

(A free translation of the original in Portuguese)

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***Banco BTG  
Pactual S.A.***  
***Consolidated financial statements at  
December 31, 2021  
and independent auditor's report***





(A free translation of the original in Portuguese)

## **Independent auditor's report**

To the Board of Directors and Shareholders  
Banco BTG Pactual S.A.

### **Opinion**

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We have audited the accompanying consolidated financial statements of Banco BTG Pactual S.A. and its subsidiaries (the "Institution" or "Consolidated"), which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Banco BTG Pactual S.A. and its subsidiaries as at December 31, 2021, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

### **Basis for opinion**

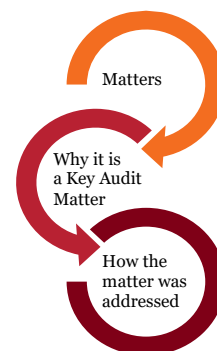
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We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Institution in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key Audit Matters**

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Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters





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**Why it is a Key Audit Matter**

**How the matter was addressed in the audit**

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**Fair value measurement of derivative financial instruments**

As disclosed in Notes 4(d), 4(e), 4(f) and 9, the fair value measurement of derivative financial instruments is an area that includes subjectivity, as it depends on valuation techniques performed based on internal models and involving Management's assumptions for valuation of instruments and/or observable data.

We consider this a focus area in our audit as the use of different valuation techniques and assumptions may produce significantly different fair value estimates and due to the materiality of the derivative financial instruments in the context of the financial statements.

Our main audit procedures considered, among others, our understanding of the main processes involving the fair value measurement of derivative financial instruments related to: (i) recording and confirmation of transaction data; (ii) criteria for fair value measurement; and (iii) reconciliation of accounting balances with analytical reports for balance sheet and income statement balances.

We also (i) tested the completeness and integrity of the data extracted from the underlying systems that serve as a basis for fair value measurement; and (ii) independently re-performed, on a sample basis, the calculations for measurement of derivative financial instruments with the support of our specialists in the pricing of financial instruments in accordance with the requirements provided for by the Brazilian Central Bank's (BACEN) standards.

We believe that the criteria adopted by management in the fair value measurement of these derivative financial instruments are consistent with the information analyzed in our audit.

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**Measurement of the provision for expected losses associated with credit risk**

As disclosed in Notes 4(j) and 10, the provision for expected losses associated with credit risk is estimated based on the analysis of the loan operations and specific risks presented in each portfolio, considering the customer's risk rating, depending on a periodic analysis of the quality of the customer and the sectors of activity, in accordance with the criteria established by CMN Resolution 2,682/99.

This is an area that was defined as the focus of our audit, as the application of different criteria and judgment in measuring the provision for expected losses associated with credit risk could result in significant variations in the estimate of this provision.

Our procedures considered, among others, our understanding of the main processes related to: (i) granting of credit; (ii) renegotiated operations; (iii) attribution of risk level; and (iv) reconciliation of account balances with auxiliary reports.

We also performed (i) analysis, on a sample basis, of the criteria described in the policy and their consistency with those used by management to determine the credit risk of the operations; (ii) recalculation of provisions based on the risk classification and delay in operations; and (iii) test of the completeness and integrity of the data extracted from the underlying systems that serve as a basis for calculating the provision.



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**Why it is a Key Audit Matter****How the matter was addressed in the audit**

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We believe that the criteria adopted by management to measure and record the provision for expected losses associated with credit risk are consistent with the information analyzed in our audit.

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**Tax credits in consolidated subsidiary**

As disclosed in Notes 4(s) and 13, Banco Pan S.A. and its subsidiaries, an indirect subsidiary of the Institution, whose total interest is approximately 71.7% and included in the consolidation process in the consolidated financial statements, has tax credits totaling R\$3.5 billion, arising from temporary additions in the calculation bases of Corporate Income Tax and Social Contribution on Net Income and income tax and social contribution losses, recognized based on the projection of taxable income for the realization of these tax credits. This projection, prepared based on a study of the current and future scenario by the Bank's management, involves subjective judgments and assumptions.

We consider this an area of audit focus, as the use of different assumptions in the projection of taxable income could significantly modify the terms and amounts expected for the realization of tax credits, with a consequent accounting impact, and could fail to meet the requirements of the National Monetary Council and Brazilian Central Bank regarding the initial recognition and maintenance of these assets in the financial statements.

Our key audit procedures considered the understanding of the calculation and recording processes and their consistency with tax and accounting standards related to tax credits, including specific requirements of the National Monetary Council and the Brazilian Central Bank, as well as an understanding of the more significant assumptions used by management to project future taxable profit for purposes of estimating the realization of tax credits.

We compared the main assumptions used by Banco Pan S.A. and its subsidiaries to project taxable profits with the budget projections approved by its Board of Directors and with the macroeconomic projections disclosed in the market and analyzed historical data to corroborate the consistency of these realization estimates.

We believe that the assumptions and criteria adopted by management are consistent in relation to the initial recognition, maintenance and realization of the tax credit.

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**Other matters****Consolidated statement of value added**

The Consolidated statement of value added for the year ended December 31, 2021, prepared under the responsibility of the Institution's management and presented as supplementary information for purposes of the Brazilian Central Bank, was submitted to audit procedures performed in conjunction with the audit of the Institution's financial statements. For the purposes of forming our opinion, we evaluated whether this statement is reconciled with the consolidated financial statements and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, this Statement of Value Added has been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement and is consistent with the financial statements taken as a whole.



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### **Audit of corresponding figures of the previous year**

The audit of the consolidated financial statements for the year ended December 31, 2020 was conducted under the responsibility of other independent auditors, who issued audit report, without modifications, dated February 9, 2021.

### **Standalone financial statements**

The Institution prepared a complete set of standalone financial statements for the year and six-month period then ended December 31, 2021, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), presented separately, on which we issued an audit report, without modifications, dated February 16, 2022.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

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Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institution's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

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Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether these consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 16, 2022

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

Edison Arisa Pereira  
Contador CRC 1SP127241/O-0

## BANCO BTG PACTUAL S.A. and subsidiaries

### Consolidated balance sheets

As at December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Assets			
Current assets		252,876,387	187,493,029
Cash at banks	6	3,219,641	1,794,059
Financial instruments		216,176,843	156,316,664
Short-term interbank investments	7	54,067,138	51,624,133
Securities	8	92,543,762	70,682,719
Derivative financial instruments	9	5,765,850	5,849,388
Interbank transactions		12,582,375	5,033,771
Loans	10	53,065,636	23,689,197
Allowance for expected losses associated with credit risk	10	(1,847,918)	(562,544)
Other receivables		32,699,459	28,569,642
Foreign exchange portfolio	11	21,812,097	19,373,261
Income receivable	12	973,918	1,385,346
Securities trading and brokerage	11	6,233,723	5,047,647
Sundry	12	4,028,378	3,026,363
Allowance for impairment of assets		(348,657)	(262,975)
Other assets		780,444	812,664
Other assets		343,394	701,514
Prepaid expenses		455,763	138,870
Provision for losses on other assets		(18,713)	(27,720)
Long-term assets		81,206,192	44,502,930
Financial instruments		61,239,252	32,689,303
Long-term interbank investments	7	73,641	66,095
Securities	8	8,799,867	4,432,951
Derivative financial instruments	9	4,405,010	2,378,158
Interbank transactions		154,843	155,115
Loans	10	49,337,308	26,977,410
Allowance for expected losses associated with credit risk	10	(1,531,417)	(1,320,426)
Other receivables		19,327,019	11,555,987
Receivable's endorsements or sureties		204,793	224,678
Foreign exchange portfolio	11	229,087	6,029
Income receivable	12	-	9,515
Sundry	12	9,400,385	4,102,007
Deferred tax assets	18	9,529,938	7,213,758
Allowance for recoverable value of assets		(37,184)	-
Other assets		639,921	257,640
Prepaid expenses		639,921	257,640
Permanent assets		12,060,089	12,929,374
Investments		7,546,588	12,470,940
Investments in associates		7,523,932	12,448,672
Other investments		27,619	26,800
Allowance for losses in investments		(4,963)	(4,532)
Property and equipment in use		348,870	142,601
Property in use		9,736	4,576
Other property and equipment in use		725,174	445,641
Accumulated depreciation		(386,040)	(307,616)
Intangible assets	14	4,164,631	315,833
Other intangible assets		4,787,496	574,053
Accumulated amortization		(622,865)	(258,220)
Total assets		346,142,668	244,925,333

The accompanying notes are an integral part of the consolidated financial statements.

## BANCO BTG PACTUAL S.A. and subsidiaries

### Consolidated balance sheets

As at December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Liabilities			
Current liabilities		228,220,731	179,301,351
Deposits and financial instruments		178,784,431	146,500,325
Deposits	15	96,199,468	54,996,405
Open market funding	15	58,619,086	59,584,116
funds from securities issued and accepted		17,864,113	24,027,977
Loans and borrowings	15	1,333,352	2,408,422
Derivative financial instruments	9	4,755,990	4,720,378
Subordinated debt	15	-	763,027
Debt instrument eligible to capital	15	12,422	-
Interbank transactions		3,153,966	69,110
Unsettled receipts and payments		3,075,175	69,110
Correspondents		78,791	-
Interdependencies transactions		647,773	364,016
Unsettled third party assets		647,773	364,016
Other liabilities		45,548,706	32,367,900
Collection and payments of tax and similar charges		46,199	2,429
Foreign exchange portfolio	11	21,656,932	19,127,129
Social and statutory	16	3,102,618	2,371,534
Tax and social security	16	1,903,471	745,530
Securities trading and brokerage	11	6,555,376	5,227,307
Sundry	16	12,284,110	4,893,971
Provision		85,855	-
Provision for guarantees		85,855	-
Long-term liabilities		77,024,892	38,222,538
Financial instruments		73,566,439	34,763,117
Deposits	15	13,355,303	1,967,929
Open market funding	15	1,541,462	577,779
Funds from securities issued and accepted	15	39,599,281	18,286,134
Loans and borrowings	15	7,663,918	4,234,785
Derivative financial instruments	9	3,364,108	3,002,961
Subordinated debt	15	2,508,997	2,667,626
Debt instrument eligible to capital	15	5,533,370	4,025,903
Other liabilities		1,468,370	1,501,567
Foreign exchange portfolio	11	229,453	14,425
Deferred liabilities	18	176,862	56,157
Sundry	16	1,062,055	1,430,985
Provision		1,990,083	1,957,854
Provision for contingent liabilities	17	1,870,228	1,776,483
Provision for guarantees		119,855	181,371
Deferred income		382,202	275,494
<b>Shareholders' equity</b>	19		
Capital		15,760,364	10,013,243
Capital reserve		652,515	652,515
Other comprehensive income		(228,826)	(87,573)
Income reserves		21,195,694	16,102,470
Total shareholders' equity of controlling shareholders		37,379,747	26,680,655
Non-controlling interest		3,135,096	445,295
<b>Total shareholders' equity</b>		<b>40,514,843</b>	<b>27,125,950</b>
Total liabilities and shareholders' equity		346,142,668	244,925,333

The accompanying notes are an integral part of the consolidated financial statements.



## BANCO BTG PACTUAL S.A. and subsidiaries

### Consolidated statements of income

Years ended December 31

(In thousands of reais, except net income per share)

	Note	31/12/2021	31/12/2020
Financial income (expenses)		10,229,204	5,405,365
Loans		15,755,667	4,690,158
Securities		8,755,674	7,382,368
Derivative financial instruments		3,480,413	6,573,528
Foreign exchange		951,409	(3,682,752)
Mandatory investments		400,755	48,217
Funding operations		(11,839,418)	(4,777,122)
Borrowing and on lending		(6,449,025)	(4,462,872)
Allowance for loan losses and other receivables	10	(826,271)	(366,160)
Other operating income (expenses)		(600,971)	582,393
Income from services rendered	20	6,633,005	4,185,130
Personnel expenses		(1,956,738)	(1,063,118)
Other administrative expenses	23	(5,400,973)	(1,763,479)
Tax charges		(1,033,714)	(412,704)
Equity earnings of associates	13	1,639,716	(102,533)
Other operating results		(482,267)	(260,903)
Provisions expenses		(295,460)	(129,873)
Provision for contingent liabilities		(107,556)	(89,288)
Other		(187,904)	(40,585)
Operating income		9,332,773	5,857,885
Non-operating (expenses) / income		948,509	268,153
Income before income tax and profit sharing		10,281,282	6,126,038
Income tax and social contribution	18	(1,858,288)	(958,167)
Provision for income tax		(87,293)	(1,488,523)
Provision for social contribution		(579,834)	(1,211,034)
Deferred income tax and social contribution		(1,191,161)	1,741,390
Statutory profit sharing		(1,990,207)	(1,285,224)
Non-controlling interest		(90,632)	93,735
Net income for the semester / year	19	6,342,155	3,976,382

The accompanying notes are an integral part of the consolidated financial statements.

## BANCO BTG PACTUAL S.A.

### Consolidated statements of comprehensive income

Years ended December 31

(In thousands of reais)

	<u>31/12/2021</u>	<u>31/12/2020</u>
Net income for the year	6,342,154	3,976,382
Changes in fair value of assets available for sale	69,958	(189,165)
Deferred IR/CSLL on fair value of assets available for sale	(13,094)	90,029
Changes in fair value of associates	(203,736)	16,450
Currency translation adjustments	7,898	(9,009)
Exchange variation of investments	23,321	749,521
Foreign Investment hedge	(25,600)	(754,593)
<b>Total comprehensive income</b>	<u>6,200,901</u>	<u>3,879,615</u>

Items presented in consolidated statements of comprehensive income can subsequently be reclassified to the statements of income.

The accompanying notes are an integral part of the consolidated financial statements.

## BANCO BTG PACTUAL S.A. and subsidiaries

### Statements of changes in shareholders' equity – parent company

Years ended December 31

(In thousands of reais, except for dividends and interest on equity per share)

	Note	Capital	Capital reserve	Income reserves				Total	Other comprehensive income	Treasury shares	Retained earnings	Controlling interests	Non-controlling interests	Total
				Special earnings reserve	Legal	Unrealized	Statutory							
Balances as of December 31, 2019		7,392,092	652,515	-	1,433,056	1,980,478	10,030,619	13,444,153	9,194	(165,784)	-	21,332,170	351,785	21,683,955
Capital increase	19	2,650,500	-	-	-	-	-	-	-	-	-	2,650,500	-	2,650,500
Public offering costs		(29,349)	-	-	-	-	-	-	-	-	-	(29,349)	-	(29,349)
Own shares acquired	19	-	-	-	-	-	-	-	-	(92,712)	-	(92,712)	-	(92,712)
Treasury shares cancellation	19	-	-	-	-	-	(258,496)	(258,496)	-	258,496	-	-	-	-
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	(99,136)	-	-	(99,136)	-	(99,136)
Changes in fair value of associates		-	-	-	-	-	-	-	16,450	-	-	16,450	-	16,450
Currency translation adjustments		-	-	-	-	-	-	-	(9,009)	-	-	(9,009)	-	(9,009)
Exchange variation of investments		-	-	-	-	-	-	-	749,521	-	-	749,521	-	749,521
Foreign investment hedge		-	-	-	-	-	-	-	(754,993)	-	-	(754,993)	-	(754,993)
Intermediate interest on equity (R\$0.10 per share)		-	-	-	-	-	-	-	-	-	-	-	-	-
Previous years adjustments		-	-	-	-	-	36,431	36,431	-	-	-	36,431	-	36,431
Net income for the year		-	-	-	-	-	-	-	-	3,976,382	3,976,382	-	93,735	4,070,117
Net income allocation		-	-	-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	198,819	-	2,681,563	2,880,382	-	-	(2,880,382)	-	-	-
Intermediate interest on equity (R\$0.20 per share)		-	-	-	-	-	-	-	-	-	(1,096,000)	-	-	(1,096,000)
Reduction of non-controlling		-	-	-	-	-	-	-	-	-	-	-	(225)	(225)
Balances as at December 31, 2020		10,013,243	652,515	-	1,631,875	1,980,478	12,490,117	16,102,470	(87,573)	-	-	26,680,655	445,295	27,125,950
Balances as at December 31, 2020		10,013,243	652,515	-	1,631,875	1,980,478	12,490,117	16,102,470	(87,573)	-	-	26,680,655	445,295	27,125,950
Capital increase	19	5,797,288	-	-	-	-	-	-	-	-	-	5,797,288	-	5,797,288
Public offering costs		(50,167)	-	-	-	-	-	-	-	-	-	(50,167)	-	(50,167)
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	56,864	-	-	56,864	-	56,864
Changes in fair value of associates		-	-	-	-	-	-	-	(203,736)	-	-	(203,736)	-	(203,736)
Exchange variation of investments		-	-	-	-	-	226,070	226,070	23,321	-	-	22,334	-	22,334
Currency translation adjustments		-	-	-	-	-	-	-	7,898	-	-	7,898	-	7,898
Foreign investment hedge		-	-	-	-	-	-	-	(25,600)	-	-	(25,600)	-	(25,600)
Intermediate interest on equity (R\$0.06 per share)		-	-	-	-	-	(650,000)	(650,000)	-	-	-	(650,000)	-	(650,000)
Net income for the year		-	-	-	-	-	-	-	-	6,342,154	6,342,154	-	(90,632)	6,251,522
Net income allocation		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity (R\$0.06 per share)		-	-	-	-	-	-	-	-	(825,000)	(825,000)	-	-	(825,000)
Income reserve		-	-	-	317,106	-	5,200,046	5,517,154	-	-	(5,517,154)	-	-	-
Addition of non-controlling		-	-	-	-	-	-	-	-	-	-	-	2,780,433	2,780,433
Balances as at December 31, 2021		15,760,364	652,515	-	1,948,983	1,980,478	17,266,233	21,195,694	(228,826)	-	-	37,379,747	3,135,096	40,514,843

Reconciliation of net income and shareholders' equity of Banco BTG Pactual S.A. and subsidiaries is presented in Note 19(g).

The accompanying notes are an integral part of the consolidated financial statements.

## BANCO BTG PACTUAL S.A. and subsidiaries

### Consolidated statements of cash flows

Years Ended December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Operating activities			
Net income for the year		6,342,155	3,976,382
Adjustments to net income		1,764,132	153,704
Equity pick up from associates	13	(1,639,716)	102,533
Interest expense with subordinated debt		1,184,594	1,366,379
Deferred income tax and social contribution	18	1,191,161	(1,741,390)
Reversal of provision	21	-	(53,457)
Allowance for loan losses and other receivables	10	826,271	366,160
Allowance for contingent liabilities	17	93,746	89,288
Permanent assets exchange variation		(5,398)	(36,520)
Depreciation and amortization	23	113,474	60,711
Adjusted net income for the year		8,106,287	4,130,086
(Increase)/decrease in operational activities			
Short-term interbank investments		(327,615)	(2,317,508)
Securities and derivative financial instruments		(27,774,514)	(36,597,493)
Loans		(49,575,198)	(20,444,363)
Other receivables and other assets		(10,119,871)	10,245,370
Interbank transactions		(4,463,476)	(3,960,073)
Interdependencies transactions		283,757	323,667
Other liabilities		13,171,948	(11,574,977)
Deferred income		106,708	106,464
Deposits		52,590,437	34,815,625
Open market funding		(1,347)	25,155,353
Loans and borrowings		2,354,063	2,464,304
Cash (used in) / provided by operating activities		(15,648,821)	2,346,455
Investment activities			
Sale of other investment		(388)	(4,907)
(Acquisition) / sale of equity interests	13	3,515,268	(91,153)
Dividends and interest on equity received	13	852,781	536,346
(Acquisition) / sale of property		(231,070)	(90,199)
Business combination net of cash		(3,693,571)	-
(Acquisition) / sale of intangible assets		(4,204,457)	(123,375)
Cash provided by / (used in) investment activities		(3,761,437)	226,712
Financing activities			
Acquisition of treasury shares	19b	-	(92,712)
Funds from securities issued and accepted		15,149,283	19,593,632
Subordinated debt and debt instruments eligible to equity		598,233	(1,389,389)
Non-controlling interest		2,689,801	93,510
Capital increase	2	5,797,288	2,650,500
Public offering costs		(50,167)	-
Interest on equity - distributed	19f	(1,746,000)	(541,000)
Cash provided by financing activities		22,438,438	20,314,541
Increase in cash and cash equivalents		3,028,180	22,887,708
Balance of cash and cash equivalents	26		
At the beginning of the year		44,406,399	21,518,691
At the end of the year		47,434,579	44,406,399
Increase in cash and cash equivalents		3,028,180	22,887,708

The accompanying notes are an integral part of the consolidated financial statements.

## BANCO BTG PACTUAL S.A. and subsidiaries

### Consolidated statements of value added

Years ended December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Revenues		36,853,449	22,879,401
Financial brokerage		29,591,938	18,694,271
Services rendered	20	6,633,005	4,185,130
Other		628,506	-
Expenses		(19,752,467)	(13,264,629)
Financial brokerage		(18,288,443)	(12,898,469)
Allowance for loan losses and other receivables	10	(1,464,024)	(366,160)
		-	-
Inputs acquired from third parties		(5,081,613)	(1,737,833)
Materials, energy and other		(40,173)	(34,746)
Outsourced services		(5,041,440)	(1,703,087)
Gross value added		12,019,369	7,876,939
Depreciation and amortization	23	(113,354)	(60,711)
Net value added produced by the entity		11,906,015	7,816,228
Value added received through transfer		1,639,716	(102,533)
Equity in the earnings of associates		1,639,716	(102,533)
Value added to be distributed		13,545,731	7,713,695
Distribution of value added		13,545,731	7,713,695
Personnel		4,010,941	2,356,503
Direct compensation		3,435,926	2,071,684
Benefits		274,744	148,676
FGTS – government severance pay fund		300,271	136,143
Taxes, fees and contributions		2,895,997	1,370,871
Federal		2,567,229	1,206,797
Municipal		328,768	164,074
Remuneration of third-party capital		206,005	103,674
Rent expenses		206,005	103,674
Remuneration of shareholders		6,432,788	3,882,647
Retained earnings		4,867,156	2,880,382
Interest on equity	19	1,475,000	1,096,000
Non-controlling interest		90,632	(93,735)

The accompanying notes are an integral part of the consolidated financial statements.

## **BANCO BTG PACTUAL S.A. and subsidiaries**

Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

### **1. Operations**

Banco BTG Pactual S.A. (the "Bank" or "BTG Pactual") is incorporated as a multiple Bank, operating jointly with its subsidiaries (the "Group" or "BTG Pactual Group"), offering financial products and services related to commercial, including foreign exchange, investment portfolios, credit, financing, leasing, insurance and real estate loans. The Bank is located at Praia de Botafogo, 501 - 5th floor (part) - Torre Corcovado, in the city and state of Rio de Janeiro, and has its main place of business at Av. Brigadeiro Faria Lima, 3477 - 14th floor (part), in the city and state of São Paulo.

Transactions are conducted by a group of institutions fully participating in the financial market, and may be intermediated by other institutions from the BTG Pactual Group. The Bank's controlling shareholder is BTG Pactual Holding Financeira Ltda. ("Holding Financeira"), which is controlled by BTG Pactual G7 Holding S.A. ("G7") through BTG Pactual Holding S.A. ("Holding").

The Bank has units listing at B3 S.A. in São Paulo. Each unit issued, corresponds to 1 common share and 2 class A preferred shares of the Bank.

#### **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, and to friends and families.

For firms like BTG Pactual, the pandemic 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 year, we want 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.

- We are maintaining the Bank's operations, with all services, communication channels and functionalities available to our clients;
- 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;
- In the first weeks of the crisis, our client and operations teams cleared unprecedented volumes of transactions in secondary markets keeping our operational platform available and working intensely in cooperation with our market counterparts; and
- Using technology, we are keeping ourselves close and available to clients in all segments, bringing them quality information and specialized advice on a daily basis, to support them in their business needs or in the management of their portfolios.

## **BANCO BTG PACTUAL S.A. and subsidiaries**

Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

### **New Units Program**

On April 3, 2020, the Bank Board of Directors approved a new share buyback program. The purpose of the repurchase program is to efficiently invest the funds available in cash, in order to maximize the company's capital allocation and it will include the acquisition of up to 15,000,000 units. On the same date, the shares held in treasury were canceled.

## **2. Corporate reorganization and acquisitions**

- **Corporate events**

### **Senior Bond issue**

On July 1, 2021, BTG Pactual issued a Senior Unsecured Bond (BTG 2025 bond) with a fixed rate of 4.50%, due in 2025 for US\$250 million at yield for investors of 3.25%. This bond has an outstanding value of US\$1.0 billion. The transaction was settled on July 12, 2021.

### **Share Split**

As the Board approved BTG's Share Split on April 9, 2021, we have filed it with the Brazilian Central Bank. Under the terms of the split, each unit will be split into four. The same proportion will hold: each unit issued corresponds to 1 common share and 2 class A preferred shares of the Bank. The Share Split will not change the rights of shareholders and will not change a shareholder's proportionate ownership in BTG. All future dividends declared by BTG will reflect the Share Split and total share capital will not be modified. On June 25, 2021, considering verification of all necessary regulatory approvals, the necessary procedures were made to the share split, dated on June 30, 2021.

### **Global Medium Term Notes Issuance**

On January 6, 2021, the Bank, through its Cayman Island's branch, issued Global Medium-Term Notes to be used for the financing or refinancing of eligible green and/or social projects, in the total amount of US\$500 million at a fixed coupon rate of 2.75% p.a., with maturity date on January 11, 2026, and semi-annually coupon payments on January 11 and July 11.

### **Primary public offering**

On June 29, 2020, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 35,625,000 Units, composed of 35,625,000 common shares and 71,250,000 preferred shares. The book building process was concluded with a price of R\$74.40 per Unit, therefore R\$24.80 per share, resulting in an offering of R\$2,650,500, an amount which, after deducting the issuance costs of R\$ 29,349, corresponds to the Bank's capital increase.

## **BANCO BTG PACTUAL S.A. and subsidiaries**

Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

On January 13, 2021, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 27,777,778 Units, composed of 27,777,778 common shares and 55,555,556 preferred shares. The book building process was concluded with a price of R\$92.52 per Unit, therefore R\$30.84 per share, resulting in an offering of R\$2,570,000, an amount which, after deducting the issuance costs of R\$25,370, corresponds to the Bank's capital increase.

On May 28, 2021, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 24,402,000 Units, composed of 24,402,000 common shares and 48,804,000 preferred shares. The book building process was concluded with a price of R\$122.01 per Unit, therefore R\$40.67 per share, resulting in an offering of R\$2,977,288, an amount which, after deducting the issuance costs of R\$24,797, corresponds to the Bank's capital increase.

- **Acquisitions and disposals**

### **Credpago Serviços de Cobrança S.A.**

On June 29, 2021, the Bank sold, to Loft Brasil Tecnologia Ltda., all of yours shares it held in Credpago Serviços de Cobrança SA for a total amount of R\$1,568 million, with a settlement agreed in (i) cash (partially at the time and the remainder in installments to be paid within 24 months) and (ii) in shares of Loft Holdings Ltd. On September 3, 2021, the sale was approved by regulatory agencies and the deal was completed in the following days.

### **Empiricus**

On May 31, 2021, the Bank entered into an agreement with the companies Empiricus Research Publicações Ltda., Vitreo Holding Financeira SA, Vitreo Holding SA, Vitreo Distribuidora de Títulos e Valores Mobiliários SA, their subsidiaries and their respective shareholders (sellers) with the in order to carry out the acquisition of these companies and to establish long-term partnerships with the sellers. The purchase, which was carried out through cash and BPAC11 shares, was approved by regulatory bodies and the merger of Holding Universa S.A. was completed on December 1, 2021, so that the companies mentioned above became wholly owned subsidiaries of BTG Pactual.

### **Banco Pan S.A.**

A On April 5, 2021, the purchase and sale agreement were signed between CaixaPar and Banco Sistema (Controlled by BTG Pactual), for the acquisition of all the common shares, nominative and without par value, issued by Banco Pan and owned by CaixaPar, representing 49.2% of the voting share capital of Banco Pan, equivalent to 26.8% of the share capital. For the conclusion of the transaction, Banco Sistema paid CaixaPar the total amount of approximately R\$3.7 billion, which corresponds to R\$11.42 for each of the Shares object of the transaction. On May 19, 2021, having verified compliance with all condition's precedent, including applicable regulatory approvals, the acquisition was approved. As of December 31, 2021, BTG Pactual's direct and indirect interest in Banco Pan is 71.69%.



## BANCO BTG PACTUAL S.A. and subsidiaries

Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

As of December 31, 2021, BTG Pactual, based on the preliminary purchase price allocation report ("PPA"), prepared by an independent specialized consultancy, made an initial allocation of the fair values of the assets acquired and liabilities assumed by Banco Pan, in the proportion of 26.8% of the capital stock that contributed to the assumption of control by BTG of Banco Pan.

Due to the complexity of the operations and the corresponding relevance, the final allocation may result in changes in amounts until the final version of the PPA, which is estimated to be completed within 12 months after the date of the respective acquisition of the company's control.

The preliminary allocation as of December 31, 2021 indicates the following amounts, considering the Bank's accounting practices:

	<u>R\$ millions</u>
Amount corresponding to common shares acquired on May 31, 2021 (26.8% of Banco Pan's Shareholders' Equity) (a)	1,468
Preliminary allocation arising from the fair value of assets and liabilities and/or Identified intangible assets (b)	766
Goodwill corresponding to the acquisition of control: (a) - (b)	<u>1,460</u>
<b>Purchased Price</b>	<b><u>3,694</u></b>

(a) Refers to the acquired percentage of Banco Pan's Shareholders' Equity on May 31, 2021.

(b) Corresponding to the preliminary allocation regarding the following items: i) Core deposits; ii) Brand; iii) Customer portfolio; and iv) Technology.

### EFG Sale

On April 20, 2021, BTG Pactual (Cayman) International Holding Limited sold to the Holding its participation on BTG Pactual Holding EFG Ltda ("Holding EFG") for the total amount of R\$ 3.8 billion. Holding EFG owned approximately 89.51% of BTGP BSI Ltd – which represents approximately 22.25% of EFG. The transaction was settled with the termination of the Equity Linked Note issued against BTG Pactual Holding S.A. which had EFG as the underlying. After the transaction, Banco BTG Pactual will own 2.64% of EFG's total share capital. On the same date, the Equity Linked Note issued under the terms of the CMN Resolution 4,192 of 2013, previously recorded in the liabilities of BTG Pactual Cayman Branch, was settled. After the transaction, Banco BTG Pactual owns 2.64% of EFG's total share capital.

### Kinvo Tecnologia da Informação Ltda

On March 16, 2021, BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. signed the agreement for acquisition of 100% of the share capital of Kinvo Tecnologia da Informação Ltda for R\$72 million. This acquisition aims to expand BTG Pactual digital ecosystem and complements our product range. On May 17, 2021, after verification of certain conditions precedent, including all necessary regulatory approvals, the acquisition was concluded.

### Necton Investimentos S.A.

On October 23, 2020, definitive documents were signed regarding the acquisition of 100% of the share capital of Necton Investimentos S.A. Corretora de Valores Mobiliários e Commodities, for the amount of R\$ 342 million.

## **BANCO BTG PACTUAL S.A. and subsidiaries**

Notes to the consolidated financial statements  
December 31, 2021  
(In thousands of reais, except otherwise indicated)

This acquisition is part of BTG Pactual's expansion strategy in the investment retail segment. On April 5, 2021, after verification of certain precedent conditions, including all necessary regulatory approvals, the acquisition was concluded.

### **EQI Investimentos**

On July 15, 2020, EQI Investimentos ("EQI") accepted the Bank's proposition to become its contractor as an independent financial advisor. The proposal foresees the Bank's support on the EQI project of acting, after obtaining the applicable regulatory approvals, as a broker dealer.

### **Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A.**

On July 19, 2019, the Bank acquired 80% of Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A., which will be maintained as an independent platform of BTG Pactual. The purchase and sale agreement also foresees the Bank's option to purchase the remainder of Ourinvest shares until 2022, of which 10% in March 2021 (was already exercised) and 10% in March 2022. On March 31, 2020, Bacen approved the acquisition.

## **3. Presentation of the financial statements**

The Bank's consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, applicable to the institutions authorized to operate by the Central Bank of Brazil (Bacen), and in accordance with the standards and instructions of the Conselho Monetário Nacional (CMN), Bacen and Securities and Exchange Commission (CVM), when applicable.

The Bank's consolidated financial statements include the individual financial statements of the Bank, its foreign branches, direct and indirect subsidiaries in Brazil and abroad, as well as investment funds and special purpose entities (SPE).

The preparation of the consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to the institutions authorized to operate by Bacen requires management to use its judgment to determine and register accounting estimates. Assets and liabilities subject to these estimates and assumptions primarily relate to deferred income tax assets and liabilities, to the allowance for loan losses and other receivables, the provision for taxes and contributions with uncertain tax position, the provision for contingent liabilities and fair value measurement on financial instruments. The settlement of transactions involving these estimates may result in amounts that differ from those estimated due to inherent uncertainties to its determination. The Bank and its subsidiaries periodically review these estimates and assumptions.

Resolution nº2/ 2020 of Bacen, established general criteria and procedures for the disclosure of standalone financial statements, effective as of January/2020, including: the presentation of the Statement of Comprehensive Income, Earnings per Share and changes made to the presentation of the balance sheets.

## BANCO BTG PACTUAL S.A. and subsidiaries

Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

The consolidated financial statements were approved by the Bank's management on November 8, 2021, and they contain a true and fair view of the development and results of the Bank. Management evaluated the Bank and its subsidiaries' capacity to continue operating as usual and has concluded that the Bank and its subsidiaries have funds to continue their operations in the future. Additionally, management is not aware of any material uncertainty that may create significant doubts with regard to the Bank ability to continue operating. Therefore, the financial statements were prepared based on this principle.

### a. Consolidated financial statements

In the consolidated financial statements all intercompany balances of assets and liabilities, revenues, expenses and unrealized profit have been eliminated, and the portions of net income (loss) and shareholders' equity relating to non-controlling interest have been included.

Goodwill calculated on the acquisition of an investment in subsidiaries is recognized in intangible assets. Goodwill and negative goodwill calculated on the acquisition of associates are recognized in investments.

The subsidiaries and investment funds consolidated on the Bank's financial statements, are as follows:

	Country	Equity interest - %	
		31/12/2021	31/12/2020
<b>Direct subsidiaries</b>			
BTG Pactual Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Brazil	99.99	99.99
BTG Pactual Serviços Financeiros S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Holding Participações S.A.	Brazil	99.99	99.99
BTG Pactual Holding Internacional S.A.	Brazil	99.99	99.99
BW Properties S.A.	Brazil	79.72	72.09
BTG Pactual Holding de Seguros Ltda.	Brazil	99.99	99.99
BTG Pactual Cayman International Holding Limited	Cayman	100.00	100.00
BTG Pactual Corretora de Seguros Ltda.	Brazil	100.00	100.00
Banco Sistema S.A.	Brazil	99.91	99.91
BTGP-BSI LIMITED	UK	-	100.00
Enforce Gestão de Ativos S.A.	Brazil	90.00	70.00
BTG Pactual Corretora de Resseguros Ltda.	Brazil	100.00	100.00
Banco Pan S.A. (j)	Brazil	71.69	-
ZB Consultoria Ltda	Brazil	99.99	99.99
RESALE Tecnologia e Serviços Ltda	Brazil	65.42	65.42
Empiricus Research Publicações Ltda.	Brazil	100.00	-
Vitreo Holding S.A	Brazil	100.00	-
Vitreo Holding Financeira S.A	Brazil	100.00	-
<b>Indirect subsidiaries</b>			
BTG Pactual Gestora de Investimentos Alternativos Ltda.	Brazil	99.98	99.98
BTG Pactual WM Gestão de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Gestora de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Corporate Services Ltda.	Brazil	-	99.99
Ourinvest Distribuidora de Títulos e Valores Mobiliários S.A.	Brazil	90.00	80.00
BTG Pactual NY Corporation	USA	100.00	100.00
BTG Pactual Global Asset Management Limited	Bermuda	100.00	100.00
BTG Pactual Europe LLP	UK	-	100.00
BTG Pactual Asset Management US, LLC	USA	100.00	100.00
BTG Pactual US Capital, LLC	USA	100.00	100.00
BTG Global Asset Management (UK) Limited	UK	-	100.00
BTG Pactual Resseguradora S.A.	Brazil	100.00	100.00
BTG Pactual Vida e Previdência S.A.	Brazil	100.00	100.00
Banco BTG Pactual Chile S.A.	Chile	100.00	100.00
BTG Pactual Chile SPA	Chile	100.00	100.00
BTG Pactual Chile S.A.	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Corredores de Bolsa	Chile	100.00	100.00
BTG Pactual Chile Capital Administradora de Fondos de Inversion de Capital Extranjero S.A.	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Administradora General de Fondos	Chile	100.00	100.00
BTG Pactual Chile Servicios Financieros S.A.	Chile	100.00	100.00
Inmobiliaria BTG Pactual Chile Limitada	Chile	100.00	100.00
BTG Pactual Chile S.A. Administración de Activos	Chile	100.00	100.00
BTG Pactual Holding Delaware LLC	USA	-	100.00
BTG Pactual Peru Capital S.A. Sociedad Agente de Bolsa	Peru	100.00	100.00
BTG Pactual Peru Capital S.A. Sociedad Administradora de Fondos Inversion	Peru	100.00	100.00
BTG Pactual Perú S.A.C.	Peru	100.00	100.00
Banco BTG Colombia S.A.	Colombia	100.00	-
BTG Pactual S.A. Comisionista de Bolsa	Colombia	99.97	99.97

# BANCO BTG PACTUAL S.A. and subsidiaries

## Notes to the consolidated financial statements

December 31, 2021

(In thousands of reais, except otherwise indicated)

BTG Pactual Sociedad Fiduciaria (Colombia) S.A.	Colombia	99.97	99.97
Laurel Sociedad Gestora Profesional S.A.S	Colombia	100.00	100.00
BTG Pactual S.S. Soluciones y Servicios S.A.S.	Colombia	100.00	100.00
BTG Pactual E&P S.a.r.l.	Luxembourg	100.00	100.00
BTG Pactual Oil & Gas S.a.r.l.	Luxembourg	100.00	100.00
TTG Brasil Investimentos Florestais Ltda.	Brazil	100.00	100.00
BTG Pactual Timberland Investments Group LLC	USA	100.00	100.00
BTG Pactual Casa de Bolsa, S.A. de C.V.	Mexico	100.00	100.00
Bastec Tecnologia e Serviços Ltda.	Brazil	99.84	99.84
BTG Pactual UK Holdco Limited	UK	100.00	100.00
BTG Pactual Gestora de Fondos SA de CV Operadora de Fondos de Inversion	Mexico	100.00	100.00
TTG Forestry Services LLC	USA	100.00	100.00
BTG Pactual Argentina S.A.	Argentina	100.00	100.00
BTG Pactual RE Income S.A.	Colombia	100.00	100.00
BTG Pactual Chile Asesorias Financieras	Chile	100.00	100.00
PFC Consultoria e Assessoria Empresarial Eireli	Brazil	-	100.00
BTG Pactual Seguros S.A	Brazil	100.00	100.00
BTG Pactual Reinsurance Ltd.	Cayman	100.00	100.00
BTG Pactual Holding EFG Ltd.	Brazil	-	100.00
BTG Pactual (UK) Limited	UK	100.00	100.00
BP Agencia de Seguros LTD	Colombia	100.00	100.00
Greenwood Echo LLC	USA	-	100.00
Holding Concordia Spinelli Participações Ltda (i)	Brazil	100.00	-
Santa Catarina Holding Participações Societaria Ltda (i)	Brazil	100.00	-
IJUI Participações Ltda (i)	Brazil	100.00	-
Spinelli Holding Participações Ltda (i)	Brazil	100.00	-
Pan Arrendamento Mercantil S.A. (i)	Brazil	100.00	-
Pan Adm de Consórcio Ltda (i)	Brazil	100.00	-
Brazilian Securities Companhia de Securitização (i)	Brazil	100.00	-
Brazilian Finance & Real Estate S.A. (i)	Brazil	100.00	-
BM sua casa promotora de vendas Ltda (i)	Brazil	100.00	-
BTG Pactual Portugal Unipessoal	Portugal	100.00	-
Necton S.A. CVMC (i)	Brazil	100.00	-
Kinvo Tecnologia Ltda.	Brazil	100.00	-
Fator S/A - Corretora de Valores	Brazil	100.00	-
Mobiauto Ed Anunc On line (i)	Brazil	80.00	-
MT Publicações Ltda	Brazil	100.00	-
SEU Dinheiro Publicações	Brazil	100.00	-
Agencia Acta Publicidade	Brazil	100.00	-
Real Valor des Programa	Brazil	100.00	-
Vitreo DTVM SA	Brazil	100.00	-
Vitreo Gestão de Recursos	Brazil	100.00	-
<b>Investment funds</b>			
Fundo de Investimento Multimercado Crédito Privado LS Investimento no Exterior	Brazil	100.00	100.00
BTG Pactual International Portfolio Fund SPC - CLASS C	Cayman	100.00	100.00
BTG Pactual Global Fund LP	Cayman	100.00	100.00
BTG Pactual Oil & Gas FIQ FIP	Brazil	100.00	100.00
BTG Pactual Fundo de Investimento Imobiliário Ametista	Brazil	100.00	100.00
Warehouse Fundo de Investimento em Participação	Brazil	100.00	100.00
BTG Pactual Absolute Return Master Fund	Cayman	100.00	100.00
FIDC NP Alternative Assets I	Brazil	100.00	100.00
BTG Pactual ARF Equities Brasi FIA IE	Brazil	100.00	100.00
BTGP Int Fund II SPC - BTGPH Corp Hedge	Brazil	100.00	100.00
BTG PACTUAL RED FIP - Multimercado Investimento no Exterior	Brazil	98.65	98.65
FIM CP Energy	Brazil	72.56	72.56
FIM CP Vitória Fidelis	Brazil	53.11	53.11
FIDC NP Alternative Assets II	Brazil	100.00	100.00
BTG Pactual SICAV - Mexico Equity Fund	Luxembourg	-	94.30
BTG Pactual SICAV- Latin America Equity Fund	Luxembourg	54.28	58.88
BTG Pactual Fondo Alfa Concentrado S.A. de C.V.	Mexico	92.21	82.20
BTG Pactual Absoluto Global Equities Inst FIA IE	Brazil	100.00	100.00
Seedling FIP	Brazil	100.00	100.00
FIDC NP Alternative Assets III	Brazil	100.00	100.00
FIDC NP Precatórios Brasil	Brazil	100.00	100.00
FIDC Creditos não-Padronizados I	Brazil	100.00	100.00
Vulcan FIP Multiestrategia	Brazil	100.00	100.00
Exes Credito Direto FIM CP IE	Brazil	92.14	88.73
T.Rowe Global Allocation Fund FIC FIM IE	Brazil	66.77	96.37
FIM CP Proventia	Brazil	70.63	70.63
BTG Pactual Absoluto LS FIC FIM	Brazil	58.63	90.18
BTG Pactual BRAZIL Infrastructure Fund II, LP	Cayman	100.00	100.00
BTG Pactual International Port Fund SPC - SP I	Cayman	100.00	100.00
BTG Pactual PAR SPC Segregated Petro Africa CL B	Cayman	57.33	57.33
Brasil Capital 100 B Prev Fundo de Investimento em cotas de fundos de investimentos em acoes	Brazil	-	100.00
BTG Pactual Absoluto LS Master Previdencia fundo de investimento multimercado	Brazil	-	83.08
Oceania Long Biased FI em cotas de fundos de investimento multimercado Access Previdencia	Brazil	-	89.40
EQI fundo de investimento em cotas de fundos de investimento em acoes	Brazil	-	100.00
EQI Macro Fundo de Investimento em cotas de fundos de investimento multimercado	Brazil	-	100.00
Global Advantage Fund dolar FI em cotas de fundos de investimento de acoes no exterior	Brazil	-	100.00
Alaska Previdencia 100 fundo de investimento em cotas de fundos de investimento multimercado	Brazil	-	62.00
BTG Pactual Strategic Capital Fund A, L.P	USA	100.00	-
Fil BTG Pactual AAA Corporate Office Fund	Brazil	100.00	-
BTG Pactual ESG Fundo de Índice S&P/B3 Brazil ESG	Brazil	72.79	-
BTG Pactual Absoluto Global Equities Master Inst FI de ações Investimento no Exterior	Brazil	100.00	-
Investco Greater China Equity Dolar fundo de investimento em cotas de fundos de investimento multimercado	Brazil	73.64	-
BTG Autoinvest moderado fundo de investimento em cotas de fundos de investimento multimercado	Brazil	91.76	-

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BTG Autoinvest Sofisticado fundo de investimento em cotas de fundos de investimento multimercado	Brazil	93.80	-
Produtores Rurais ReceivablesS fundo de investimento em direitos creditórios	Brazil	65.86	-
BTG Pactual Absoluto LS Master Fundo de Investimento Multimercado	Brazil	100.00	-
Clave Ações Fundo de investimento em Cotas de Fundos de Investimento em Ações	Brazil	88.54	-
Clave Ações Institucional Fundo de Investimento em Cotas de Fundos de Investimento em Ações	Brazil	94.41	-
Invesco Greater China Equity Fundo de Investimento em Ações Investimento no Exterior	Brazil	100.00	-
Leste Global Multistrategy Plus	Brazil	50.05	-
Master 1112 fundo de investimento Multimercado	Brazil	100.00	-
T. ROWE Global Allocation Fund Dolar	Brazil	100.00	-
Aurora Midwest LP	USA	65.00	-
BTG Pactual PAR SPC - Bitcoin Fund	USA	100.00	-
Clave ações P FC Fundos de Investimento em Ações	Brazil	50.14	-
Clave Master Fundos de Investimento em Ações	Brazil	65.12	-
ACS BR Tech brl Fundos de Investimento em Ações	Brazil	73.26	-
BTG Macro HF Fundo de Investimento Multimercado	Brazil	100.00	-
V7 FIDC NP SR	Brazil	50.31	-
AQR CA FC Fundo de Investimento Multimercado	Brazil	100.00	-
AQR CA INS FC Fundo de Investimento Multimercado	Brazil	100.00	-
Receivables 17 FIDC	Brazil	100.00	-
Clave Cortex Fundo de Investimento Multimercado	Brazil	99.73	-
BTG REF Semicond Fundo de Investimento Multimercado	Brazil	56.07	-
ACS RYO LB FC Fundo de Investimento Multimercado	Brazil	99.79	-
ACS RYO SEL FC Fundos de Investimento em Ações	Brazil	99.96	-
Clave TR FC Fundo de Investimento Multimercado	Brazil	78.33	-
BTG Consórcios Fidc Np li	Brazil	100.00	-
Exes Cre Dir Fidc Np	Brazil	95.43	-
Mag Prev Btg Renda Fixa C	Brazil	99.71	-
Itaú Macro Prev Btg Ficfi	Brazil	95.31	-
Fundo De Investimento Imobiliario Rooftop li	Brazil	100.00	-
Btgp Access Vintage Macro li Fundo De Investimento Em Cotas De Fundos De Investimento Multimercado	Brazil	58.25	-
Ryo Long Biased Fundo De Investimento Em Cotas De Fundos De Investimento Multimercado	Brazil	62.49	-
Ryo Long Biased Master Fundo De Investimento Multimercado	Brazil	100.00	-
Clave Total Return Fundo De Investimento Em Cotas De Fundos De Investimento Multimercado Access	Brazil	80.34	-
Clave Total Return P Fundo De Investimento Em Cotas De Fundos De Investimento Multimercado	Brazil	100.00	-
Clave Acoes Fundo De Investimento Em Cotas De Fundos De Investimento De Acoes Access	Brazil	53.59	-
Btgp Multigestor Macro Previdenciario Fundo De Investimento Multimercado Credito Privado	Brazil	98.84	-
Btg Pactual Reference Global Tech Fundo De Investimento Em Acoes	Brazil	94.43	-
Fundo De Investimento Multimercado Profit 2435	Brazil	50.05	-
Fundo De Investimento Multimercado Profit 2447	Brazil	100.00	-
Fundo De Investimento Imobiliario - Brick 78	Brazil	100.00	-
Btg Pactual Reference Biotech Fundo De Investimento Multimercado	Brazil	92.98	-
Fgts I Fim Cp	Brazil	100.00	-
Inss Consignado (Pdl) I-B	Brazil	100.00	-
Fundo De Investimento Em Direitos Creditórios Mt I Receivables	Brazil	100.00	-
Btg Pactual Reference Ethereum 20 Fundo De Investimento Multimercado	Brazil	92.78	-
Canuma Capital Usa Reits Dolar Fundo De Investimento Em Cotas De Fundos De Investimento De Acoes Bdr Nivel I	Brazil	99.61	-

(i) Associates of Banco Pan and Necton acquired during 2021.

## **BANCO BTG PACTUAL S.A. and subsidiaries**

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### **b. Functional currency**

The amounts included in the Bank's consolidated financial statements are measured using the currency of the main economic environment in which the Bank operates (functional currency). The consolidated financial statements are presented in Reais (R\$), which is the functional currency of the Bank.

The assets and liabilities of subsidiaries with a functional currency other than Brazilian Real are translated as follows: (i) assets and liabilities are translated using the closing rate at the balance sheet date. (ii) Income and expenses are translated using monthly average exchange rates, and (iii) Investments in subsidiaries abroad are recognized as follows: for those with functional currency equal to Real: a) Income for the period: portion related to the subsidiary's effective income; and b) Shareholders' Equity: portion related to foreign exchange adjustments arising from the translation process, net of tax effects.

The effects of foreign exchange variations on investments abroad are distributed in the other comprehensive income adjustments in the shareholders' equity.

## **4. Significant accounting practices**

The significant accounting practices adopted by the Bank and its direct and indirect subsidiaries are the following:

### **a. Cash and cash equivalents**

For the purposes of statements of cash flows, cash and cash equivalents include, pursuant to CMN Resolution 3604/08, cash, bank deposits and highly liquid short-term investments with original maturities up to 90 days, subject to an insignificant risk of change in value.

### **b. Short-term interbank investments, remunerated deposits at the Central Bank of Brazil, time and interbank deposits, open market funding, funds from securities issued and accepted, loans and borrowings, subordinated debts and other transactions with assets and liabilities**

The transactions with clauses of adjustment for inflation/exchange rate adjustment and transactions with fixed interest rates are recorded at present value, net of transaction costs incurred, calculated on a "*pro rata die basis*", based on the effective rate of the transactions.

### **c. Securities**

Securities are measured and classified in accordance with the criteria established by Bacen Circular Letter 3068/01, of November 8, 2001, into the following categories:

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### **i. Trading securities**

Acquired with the purpose of being actively and frequently traded. Trading securities are initially recognized at cost plus income earned, and adjustments to fair value, recognized in the statements of income.

According to Bacen Circular Letter 3068/01, trading securities are recorded in the balance sheet, in current assets, regardless of their maturity.

### **ii. Available for sale securities**

These are securities that are neither classified as trading securities nor as held-to-maturity securities. They are stated at cost, with interest recorded in profit or loss, and subsequently adjusted to fair value, with that amount recorded in a separate account under shareholders' equity, net of tax effects, which will only be recognized in the statements of income after the effective realization.

### **iii. Held-to-maturity securities**

These are securities that the Bank has the intention and ability to hold to maturity. They are stated at cost, plus income earned, with a corresponding entry to the statements of income.

Decreases in the fair value of available for sale and held to maturity securities below their respective restated costs, related to non-temporary reasons, will be recorded in the statements of income as realized losses.

### **d. Derivative financial instruments**

These are classified according to Management's intention, on the transaction date, considering whether such transactions are for hedge or not.

Transactions using financial instruments of own portfolio, or that do not comply with hedge criteria (mainly derivatives used to manage the overall risk exposure), are accounted for at fair value, with gains and losses, realized or unrealized, recorded directly in statements of income.

Derivative financial instruments used to mitigate the risks arising from exposures to changes in the fair value of financial assets and financial liabilities and that are highly correlated in relation to changes in their fair value in relation to the fair value of the hedged item, both at the beginning and throughout the agreement, and deemed as effective in the reduction of risk associated with the exposure to be hedged, are deemed as hedge instruments and are classified according to their nature as follows:

- Market risk hedge: financial instruments included in this category, as well as their related hedged financial assets and liabilities, are measured at fair value, and their realized or unrealized related gains or losses are recorded in the statements of income.
- Cash flow hedge: the instruments classified in this category are measured at fair value, and the effective portion of the appreciation or depreciation is recorded in a separate account under

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shareholders' equity, net of tax effects. The non-effective portion of the respective hedge is directly recorded in the statements of income.

- Net Investment Hedge of Foreign Operations: this is accounted for similarly to cash flow hedge, i.e., the portion of gains or losses on a hedging instrument that is determined to be an effective hedge is recognized in Shareholders' equity and reclassified to income for the period in the event of disposal of the foreign operation. The ineffective portion is recognized in statements of income for the period.

### **e. Fair value of securities, derivative financial instruments and other rights and obligations**

The fair value of securities, derivative financial instruments and other rights and obligations, whenever applicable, is calculated based on market price, price evaluation models, or based on the price determined for other financial instruments with similar characteristics. The daily adjustments of transactions performed in the futures market are recorded as effective income and expense when generated or incurred. The premium paid or received upon performance of transactions in the stock option market, other financial assets and commodities are recorded in the respective assets accounts for amounts paid or received, adjusted at market price in a corresponding entry of statement of income.

The transactions performed in the forward market of financial assets and commodities are registered by the final retained value, adjusted for the difference between this amount and the price of the asset or right adjusted at market prices, in the appropriate assets or liabilities account. The income and expenses are recorded according to the maturity of their agreements. Assets and liabilities resulting from swap and non-deliverable forward agreements (NDF) are recognized in assets and liabilities at their carrying amount, with adjustments to fair value, recorded in the statements of income.

The notional amount of the agreements is recorded in memorandum accounts.

### **f. Determining fair value**

Financial instruments are measured according to the fair value measurement hierarchy described below:

Level 1: Price quotations observed in active markets for the same financial instrument.

Level 2: Price quotations observed in active markets for financial instruments with similar characteristics or based on a pricing model in which the relevant parameters are based on observable active market data.

Level 3: Pricing models in which current market transactions or observable data are not available and which require a high degree of judgment and estimation. Instruments in this category have been valued using a valuation technique where at least one input which could have a significant effect on the instrument's valuation, is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, the Bank determines a reasonable level for the input. Financial instruments primarily include certain unlisted equity shares mainly derived from our merchant banking activities, debt securities (debentures) from non-public companies and energy derivatives where valuation depends upon unobservable



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inputs. No gain or loss is initially recognized on a financial instrument valued using a technique incorporating significant unobservable data.

Level 3 valuation assumptions		
Asset	Valuation technique	Main assumptions
Private Equity Funds (unquoted investments)	Price of recent investments; Models based on discounted cash flows or earnings; Market and transaction (M&A) multiples.	Market and revenue growth, profitability and leverage expectations, discount rates, macro-economic assumptions such as inflation and exchange rates, risk premiums including market, size, and country risk premiums.
Debt securities (debentures)	Standard models and comparable prices.	Probability of default, loss severity and yield, prepayment and recovery rates.
Energy derivatives	Models based on Decomp and Newwave systems data.	GDP, hydro reservoir levels and rain forecast.

In certain cases, data used to determine fair value may be from the different levels of the fair value measurement hierarchy. In these cases, the financial instrument is classified in the most conservative hierarchy in which the relevant data for the fair value assessment were used. This evaluation requires judgment and considers specific factors of the relevant financial instruments. Changes in the availability of the information may result in reclassification of certain financial instruments among the different levels of fair value measurement hierarchy.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### g. Financial instruments – net presentation

Financial assets and liabilities are stated at their net amounts in the balance sheet if, and only if, there is a current legally enforceable right to offset the amounts recognized and if there is an intention to compensate or simultaneously realize the asset and settle the liability.

### h. Sale or transfer of financial assets with substantial retention of risks and benefits

Financial assets remain on the transferor's balance sheet when the transferor retains the risks and benefits of the asset. In such case, a financial liability is recognized for the consideration received for such asset.

### i. Loans and other receivables (operations with credit characteristics)

Recorded at present value, calculated on a "pro rata die" basis on the index variation and at the agreed interest rate, updated up to the 59<sup>th</sup> day of default, provided receipt is expected. As from the 60<sup>th</sup> day, the recognition in income occurs at the time of the effective receipts of installments. Renegotiated transactions are maintained at least in the same level at which they were classified before the renegotiation and, if they have already been written off, they are fully provisioned, and gains are recorded in the results when received.

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### **j. Allowance for expected losses associated with credit risk**

Allowance for expected losses associated with credit risk is recognized based on an analysis of loan risk losses at an amount deemed as sufficient to cover probable losses, pursuant to CMN Resolution 2682 of December 21, 1999, among which:

- Allowances are recorded for loans, based on the risk classification of the client, based on the periodical analysis of client quality and of activity industries and not only upon default.
- Considering exclusively the default, write-off of loans against losses is carried out after 360 days from the credit due date or after 540 days, for transactions with maturity over 36 months.
- The allowance for loan losses and other receivables is estimated based on the analysis of transactions and specific risks presented in each portfolio, in accordance with the criteria established by CMN Resolution 2682.

### **k. Investment property**

Investment properties held by the Bank's subsidiaries, the main activity of which is real estate, are initially measured at cost including transaction costs. After initial recognition, investment properties are stated at fair value, reflecting the market conditions at each balance sheet date. Adjustments to fair value are determined considering the fair value of the property, less attributed costs, and recognized in net income.

The fair value of investment properties is determined at least on an annual basis, or when the Management deems it necessary, and may involve an independent valuation.

Investment properties are derecognized when disposed of or when they cease to be used permanently and no further economic benefits are expected from their disposal.

### **l. Investments**

Associates are accounted for under the equity method. Other investments in permanent assets are stated at cost, less allowance for losses, when applicable.

### **m. Foreign currency translation**

See note 3b.

### **n. Goodwill and negative goodwill**

Goodwill and negative goodwill are calculated based on the difference between the acquisition amount paid and the net carrying amount of the net assets acquired.

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Goodwill and negative goodwill, recorded according to the basis of expected future results of the acquired subsidiaries, are amortized according to the cashflow projections underlying the transaction or, when the investment is written off, by disposal or impairment, before projections are achieved.

Negative goodwill is recognized in investments for associates and in deferred income to subsidiaries.

### **o. Property and equipment in use and**

These are stated at cost. Depreciation is calculated on a straight-line basis based on the economic useful lives of the assets. Amortization is calculated using the straight-line basis over the estimated period of usage and/or disposal.

### **p. Intangible assets**

Intangible assets include acquired rights to the underlying assets designated to the entities' maintenance or used for such purpose, in accordance with CMN Resolution 4534. This comprises (i) goodwill paid on acquisition transferred to intangible assets due to incorporation of the acquirer's equity by the acquired, or consolidation of the company; (ii) for acquired rights of assets management contracts; and (iii) software's and improvements to third party property. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

### **q. Crypto currency**

This corresponds to rights acquired and controlled by the entity as a result of past events, which have identifiable non-monetary assets without physical substance, and capable of generating future economic benefits. This includes purchase and sale transactions for crypto assets carried out by the Company during the year ended December 31, 2021. The Company measures crypto assets through the determination of fair value.

After performing an analysis of each of the possible options, the Bank's Management understands that the classification that best suits the nature of transactions carried out with the crypto assets is Other Assets. On the date of preparation of these financial statements, the Bank has a low value of crypto-assets transactions recognized in its balance sheet.

### **r. Impairment of non-financial assets**

Whenever there is clear evidence that the assets are measured at an unrecoverable amount, loss is recorded in the income or loss. This procedure is performed at least at the end of each fiscal year.

Assets subject to impairment are deducted, when applicable, of the impairment losses that are calculated according to the higher amount of value in use and fair value less assets sale costs. The main estimates used in determining the provision are expectation of future cash flows, discount rates, illiquidity, among others.

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### **s. Income tax and social contribution**

The provisions for income tax and social contribution are recorded based on accounting profits adjusted by additions and deductions according to the tax legislation. Deferred income tax and social contribution are calculated on temporary differences, whenever the realization of these amounts is considered as probable, at the rate of 15% for income tax, plus a 10% surtax on the annual taxable income exceeding R\$240, and 25% for social contribution.

Deferred income tax and social contribution, represented by deferred tax assets and liabilities, is obtained based on the differences between the tax bases of assets and liabilities. Deferred tax assets are only recognized when it is probable that future taxable income will be available for offsetting.

### **t. Contingent assets and liabilities, and legal, tax and social security obligations**

These are recognized according to the criteria described below:

#### **i. Contingent assets**

Contingent assets are not recognized in the financial statements, except when there is evidence ensuring their realization and when they are no longer subject to appeals.

#### **ii. Contingent liabilities**

Contingent liabilities are recognized in the financial statements when, based on the opinion of the legal counsel and management, the risk of loss in such legal or administrative proceeding is considered probable, and whenever the relevant amounts involved can be measured reliably. Only contingent liabilities assessed by the legal advisors as possible losses are disclosed in the notes to the financial statements, while those classified as remote losses do not require the recording of provisions nor disclosure.

#### **iii. Legal obligation – tax and social security**

This refers to lawsuits challenging the legality or constitutionality of certain taxes and contributions. The amount under dispute is measured and recorded.

#### **u. Earnings per share**

This is calculated based on weighted average shares of the period.

#### **v. Revenue recognition**

Revenues and expenses are recorded under the accrual method.

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### **w. Recurring and non-recurring net income**

As provided in BCB Resolution No. 2, of 12/2020, BTG Pactual discloses the non-recurring result in a note (28b.), presenting non-recurring events that occurred and contributed to the result, which are not related (or are incidentally) to normal Bank activities.

## **5. Risk management**

Risk management at BTG Pactual is carried out with the involvement of all management and control instances of the Institution. The Bank's Board of Directors, under the terms of CMN Resolution 4,557/2017, is responsible for setting the levels of risk appetite, approving, and reviewing the policies, strategies and risk limits, policies and capital management strategies, the stress test program, the management of the business continuity management policy, among other activities. The Executive Board is responsible for formulating policies, defining risk guidelines, and supervising risk management and control processes. In the sequence, there is a set of risk committees and areas, responsible for the execution of management activities and risk controls. The Executive Board is responsible for formulating policies, defining risk guidelines, and supervising the processes of risk and control management.

The main committees/meetings involved in risk management activities are: (i) the Management meeting, which approves policies, defines overall limits and is ultimately responsible for managing risks; (ii) the Capital and Risk Committee, composed by independent members to supervise risk management results and strategies; (iii) New Business Committee, which assesses the feasibility and supervises the implementation of proposals for new businesses and products; (iv) the Credit Risk area, which is responsible for approving new loans according to the guidelines set forth by our CRO; (v) the Market Risk area, which is responsible for monitoring market risk, including the use of our risk limits (Value at Risk - VaR), and approved exceptions, (vi) Operational Risk Area, which assesses the main operational risks for the internal policies and regulatory risks established, (vii) Compliance Committee, which is responsible for establishing policy rules and reporting potential problems related to money laundering; (viii) the CFO and CRO, which is responsible for monitoring liquidity risk, including cash and cash equivalents and capital structure; (ix) the Audit Committee, which is responsible for independent verification of compliance with internal controls and assessment of maintenance of the accounting records (x) Socio-environmental Risk Area, which assesses socio-environmental risks, considering relevance and proportionality as principles, and also manages and reduces adverse social and environmental impacts caused by our operations and activities; and (xi) Environmental, Social and Governance (ESG) subcommittee, formed by C-levels, was established to ensure the assessment of socio-environmental risk is sufficiently incorporated into business practices, as well as to identify ESG business opportunities.

The Bank monitors and controls risk exposure through several and different supplemental internal systems, including credit, financial, operational, compliance, tax and legal systems. The Bank believes that the involvement of the Committees/areas (including their subcommittees) with management and continuous risk control promotes a strict risk control culture in the organization. The Bank's commissions comprise senior members of the business units and senior members of the control departments, which do not depend on the business areas. Further details on risk management can be found at [www.btgpactual.com.br/ri](http://www.btgpactual.com.br/ri), in the Corporate Governance / Risk management section.

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### a. Operational limits

	31/12/2021	31/12/2020
Reference Shareholders' Equity Consolidated	37,379,747	26,680,655
Tier I	33,657,720	22,087,705
Common Equity	33,286,891	21,710,355
Complementary Equity	390,829	377,350
Tier II	5,135,239	4,045,185
Reference Shareholders' Equity (PR) - (a)	38,792,959	26,132,890
Required Reference Shareholders' Equity (PRE)	19,799,466	12,553,154
Total exposure risk-weighted - (b)	247,493,322	156,914,431
Credit risk	203,488,396	120,955,912
Operational risk	17,193,881	7,025,255
Market risk	26,811,044	28,933,264
Basel ratio - (a/b)	15.7%	16.7%
Tier I capital	13.6%	14.1%
Tier II capital	2.1%	2.6%
Fixed assets ratio	63.5%	99.6%
Fixed assets to equity capital ratio	19,389,610	13,057,529
Status for fixed assets to equity capital ratio	12,308,874	13,004,047
Amount of margin (insufficiency)	7,080,736	53,482

Resolutions 4,192/13 and 4,278/13 issued by the CMN regulates the requirements on Minimum Required Capital for Tier I and Additional Capital and Resolution 4,193/13 institute the Additional for the Main Capital. Credit risk was calculated based on the Circular Bacen 3,644/13, 3,652/13, 3,679/13 and 3,696/14, market risk based on Circulars 3,634, 3,635, 3,636, 3,637, 3,638, 3,639, 3,641 e 3,645, 2013 and Circular-Letter 3,498/11, and operational risk based on Circulars 3,640/13 and 3,675/13.

The Bank has chosen the basic indicator approach to measure operational risk.

As at the year ended december 31, 2021 and 2020, the Bank was in compliance with all operating limits.

### b. Market risk

Value at Risk (VaR) is the potential loss of value of the trading positions due to adverse movements in the market during a defined period within a specific level of confidence. Together with the Stress Test, VaR is used to measure the exposure of the Bank's positions at market risk. The Bank uses a historical simulation for calculation of VaR, applying real distributions and correlation amongst assets, not using Greek approximations and standard distributions. VaR may be measured in accordance with different periods, historical data and reliable levels. The accuracy of the market risk methodology is tested through daily back testing that compares the compliance between VaR estimates and gains and losses realized.

The VaR presented below was calculated for a one-day period, with the level of confidence of 95.0%- and one-year historical data. The reliable level of 95.0% means that there is a one in twenty chances that the day trade net income remains below the estimated VaR. Therefore, insufficiencies arising from net income expected from trade in a single day of trading exceeding the reported VaR would be expected to occur, on average, around once a month. Insufficiencies in a single day may exceed the VaR reported in material amounts. Insufficiencies may also occur more frequently or accrue during a longer period, such as the number of consecutive trading days. As it is backed up by historical data, VaR's accuracy is limited to its capacity to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate prognostics of future market risk. VaR methodologies and assumptions on different distributions may produce a materially different VaR. In addition, VaR calculated for a one-day period does not consider the market risk

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of positions that may not be settled or offset with hedges within the term of one day. As previously mentioned, the Bank uses stress test models as a complement to the VaR method for its daily risk activities.

The table below contains the Bank's daily average VaR for the years ended:

In millions of R\$	December 2021	December 2020
Daily average VaR	65.1	87.6

### c. Credit risk

All the Bank's and its subsidiaries' counterparties are subject to credit risk analyses focusing mainly on an assessment of their paying ability, based on simulations of cash flows, debt leverage and schedule, asset quality, interest coverage and working capital. Qualitative aspects, such as strategic guidance, business sector, expert areas, efficiency, regulatory environment, and market share, are regularly assessed and used to supplement the credit analysis process. The Bank's and its subsidiaries' counterparty credit limits are established by the Credit Committee and are regularly reviewed. The measurement and monitoring of the total risk to which the Bank and its subsidiaries are exposed cover all the financial instruments that may generate counterparty risks, such as private equity, derivatives, guarantees given and possible settlement risks.

### d. Liquidity risk

The Bank and its subsidiaries manage liquidity risk by concentrating their portfolio in high-level credit and highly liquid assets, using funds obtained from prime counterparties at competitive rates. The Bank and its subsidiaries maintain a solid capital structure and a level of leverage. Additionally, any mismatching between assets and liabilities is monitored, considering the impact of extreme market conditions in order to assess their ability to realize assets or to reduce leverage.

### e. Operational risk

In line with the Bacen guidelines and the Basel Committee concepts, an operating risk management policy applicable to the Bank and to its local and foreign subsidiaries has been defined.

The policy establishes a set of principles, procedures and tools that enable risk management to be permanently adjusted to the nature and complexity of products, services, activities, processes, and systems.

The Bank and its subsidiaries have a culture of managing operational risk which considers the assessment, monitoring, simulation, and validation of risks, based on consistent internal controls. The mechanisms for managing and controlling operational risks are continually improved with a view to complying with the requirements of regulatory agencies, rapidly adjusting to changes and anticipating future trends, among which the New Basel Capital Accord propositions are to be highlighted.

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### f. Environmental, Social and Governance Risk (ESG)

BTG Pactual's approach to sustainability is based on comprehending our responsibility with our business partners, employees, society and the environment as a financial services' supplier.

Fully aligned with our Commercial Principles, BTG Pactual's Environmental, Social and Corporate Governance Policy reflects our long-term vision and unconditional commitment to responsible and sustainable development. We operate with a consistent focus on the implications and long-term results of our actions, prioritizing long-term benefits instead of short-term gains, always observant of ESG risks and opportunities.

We believe that sound business practices and corporate responsibility are long-term drivers that must be applied daily in order to generate value to shareholders, through sustainable growth and persistent revenue and business streams.

## 6. Cash at banks

Cash refers basically to deposits abroad in prime banks.

## 7. Interbank investments

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	50,012,209	49,996,040	15,213	-	956	48,866,043
Own portfolio	13,706,569	13,691,356	15,213	-	-	25,762,614
Federal government bonds	13,393,916	13,380,579	13,337	-	-	24,941,535
Foreign private securities	75,090	75,090	-	-	-	653,884
Corporate bonds	227,446	225,570	1,876	-	-	166,945
Foreign government bonds	10,117	10,117	-	-	-	250
Third-party portfolio	34,355,984	34,355,028	-	-	956	19,099,745
Federal government bonds	34,283,489	34,282,533	-	-	956	19,074,876
Corporate bonds	-	-	-	-	-	5,248
Foreign government bonds	72,495	72,495	-	-	-	19,621
Short position	1,949,656	1,949,656	-	-	-	4,003,684
Federal government bonds	1,506,164	1,506,164	-	-	-	3,989,435
Foreign government bonds	443,492	443,492	-	-	-	14,249
Interbank investments (*)	4,128,570	3,624,401	431,484	72,685	-	2,824,185
Interbank deposit certificates	516,594	12,425	431,484	72,685	-	889,228
Investments in foreign currency - overnight	3,611,976	3,611,976	-	-	-	1,934,957
Total	54,140,779	53,620,441	446,697	72,685	956	51,690,228

(\*) Refers basically to interbank deposits in prime banks.

The collateral received in repurchase agreements amounts to R\$53,388,705 (December 31, 2020 - R\$50,135,292).



## BANCO BTG PACTUAL S.A. and subsidiaries

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### 8. Securities

#### a. By type of portfolio

The breakdown by type of instrument, contractual maturity and type of portfolio is as follows:

	31/12/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	56,884,026	55,891,759	23,935,006	5,675,120	10,227,754	4,383,012	11,670,867	21,384,852
Federal government bonds	21,711,477	21,183,321	9,021,352	1,260,751	7,045,008	1,194,089	2,662,121	4,142,352
Debentures (I)	10,628,498	10,912,692	106,456	3,106,957	1,065,100	1,434,231	5,199,948	3,832,505
Rural Product Notes	1,654,108	1,767,670	125,340	16,483	682,254	593,965	349,628	125,187
Investment fund quotes								
Shares	795,414	845,355	777,656	44,064	-	-	23,635	648,956
Multimarket	6,209,904	5,172,100	4,715,466	247,550	-	10,055	199,029	1,615,019
FIDC - Credit Rights	450,816	446,249	218,252	46,234	-	54,025	127,738	193,402
Real Estate	395,778	257,300	124,758	125,403	-	-	7,139	128,293
Equity Investment fund	655,552	866,344	241,987	67,221	-	151,980	405,156	561,827
Shares	4,485,592	4,392,122	4,392,122	-	-	-	-	4,432,315
Certificate of real estate receivables	678,893	646,355	1,380	700	7,234	11,484	625,557	24,085
Certificate of bank deposits	33,841	37,343	6,586	9,034	11,772	9,301	650	6,993
Agribusiness receivables certificates	1,479,196	1,464,920	205	33	819,113	105,613	539,956	846,118
Promissory note	1,336,637	1,332,611	567,256	539,135	195,372	30,848	-	33,927
Other	15,244	14,816	33	1,659	11,578	-	1,546	70,123
Foreign government bonds	976,083	896,663	523,752	107,558	111,273	786	153,294	2,014,322
Foreign private securities	5,376,993	5,655,898	3,112,405	102,338	279,050	786,635	1,375,470	2,709,428
Unrestricted portfolio	969,757	964,993	669,133	88,484	48,273	21,945	137,158	31,170
Federal government bonds	969,757	964,993	669,133	88,484	48,273	21,945	137,158	31,170
Subject to repurchase agreements	26,060,537	26,059,947	14,825,623	3,523,536	2,178,995	2,259,289	3,272,504	36,942,427
Federal government bonds	19,821,641	19,820,086	14,566,268	3,412,930	1,827,971	12,917	-	34,252,259
Certificate of real estate receivables	20,473	18,218	-	-	-	1,081	17,137	91,639
Agribusiness receivables certificates	-	-	-	-	-	-	-	217,352
Foreign government bonds	27,259	222,531	12,517	44,078	108,911	-	57,025	52,058
Other	-	-	-	-	-	-	-	92,362
Foreign private securities	244,665	246,838	246,838	-	-	-	-	718,708
Debentures	5,946,499	5,752,274	-	66,528	242,113	2,245,291	3,198,342	1,518,049
Subject to guarantees	18,531,239	18,426,930	12,937,757	917,258	1,062,440	909,102	2,600,373	16,757,221
Federal government bonds	3,941,624	3,930,492	3,144,995	425,594	215,712	46,933	97,258	1,521,976
Investment fund quotes								
Multimarket	6,706,759	6,715,815	6,715,815	-	-	-	-	2,194,509
Shares	45,361	45,939	-	45,939	-	-	-	25
Debentures	3,793,589	3,665,525	-	50,752	784,767	832,300	1,997,706	9,696,511
Certificate of real estate receivables	473,173	481,061	-	-	-	-	-	328,163
Agribusiness receivables certificates	9,009	8,174	-	-	-	8,174	-	-
Shares	2,347,317	2,369,754	2,369,754	-	-	-	-	2,601,352
Foreign government bonds	46,701	50,780	-	4,737	-	21,695	24,348	56,400
Other	1,167,706	1,159,390	707,193	390,236	61,961	-	-	358,285
Trading securities	89,379,098	88,209,394	50,637,507	7,600,042	10,234,146	4,106,767	15,630,932	69,299,761
Available for sale securities	9,618,801	9,686,575	1,730,012	1,873,302	2,215,005	2,637,489	1,230,767	4,687,651
Held-to-maturity securities	3,447,660	3,447,660	-	731,054	1,068,311	829,092	819,203	1,128,258
Total	102,445,559	101,343,629	52,367,519	10,204,398	13,517,462	7,573,348	17,680,902	75,115,670

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### b. Trading securities

	31/12/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	48,364,377	47,272,780	23,018,839	3,878,161	7,982,037	2,432,647	9,961,096	18,490,547
Federal government bonds	18,267,561	17,739,529	8,918,302	685,449	5,941,318	351,542	1,842,918	3,074,580
Debentures/Eurobonds	8,310,199	8,604,035	106,456	2,457,725	253,337	628,623	5,157,894	2,803,880
Rural Product Notes	1,654,108	1,767,670	125,340	16,483	682,254	593,965	349,628	125,187
Investment fund quotes								
Shares	795,414	845,355	777,656	44,064	-	-	23,635	648,956
Multimarket	6,209,904	5,172,100	4,715,466	247,550	-	10,055	199,029	1,615,019
FIDC - Credit Rights	450,816	446,249	218,252	46,234	-	54,025	127,738	193,402
Real Estate	395,778	257,300	124,758	125,403	-	-	7,139	128,293
Equity investment fund	486,966	578,462	241,987	67,221	-	151,980	117,274	330,108
Shares	4,241,111	4,147,641	4,147,641	-	-	-	-	4,306,038
Certificate of real estate receivables	445,801	426,270	-	-	5,685	10,988	409,597	23,152
Certificate of bank deposits	33,841	37,343	6,586	9,034	11,772	9,301	650	6,993
Agribusiness receivables certificates	1,479,196	1,464,920	205	33	819,113	105,613	539,956	846,118
Promissory note	-	-	-	-	-	-	-	5,485
Other	15,244	14,816	33	1,659	11,578	-	-	59,733
Foreign government bonds	944,127	864,786	523,752	107,558	79,396	786	153,294	2,014,322
Foreign private securities	4,634,311	4,906,304	3,112,405	69,748	177,584	515,769	1,030,798	2,309,281
Unrestricted portfolio	969,757	964,993	669,133	88,484	48,273	21,945	137,158	31,170
Federal government bonds	969,757	964,993	669,133	88,484	48,273	21,945	137,158	31,170
Subject to repurchase agreements	24,877,289	24,880,544	14,825,623	3,502,536	1,938,580	1,341,301	3,272,504	36,359,880
Federal government bonds	19,818,720	19,817,166	14,566,268	3,412,818	1,825,185	-	-	34,252,259
Certificate of real estate receivables	20,473	18,218	-	-	-	1,081	17,137	90,595
Foreign government bonds	27,259	222,531	12,517	44,078	108,911	-	57,025	52,058
Agribusiness receivables certificates	-	-	-	-	-	-	-	217,352
Foreign private securities	244,665	246,838	246,838	-	-	-	-	718,708
Debentures	4,766,172	4,575,791	-	45,640	4,484	1,327,325	3,198,342	1,028,908
Subject to guarantees	15,167,675	15,091,077	12,123,912	130,861	265,256	310,874	2,260,174	14,418,164
Federal government bonds	3,529,496	3,518,363	3,090,859	80,174	203,139	46,933	97,258	1,461,490
Investment fund quotes								
Multimarket	6,663,297	6,663,299	6,663,299	-	-	-	-	2,144,337
Shares	45,361	45,939	-	45,939	-	-	-	25
Debentures	2,092,670	1,993,713	-	-	62,117	234,072	1,697,524	7,897,178
Certificate of real estate receivables	433,812	441,044	-	-	-	-	441,044	-
Agribusiness receivables certificates	9,009	8,174	-	-	-	8,174	-	-
Shares	2,347,317	2,369,754	2,369,754	-	-	-	-	2,601,352
Other	46,701	50,780	-	4,737	-	21,695	24,348	56,400
Other	12	11	-	11	-	-	-	257,382
Total	89,379,098	88,209,394	50,637,507	7,600,042	10,234,146	4,106,767	15,630,932	69,299,761

### c. Available-for-sale securities

	31/12/2021							31/12/2020
	Cost	Market value	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market value
Own portfolio	5,265,303	5,364,633	916,167	1,256,927	1,179,698	1,121,273	890,568	1,826,533
Federal government bonds	189,570	189,446	103,050	35,270	37,671	13,455	-	-
Investment fund quotes								
Equity investment fund	168,586	287,882	-	-	-	-	287,882	231,719
Shares	244,481	244,481	244,481	-	-	-	-	126,277
Debentures	2,318,299	2,308,657	-	649,232	811,763	805,608	42,054	1,028,625
Certificate of real estate receivables	233,092	220,085	1,380	700	1,549	496	215,960	933
Promissory note	1,336,637	1,332,611	567,256	539,135	195,372	30,848	-	28,442
Foreign government bonds	31,956	31,877	-	-	31,877	-	-	-
Foreign private securities	742,682	749,594	-	32,590	101,466	270,866	344,672	400,147
Other	-	-	-	-	-	-	-	10,390
Subject to repurchase agreements	1,180,956	1,177,111	-	21,000	238,123	917,988	-	582,547
Federal government bonds	629	628	-	112	494	22	-	-
Debentures	1,180,327	1,176,483	-	20,888	237,629	917,966	-	489,141
Certificate of real estate receivables	-	-	-	-	-	-	-	1,044
Other	-	-	-	-	-	-	-	92,362
Subject to guarantees	3,172,542	3,144,831	813,845	595,375	797,184	598,228	340,199	2,278,571
Federal government bonds	221,106	221,107	54,136	154,398	12,573	-	-	-
Debentures	1,700,919	1,671,812	-	50,752	722,650	598,228	300,182	1,799,333
Investment fund quotes								
Multimarket	43,462	52,516	52,516	-	-	-	-	50,172
Certificate of real estate receivables	39,361	40,017	-	-	-	-	40,017	328,163
Other	1,167,694	1,159,379	707,193	390,225	61,961	-	-	100,903
Total	9,618,801	9,686,575	1,730,012	1,873,302	2,215,005	2,637,489	1,230,767	4,687,651

### d. Held-to-maturity securities

2021

2020

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	Cost	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Cost
Own portfolio	3,254,346	-	540,032	1,066,019	829,092	819,203	1,067,772
Federal government bonds	3,254,346	-	540,032	1,066,019	829,092	819,203	1,067,772
Subject to repurchase agreements	2,292	-	-	2,292	-	-	-
Federal government bonds	2,292	-	-	2,292	-	-	-
Subject to guarantees	191,022	-	191,022	-	-	-	60,486
Federal government bonds	191,022	-	191,022	-	-	-	60,486
Total	3,447,660	-	731,054	1,068,311	829,092	819,203	1,128,258

If measured at fair value, held-to-maturity securities would be reported as at the year ended December 31, 2021 with a negative adjustment of R\$46,262 (December 31, 2020 – R\$121,096 positive).

The Bank has the intention and financial capacity to maintain such assets to maturity.

### e. Reclassification of securities

In order to reflect the current strategy, during the year of 2020 the Bank changed the classification of securities from available-for-sale securities to trading securities in the amount of R\$167,963 and net income in the amount of R\$49,810, net of tax effects. No reclassifications or changes in intention occurred during the year ended December 31, 2021.

## 9. Derivative financial instruments

The Bank and its subsidiaries actively engage in risk intermediation transactions involving derivative financial instruments, providing necessary hedging for its own needs and its clients aiming to reduce market, currency, and interest rate risk exposures. Certain derivatives may be associated with operations involving securities or rights and obligations.

The risk underlying these operations is managed through strict control policies, the establishment of strategies and definitions of limits, among other monitoring techniques. The limits of risk exposure are determined by the Risk Committee and by type of instrument and counterparty concentration, among others.

Transactions conducted in Brazil are traded, registered, or held in custody by B3 S.A., while transactions conducted abroad are traded and registered with prime brokers. The Bank uses different financial instruments to achieve economical hedging such as options, forwards, futures, and swaps with periodic adjustment. The use of these instruments is to hedge positions in the cash markets, aiming to improve the risk level in the portfolio, where the risk monitoring committees deem necessary.

As at the year ended December 31, 2021 and 2020, the Bank's strategy of net investments in foreign operations consist of a hedge of the exposure in foreign currency arising from the functional currency of foreign operations, compared to the functional currency of the Bank.

	2021		
	Nominal value	Hedge instrument Market (i)	Hedge assets
Net investment hedge of foreign operations	12,548,495	(25,600)	8,038,633
	31/12/2020		
	Nominal value	Hedge instrument Market (i)	Hedge assets

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Net investment hedge of foreign operations	9,169,326	(754,593)	4,852,426
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(i) Recorded in stockholders' equity under the heading asset valuation adjustments.

To hedge the changes of the exchange variation of net investments in foreign operations, the Bank uses futures contracts, financial assets and forward contracts or NDF contracts entered into by the subsidiaries abroad.

During the year ended December 31, 2021, the Bank also started to adopt the fair value hedge strategy, which consists of accounting for the desired hedging economic effects. The exposure in question comes from the Financing and Structured Credit activity that the Bank operates with its customers through the Corporate Lending area, and due to the characteristics and practice of the Brazilian market, a relevant part of the portfolio is indexed to pre-fixed rates.

In order to finance all of Banco BTG Pactual's business lines, funding is carried out through debt instruments indexed mainly as a percentage of the CDI and IPCA, consequently with intrinsic exposure to the fixed rate.

The main objects protected through this strategy are Bank Deposit Certificates-CDB, Financial Letters-LF, Agrário Letters of Credit-LCA and Real Estate Letters of Credit-LCI. The instruments, in turn, are DI and IPCA futures (DAP) and Swaps.

	2021		
	Hedge instrument		
	Nominal value	Market (i)	Hedge assets
Fair value hedge	5,764,885	(123,068)	137,422

### a. Recognized in memorandum and balance sheet accounts

The notional amounts of transactions with financial instruments are recorded in memorandum accounts and the adjustment/premium in balance sheet accounts. The assumed positions arising from transactions with derivative financial instruments, shown below, consider the provisions of Bacen Circular Letter 3641/13, which determines the exclusion of agreements in currency, gold and other assets linked to foreign exchange exposure, with maturity on the first business day following the date the exchange exposure is verified.

	31/12/2021				31/12/2020
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	24,654,696	6,007,241	14,544,622	45,206,559	46,405,846
Currency	4,101,402	-	12,351	4,113,753	3,060,027
Interest rate	20,295,864	4,564,583	10,212,243	35,072,690	42,437,408
Index	201,759	1,393,427	4,320,028	5,915,214	877,974
Commodities	55,671	49,231	-	104,902	30,437
Short position	7,542,497	7,493,621	4,154,417	19,190,535	29,610,519
Currency	132,024	-	-	132,024	29,552,860
Interest rate	7,337,715	7,493,621	3,951,249	18,782,585	15,120
Index	5	-	203,168	203,173	10,147
Commodities	72,753	-	-	72,753	32,392
Swap					
Long position	48,118,149	8,925,193	27,891,470	84,934,812	78,522,128
Currency	14,518,625	753,439	1,766,009	17,038,073	5,946,869
Interest rate	31,796,381	6,865,619	20,776,261	59,438,261	67,386,320
Index	844,961	582,174	3,655,965	5,083,100	262,708
Equities	662,929	585,720	1,693,235	2,941,884	4,152,437
Commodities	163,942	138,241	-	302,183	70,654
Other	131,311	-	-	131,311	703,140
Short position	48,118,151	8,925,192	27,891,469	84,934,812	78,522,128
Currency	16,383,866	1,624,472	2,239,609	20,247,947	5,946,869
Interest rate	27,310,606	6,585,570	19,813,455	53,709,631	67,386,320
Index	139,568	198,952	4,394,219	4,732,739	262,708
Equities	3,273,467	402,258	498,946	4,174,671	4,152,437

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Commodities	553,941	37,166	-	591,107	70,654
Other	456,703	76,774	945,240	1,478,717	703,140
Credit Derivatives					
Long position	30,693	-	948,121	978,814	245,380
Sovereign	-	-	83,708	83,708	14,811
Corporate	30,693	-	864,413	895,106	230,569
Short position	30,693	-	292,580	323,273	531,197
Sovereign	-	-	13,868	13,868	26,295
Corporate	30,693	-	278,712	309,405	504,902
NDF					
Long position	61,083,040	27,203,340	25,823,713	114,110,093	96,340,819
Currency	57,568,303	23,283,870	11,361,033	92,213,206	92,165,893
Commodities	3,466,069	3,919,470	14,462,680	21,848,219	4,129,675
Other	48,668	-	-	48,668	45,251
Short position	61,083,040	27,203,340	25,823,713	114,110,093	96,340,819
Currency	57,568,303	23,283,870	11,361,033	92,213,206	92,165,893
Commodities	3,466,069	3,919,470	14,462,680	21,848,219	4,129,675
Other	48,668	-	-	48,668	45,251
Deliverable forward - DF					
Security forwards					
Long position	1,265,919	18,441	180	1,284,540	552,949
Interest rate	156,386	-	-	156,386	493,825
Equities	899,513	18,402	-	917,915	-
Currency	-	39	180	219	-
Government bonds	210,020	-	-	210,020	59,124
Short position	1,265,919	18,441	180	1,284,540	552,949
Interest rate	210,020	-	-	210,020	493,825
Equities	899,513	18,402	-	917,915	-
Currency	-	39	180	219	-
Government bonds	156,386	-	-	156,386	59,124
Options market					
Call option - long position	5,047,003	601,543	572,233	6,220,779	19,249,788
Equities	438,917	180,103	3,356	622,376	1,220,839
Commodities	306,775	83,796	-	390,571	52,903
Currency	3,354,864	337,644	568,877	4,261,385	17,489,681
Index	946,397	-	-	946,397	486,315
Other	50	-	-	50	-
Put option - long position	11,679,581	496,657	274,659	12,450,897	275,900,316
Equities	3,494,837	19,293	-	3,514,130	389,432
Commodities	4,218,894	-	-	4,218,894	204,899
Index	192,248	-	-	192,248	258,137,551
Currency	3,773,602	477,364	274,659	4,525,625	17,168,434
Call option - short position	5,768,290	225,393	251,846	6,245,529	10,935,136
Equities	700,289	21,050	1,246	722,585	538,427
Commodities	173,319	77,301	-	250,620	10,035,993
Currency	477,187	127,042	250,600	854,829	360,716
Index	4,417,495	-	-	4,417,495	-
Put option - short position	1,315,447	74,495	52,008	1,441,950	272,098,722
Equities	925,004	19,720	-	944,724	234,982
Commodities	47,639	-	-	47,639	-
Index	28,063	-	-	28,063	283,792
Currency	314,741	54,775	52,008	421,524	271,579,948

### b. By cost and market value

	31/12/2021					31/12/2020
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Futures						
Long position	14,110	918	918	-	-	2,218
Short position	485	485	485	-	-	2,373
Swaps						
Long position	2,982,917	3,311,309	784,693	518,155	2,008,461	2,537,797
Short position	3,354,944	4,239,445	624,635	1,338,523	2,276,287	3,606,524
Credit derivatives						
Long position	-	31,517	85	-	31,432	16,308
Short position	32,138	49,416	2,973	-	46,443	4,958
NDF						
Long position	3,386,595	3,581,986	1,160,535	738,445	1,683,006	2,607,957
Short position	2,949,612	2,536,394	1,000,675	696,192	839,527	2,371,760
Security forwards						
Long position	870,622	870,634	815,115	26,746	28,773	552,906
Short position	794,703	796,508	781,143	15,365	-	553,006
Options market						
Long position	2,035,159	2,374,496	1,479,627	241,531	653,338	2,510,360
Short position	379,616	497,850	260,652	35,347	201,851	1,184,718
<b>Long position</b>	<b>9,289,403</b>	<b>10,170,860</b>	<b>4,240,973</b>	<b>1,524,877</b>	<b>4,405,010</b>	<b>8,227,546</b>
<b>Short position</b>	<b>7,511,498</b>	<b>8,120,098</b>	<b>2,670,563</b>	<b>2,085,427</b>	<b>3,364,108</b>	<b>7,723,339</b>

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### c. Notional by counterparty

	31/12/2021					31/12/2020
	Clearing houses / stock exchange	Financial Institutions (i)	Companies	Individuals	Total	Total
Futures market						
Long position	44,740,091	466,468	-	-	45,206,559	46,405,846
Short position	18,534,766	655,769	-	-	19,190,535	29,610,519
Swap						
Long position	15,597,752	58,406,719	10,659,525	270,816	84,934,812	78,522,128
Short position	15,597,752	58,406,719	10,659,525	270,816	84,934,812	78,522,128
Credit derivatives						
Long position	-	978,814	-	-	978,814	245,380
Short position	-	323,273	-	-	323,273	531,197
Non-deliverable forward - NDF						
Long position	-	55,117,182	57,363,566	1,629,345	114,110,093	96,340,819
Short position	-	55,117,182	57,363,566	1,629,345	114,110,093	96,340,819
Security forwards						
Long position	917,915	366,625	-	-	1,284,540	552,949
Short position	917,915	366,625	-	-	1,284,540	552,949
Options market						
Long position	581,076	17,621,687	147,497	321,416	18,671,676	295,150,104
Short position	1,092,134	6,174,362	137,033	283,950	7,687,479	283,033,858
<b>Long position</b>	<b>61,836,834</b>	<b>132,957,495</b>	<b>68,170,588</b>	<b>2,221,577</b>	<b>265,186,494</b>	<b>517,217,226</b>
<b>Short position</b>	<b>36,142,567</b>	<b>121,043,930</b>	<b>68,160,124</b>	<b>2,184,111</b>	<b>227,530,732</b>	<b>488,591,470</b>

(i) Includes investments funds.

### d. Credit derivatives

	31/12/2021	31/12/2020
Credit swap		
Transferred risk		
Sovereign	83,708	14,811
Corporate	895,106	230,569
Risk received		
Sovereign	(13,868)	(26,295)
Corporate	(309,405)	(504,902)
	<u>655,541</u>	<u>(285,817)</u>

During the year ended December 31, 2021 and year ended December 31, 2020, there were no credit events related to triggering facts provided for in agreements.

### e. Guarantee margins

Guarantee margins in transactions traded on B3 S.A. and other stock exchanges with derivatives comprises federal government and foreign government bonds totaling R\$5,975,783 (December 31, 2020 – R\$13,029,606) and shares in the amount of R\$2,370,783 (December 31, 2020 – R\$2,601,352).

### f. Fair value of financial instruments

The fair values of financial instruments are calculated as follows:

- Swaps: cash flows are discounted to present value based on yield curves reflecting the appropriate risk factors. These yield curves are mainly based on the prices traded on B3 S.A., Brazilian government bonds traded on the secondary or derivative market and securities traded abroad. These yield curves may be

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used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock market indexes, etc.).

- Futures and Forwards: using stock exchange quotations or criteria identical to those described for swaps above.
- Options: the fair value of these instruments is calculated based on mathematical models (such as Black & Scholes) that use data containing implied volatility, interest rate yield curve and the fair value of the underlying asset. These data are obtained from different sources (normally prices from brokerage firms, Bloomberg and Reuters).
- Credit derivatives: the fair value of these instruments is calculated based on mathematical models largely adopted in the market that use data relating to the issuer's credit spread and interest rate yield curve. These data are obtained from different sources (normally prices from brokerage firms, Bloomberg and Reuters).
- Securities and short selling: the fair value of government bonds is calculated based on prices disclosed by the Brazilian Association of Financial and Capital Market Entities (ANBIMA). The fair value of corporate bonds is calculated based on prices traded on the secondary market, prices of similar assets and market visibility of the Bank's commercial departments. Shares are calculated based on the prices informed by B3 S.A. Fund quotas are valued based on quota prices disclosed by the custodian.
- Financial assets at fair value through profit (loss): The Bank estimates the fair values of the financial instruments by discounting cash flows to present value based on yield curves reflecting the proper risk factors.

### **10.Loans**

Loans are classified to risk levels in accordance with the criteria established by CMN Resolution 2682/99. This classification takes into consideration, among others, a periodic analysis of the transaction, defaults, client history and guarantee, when applicable.

The allowance for loan losses is calculated based on classification of clients into the risk levels, as defined by the same Resolution.

Loans and other operations with credit characteristics are as follows:

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### a. Loans

#### i. By type of credit

Type of credit	31/12/2021		31/12/2020	
	Balance	Allowance	Balance	Allowance
Loans	67,695,037	(2,281,097)	40,895,440	(1,679,978)
Financing	22,480,055	(942,049)	2,765,734	(108,768)
FINAME/BNDES	4,258,754	(23,088)	4,015,395	(23,458)
Receivables (i)	3,234,998	(100,896)	90,350	(28,391)
Advances in foreign exchange contacts (i)	3,835,385	(14,996)-	2,074,406	(36,552)
Securities financing	1,147,842	(12,546)	823,810	(5,823)
Transferred loans with co-obligations	365,240	(4,663)	1,472	-
Subtotal	103,017,311	(3,379,335)	50,666,607	(1,882,970)
Adjustment to market value	(614,367)	-	-	-
Total	102,402,944	(3,379,335)	50,666,607	(1,882,970)

(i) During the year ended December 31, 2020, the amounts once classified as "foreign exchange contracts advancements" and "other receivables - with loans characteristics" were reclassified to "loans" group.

#### ii. By risk level and maturity

Risk level	31/12/2021					31/12/2020		
	Overdue	Maturity			Total	Allowance	Total	Allowance
		Up to 6 months	6 to 12 months	Over 12 months				
AA	112,493	19,133,564	6,251,075	11,142,341	36,639,473	(7,581)	22,567,484	(12,168)
A	194,683	12,528,372	5,390,830	25,151,714	43,265,599	(218,769)	10,985,055	(55,300)
B	314,262	2,826,842	2,213,855	8,915,173	14,270,132	(161,501)	11,773,945	(132,497)
C	234,136	821,864	851,265	1,628,381	3,535,646	(132,312)	1,932,766	(92,371)
D	315,979	184,048	98,070	910,433	1,508,530	(205,223)	1,368,470	(223,614)
E	211,370	164,615	57,897	460,529	894,411	(267,819)	662,956	(243,445)
F	199,165	50,799	141,344	648,238	1,039,546	(606,654)	243,008	(133,470)
G	146,967	35,933	24,428	83,171	290,499	(206,001)	779,785	(636,967)
H	854,917	137,542	94,364	486,652	1,573,475	(1,573,475)	353,138	(353,138)
Total	2,583,972	35,883,579	15,123,128	49,426,632	103,017,311	(3,379,335)	50,666,607	(1,882,970)

#### iii. By activity sector

Sector	31/12/2021	31/12/2020
Commerce	9,853,647	8,260,119
Industry	17,239,060	13,620,149
Services	37,725,889	25,972,744
Rural	697,684	527,425
Individuals	37,501,031	2,286,170
Total	103,017,311	50,666,607

### b. Credit concentration

	31/12/2021	%	31/12/2020	%
Largest debtors				
10 largest debtors	14,304,873	14%	12,249,129	24%
20 following largest debtors	5,072,903	5%	8,435,272	17%
50 following largest debtors	8,752,897	8%	10,000,060	20%
100 following largest debtors	8,925,382	9%	9,214,961	18%
200 following largest debtors	9,773,959	9%	7,043,622	14%
500 following largest debtors	12,106,265	12%	3,492,334	7%
Above 500 following largest debtors	44,081,032	43%	231,229	0%
Total	103,017,311	100%	50,666,607	100%

### c. Allowance for expected losses associated with credit risk



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Changes in the allowance for expected losses associated with credit risk are as follows:

	31/12/2021	31/12/2020
Opening balances for the period	(1,882,970)	(1,179,029)
Reversal/(accrual) of allowance	(826,271)	(366,160)
Provision transferred to credit portfolio	-	(316,551)
Credit portfolio acquisition (i)	(1,850,911)	-
Write off	1,180,817	-
Other	-	(21,230)
Closing balances for the period	<u>(3,379,335)</u>	<u>(1,882,970)</u>

(i) Refers to the Banco Pan S.A. consolidation.

### d. Renegotiation/recovery of credits written off as loss

As at December 31, 2021, the amount of R\$5,250,697 was due to credit renegotiation (December 31, 2020 – R\$3,974,087). Also in the year there was R\$686.194 of written off loans recovered (December 31, 2020 – R\$27,971).

## 11. Other receivables/obligations

### a. Foreign Exchange portfolio

	31/12/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange contracts	6,951,861	14,803,353	5,514,014	11,467,369
Rights on foreign exchange sales	15,095,280	-	13,867,773	-
(-) Advances in local currency received	-	-	(320)	-
Liability for foreign exchange purchase	(5,957)	7,083,032	(2,177)	7,674,185
Total	<u>22,041,184</u>	<u>21,886,385</u>	<u>19,379,290</u>	<u>19,141,554</u>

Guarantees for foreign exchange transactions carried out through B3 S.A., are represented by federal government bonds in the amount of R\$1,671,014 (December 31, 2020 - R\$1,126,263).

### b. Securities trading and brokerage

	31/12/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	222,457	462,401	422,002	216,833
Unsettled financial assets / liabilities	19,234	1,483,691	53,026	668,755
Pending settlement	5,425,547	2,303,157	4,437,251	2,745,303
Creditors for stock loans	-	37,695	-	51,005
Commissions and brokerage payable	-	120,944	-	125,925
Other securities trading and brokerage	566,485	2,147,488	135,368	1,419,486
Total	<u>6,233,723</u>	<u>6,555,376</u>	<u>5,047,647</u>	<u>5,227,307</u>
Current	6,233,723	6,555,376	5,047,647	5,227,307
Long-term	-	-	-	-

“Pending settlement” is basically represented by amounts pending settlement, relating to transactions involving the purchase and sale of securities and financial assets agreements at B3 S.A., and abroad through prime brokers, on the Bank’s behalf or on behalf of third parties, on the regular term.

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“Other securities trading and brokerage” basically represents, in assets, intermediation transactions from time deposits to be settled, and in liabilities, the short position of foreign governments bonds to be settled, on the regular term.

### 12. Other receivables

#### a. Income receivable

	<u>31/12/2021</u>	<u>31/12/2020</u>
Dividends and bonus	208,288	135,064
Receivables from services rendered	129,976	120,614
Rights on energy sales	224,208	684,384
Management and performance fees for investment funds and portfolio	390,189	385,422
Distribution fees	2,441	8,736
Commissions on guarantees	18,816	60,641
Total	<u>973,918</u>	<u>1,394,861</u>
Current	973,918	1,385,346
Long-term	-	9,515

#### b. Sundry

	<u>31/12/2021</u>	<u>31/12/2020</u>
Sundry	3,082,421	1,896,874
Judicial deposits	1,581,763	1,629,330
Taxes recoverable to offset	1,707,188	605,928
Securities and credits receivable		
Without loan characteristics	5,932,816	2,448,972
Investment properties	560,845	450,864
Salary advances	106,571	49,026
Other	457,159	272,054
Total	<u>13,428,763</u>	<u>7,353,048</u>
Current	4,028,378	3,251,041
Long-term	9,400,385	4,102,007

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### 13. Investments in associates

	Associates					
	Shareholders' Equity		Net income (loss)		Interest	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Banco Pan S.A. (ii)	5,834,261	5,317,468	774,576	655,569	71.69%	44.85%
Too Seguros S.A.	325,143	332,791	81,843	86,697	51.00%	51.00%
Pan Corretora S.A.	49,168	42,309	47,890	41,029	51.00%	51.00%
BTG Pactual Holding S.A.R.L.	6,513,954	5,482,135	860,269	(607,687)	41.03%	41.03%
EFG International (i)	-	9,397,958	-	278,870	0.00%	29.39%

- (i) The equity accounting result related to the investment in EFG recognized during the year ended December 31, 2021, comprising the income generated by the investee for the second half of 2020, as a result of the late disclosure of its financial information.
- (ii) Banco Pan has a tax credit balance of R\$3.5 billion, substantially recognized based on a study of the current and future scenario approved by its Management.

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	Changes in investments							
	31/12/2020	Acquisition / Increase/ Transfer / (Sales)	Dividends paid	Other comprehensive Income	Exchange variation	Equity pickup from associates	31/12/2021	Equity pickup from associates in 31/12/2020
Banco Pan S.A. (i)	2,385,036	(2,467,753)	(33,385)	374	-	115,728	-	277,497
Negative goodwill - Banco Pan S.A.	(3,273)	3,273	-	-	-	-	-	-
Too Seguros S.A.	169,722	-	(44,611)	(1,030)	-	41,739	165,821	44,215
Investment EFG (TRS)	-	94,218	-	-	1,819	-	96,037	-
EFG International	2,762,060	(2,866,462)	(144,058)	6,458	68,225	173,777	-	81,960
Agio - EFG International	1,094,177	(1,121,124)	-	-	26,947	-	-	(280,176)
BTG Pactual Holding S.A RL	2,249,320	-	(609,801)	(3,930)	176,817	860,269	2,672,675	(249,334)
BSI UK	-	271,292	-	-	1,088	201,037	473,417	-
Others (ii)	3,791,601	103,535	(20,926)	1,702	(7,299)	247,166	4,115,982	2,380
<b>Total</b>	<b>12,448,643</b>	<b>(5,983,021)</b>	<b>(852,781)</b>	<b>3,575</b>	<b>267,597</b>	<b>1,639,716</b>	<b>7,523,932</b>	<b>(123,458)</b>

(i) As described in Note 2, as of May 2021, Banco Pan started to be consolidated in the bank's structure. The participation result presented refers to the equity income from January to April 2021. As at December 31, 2021 Banco Pan SA has a tax credit balance of R\$3.5 billion, recognized substantially based on a study of the current and future scenario approved by its Administration.

(ii) The item Others includes balances of the following associates: Eneva: 21.53%, Pan Corretora: 51.00%, Galgo S.A: 6.67% and Visum: 50.00%.

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### 14. Intangible assets

	Changes in Intangible assets				31/12/2021
	31/12/2020	Acquisitions / Transfer / Write off (i)	Amortization expenses	Exchange variation	
Intangible assets					
Cost	574,053	4,204,457	-	8,986	4,787,496
Amortization	(258,220)	(299,075)	(62,277)	(3,293)	(622,865)
Total	315,833	3,905,382	(62,277)	5,693	4,164,631

The intangible asset's amortization period may vary from 5 to 10 years, depending on the estimated useful life of the corresponding assets.

### 15. Fund raising and loans and on lending

#### a. Summary

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Deposits	109,554,771	50,869,356	45,330,112	8,940,295	3,649,720	765,288
Open market funding	60,160,548	57,739,096	879,990	4,381	22	1,537,059
Funds from securities issued and accepted	57,463,394	3,637,637	14,226,476	22,882,127	14,549,659	2,167,495
Loans and borrowings	8,961,537	215,697	1,030,379	756,313	1,117,390	5,841,758
Subordinated debts and subordinated debt eligible to equity	8,054,789	12,422	-	1,999,148	27,135	6,016,084
Total	244,195,025	112,474,194	61,466,957	34,582,264	19,343,926	16,327,684

#### b. Deposits

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Demand deposits	10,060,092	10,060,092	-	-	-	-
Interbank deposits	3,521,391	1,219,357	319,406	1,982,628	-	-
Time deposits	95,522,093	39,138,712	45,010,706	6,957,667	3,649,720	765,288
Other deposits	451,195	451,195	-	-	-	-
Total	109,554,771	50,869,356	45,330,112	8,940,295	3,649,720	765,288

#### c. Open market funding

Open market funding has collateral on the following securities:

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Own Portfolio	25,208,657	24,401,677	802,577	4,381	22	-
Federal government bonds	18,974,490	18,968,628	1,459	4,381	22	-
Corporate securities	5,878,684	5,218,169	660,515	-	-	-
Foreign securities	38,723	38,723	-	-	-	-
Foreign government bonds	316,760	176,157	140,603	-	-	-
Third-party portfolio	32,735,981	32,735,981	-	-	-	-
Federal government bonds	32,657,838	32,657,838	-	-	-	-
Foreign securities	-	-	-	-	-	-
Corporate bonds	5,648	5,648	-	-	-	-
Foreign government bonds	72,495	72,495	-	-	-	-
Unrestricted portfolio (i)	2,215,910	601,438	77,413	-	-	1,537,059
Federal government bonds	2,152,116	537,644	77,413	-	-	1,537,059
Foreign securities	-	-	-	-	-	-
Foreign government bonds	63,794	63,794	-	-	-	-
Total	60,160,548	57,739,096	879,990	4,381	22	1,537,059

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- (i) From the unrestricted portfolio, R\$13,008,253 (December 31, 2020 – R\$4,370,758) refers to short position and R\$349,990 (December 31, 2020 – R\$586,698) to third-party portfolio.

The collateral granted in repurchase agreements amounts to R\$61,253,344 (December 31, 2020 – R\$61,880,613).

### d. Funds from securities issued and accepted

	31/12/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	41,076,151	2,312,466	13,779,022	18,763,848	5,007,731	1,213,084	29,312,146
Financial bills	23,985,525	210,686	7,581,708	12,105,032	3,464,857	623,242	23,718,574
Mortgage bonds/letters of credit for agribusiness	16,300,140	2,086,923	6,166,101	6,301,624	1,155,650	589,842	5,361,812
Certificates of structured transactions	640,206	14,857	31,213	206,912	387,224	-	231,760
Debentures	150,280	-	-	150,280	-	-	-
Securities – abroad	16,387,243	1,325,171	447,454	4,118,279	9,541,928	954,411	13,001,965
Medium term notes	13,576,270	-	423,953	3,469,250	9,002,694	680,373	8,312,534
Fixed rate notes and others	2,810,973	1,325,171	23,501	649,029	539,234	274,038	4,689,431
Total	57,463,394	3,637,637	14,226,476	22,882,127	14,549,659	2,167,495	42,314,111

As at December 31, 2021, securities in Brazil were basically indexed to interest reference rates (CDI) between 84% and 127% or inflation indexes (IPCA and IGPM) plus 0.49% p.a. to 7.85 % p.a. (December 31, 2020 – indexed to (CDI) between 60% and 127% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.55% p.a.).

On December 31, 2021, securities abroad have rates between 2.5% p.a. and 7.4% p.a. (December 31, 2020 – between 3.0% p.a. and 7.39% p.a.).

### e. Loans and on lending

	31/12/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	4,809,486	182,172	999,197	403,556	766,725	2,457,836	2,801,087
Foreign currency	3,457,033	-	999,197	-	-	2,457,836	876,813
Loans abroad	1,352,453	182,172	-	403,556	766,725	-	1,924,274
Loans - Brazil	55,751	4,208	51,543	-	-	-	3,458
Loans	55,751	4,208	51,543	-	-	-	3,458
Borrowings in Brazil	4,132,033	-	30,193	301,214	350,665	3,449,961	3,838,662
FINAME/BNDES	4,132,033	-	30,193	301,214	350,665	3,449,961	3,838,662
Total	8,997,270	186,380	1,080,933	704,770	1,117,390	5,907,797	6,643,207

On December 31, 2021, securities abroad have rates between 1.54% p.a. and 13.0% p.a. (December 31, 2020 – between 1.35% p.a. and 8.00% p.a.).

### f. Subordinated debt and debt instrument eligible to capital

Type - original currency	31/12/2021						31/12/2020
	Issued amount (original currency)	Issued	Maturity	Total compensation p.a.	Net amount	Net amount	
Financial bills - R\$ (i)	168,618	18/04/2019	16/04/2027	100% a 140% CDI	173,225	769,159	
Subordinated debt - US\$	1,761,690	15/02/2019	15/02/2029	7.75%	1,833,832	2,122,542	
Subordinated debt - CLP	391,410	01/01/2018	01/11/2028	2.40%	514,362	538,951	
Subordinated debt eligible to equity - R\$	2,130,424	23/12/2014	Perpetual	100% a 126% CDI	2,173,901	897,482	
Subordinated debt eligible to equity - US\$	600,000	15/02/2019	15/02/2029	5.75% a 7.75%	3,359,469	3,128,422	
Total					8,054,789	7,456,556	

- (i) Financial bills have different maturities, interests, and main value, with semi-annual amortization.

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### 16. Other obligations

#### a. Social and statutory

	<u>31/12/2021</u>	<u>31/12/2020</u>
Dividends and profit sharing payable	1,044,039	1,072,794
Employees' profit sharing	2,058,579	1,298,740
Total	<u>3,102,618</u>	<u>2,371,534</u>
Current	3,102,618	2,371,534
Long term	-	-

#### b. Tax and social security

	<u>31/12/2021</u>	<u>31/12/2020</u>
Tax and contributions to be collected	410,886	159,808
Tax and contribution payable	1,492,585	585,722
Total	<u>1,903,471</u>	<u>745,530</u>
Current	1,903,471	745,530
Long term	-	-

#### c. Sundry

	<u>31/12/2021</u>	<u>31/12/2020</u>
Payable for acquisition of assets and rights (i)	212,486	202,549
Accounts payable	3,047,005	360,294
Other creditors - Brazil	9,403,726	5,613,648
Other creditors - Abroad	62,426	122,151
Other	620,521	26,314
Total	<u>13,346,166</u>	<u>6,324,956</u>
Current	12,284,110	4,893,971
Long term	1,062,055	1,430,985

(i) Refers to amounts payable for the acquisition of investments (substantially Banco Pan S.A.).

### 17. Contingent assets and liabilities and legal obligations

The Bank's and its subsidiaries' Management evaluate existing contingencies in relation to legal proceedings filed against these entities and recognizes a provision to cover probable losses on such proceedings. Management's judgment is based on the opinion of its internal and external legal counsel regarding the expected outcome for each proceeding.

#### a. Contingent assets

During the year ended December 31, 2020, the Bank recorded gains from two arbitration proceedings agreements, described as follows:

The Bank recorded a gain of R\$216.5 million as a result of a definitive agreement celebrated in an arbitration process, duly probated by the respective arbitration court. Both the arbitration and settlement agreement are subject to a confidentiality obligation.

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A favorable outcome was reached, for the Bank, in the amount of R\$204.6 million, in the arbitration process regarding the Bank's acquisition of BSI, due to legal implications from the time BSI belonged to Assicurazioni Generali S.P.A. As a result, given the information relevance and also aiming the best presentation of the economic fundamentals in the consolidated financial statements that involve this outcome, the context of this negotiation and, subsequently the sale of BSI to EFG, the Bank adjusted the goodwill from the original acquisition, although it still presents the economical premises that gave rise to it when we observe the results of previous periods and future perspectives, had its realization in this period of R\$206.8 million.

### b. Contingent liabilities classified as probable losses and legal obligations

#### i. Labor provisions

This comprises lawsuits filed by former employees, mostly claiming overtime and salary parity. The contingencies are recorded based on an analysis of the potential loss amounts, considering the current stage of the lawsuit and the opinion of external and internal legal counsel.

#### ii. Civil provisions

For civil lawsuits (regarding pain and suffering, and pecuniary injury, among others) with the chance of an unfavorable outcome contingency amounts are recorded based on an estimate of probable losses based on the opinion of internal and external legal counsel.

#### iii. Tax and social security provisions

Tax and social security provisions are represented by legal and administrative proceedings of federal, state and municipal taxes, regarding legal obligations and contingent liabilities. The provisions are recognized based on the opinion of internal and external legal counsel and the court level to which each proceeding was submitted.

### c. Breakdown and changes in provisions

The Bank's Management is challenging the constitutionality of certain procedures regarding federal taxes, in addition to being party to legal, tax and civil proceedings. Based on the opinion of its legal counsel, Management considers that the provisions recorded for such proceedings at December 31, 2021 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the year ended December 31:

	31/12/2021				31/12/2020
	Tax (i)	Civil	Labor	Total	Total
Balance at the beginning of the year	1,559,046	170,846	46,590	1,776,482	1,687,195
Recognition (ii)	262,653	488,147	200,091	950,891	184,445
Write-off	(485,597)	(273,662)	(97,697)	(856,956)	(95,157)
Foreign exchange rate	(180)	-	(9)	(189)	-
Balance at the end of the year	1,335,922	385,331	148,975	1,870,228	1,776,483



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- (i) The Bank has been legally discussing the legality of some taxes and contributions. The amounts referring to legal obligations and contingencies assessed by internal and external lawyers as a probable loss, are provisioned in the amount that management considers adequate to cover future losses.
- (ii) Include amounts of Banco Pan S.A. and Necton consolidation.

The nature of the main provision is described below:

### **i. Suspended payment taxes and other tax liabilities**

BTG Pactual Group has been challenging in court the legal nature of some taxes and contributions. The amounts relating to legal obligations and contingencies assessed as probable loss by the internal and external counsel is fully recorded in provision. The main legal disputes are the following:

COFINS (“Social security financing tax”) - Challenge of the legal grounds for the levy of COFINS under rules established by Law 9718/98.

As at December 31, 2021, the Bank was part to taxes lawsuits with a possible outcome, which were not recorded in provision. The descriptions of the main lawsuits are as follows:

- Lawsuits relating to the payment of profit sharing, in which is questioned the levy and payment of social security contribution on these values and its deductibility on the income tax and social tax base. The amount claimed is R\$1,061 million. Part of this amount is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- Lawsuits regarding the demutualization and IPO of B3 S.A., in which is questioned the taxation of PIS and Cofins on revenues earned from the sale of shares of the company’s previously mentioned. The amount claimed is R\$68 million and part of it is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- On December 2015, the Bank received a tax assessment in the amount of R\$1,893 billion, referring to events occurred on 2010 and 2011, where they judged as undue our use of the goodwill originated in the acquisition of the Bank by UBS, held on 2006, as well as in the buyback of the Bank by BTG, on 2009. An appeal was filed against this tax assessment on the Administrative Council of Tax Appeals, which ruled partially favorable of reducing the amount of the assessment on R\$278 million. In opposition to the unfavorable piece, the Bank filed another appeal to the same institution in February 2019, it was deemed valid in relation to the use of the goodwill generated in the Bank's acquisition operations by UBS. In addition, on December 2017, the Bank received another tax assessment in the amount of R\$923 million, referring to 2012 events, where they believe happened the wrongfully use of goodwill originated from the Bank acquisition by UBS in 2006, also the goodwill from the repurchase by the Bank in 2009 and the goodwill originated in the private subscription of shares made by investors through the Copa Prince Company, in 2011. In October 2019, the second administrative instance partially ruled as reasonable the cancelation of the goodwill generated on the private capital subscription made by investors through Copa Prince Company. An appeal was filed against the unfavorable piece. On December 2018, a tax assessment was received, in the amount of R\$463 million, related to the period of 2013. Against this assessment an appeal was filed, which is awaiting ruling of the second administrative instance. Lastly, on February 2019

## **BANCO BTG PACTUAL S.A. and subsidiaries**

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a tax assessment was received, in the amount of R\$279 million, related to the period of 2014. Against this assessment an appeal was filed, which is awaiting ruling of the first administrative instance. As a result, the Bank does not expect to incur any losses (other than the costs of the appeal itself) related to this matter and have not established (and do not expect to) any related contingencies on its financial statements. Besides the reviews as to the legitimacy of these tax assessments, in case the Bank has to incur losses, it also believes is entitled to be reimbursed by its controller shareholder for a part of the losses. Thus, in no event the BTG Pactual expect to incur any material losses in connection with this matter.

- On December 17, the Bank received a tax assessment notice 2 in which a suggestion to remit PIS and COFINS collection of an isolated fine, referring to 2012, in the amount of R\$204 million, is discussed. An administrative appeal was filed against the appeal, which was upheld to exclude an isolated fine. Against the unfavorable part of the decision, an appeal was filed to the second administrative instance.
- In December 2017, as jointly and severally liable for Banco Pan S.A., the Bank received a tax assessment notice allegedly due on the sale of an investment in Brazil by a foreign entity, referring to the year 2012, in the amount of R\$80 million. An administrative appeal was filed against the assessment, which is awaiting judgment at the second administrative level.
- On December 2017, the Bank received a tax assessment that seeks to collect income tax on the supposed capital gains on corporate incorporation - when One Properties was incorporated by BR Properties -, in the amount of R\$1,155 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2018, the Bank was made aware of the non-approval compensation of the negative balance of income tax, related to 2013, in the amount of R\$73 million. In June 2019 an unfavorable decision was ruled by the court on the first administrative instance. Against the decision, an appeal was presented, which awaits trial in second administrative instance. On March 2019, the Bank was made aware of the non-approval compensation of the negative balance of social contribution (CSLL), regarding the same year, in the amount of R\$68 million. In August 2019, an unfavorable decision was ruled to the Bank in the first administrative instance. Against this decision, and administrative appeal was presented on the second administrative instance.
- On September 2019, in the capacity of Banco Sistema S/A's sponsor, the Bank received a tax assessment that seeks to collect income tax, social contribution, PIS and COFINS, in the total amount of R\$3.617 billion, regarding the acquisition of Banco Bamerindus do Brasil (current Banco Sistema) in 2014. In October 2019, an appeal was filed on the first administrative instance, of which awaits trail. Based on the prognosis disclosed by its legal team, the Bank didn't record any provision on its financial statements, furthermore the Administration doesn't expect to incur in any loss regarding this matter.
- On March 2020, the Bank received a tax assessment charging income tax, social contribution, PIS and COFINS related to the capital gain on the sale of Rede D'or's shares, in 2015, in the amount of R\$600 million. In April 2020, an appeal was filed at the first administrative level, which is waiting judgment.

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- In July 2021, as joint and several responsible, the Bank received a tax assessment notice allegedly due on the income distributed to investment fund shareholders, in the amount of R\$353 million. An administrative appeal was filed against the assessment, which is awaiting judgment.
- In December 2021, the Bank received a tax assessment notice that aims to collect IRPJ/CSLL, in the amount of 96 million, due to an alleged formal error in filling out its ECF in 2016. An administrative appeal was filed against the assessment. awaiting trial
- In December 2021, Banco Sistema received a PIS/COFINS tax assessment notice, in the amount of 128 million, allegedly levied on operating income for the period from 2007 to 2009. Against the assessment, an administrative appeal was filed, which is awaiting judgment.
- In December 2018, the Asset Manager received a tax assessment notice totaling R\$100 million, referring to the years 2013 and 2014, regarding the amortized goodwill generated in the acquisition of BFRE in 2012. In September 2019, a decision was rendered of first instance unfavorable. An appeal was filed against this decision at the second administrative level; IRPJ/CSLL – Deductibility of Losses in Credit Operations and other operating expenses, referring to the calendar years from 2007 to 2016. In December 2021, the amounts related to these processes total approximately R\$869,565.
- PIS/COFINS – Deductibility of expenses with commissions paid to banking correspondents and losses on sale or transfer of financial assets, referring to calendar year 2017. As of December 2021, the amount related to this process totals approximately R\$217,972.
- INSS on Profit Sharing (PLR) and Worker Meal Program (PAT) - Incidence of social security contribution on PLR and PAT, for calendar years 2012, 2013, 2016 and 2017. In December 2021, the related amounts these processes total approximately R\$124,424.
- Non-approved offsets - Rejection of requests for offsets of IRPJ, CSLL, PIS, COFINS, resulting from overpayments or undue payments. As of December 2021, the amounts related to these lawsuits total approximately R\$235,849.

### ii. Provision for other contingent liabilities

As at the year ended December 31, 2021 and 2020, the bank was part to several civil, labor, lawsuits and other contingences with a possible outcome, which were not recorded in provisions.

## 18. Income tax and social contribution

The reconciliation of income tax and social contribution expenses with the figure obtained by applying the tax rate on income before these taxes is as follows:

Income tax and social contribution	2021	2020
Tax base	8,200,443	4,934,549
Income before taxes and profit sharing	10,281,282	6,126,038

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Statutory profit sharing	(1,990,207)	(1,285,224)
Non-controlling interest	(90,632)	93,735
Total charge of income tax and social contribution at the current rates	(3,690,199)	(2,220,547)
Permanent (additions) / deductions in taxation calculation	<u>3,023,072</u>	<u>(479,010)</u>
Equity pick up in associates in Brazil	563,012	(155,626)
Income/(loss) of foreign exchange on foreign investments	(8,575)	-
Interest on equity	572,513	427,695
Dividends	63,394	64,531
Fair value of securities and derivatives	1,428,396	(1,066,003)
Allowance for expected losses associated with credit risk	(147,657)	(81,740)
Other non-deductible expenses net of non-taxable income	551,989	332,133
Tax and social contribution expense	<u>(667,127)</u>	<u>(2,699,557)</u>
(Expenses) / Revenues from deferred taxes	(1,191,161)	1,741,390
Total revenues / (expenses)	<u>(1,858,288)</u>	<u>(958,167)</u>

Income tax and social contributions are calculated and recorded in accordance with the criteria established by Bacen Circular Letter 4842, taking into account the period of realization.

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Changes in deferred tax assets are presented as follows:

Income tax and social contribution	31/12/2020	Recognition	Realization	31/12/2021
Tax loss	1,009,853	1,142,011	(157,982)	1,993,882
Interest on equity	253,350	254,250	(253,350)	254,250
Allowance for expected losses associated with credit risk	1,898,528	1,723,194	-	3,621,722
Fair value of securities and derivatives	2,840,159	-	(1,287,196)	1,552,963
Tax contingencies and provision for suspended-payment taxes	246,347	55,282	-	301,629
Other temporary differences	514,226	986,815	-	1,501,041
Total	6,762,463	4,161,552	(1,698,528)	9,225,487
Income tax and social contribution	31/12/2019	Recognition	Realization	31/12/2020
Tax loss carryforwards	1,339,748	-	(329,895)	1,009,853
Interest on equity	243,450	493,200	(483,300)	253,350
Allowance for expected losses associated with credit risk	923,160	975,368	-	1,898,528
Fair value of securities and derivatives	1,682,855	1,157,304	-	2,840,159
Tax contingencies and provision for suspended-payment taxes	239,944	6,403	-	246,347
Other temporary differences	452,430	61,796	-	514,226
Total	4,881,587	2,694,071	(813,195)	6,762,463

(i) Include amounts of Banco Pan S.A. and Necton consolidation.

The present value of tax credits, based on the expected realization of deferred tax assets, is as follows:

Description	Tax credits on temporary differences	Tax losses carry forwards	Total
2022	2,953,621	607,772	3,556,393
2023	1,372,541	468,038	1,840,579
2024	1,019,365	423,997	1,443,362
2025	705,921	73,261	778,52
2026 onwards	1,180,787	425,814	1,606,601
Total	7,231,605	1,993,882	9,225,487
Present value	5,472,156	1,423,768	6,895,923

The item "deferred tax assets" also included PIS and COFINS deferred tax credits in the amount of R\$304,451 (December 31, 2020 - R\$451,295).

Deferred income tax and social contribution liabilities amounts to R\$176,682 (December 31, 2020 - R\$56,157).

On November 13, 2019, Constitutional Amendment No. 103 was published, which increased the social contribution percentage on Net Income for financial institutions from 15% to 20% of taxable income, effective as of March 1, 2020.

On March 1, 2021, the Provisional Measure No. 1,034 was approved, by which new CSLL rates became effective. The social contribution rate was set at 25% until December 31, 2021, and 20% from January 1, 2022. The increase effects in the financial statements were irrelevant.

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### **19.Shareholders' equity**

#### **a. Capital**

As at December 31, 2021, fully subscribed and paid in capital consists of 11,476,985,224 shares (December 31, 2020 – 2,712,706,972), of which 7,234,454,000 are common shares (December 31, 2020 – 1,756,433,722), 2,845,105,864 are class A preferred shares (December 31, 2020 – 606,916,910), 1,397,425,360 are class B preferred shares (December 31, 2020 – 349,356,340), registered shares without par value.

As described in Note 2, on May 28, 2021, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 24,402,000 Units, composed of 24,402,000 common shares and 48,804,000 preferred shares.

As described in Note 2, on January 13, 2021, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 27,777,778 Units, composed of 27,777,778 common shares and 55,555,556 preferred shares.

As described in Note 2, on June 29, 2020, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 35,625,000 Units, composed of 35,625,000 common shares and 71,250,000 preferred shares.

The common shares have the right to one vote each in the deliberations of the General Shareholders Meeting and participate on equal terms to the Class A Preferred Shares and Class B preferred shares in the distribution of profits.

Class A and B preferred shares have no right to vote and have priority in capital reimbursement, without premium, and participate on equal terms with the common shares in the profit's distribution.

The Class A Preferred Shares shall have the right to be included in acquisition public offer due to transfer of control of the Company, provided their holders to receive a minimum amount per share equal to 80% (eighty percent) of the amount paid by common share of the control block.

The Class B preferred shares are convertible into common shares, upon request by writing to the holder or the Bank without deliberation and Board or Shareholders Meeting, provided that: (i) such conversion occurs at the time of issuance of new shares by the Bank whether or not within the limit of authorized capital (unless the shareholder converting the shares is BTG Pactual Holding S.A.); (ii) upon conversion, BTG Pactual Holding S.A. (or its successor in any capacity, including by virtue of merger, division or other corporate reorganization) continues to hold directly or indirectly, more than 50% of common shares issued by the Bank; and (iii) conversion is in accordance with the Bank's Shareholders' Agreement. Class B preferred shares can be convertible into Class A preferred shares at the request of its holder, and provided that: (i) the Bank is a public company with shares listed on stock exchanges and (ii) conversion is in accordance with the Bank Shareholders' Agreement.

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### **b. Treasury shares**

During the year ended December 31, 2021, the Bank did not buy its own units (December 31, 2020 – R\$92,712, equivalent to 3,378,900 units). In the year ended December 31, 2021 there were no units cancelled (December 31, 2020 – R\$258,496, equivalent to 10,468,200 units). On December 31, 2021, the Bank has no treasury shares.

### **c. Legal reserve**

This reserve is established at the rate of 5% of net income for the semester/year, before any other allocation, limited to 20% of capital.

### **d. Statutory reserve**

According to the Bank's by laws, the purpose of this reserve is to maintain working capital and is limited to the balance of capital.

### **e. Unrealized income reserve**

This is established considering undistributed dividends obtained in foreign branch.

### **f. Profit distribution**

Shareholders are entitled to minimum dividends within the limit of 1% of net income for the year, adjusted pursuant to article 202 of Law No. 6,404/76.

During the year ended December 31, 2021, the Bank decided on the following amounts referring to interest on equity:

(i) R\$650,000, equivalent to R\$0.06 per share. Total amount and the respective destination were approved by the Board of Directors on August 2, 2021, and were paid on August 12, 2021.

(ii) R\$260,000, equivalent to R\$0.02 per share. Total amount and the respective destination were approved by the Board of Directors on December 15, 2021, and will be paid on January 6, 2022.

(iii) R\$565,000, equivalent to R\$0.05 per share. Total amount and the respective destination were approved by the Board of Directors on December 30, 2021 and will be paid on February 15, 2022.

During the year ended December 31, 2020, the Bank provisioned R\$1,096,000, referring to interest on equity, equivalent to R\$0.11 per share. The first amount and the respective destination were approved by the Board of Directors on July 17, 2020 and paid on February 5, 2021.

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### g. Reconciliation of net income and shareholders' equity

	Shareholders' equity		Net income	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Banco BTG Pactual S.A.	37,379,747	26,680,655	6,294,477	3,280,125
Others (i)	-	-	47,678	696,257
<b>Banco BTG Pactual S.A. Consolidated</b>	<b>37,379,747</b>	<b>26,680,655</b>	<b>6,342,155</b>	<b>3,976,382</b>

- (i) The difference in net income and Stockholders' equity between the Bank financial statements and consolidated financial statements results from the recording of exchange variations on investments abroad, and hedges of these investments where the functional currency is different from that of the parent company, net of the respective deferred tax assets.

## 20. Income from services rendered

	31/12/2021	31/12/2020
Management and performance fee from investment funds and portfolios	1,730,613	1,208,993
Professional services	2,084,180	1,243,831
Brokerage	924,775	555,432
Guarantees	424,414	387,934
Commission over securities placement	1,145,928	778,845
Other services	323,095	10,095
Total	<b>6,633,005</b>	<b>4,185,130</b>

## 21. Other operating results

	31/12/2021	31/12/2020
Adjustment of amounts receivable for acquisition of investments	18,267	112,376
Foreign exchange rate results	210,648	(373,562)
Reversal of provision	193,730	53,457
Monetary correction over judicial deposits	52,357	34,957
Recovery of charges and expenses	68,482	17,083
Goodwill amortization	(225,344)	(32,170)
Discounts granted in renegotiation	(70,800)	(18,134)
Payable commissions	(19,744)	-
Allowance for other receivables without loan characteristics	(97,573)	-
Expenses with discounts granted in loan operations	(637,753)	(12,861)
Other operating results	25,463	(42,049)
Total	<b>(482,267)</b>	<b>(260,903)</b>

## 22. Other administrative expenses

	31/12/2021	31/12/2020
Outsourced services and consulting	1,556,019	563,964
Telecommunications and data processing	1,214,172	531,526
Leases and condominiums	227,868	117,776
Expenses of the financial system	1,828,346	306,743
Advertising and public relations	355,385	109,362
Depreciation and amortization	113,474	60,711
Travel and lodging	28,209	21,698
Other	77,500	51,699
Total	<b>5,400,973</b>	<b>1,763,479</b>

## 23. Related parties

Related-party balances, which are carried out based on usual market rates and conditions, are reflected in the following accounts:



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	Parent company (i)		Associates		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Assets</b>						
Interbank investments deposits	-	-	-	502,285	-	502,285
Securities and Derivative financial instruments	-	-	972,403	332,558	972,403	332,558
Loans and Receivables	4,427,603	4,296,749	473,904	-	4,901,507	4,296,749
Sundry	-	-	111,204	-	111,204	-
<b>Liabilities</b>						
Time deposits	(53,075)	(135,247)	(383,342)	-	(436,417)	(135,247)
Derivative financial instruments	-	-	(546,378)	(181,944)	(546,378)	(181,944)
Open market funding	-	-	(997,631)	(1,432,661)	(997,631)	(1,432,661)
Funds from securities issued and accepted	-	(3,514,229)	-	(61,960)	-	(3,576,189)
Sundry	-	-	(6,882)	(71,016)	(6,882)	(71,016)
	Parent company		Associates		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Statements of income</b>						
Financial income	15	-	-	18,423	15	18,423
Financial expenses	(642)	(3,219)	(143,701)	(423,961)	(144,343)	(427,180)
Other operating income / (expenses)	-	40,435	-	7,771	-	48,206

(i) Includes natural person.

Total compensation paid to key management personnel this year totaled R\$18,615 (December 31, 2020 – R\$18,808), which is considered short-term benefits.

## 24. Earnings per share

	31/12/2021	31/12/2020
<b>Net income for the year</b>	<b>6,342,155</b>	<b>3,976,382</b>
Weighted average per thousand of common shares outstanding in the year	7,235,997	6,966,293
Weighted average per thousand of common shares held in treasury	-	7,633
<b>Net income for the semester per common share - basic</b>	<b>0.88</b>	<b>0.57</b>
<b>Net income for the semester per common share - diluted</b>	<b>0.88</b>	<b>0.57</b>
Weighted average per thousand of class A preferred shares outstanding in the year	2,848,192	2,309,009
Weighted average per thousand of class A preferred shares held in treasury	-	15,267
<b>Net income for the semester per class A preferred shares - basic</b>	<b>2.23</b>	<b>1.72</b>
<b>Net income for the semester per class A preferred shares - diluted</b>	<b>2.23</b>	<b>1.71</b>
Weighted average per thousand of class B preferred shares outstanding in the year	1,397,425	1,397,425
<b>Net income for the semester per class B preferred shares - basic and diluted</b>	<b>4.54</b>	<b>2.85</b>
Weighted average per thousand of shares outstanding in the year	11,481,615	10,672,501
Weighted average per thousand of shares held in treasury	-	22,900
<b>Net income per share - basic</b>	<b>0.55</b>	<b>0.37</b>
<b>Net income per share - diluted</b>	<b>0.55</b>	<b>0.37</b>

## 25. Non-operating income

This item basically comprises i) results from the sale of interests, as indicated in note 2, ii) gains related to arbitrations, as presented in note 17 and iii) other gains and losses not related to the Company's operations.

## 26. Other information

### Cash and cash equivalents

	31/12/2020	31/12/2019
<b>Balances at beginning of the year</b>		
Cash and cash equivalents	1,794,059	1,333,793
Open market investments	40,175,098	18,651,392
Interbank deposits	2,437,242	1,533,506
Total	44,406,399	21,518,691
<b>Balances at beginning of the year</b>		
Cash and cash equivalents	3,219,641	1,794,059
Open market investments	40,590,537	40,175,098

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Interbank deposits	3,624,401	2,437,242
Total	<u>47,434,579</u>	<u>44,406,399</u>

### Commitments and responsibilities

The Bank's and its subsidiaries' main commitments and responsibilities are as follows:

	<u>31/12/2021</u>	<u>31/12/2020</u>
Co-obligation and risks for guarantees granted	26,802,936	62,645,262
Responsibility for the management of futures and investment portfolio (i)	686,718,210	349,599,848
Securities	188,863,696	161,997,910
Securities under custody	1,452,235,226	1,249,696,343
Securities trading and brokerage	869,673,603	3,390,389,602
Loans contract to release	10,525,881	2,469,412
Commitments to be released	143,786	115,800

(i) Recognized by the sum of the equity values of funds and investment portfolios

“Co-obligations and risks for guarantees granted” mainly comprises guarantees granted or assets allocated to exchange trading securities.

“Securities under custody” reflects third-party public and private security positions under custody with SELIC and B3 S.A.

“Securities trading and brokerage” represents amounts from derivatives purchase and sale agreements related to third-party transactions.

“Loans contracted to release” represents amounts related to loans contracted with clients.

The item “Commitments to be released” represents amounts related to the financial commitments of the Bank with its investees.

### Non-recurring Items

In accordance with BCB Resolution 2/2020, presented below are the non-recurring items for the year, recognized in other administrative expenses:

- R\$253 million due to goodwill amortization and product distribution.
- R\$12 million related to projects to combat Covid-19

## 27.Subsequent Events

### a. Approval of the share buyback program

On January 11, 2022, the Bank communicated to shareholders and the market in general that the Bank's Board of Directors, at a meeting held on January 10, 2022, approved a share buyback program, under the following conditions ("Program for Repurchase"):

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- The objective of the Buyback Program is to efficiently apply available cash resources, in order to maximize the company's capital allocation.
- The Buyback Program will contemplate the acquisition of up to R\$ 1,000,000,000.00, observing in any case the limits provided for in CVM Instruction 567;
- The Bank does not have BPAC11 units or treasury shares on the present date;
- The BPAC11 units acquired under the Buyback Program will be held in treasury;
- The term of the Buyback Program will be up to 18 months, and it is up to the Board of Executive Officers to define the best moment for the acquisition of shares; and
- The acquisition transactions will be carried out with the intermediation of BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. and must be carried out in accordance with the regulations in force on the date of the transaction.

The Bank will keep regulators and the market in general informed about the Buyback Program.

### **b. Acquisition of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.**

On January 24, 2022, the Bank informed shareholders and the market in general that it signed, jointly with Santander Corretora de Seguros, Investimentos e Serviços SA and CBOE III, LLC, binding contracts for the acquisition of a minority interest in CSD Central of Registration and Deposit Services for the Financial and Capital Markets SA ("CSD BR").

The completion and closing of the Transaction are subject to the verification of certain conditions precedent, including obtaining all necessary regulatory approvals, including from the Central Bank of Brazil.

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### **c. Acquisition of Elite Corretora de Câmbio e Valores Mobiliários Ltda.**

On February 1, 2022, the Bank communicated to the shareholders and the market in general the signature of definitive documents referring to the acquisition of 100% (one hundred percent) of the share capital of Elite Corretora de Câmbio e Valores Mobiliários Ltda.

This acquisition is part of BTG Pactual Digital's expansion strategy in the investment advisory segment. The completion and closing of the Transaction are subject to the verification of certain conditions precedent, including obtaining all necessary regulatory approvals, including from the Central Bank of Brazil and the Administrative Council for Economic Defense.