey and elevate

our overall service level. While this strategy may lead to stable or slight softer efficiency ratio in the short term, we see these investments as fundamental to sustain our competitive edge over time. Our last 12 months efficiency ratio was 34.7%. Compared to the last year, the ratio improved by 79 basis points. As usual, in the third quarter, results also reflect the impact of the expert event which once again proved to be outstanding opportunity to connect to our stakeholders. From another angle, the impact of it in the current efficiency ratio was approximately 70 basis points. Moving on to the next slide, let's see our EBT. As a result, our EBT was BRL 1.3 billion, representing 10% growth year-over-year and remaining sequentially stable. The EBT margin expanded 47 basis points on the annual comparison, while compressing 103 basis points quarter-over-quarter. Now looking at the net income, we reached BRL 1.3 billion, a 12% growth year-over-year and 1% increase quarter-over-quarter. The net margin expanded 106 basis points on annual comparison and compressed 112 basis points sequentially, closing the third quarter of 2025 at 28.5%. Now let's focus on capital management. This year, we have been highly active in returning capital to our shareholders. In 2025, we repurchased BRL 2 billion of which BRL 850 million occurred after the end of the third quarter, and therefore, are not reflected in the accounting metrics we are presenting today, such as ROE and EPS. Today, we are announcing the retirement of our outstanding treasury shares bought back during the year and the new 1 billion share buyback program to be executed over the next 12 months. On top of that, we are also announcing a dividend of BRL 500 million to be paid in 2025. This represents BRL 2.4 billion in capital return to shareholders in 2025 approximately 50% payout if you analyze our net income. If you consider the new buyback program, the payout ratio would be around 7% for the year. So let's focus on earnings per share and ROAE detail over the next slides. In the third quarter, our diluted EPS once again outpaced net income growth, reaching BRL 2.47 per share, supported by our activity capital distribution strategy through share buybacks. In this quarter, EPS grew 13% year-over-year and remained stable quarter-over-quarter. On the right-hand side of the slide, ROTE stands at 28% and ROAE at 23%, slightly lower than last quarter, since we had the capital generation without the corresponding distribution, assuming the execution of the new BRL 1 billion buyback program and BRL 500 million dividend payment and ROTE an ROAE would have been 30% and 24%, respectively. Now moving to the next slide. To conclude my presentation, our capital ratio ended the third quarter at 21.2%, and the CET1 at 18.5% well above peers average and the regulatory requirements. This comfortable capital position gives us a strong edge to navigate different scenarios and be ready for the upcoming volatility. Also, during 2026, we expect to have the opportunity to deploy capital in a more efficient manner. It's important to remember that we maintain our guidance for a BIS ratio between 16% and 19% for the end of 2026. Now talking about risk on the right-hand side of the slide, you can see that our RWA totaled BRL 108 billion, representing a 13% growth year-over-year and a 6% increase quarter-over-quarter. Finally, our VaR stood at BRL 29 million or 12 basis points of equity. Even in a quarter of outstanding performance from our wholesale business, we maintain a very conservative risk profile. In this quarter, it's worth to mention that our balance sheet grew 6%, but adjusting for retirement plans and secured funding, it growth would have been lower than the CDI for the period. This increase in retirement plans is associated if a one-off bulk migration we did from other insurance companies to our own, and we don't expect to see it in other quarters. Besides that, as you can see, we kept our market RWA stable and decrease our VaR sequentially, reinforcing our position as a robust ecosystem with strong risk recycling capabilities. And now we can go on to the Q&A.;

Andre Parize: [Operator Instructions]. The first question is from Eduardo.

Eduardo Rosman: I have a couple of questions here on the wholesale business, results were really strong this quarter. Should we expect a similar performance in the fourth quarter? Or do think a slowdown should be expected, right? And my second question is on what Maffra mentioned, right, during the call, right? The strategy to increase the warehousing book in the fourth quarter. If you can give us a little bit more detail -- because you also mentioned that corporate spreads are very low. So wouldn't that be a risky strategy in an election year. Thanks.

Thiago Maffra: Hello, Rosman. Thanks for your question, and good evening, everyone. So we are seeing the wholesale banking with a good performance for Q4. So as we mentioned earlier in the last call, we have seen the second half of the year is stronger than the first half of the year, especially for the wholesale bank.

Victor Mansur: Rosman, this is Victor. Talking about credit spread first. We think that the credit spreads are really tightened. And if they -- the probability is that they can go a bit more wider over the end of the year and next year. But also, there is a lot of net inflow in fixed income funds that keep putting pressure in the spreads. And it's important to remember that our strategy is to hold high-quality assets and the velocity of turnover of our portfolio is higher than the average of the industry. And we are not as susceptible as credit spread volatility as the rest of the competition. And also in terms of RWA, we expect to sell a bit of what we bought over the third quarter. And depending on the performance of the same, warehouse a bit more to go through the first quarter of 2026. As we all know, the first quarter usually is a quarter with lack of activity in DCM. So it's important to us to have assets to sell in the beginning of the year.

Andre Parize: Okay. Next question is from Yuri Fernandes, JPMorgan.

Yuri Fernandes: Just to follow up Rosman on corporate. Can you remind what was the 46? I think you mentioned hedging strategy, but I'm not sure what was it? So just trying to understand a little bit again the corporate, inside Corporate & Issuers, the 46% quarter-over-quarter increase. And on bonus, this line was a little bit heavier this quarter, but coming from, I would say, a softer base, right, when we go to the 9 months. I think total bonus is up 80%, 90% year-over-year, so not a big increase. But if you can comment a little bit on what to expect on people, expenses, like salaries, like just to get some idea on SG&A.; I would appreciate. And if you want to comment on bonuses also, I think it's also a good point, given it was a little bit higher this quarter.

Victor Mansur: Thank you for your question. This is Victor. First, talking about the corporate performance. It's important to remember the corporate business is tied to the DCM activity. So one of the main drivers of P&L; in corporate is hedge solutions to company issuing debt. So for example, the company issue a debt tax-exempt corporate bond, inflation-linked bond and it doesn't want the exposure inflation. it hedges against us in CDI plus. That's one of the business, and it's highly correlated with the same activity. Also, another business that is really important is the originator of credit operations that will be securitized and sold to clients in the next quarters. If you go to our credit portfolio, you see that it's flattish. Basically, we sold quasi-sovereign bank notes, and we originated corporate operations, but those operations will be securitized and then sold to clients the same as we did in other quarters. And now moving to bonus. It's normal to see the bonus going higher after the performance of investment banking going higher the way it did over the quarter. So part of that is explained by performance in Wholesale Banking. Another part is explained by the new hires over the year. We hired almost 500 new employees, mostly on sales force expansion over the year. And this is one part of the drivers of salary growth and bonus provisions.

Yuri Fernandes: Super clear, Victor and congrats on the net new money improvement for the quarter.

Andre Parize: Next question is from Mario Pierry, Bank of America.

Mario Pierry: Let me ask 2 questions as well. First one, when we look at your retail revenues growing 6% year-over-year. But if we double-click on that, we see that our fixed income revenues actually contracted year-over-year. They have been contracting 2% even as the AUC grew 22%. So it means there was like significant pressure on take rate. Can you explain why that happens, right? Because when we look at fixed income, revenues were growing like 40%, I think, on average for the past like 6 quarters. So just trying to understand if there was a one-off event that impacted fixed income revenue? And then my second question is related a little bit to what Yuri asked, but when we look at your EBT margin, it had been expanding for past like 3 quarters, I think. In this quarter, it contracted because of the pickup in expenses and you're running below your guidance, right, your medium-term guidance of about, I think, it's 30% to -- 29% to 32%. So just trying to get a sense here also, like should we expect the trend to start to improve in the next quarters? Or do you think that the EBT guidance it's something for more like for the end of 2026. Thank you.

Thiago Maffra: This is Thiago. I will take the first question. I can answer the second one and Victor complement myself here. About the fixed income revenue, the main problem here is if you look the take rate for investments, if you compare Q4 last year to Q3 this year, it's down 10 bps overall, okay? So it's a huge draw here, drawdown. And when you look only fixed income, 20 bps, okay? So it's a big decrease in take rate. And it's mainly explained because first one, mix, okay? So if you look CGs with

daily liquidity, they used to represent 25% of the new allocations, okay? So 25%, today is 45%. Because of the high SELIC rate, we are selling almost half of everything that we sell for fixed income, it's CGs with daily liquidity. When you compare the revenue we make here, it's basically a daily spread on CGs with daily liquidity against duration times spread, okay? So it's a completely different revenue stream, okay? And the second one is shorter duration, okay? So right now, everyone is only buying like a very short-term durations, okay? So when you combine the mix of more CGs with daily liquidity and shortened duration, we are selling a lot more volume in fixed income, but with a lower take rate. About your second question, we are investing in sales force expansion. We are investing in SMB. We are investing in technology. So we are doing a lot of investments this year, and we are planning to do more investments next year. So I would say that is still possible to get to the -- at the end of the next year to the guidance we gave, but you see because in the past, I would say, 2 years or even more, we have been gaining a lot of efficiency quarter after quarter. I would say that right now, we should be more flattish when you look at the next quarters because we are investing more, okay? So -- but still doable to get to the guidance by the end of the next year.

Andre Parize: Okay. Next question is from Gustavo Schroden from Citi.

Gustavo Schroden: Hello, guys. Thanks for the opportunity. I have 2 questions as well. The first one is -- sorry to insist in this sales force that you guys mentioned. But because if I'm not wrong, you mentioned something around 500 new employees, and most of them related to sales force. But when we analyze the total number of advisers that you have, it is decreasing, right? So year-on-year and stable quarter-on-quarter at 18,200 advisers, including IFAs and XP's employees. So I'd like to understand what kind of sales force are you hiring? And if it is possible to reconcile with this total number of advisers? And my second question is related to financial expenses. We saw decent decrease quarter-on-quarter and year-on-year, so 28% below quarter-on-quarter, 45% decrease year-on-year despite higher SELIC rate we could see that there was a reduction of BRL 1.5 billion in borrowings. So my question is this reduction is related to these lower borrowings or are there different reasons behind this decrease in financial expenses.

Thiago Maffra: Okay. I'll take the first one. About the total number of IFAs, as Victor mentioned, that we are hiring more internal advisers, okay, here, it's because when you look at the IFA, the B2B network, they have been converting some of the IFAs into employees because of the change in regulation that has been happening, I would say, for over a year now. And the second part is because we have been part of the third wave that we mentioned a lot here on quality, the way we serve clients we have been focused a lot more on quality. So more skewed IFAs, okay? So we have been I would say, even forcing some of the low-quality IFAs like to leave the network. So we have been increasing on what we call AAA advisers and we have been decreasing on what we call C and D curve of IFAs, okay? So those are the main reasons why you don't see the number of IFAs growing. But as we don't open the number of what we call AAA IFAs here, but this number has been increasing. So we have been focusing more on more qualified advisers.

Victor Mansur: This is Victor taking the second part about the financial expenses. Just remembering here, we went through a reorganization of our conglomerate over the last year, changing the bank to the top of the business. And that has an important effect in financial expenses and also other revenues. So when debt that was a corporate debt inside the holding matures and it is rollover for a debt inside of the bank, it gets out of the financial expense lines and goes inside of net interest margin. So it's just a geographic effect. It goes from the debt to the -- to be a reductor of revenues. And that's also why other revenues is lower quarter-over-quarter. You're going to see that the change between lines, they are closer to each other. That's the -- may affect just a geographic movement between lines. And also, it's important to note that the bank debt is much cheaper than corporate debt. So you do have this geographic movement, but also the overall cost of debt of the company is considerably lower when you compare 2024 to 2025.

Andre Parize: Next question is from Daniel Vaz from Safra.

Daniel Vaz: I wanted to follow up on Mario's question on fixed income. Instead of looking on the 2% drop, I wanted to talk about the 7% drop quarter-over-quarter. I mean DCM activity improved, right? So we saw that on your insurance services, net new money improved, warehouse of securities did increase, and we had higher business days, right? So it's probably -- it's probable that you distribute a

higher volume to the clients. So I heard you on the mix change, but this -- I mean, was this a quarter-over-quarter change? I mean the CGs with daily liquidity, went up from 25% to 45% in 1 quarter. Just wanted to touch base on that again, if you could explore a little more of what the change quarter-over-quarter means? And if I may follow up on the guidance, I wanted to check on your comment, Maffra. If you're able to get on the fourth quarter of next year on your EBT margin instead of the full year. Is that correct? Did I understand well?

Victor Mansur: Daniel, this is Victor. Taking the first part here in fixed income. If you remember a few questions ago, I told that we sold quasi-sovereign banking notes from our warehouse book, and we warehoused corporate bonds. So basically, that is what happened in real life when Maffra say that client is buying short-term floating rates, that is what's happening. So the products originated by the DCM markets over the quarter are still in our books, and we are going to sell them over the fourth quarter and first quarter of next year and what we saw their short-duration banking notes. That's why we see this behavior in the revenue quarter-over-quarter.

Daniel Vaz: And -- sorry, in the guidance, if you can comment on the fourth quarter or full year of EBT margin?

Thiago Maffra: Yes. Sorry for that. Yes, we feel that it's possible to target that next year. We don't give guidance quarter-over-quarter. So it's hard to say what's going to be Q1 or Q2 or Q4 next year, but we feel that the 30% is still doable.

Andre Parize: Next question is from Thiago Batista, UBS.

Thiago Bovolenta Batista: So I have 2 questions. The first one on the buyback. The intention of the BRL 1 billion buyback is to be concluded this year. I know that depends on the price of the shares, et cetera, but the initial intention is to conclude these this year? And the second one, about the IOC in the equity business. We saw that this quarter or the third Q, the IOC was basically flattish Q-over-Q. And we have the BOVESPA in the all-time high now. I've already seen not exactly in the third Q, but more recently, clients trying to move the money towards more risk investments like equities or not yet? Or maybe we need to see SELIC rate, let's say, single digits or something like this. So my question is, are you already seeing this migration from fixed income to high-risk investment?

Victor Mansur: Thiago, this is Victor, first on the share buyback. The buyback program is open, and we are going to be buying over the next 12 months. And the same as before. We are going to wait for the best opportunity to deploy the capital and maximize the return to our shareholders. So we cannot give you an idea when it will be complete or if it will be the beginning of the next year or the end of this year. What I can guarantee you that we are going to be buying everything the same as we did in all the other programs we're opening.

Thiago Maffra: Yes. And just to complement, Victor, on the payout strategy here. If you guys see -- we still have very high BIS ratio, and we mentioned that we would like to bring it down to something between 16 and 19 by the end of next year. And that's still the case, but why we are not like giving more money like back to the market right now because we believe we will have good opportunities next year. It's going to be a volatile year. And for sure, we will have opportunity to do more buyback next year. So that's why we are not deploying or paying out more capital right now, okay? About the second part of your question is we don't see a big change in mix yet, okay? Because remember that the retail clients is -- they are a little -- of course, it's our job here to help them not to have this behavior, but they are a little bit lagging, okay? So once we start to see rate cuts and other things, price moving up and so on, people start to move money from one asset class to other, okay? But we are seeing a stronger funds platform right now, especially primary offering for closed or open end funds, REITs and so on. So the demand has been increasing for that type of products, but not yet for equities or for some other products, okay? So I would say that we are not in a point that we could say that we are seeing a lot of like a change in the portfolio. As we mentioned for fixed income, it's still the opposite. People are moving even more money to daily liquidity broad CGs because they are seeing 15%, okay? So I would say that we are not there yet.

Andre Parize: Okay. Next question is from Tito Labarta, Goldman Sachs.

Daer Labarta: A couple of questions also. First, a follow-up on the corporate revenues, right? You mentioned it's related to hedging solutions for companies issuing the tax exempt bonds. Is this a function of, I guess, companies just anticipating tax reform so that remains strong in the second half of

the year, but potentially subsides next year? Or do you think that there's more sustainability to that? And then the second question, you saw a jump in retail inflows, right? I mean BRL 20 billion, which is more or less what you've been saying, but it was up significantly from last quarter. So was there anything significant, should we read in this, is just normal volatility? Or should that begin to accelerate from here? Just any color you can give on how that continues to evolve.

Victor Mansur: Tito, the first one about corporate revenues. Hedging is related to issuance, but I think the issuance they are a function of the risk of the new tax regulation, but also the level of credit spreads. It's really cheap to raise debt here right now. Next year, we'll be extremely volatile. So I think components are moving around and doing whatever they need to do in terms of ION this year. Also, there is not only hedging solutions. We have power trading, cash management, FX operations, and the credit originate-to-sell as we commented before, I think what the hedging solution was one that gave a bit of highlights for the quarter, but there is still a lot of revenue lines inside of the [ corporate ] franchise.

Thiago Maffra: I will take the second one about net new money. Of course, we have been doing a lot of things here, especially on what we call the third wave on increasing the level of service, the value proposition that we delivered to our clients. We mentioned a lot today on the presentation about that. So we have been democratizing the wealth service business to all our retail clients here for the past, I would say, a year or 1.5 years. So we have been developing a lot of technology CRM AI capabilities. So I would say that the level of service that we are delivering to our clients right now, it's much better than it was a year or 2 years ago and much better than most of our competitors. Talking about, of course, here, retail clients, okay? So we are delivering a level of service that nobody provides in the industry in Brazil. That's why we are calling it the third wave. But it's early to say that, that is moving a lot the needle here, okay? So I would say that's more like a medium-term impact, so we are around 20 billion. We have been saying that the level for the past quarters. I don't see any reason right now to change that for up or down here. So we are seeing BRL 20 billion as the level for the next quarters. But again, 16, 18, 22 or 23 for us is the same as BRL 20 billion, okay? So you could see 1 quarter higher than that and 1 quarter lower than that.

Daer Labarta: Okay. That's helpful, Maffra. If I can, just one follow-up on that, right? Because just on the revenue guidance, right, you had said 10% for this year. I mean, expectations are that you'll probably be below that, but then also thinking on your 2026 guidance. The bottom end BRL 22.8 billion would be like a 20% jump. I mean is that still -- like what would need to happen for that to be realized? Or is that likely some downside risk just given the tougher macro that we've seen since you initially gave the guidance?

Thiago Maffra: Yes. Yes. As we mentioned in the last earnings call, the second half of this year is going to be stronger than the first half in terms of growth, top line growth, but as the first half was soft, it's going to be hard for us to get to the 10%, but we can get close to that. For 2026, I would say it's almost the same rationale here because as 2025 was a little bit soft. Next year, we are going through -- we have to grow, not to give like a number here, but 17% to 20%, okay, still doable, but we might be a little bit short, like to the guidance next year, but if we are short, it's for a bit, not for much.

Andre Parize: Okay. Next question is from Marcelo Mizrahi, Bradesco BBI. Marcelo, you may proceed.

Marcelo Mizrahi: So my question is -- the first one is regarding the work days. I wanted to understand how the work days impacted the revenues in terms of the other retail revenues, in terms of revenues. So what's the mean back here? And if looking forward, if we will see a reduction of these lines. And the other question is regarding the investments. So you guys are talking about investment in technologies. We were seeing a lot of platforms investing in AI tools, digital tools and also the channel totally -- a robo digital channel. So it's -- are you guys already working on that, using AI to adviser -- to give advisers to the clients, especially to the kinds that the lower income are the lower tickets to bring them a better service and to increase engagement and the revenues.

Victor Mansur: This is Victor. Thank you for your question. First year on business days. As expected, business days gave us a positive impact in terms of floating and trading days. But this was compensating the negative way in terms of lower ADTV for [ axis ] and the shortening duration that Maffra explained in the fixed income platform. So those effects goes in positive directions. And the mix overcomes the -- in terms of business days, that's basically what happens. But that's why we see [ axis ] on fixed income, EBITDA and other retail, which have the floating component a bit up over the quarter.

Thiago Maffra: On the second question, Mizrahi, yes, we have been working a lot with AI on different verticals here. I will mention some of them. The first one is internal productivity. It can be for engineers. It can be for management people. So we have been working on operations, on customer experience. So we have a lot of use case live right now more on the productivity side. The second one, we have been trying -- I would say, the idea here is not like to replace advisers, but how we enhance our advisers using different agents. It can be a relationship agent, AI agents. Of course, it can be transactional agents. So we have been creating a lot of this type of agents to give more productivity and to increase the level of service that we deliver to our customers. And I would say a third one, we haven't been investing a lot on portfolio allocation of our customers. So we have been creating more rules. We have been creating a centralized portfolio allocation, and we are using a lot of technology to make it happen. So there are many use case here, some already at scale, some at very early stage. Another one that -- it's already at scale. Today, we listen, read, hear everything that our advisers, especially internal advisers today, 100% of them. And we can classify all the conversations, all the interactions with our customers. It's a product offering, if it's only a relationship activity. So the level of information and sales management that we have today, it's very, very high and we will continue to invest on that. But again, not to replace advisers, okay, but to enhance them. Of course, when you go to very small clients, more like a digital or what we call here self-direct clients, then you can have like a fully deployed AI solution, but that's a very small part of our business today. It could grow in the future. But again, the focus here is how we enhance the advisers and how we free them like to focus 100% of their time on relationship, not like on operations or allocation or other activities that don't generate value for our customers.

Andre Parize: Okay. We're up the hour. So I would like to thank you once again for participating on our earnings call. And the IR team will be more than happy to attend any further questions you may have. Have a good night, and we're going to keep in touch. Thank you.