

# **Banco BTG Pactual S.A.**

**Quarterly information (ITR) at**

**March 31, 2021**

**and report on review of  
quarterly information**



## **Report on review of quarterly information**

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

### **Introduction**

We have reviewed the accompanying interim accounting information of Banco BTG Pactual S.A. ("Bank"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in shareholder equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the interim accounting information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and presented in accordance with the standards issued by the CVM.



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### **Emphasis of matter**

#### **Deferred tax credits recorded in jointly controlled subsidiary**

As mentioned in note 13 to the interim financial statements, the Bank has an investment in the jointly-owned subsidiary Banco Pan S.A., which, on March 31, 2021, recorded income tax and social contribution tax credits, in the amount of approximately R\$ 3.6 billion, recognized based on expected realization of tax credits. This projection of realization of tax credits was reviewed by the management of Banco Pan SA based on a study of the current and future scenario and approved by the Board of Directors in February 2021, whose main assumptions used were the macroeconomic, production and funding cost indicators. The realization of these tax credits, in the estimated realization period, depends on the materialization of these projections and the business plan as approved by the management bodies. Our conclusion is not qualified in respect of this matter.

### **Other matters**

#### **Audit and revision of previous year's figures**

The Quarterly Information (ITR) mentioned in the first paragraph includes accounting information corresponding to the result, changes in shareholders' equity, cash flows and added value for the quarter ended March 31, 2020, obtained from the Quarterly Information (ITR) for that quarter, and the balance sheet as of December 31, 2020, obtained from the financial statements as of December 31, 2020, presented for comparison purposes. The review of the Quarterly Information (ITR) for the quarter ended March 31, 2020 and the examination of the financial statements for the year ended December 31, 2020 were conducted under the responsibility of other independent auditors, who issued review and audit reports, with dates of May 11, 2020 and February 9, 2021, respectively, without modifications.

### **Statement of Value Added**

The quarterly information referred to above includes the statement of value added for the quarter ended March 31, 2021. This statement is the responsibility of the Company's management and is presented as supplementary information under IAS 34. This statement has been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether it is reconciled with the interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added".



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Based on our review, nothing has come to our attention that causes us to believe that this statement of value added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that it is consistent with the interim accounting information taken as a whole.

São Paulo, May 11, 2021

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over the printed name.

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

A handwritten signature in black ink, appearing to read 'Edison Arisa Pereira', written over the printed name.

Edison Arisa Pereira  
Contador CRC 1SP127241/O-0

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

Standalone financial statements

March 31, 2021

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A free translation from Portuguese into English of standalone financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and in Reais

## BANCO BTG PACTUAL S.A.

### Balance sheets

As at March 31, 2021 and December 31, 2020

(In thousands of reais)

|   | Note | 31/03/2021  | 31/12/2020  |
|---|------|-------------|-------------|
| Assets  |      |             |             |
| Current assets  |      | 211,008,826 | 179,516,384 |
| Cash at banks   | 6    | 1,334,454   | 933,799     |
| Financial instruments   |      | 157,369,168 | 151,665,953 |
| Interbank investments   | 7    | 46,947,900  | 50,210,427  |
| Securities  | 8    | 76,103,274  | 71,292,526  |
| Derivative financial instruments  | 9    | 5,131,952   | 5,404,639   |
| Interbank transactions  |      | 5,790,337   | 5,033,708   |
| Loans   | 10   | 23,736,598  | 20,167,006  |
| Allowance for expected losses associated with credit risk                           | 10   | (340,893)   | (442,353)   |
| Other receivables   |      | 51,579,589  | 26,256,807  |
| Credits by honored endorsements and sureties  |      | 239,825     | 224,678     |
| Foreign exchange portfolio  | 11   | 40,815,383  | 18,985,456  |
| Income receivable   | 12   | 1,726,688   | 1,683,791   |
| Securities trading and brokerage  | 11   | 6,966,189   | 3,706,151   |
| Sundry  | 12   | 1,995,843   | 1,833,668   |
| Allowance for impairment of assets  |      | (164,339)   | (176,937)   |
| Other assets  |      | 725,615     | 659,825     |
| Other assets  |      | 573,400     | 541,860     |
| Prepaid expenses  |      | 152,215     | 126,914     |
| Provision for losses on other assets  |      | -           | (8,949)     |
| Non-current assets  |      | 70,532,390  | 54,877,801  |
| Financial instruments   |      | 56,291,251  | 41,135,813  |
| Interbank investments   | 7    | 2,182,978   | 2,163,992   |
| Securities  | 8    | 4,175,265   | 3,791,810   |
| Derivative financial instruments  | 9    | 27,810,044  | 13,761,647  |
| Interbank transactions  |      | 131,470     | 131,742     |
| Loans   | 10   | 22,684,640  | 22,496,827  |
| Allowance for expected losses associated with credit risk                           | 10   | (693,146)   | (1,210,205) |
| Other receivables   |      | 13,914,874  | 13,484,348  |
| Foreign exchange portfolio  | 11   | 269         | 6,029       |
| Income receivable   | 12   | 90,452      | 9,515       |
| Deferred tax assets   | 18   | 6,457,299   | 6,514,305   |
| Sundry  | 12   | 7,384,544   | 6,956,672   |
| Allowance for impairment of assets  |      | (17,690)    | (2,173)     |
| Other assets  |      | 326,265     | 257,640     |
| Prepaid expenses  |      | 326,265     | 257,640     |
| Permanent assets  |      | 19,739,729  | 18,872,613  |
| Investments   |      | 19,528,296  | 18,681,482  |
| Investments in subsidiaries, associates and jointly controlled entities - in Brazil | 13   | 18,587,979  | 17,925,385  |
| Investments in subsidiaries, associates and jointly controlled entities - abroad    | 13   | 938,952     | 754,732     |
| Other investments   |      | 4,232       | 4,232       |
| Allowance for losses in investments   |      | (2,867)     | (2,867)     |
| Property and equipment in use   |      | 85,428      | 86,749      |
| Property in use   |      | 2,975       | 2,975       |
| Other property and equipment in use   |      | 277,995     | 274,032     |
| Accumulated depreciation  |      | (195,542)   | (190,258)   |
| Intangible assets   | 14   | 126,005     | 104,382     |
| Other intangible assets   |      | 247,216     | 222,295     |
| Accumulated amortization  |      | (121,211)   | (117,913)   |
| Total assets  |      | 301,280,945 | 253,266,798 |

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

# BANCO BTG PACTUAL S.A.

## Balance sheets

As at March 31, 2021 and December 31, 2020

(In thousands of reais)

|  | Note | 31/03/2021  | 31/12/2020  |
|--|------|-------------|-------------|
| Liabilities  |      |             |             |
| Current liabilities                                |      | 192,806,242 | 170,078,482 |
| Deposits and other financial instruments           |      | 145,606,657 | 146,355,273 |
| Deposits   | 15   | 60,594,474  | 54,496,144  |
| Open market funding                                | 15   | 54,431,348  | 60,665,011  |
| Funds from securities issued and accepted          | 15   | 24,376,554  | 23,300,233  |
| Loans and borrowings                               | 15   | 1,522,688   | 2,371,740   |
| Derivative financial instruments                   | 9    | 3,862,814   | 4,759,118   |
| Subordinated debt                                  | 15   | 807,898     | 763,027     |
| Debt instrument eligible to equity                 | 15   | 10,881      | -           |
| Interbank transactions                             |      | 149,535     | 69,110      |
| Unsettled receipts and payments                    |      | 149,535     | 69,110      |
| Interdependencies transactions                     |      | 236,671     | 364,016     |
| Unsettled third party assets                       |      | 236,671     | 364,016     |
| Other liabilities                                  |      | 46,813,379  | 23,290,083  |
| Collection and payments of tax and similar charges |      | 14,445      | 2,164       |
| Foreign exchange portfolio                         | 11   | 41,104,238  | 18,707,516  |
| Social and statutory                               | 16   | 414,019     | 1,719,211   |
| Tax and social security                            | 16   | 116,476     | 264,196     |
| Securities trading and brokerage                   | 11   | 3,768,687   | 1,328,518   |
| Sundry   | 16   | 1,395,514   | 1,268,478   |
| Non-current liabilities                            |      | 77,837,952  | 56,244,218  |
| Deposits and other financial instruments           |      | 76,165,042  | 54,494,926  |
| Deposits   | 15   | 3,845,681   | 2,137,416   |
| Open market funding                                | 15   | 1,906,300   | 1,917,977   |
| Funds from securities issued and accepted          | 15   | 20,984,221  | 17,127,453  |
| Loans and onlending                                | 15   | 4,873,647   | 3,857,597   |
| Derivative financial instruments                   | 9    | 37,961,580  | 23,239,687  |
| Subordinated debt                                  | 15   | 2,350,606   | 2,188,893   |
| Debt instrument eligible to equity                 | 15   | 4,243,007   | 4,025,903   |
| Provisions   | 17   | 1,278,777   | 1,268,752   |
| Provision for contingent liabilities               |      | 1,112,113   | 1,110,654   |
| Allowance for guarantees                           |      | 166,664     | 158,098     |
| Other liabilities                                  |      | 394,133     | 480,540     |
| Foreign exchange portfolio                         | 11   | -           | 85,968      |
| Deferred liabilities                               | 18   | 1,503       | 1,509       |
| Sundry   | 16   | 392,630     | 393,063     |
| Deferred income                                    |      | 222,404     | 263,443     |
| Shareholders' equity                               | 19   | 30,414,347  | 26,680,655  |
| Capital stock                                      |      | 12,557,873  | 10,013,243  |
| Capital Reserve                                    |      | 652,515     | 652,515     |
| Other comprehensive income                         |      | 2,180,508   | 1,665,033   |
| Income reserves                                    |      | 14,349,864  | 14,349,864  |
| Retained earnings                                  |      | 673,587     | -           |
| Total liabilities and shareholders' equity         |      | 301,280,945 | 253,266,798 |

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

## BANCO BTG PACTUAL S.A.

### Statements of income

Quarters ended March 31

(In thousands of reais, except for earnings per share)

|  | Note | 31/03/2021  | 31/03/2020  |
|--|------|-------------|-------------|
| Financial income   |      | 4,079,738   | 4,217,901   |
| Loans  |      | 469,789     | 481,877     |
| Securities   |      | 3,584,844   | 3,724,808   |
| Mandatory investments  |      | 25,105      | 11,216      |
| Financial expenses   |      | (4,028,899) | (7,592,961) |
| Funding operations   |      | (1,019,847) | (917,349)   |
| Derivative financial instruments   |      | (1,166,499) | (578,380)   |
| Foreign exchange   |      | (383,125)   | (3,740,290) |
| Borrowings   |      | (1,486,707) | (2,286,656) |
| Allowance for expected losses associated with credit risk                  | 10   | 27,279      | (70,286)    |
| Net financial income   |      | 50,839      | (3,375,060) |
| Other operating income / (expenses)  |      | 846,804     | 668,186     |
| Income from services rendered  | 20   | 686,936     | 435,445     |
| Personnel expenses   |      | (147,051)   | (100,136)   |
| Other administrative expenses  | 23   | (394,829)   | (227,939)   |
| Tax charges  | 24   | (76,882)    | 114,530     |
| Equity pick up in subsidiaries, associates and jointly controlled entities | 13   | 689,778     | 442,624     |
| Other operating income   | 21   | 168,992     | 7,626       |
| Other operating expenses   | 22   | (80,140)    | (3,964)     |
| Provision expenses   |      | (9,194)     | (34,197)    |
| Allowance for contingent liabilities                                       |      | (1,459)     | (5,154)     |
| Guarantees   |      | (7,735)     | (29,043)    |
| Operating income   |      | 888,449     | (2,741,071) |
| Non-operating income   | 25   | 66,869      | 1,290       |
| Income / (loss) before taxation and profit sharing                         |      | 955,318     | (2,739,781) |
| Income tax and social contribution   | 18   | (40,458)    | 1,842,961   |
| Statutory profit sharing   |      | (241,273)   | (10,969)    |
| Net income / (loss) for the quarter  |      | 673,587     | (907,789)   |
| Net income / (loss) per share - basic                                      | 27   | 0.24        | (0.34)      |
| Net income / (loss) per share - diluted                                    | 27   | 0.24        | (0.35)      |

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

## BANCO BTG PACTUAL S.A.

### Statements of comprehensive income

Quarters ended March 31

(In thousands of reais)

|   | <u>31/03/2021</u>       | <u>31/03/2020</u>     |
|---|-------------------------|-----------------------|
| Net income / (loss) for the quarter                         | 673,587                 | (907,789)             |
| Changes in fair value of assets available for sale          | 105,859                 | (116,650)             |
| Deferred IR/CSLL on fair value of assets available for sale | (50,411)                | 55,476                |
| Changes in fair value of associates and jointly controlled  | (11,668)                | 112,581               |
| Exchange variation of investments                           | 471,695                 | 1,615,599             |
| <b>Total comprehensive income for the quarter</b>           | <b><u>1,189,062</u></b> | <b><u>759,217</u></b> |

Items presented on statements of comprehensive income can subsequently be reclassified to statements of income.

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

## BANCO BTG PACTUAL S.A.

### Statements of changes in shareholders' equity

Quarters ended March 31

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

|  | Note | Income reserves   |                 |                          |                  |                  |                   | Other comprehensive income | Treasury shares  | Retained earnings | Total            |                   |
|--|------|-------------------|-----------------|--------------------------|------------------|------------------|-------------------|----------------------------|------------------|-------------------|------------------|-------------------|
|  |      | Capital           | Capital reserve | Special earnings reserve | Legal            | Unrealized       | Statutory         |                            |                  |                   |                  | Total             |
| Balances as at December 31, 2019                           |      | 7,392,092         | 652,515         | -                        | 1,433,056        | 3,365,078        | 7,329,133         | 12,127,267                 | 1,310,648        | (165,784)         | -                | 21,316,738        |
| Own shares acquired  | 19   | -                 | -               | -                        | -                | -                | -                 | -                          | -                | (77,066)          | -                | (77,066)          |
| Changes in fair value of assets available for sale         |      | -                 | -               | -                        | -                | -                | -                 | -                          | (61,174)         | -                 | -                | (61,174)          |
| Changes in fair value of associates and jointly controlled |      | -                 | -               | -                        | -                | -                | -                 | -                          | 112,581          | -                 | -                | 112,581           |
| Exchange variation of investments                          |      | -                 | -               | -                        | -                | -                | -                 | -                          | 1,615,599        | -                 | -                | 1,615,599         |
| Intermediate interest on equity (R\$0.10 per share)        |      | -                 | -               | 270,000                  | -                | -                | (270,000)         | -                          | -                | -                 | -                | -                 |
| Loss for the quarter                                       |      | -                 | -               | -                        | -                | -                | -                 | -                          | -                | -                 | (907,789)        | (907,789)         |
| Balances as at March 31, 2020                              |      | <u>7,392,092</u>  | <u>652,515</u>  | <u>270,000</u>           | <u>1,433,056</u> | <u>3,365,078</u> | <u>7,059,133</u>  | <u>12,127,267</u>          | <u>2,977,654</u> | <u>(242,850)</u>  | <u>(907,789)</u> | <u>21,998,889</u> |
| Balances as at December 31, 2020                           |      | 10,013,243        | 652,515         | -                        | 1,597,062        | 1,980,484        | 10,772,318        | 14,349,864                 | 1,665,033        | -                 | -                | 26,680,655        |
| Capital increase   | 19   | 2,570,000         | -               | -                        | -                | -                | -                 | -                          | -                | -                 | -                | 2,570,000         |
| Offering costs   |      | (25,370)          | -               | -                        | -                | -                | -                 | -                          | -                | -                 | -                | (25,370)          |
| Changes in fair value of assets available for sale         |      | -                 | -               | -                        | -                | -                | -                 | -                          | 55,448           | -                 | -                | 55,448            |
| Changes in fair value of associates and jointly controlled |      | -                 | -               | -                        | -                | -                | -                 | -                          | (11,668)         | -                 | -                | (11,668)          |
| Exchange variation of investments                          |      | -                 | -               | -                        | -                | -                | -                 | -                          | 471,695          | -                 | -                | 471,695           |
| Intermediate interest on equity (R\$0.11 per share)        |      | -                 | -               | 312,500                  | -                | -                | (312,500)         | -                          | -                | -                 | -                | -                 |
| Net income for the quarter                                 |      | -                 | -               | -                        | -                | -                | -                 | -                          | -                | -                 | 673,587          | 673,587           |
| Balances as at March 31, 2021                              |      | <u>12,557,873</u> | <u>652,515</u>  | <u>312,500</u>           | <u>1,597,062</u> | <u>1,980,484</u> | <u>10,459,818</u> | <u>14,349,864</u>          | <u>2,180,508</u> | <u>-</u>          | <u>673,587</u>   | <u>30,414,347</u> |

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

# BANCO BTG PACTUAL S.A.

## Statements of cash flows

Quarters ended March 31

(In thousands of reais)

|  | Note | 31/03/2021   | 31/03/2020  |
|--|------|--------------|-------------|
| Operating activities   |      |              |             |
| Net income / (loss) for the quarter  |      | 673,587      | (907,789)   |
| Adjustments to net income  |      |              |             |
| Equity pick up in subsidiaries, associates and jointly controlled entities     | 13   | (249,438)    | (1,932,522) |
| Interest expense with subordinated debt and debt instrument eligible to equity |      | (689,778)    | (456,382)   |
| Allowance for expected losses associated with credit risk                      | 10   | 411,794      | 243,096     |
| Guarantees   |      | (27,279)     | 70,286      |
| Allowance for contingent liabilities   |      | 7,735        | 5,154       |
| Permanent assets exchange variation  | 17   | 1,459        | 29,043      |
| Goodwill amortization  |      | (119)        | (521)       |
| Deferred income tax and social contribution                                    | 13   | -            | 13,758      |
| Depreciation and amortization  | 18   | 40,458       | (1,842,961) |
|  | 23   | 6,292        | 6,005       |
| Adjusted (loss) / net income for the quarter                                   |      | 424,149      | (2,840,311) |
| Operational activities   |      |              |             |
| Short-term interbank investments   |      | 548,910      | (350,519)   |
| Securities and derivative financial instruments                                |      | (4,934,580)  | 11,997,194  |
| Loans  |      | (4,312,594)  | (2,133,657) |
| Other receivables and other assets   |      | (25,964,230) | (5,530,904) |
| Interbank transactions   |      | (675,932)    | 591,249     |
| Interdependencies transactions   |      | (127,345)    | 2,579       |
| Other liabilities  |      | 24,533,718   | 5,058,681   |
| Deferred income  |      | (41,039)     | 2,880       |
| Deposits   |      | 7,806,595    | 893,899     |
| Open market funding  |      | (6,245,340)  | 19,819,885  |
| Loans and borrowings   |      | 166,998      | 471,749     |
| Cash (used in) / provided by operating activities                              |      | (8,820,690)  | 27,982,725  |
| Investing activities   |      |              |             |
| (Acquisition) / sale of investments and capital increase                       | 13   | (750)        | (69,784)    |
| (Acquisition) / sale of property and equipment in use                          |      | (3,230)      | (31,339)    |
| (Acquisition) / sale of intangible assets                                      | 14   | (23,245)     | 22,089      |
| Dividends and interest on equity received                                      | 13   | 149,445      | 625,069     |
| Cash provided by investing activities  |      | 122,220      | 546,035     |
| Financing activities   |      |              |             |
| Acquisition of treasury shares   | 19   | -            | (77,066)    |
| Funds from securities issued and accepted                                      |      | 4,933,089    | 1,669,542   |
| Subordinated debt and debt instrument eligible to equity                       |      | 22,775       | 932,485     |
| Interest on equity   | 19   | (1,096,000)  | (541,000)   |
| Capital increase   | 2    | 2,544,630    | -           |
| Cash provided by financing activities  |      | 6,404,494    | 1,983,961   |
| (Decrease) / Increase in cash and cash equivalents                             | 28   | (2,293,976)  | 30,512,721  |
| Balance of cash and cash equivalents   |      |              |             |
| At the beginning of the quarter  |      | 41,493,426   | 20,404,150  |
| At the end of the quarter  |      | 39,199,450   | 50,916,871  |
| (Decrease) / Increase in cash and cash equivalents                             |      | (2,293,976)  | 30,512,721  |
| Noncash transactions   |      |              |             |
| Changes in fair value of assets available for sale                             |      | 55,448       | (61,174)    |
|  |      | 55,448       | (61,174)    |

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

## BANCO BTG PACTUAL S.A.

### Statements of value added

Quarters ended March 31

(In thousands of reais)

|  | Note | 31/03/2021  | 31/03/2020  |
|--|------|-------------|-------------|
| Income   |      | 5,239,773   | 4,653,346   |
| Financial income   |      | 4,406,309   | 4,217,901   |
| Services rendered  | 20   | 686,936     | 435,445     |
| Other  |      | 146,528     | -           |
| Expenses   |      | (4,355,470) | (7,622,206) |
| Financial brokerage  |      | (4,382,749) | (7,522,675) |
| Allowance for loan losses and other receivables                            | 10   | 27,279      | (70,286)    |
| Other  |      | -           | (29,245)    |
| Inputs acquired from third parties   |      | (374,332)   | (210,265)   |
| Materials, energy and other  |      | (6,923)     | (2,256)     |
| Outsourced services  |      | (367,409)   | (208,009)   |
| Gross value added  |      | 509,971     | (3,179,125) |
| Depreciation and amortization  | 23   | (6,292)     | (6,005)     |
| Net value added produced by the entity                                     |      | 503,679     | (3,185,130) |
| Value added received through transfer                                      |      | 689,778     | 442,624     |
| Equity pick up in subsidiaries, associates and jointly controlled entities | 13   | 689,778     | 442,624     |
| Value added to be distributed  |      | 1,193,457   | (2,742,506) |
| Distribution of value added  |      | 1,193,457   | (2,742,506) |
| Personnel  |      | 388,323     | 111,105     |
| Direct compensation  |      | 333,750     | 78,335      |
| Benefits   |      | 48,747      | 28,365      |
| FGTS – government severance pay fund                                       |      | 5,826       | 4,405       |
| Taxes, fees and contributions  |      | 117,341     | (1,957,491) |
| Federal  |      | 84,898      | (1,974,146) |
| Municipal  |      | 32,443      | 16,655      |
| Remuneration of third party capital  |      | 14,206      | 11,669      |
| Rent   |      | 14,206      | 11,669      |
| Remuneration of shareholders   |      | 673,587     | (907,789)   |
| Retained earnings  |      | 673,587     | (907,789)   |

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

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

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

### **1. Operations**

Banco BTG Pactual S.A. (“Bank” or “BTG Pactual”) is incorporated as a multiple Bank, operating jointly with its subsidiaries (“the 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 as 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 is controlled by BTG Pactual Holding Financeira Ltda. (“Holding Financeira”), which is controlled by BTG Pactual Holding S.A. (“Holding”), which is controlled by BTG Pactual G7 Holding S.A. (“G7”).

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.

#### **Application for Level 2 Adherence:**

In order to reaffirm its commitment to continuous improvement of its governance and alignment with best practices in the market, BTG Pactual requested B3 to join B3's special Corporate Governance Level 2 listing segment. B3 approved the potential entry to Level 2, conditioned to (i) the conclusion of the Offering, (ii) Units, in free circulation, representing at least 21% of its capital stock, and (iii) the free float recomposition, as necessary, within 18 months from May 28, 2019.

#### **Covid-19 Pandemic | Context, Initiatives and Impacts**

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

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

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

- We are maintaining the Bank operational, with all services, communication channels and functionalities available to our clients;

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

Notes to the standalone financial statements

March 31, 2021

(In thousands of reais, except otherwise indicated)

- 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 quality information and specialized advice on a daily basis, to support them in their business needs or in the management of their portfolios.

### **New units program**

On April 3, 2020, the Bank's 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 will include the acquisition of up to 15,000,000 units. On the same date, the shares held in treasury were canceled

## **2. Corporate restructuring and acquisitions**

- **Corporate reorganizations**

### **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.

### **Primary public offering**

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 bookbuilding 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, amount which, deducting the issuance costs of R\$25,370, corresponds to the Bank's Capital increase.

On July 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 bookbuilding 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, amount which, deducting the issuance costs of R\$ 29,349, corresponds to the Bank's Capital increase.

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

Notes to the standalone financial statements

March 31, 2021

(In thousands of reais, except otherwise indicated)

- **Acquisitions and disposals**

### **Kinvo Tecnologia da Informação Ltda**

On March 16th, 2021, BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. signed the acquisition of 100% of the share capital of Kinvo Tecnologia da Informação Ltda for R\$72 million. This acquisition aims to expand BTG's digital ecosystem and complements our product range. The completion and closure of the transaction are subject to verification of certain precedent conditions as well as regulatory approval.

### **Necton Investimentos S.A.**

On October 26, 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\$ 348 million. This acquisition is part of BTG Pactual's expansion strategy in the investment retail segment. The conclusion and closing of the transaction are subject to verification of certain precedent conditions, including obtaining all necessary regulatory approvals, including from Bacen.

### **EQI Investimentos**

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

### **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 2021, 10% in March 2021 and 10% in March 2022. On March 31, 2020, Bacen approved the acquisition.

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

The Bank's standalone 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), in accordance with the standards and instructions of the Conselho Monetário Nacional (CMN), Bacen and Securities and Exchange Commission (CVM), when applicable.

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

Notes to the standalone financial statements

March 31, 2021

(In thousands of reais, except otherwise indicated)

The preparation of the standalone 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 periodically reviews these estimates and assumptions.

Bacen resolution 2/2020 consolidated general criteria and procedures of the disclosure of individual financial statements, effective from January/2021, including: Statement of Comprehensive Income; Earnings per share and changes made to the presentation of balance sheets.

The standalone financial statements were approved by Bank's Management on May 10, 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 on its ability to continue operating. Therefore, the standalone financial statements were prepared based on this principle.

### **Functional currency**

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

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; Income for the period: for those with functional currency equal to Real: a) Income for the period; portion related to the subsidiary's effective income; and b) stockholders' 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 fair value adjustments in the shareholders' equity.

## **4. Significant accounting practices**

The significant accounting practices adopted by the Bank are the following:

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

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

### **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 asset and liability transactions**

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, calculated on a amortized basis, based on the effective rate of the transactions.

### **c. Securities**

They are evaluated and classified according to the criteria established by Bacen Circular No. 3,068, of November 8, 2001, in the following categories:

#### **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 and accounted for in 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 or 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 statements of income after the effective realization.

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

These are securities that the Bank has 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 statements of income as realized losses.

## BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements  
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### d. 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 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 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 inputs. No gain or loss is recognized on the initial recognition of a financial instrument valued using a technique incorporating significant unobservable data.

| Level 3 valuation assumptions                  |   |  |
|--|---|--|
| Asset  | Valuation technique   | Main assumptions   |
| Private Equity Funds<br>(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.

### e. Derivative financial instruments

These are classified according to Management's intention, on the transaction date, considering whether such transactions will be conducted to hedge against risk or not.

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

Notes to the standalone financial statements

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(In thousands of reais, except otherwise indicated)

The transactions using financial instruments performed on their own, or that does not comply with hedge criteria (mainly derivatives used to manage the global risk exposure), are accounted for at fair value, with gains and losses, realized or unrealized, recognized directly statements of income for the period.

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 in the beginning and throughout the agreement, and deemed as effective in the reduction of risk associated to the exposure to be hedged, are deemed as hedge and are classified according to their nature:

- **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 income (loss) for the period;
- **Cash flow hedge:** the instruments classified in this category are measured at fair value, and the effective portion of the appreciation or depreciation are recorded in a separate account under shareholders' equity, net of tax effects. The non-effective portion of the respective hedge is directly recorded in income (loss) for the period.
- **Net Investment Hedge of Foreign Operations -** 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 stockholders' equity, and reclassified to income for the period in the event of the disposal of the foreign operation. The ineffective portion is recognized in the statements of income for the period.

### **f. 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. Therefore, at the time of financial settlement of these transactions, results may differ from the estimates. 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 against their results.

The transactions performed in the forward market of financial assets and commodities are registered by the final agreed value, deducted from the difference between this amount and the price of the good or right adjusted at market prices, at the adequate assets or liabilities account. The income and expenses are recorded according to the maturity of their agreements.

Assets and liabilities resulting from swap and currency forward transactions of non-deliverable forward agreements (NDF) are recognized in assets and liabilities at their carrying amount, adjusted at fair value, with a corresponding entry to statements of income.

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

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

### **g. Financial instruments – net presentation**

Financial assets and liabilities are presented as net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the amounts recorded and if there is an intention to 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 (transactions with loan characteristics)**

Recorded at present value, calculated on a "*pro rata die*" basis on the index variation and on the agreed interest rate, updated up to 59<sup>th</sup> day of default, provided the expected receipt. 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 in which they were classified before the renegotiation and, if they had already been written off, they are fully provisioned and gains are recorded in the results when actually received.

### **j. Allowance for loan losses**

Recognized based on an analysis of potential losses at an amount deemed as sufficient to cover probable losses, pursuant to CMN Resolution 2682/99, among which:

- Allowances are recorded for loans, based on the classification of the client's risk, based on the periodic analysis of client quality and of activity industries and not only upon default.
- Considering exclusively the default, written of loans against losses are 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 2682/99.

### **k. Investments**

Jointly controlled and associates are accounted for under the equity method. Other investments in other non-current assets are stated at cost, less allowance for losses, when applicable.

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

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### **l. Foreign currency translation**

See note 3.

### **m. Goodwill or 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.

Goodwill and negative goodwill, recorded according to the basis of expected future results of the acquired subsidiaries, is amortized according to 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 jointly controlled entities, and in deferred income to subsidiaries.

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

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.

### **o. 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 3642, of November 26, 2008. Comprised by (i) goodwill paid in acquisition transferred to intangible assets due to incorporation of acquirer's equity by the acquired, or consolidation of the company; (ii) for acquired rights of assets management contracts; and (iii) softwares and improvements in third part property. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

### **p. Crypto-currency**

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. In reference to this topic are purchase and sale transactions for crypto-assets carried out by the Company during the quarter ended March 31, 2021. The Company measures crypto-assets through the determination of fair value.

On the date of preparation of these financial statements, the Bank has unrealized crypto-assets transactions on its balance sheet.

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

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### **q. Impairment**

Whenever there is clear evidence that the assets are measured at an unrecoverable amount, a 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 bigger of value in use or fair value less costs to sell the assets. The main estimates used in determining the provision are: expectation of future cash flows, discount rates, illiquidity, among others.

### **r. 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 20% 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.

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

Recognized according to the criteria described below:

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

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

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

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

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

Notes to the standalone financial statements  
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### **t. Earnings per share**

Calculated based on the weighted average numbers of shares outstanding for the period.

### **u. Revenue recognition**

Revenues and expenses are recorded on the accrual basis.

## **5. Risk management**

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

## BANCO BTG PACTUAL S.A.

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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 as a whole. 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.

### a. Operating limits

|   | <u>31/03/2021</u> | <u>31/12/2020</u> |
|---|-------------------|-------------------|
| Reference Shareholders' Equity                  | 30,414,347        | 26,680,655        |
| Tier I  | 26,842,803        | 22,087,705        |
| Common Equity                                   | 26,468,339        | 21,710,355        |
| Complementary equity                            | 374,465           | 377,350           |
| Tier II   | 4,317,293         | 4,045,185         |
| Reference Shareholders' Equity (PR) - (a)       | 31,160,096        | 26,132,890        |
| Required Reference Shareholders' Equity (PRE)   | 14,113,295        | 12,553,154        |
| Total exposure risk-weighted - (b)              | 176,416,185       | 156,914,431       |
| Credit risk                                     | 136,582,110       | 120,955,912       |
| Operational risk                                | 9,943,021         | 7,025,255         |
| Market risk                                     | 29,891,054        | 28,933,264        |
| Basel ratio - (a/b)                             | 17.7%             | 16.7%             |
| Tier I capital                                  | 15.2%             | 14.1%             |
| Tier II capital                                 | 2.5%              | 2.6%              |
| Fixed assets ratio                              | 86.4%             | 99.6%             |
| Fixed assets to equity capital ratio            | 15,570,377        | 13,057,529        |
| Status for fixed assets to equity capital ratio | 13,445,709        | 13,004,047        |
| Amount of margin or insufficient                | 2,124,668         | 53,482            |

The 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 operating risk.

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

## BANCO BTG PACTUAL S.A.

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### b. Market 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, at a confidence level of 95.0% and one-year historical data. Reliable level of 95.0% means that there is one within twenty changes that the day trade net income remains below estimated VaR. Therefore, insufficiencies arising from net income expected from trading in a single day exceeding the reported VaR would be expected to occur, on average, around once a month. Losses in a single day may exceed the VaR reported in material amounts. Losses 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 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 VaR method for its daily risk activities.

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

| In millions of R\$ | March 2021 | December 2020 | March 2020 |
|--------------------|------------|---------------|------------|
| Daily average VaR  | 126.7      | 87.6          | 81.1       |

### c. Credit risk

All of the Bank's and its subsidiaries' counterparties are subject to strict 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 counterparties credit limits and its subsidiaries 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 bonds, derivatives, guarantees given, possible settlement risks among others.

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

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### **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 carefully monitored, considering the impact of extreme market conditions in order to assess their ability to realize assets or to reduce leverage.

### **e. Operating 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 was 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 strong culture in managing operational risk, which takes into account 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 comply 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.

### **f. Socio-environmental 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 Socio-Environmental 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 refer basically to deposits abroad in prime banks.

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### 7. Interbank investments

|   | 31/03/2021        |                   |                |                |                  | 31/12/2020        |
|---|-------------------|-------------------|----------------|----------------|------------------|-------------------|
|   | Total             | Up to 90 days     | 90 to 365 days | 1 to 3 years   | Over 3 years     | Total             |
| Open market investments                     | 47,160,793        | 44,903,341        | 161,851        | 428,563        | 1,667,038        | 50,777,127        |
| Own portfolio                               | 7,149,382         | 6,945,187         | 107,473        | -              | 96,722           | 24,146,547        |
| Federal government bonds                    | 7,114,536         | 6,910,341         | 107,473        | -              | 96,722           | 24,124,935        |
| Corporate bonds                             | -                 | -                 | -              | -              | -                | 3,560             |
| Foreign private securities                  | 34,846            | 34,846            | -              | -              | -                | 18,052            |
| Third-party portfolio                       | 34,696,895        | 34,224,369        | 54,378         | 296,067        | 122,081          | 21,111,426        |
| Federal government bonds                    | 34,691,093        | 34,218,567        | 54,378         | 296,067        | 122,081          | 21,106,178        |
| Corporate bonds                             | 5,802             | 5,802             | -              | -              | -                | 5,248             |
| Short position                              | 5,314,516         | 3,733,785         | -              | 132,496        | 1,448,235        | 5,519,154         |
| Federal government bonds                    | 5,314,516         | 3,733,785         | -              | 132,496        | 1,448,235        | 5,519,154         |
| Interbank investments                       | 1,970,085         | 1,690,379         | 192,329        | -              | 87,377           | 1,597,292         |
| Interbank deposit certificates              | 739,102           | 459,396           | 192,329        | -              | 87,377           | 889,230           |
| Investments in foreign currency - overnight | 1,230,983         | 1,230,983         | -              | -              | -                | 708,062           |
| <b>Total</b>                                | <b>49,130,878</b> | <b>46,593,720</b> | <b>354,180</b> | <b>428,563</b> | <b>1,754,415</b> | <b>52,374,419</b> |

As at March 31, 2021 the collateral received in repurchase agreements amounts to R\$47,901,419 (December 31, 2020- R\$11,877,810), whereas the collateral granted amounts to R\$56,684,617 (December 31, 2020 – R\$62,795,958).

### 8. Securities

#### a. Summary by type of portfolio

The breakdown by type of instrument and contractual maturity of the portfolio are as follows:

|  | 31/03/2021        |                   |                   |                   |                  |                  |                   | 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                          | 48,431,459        | 50,168,407        | 35,471,712        | 2,435,138         | 2,524,886        | 2,081,532        | 7,655,139         | 28,068,608        |
| Federal government bonds               | 20,926,405        | 20,926,824        | 18,542,487        | 2,219,260         | 85,958           | 40,063           | 39,056            | 3,506,534         |
| Debentures                             | 3,898,725         | 3,880,240         | 6,344             | 5,959             | 990,724          | 1,352,545        | 1,524,668         | 3,240,561         |
| Certificate of real estate receivables | 34,004            | 32,612            | 48                | 12,526            | 6,596            | 4,655            | 8,787             | 24,085            |
| Investment fund quotes                 |                   |                   |                   |                   |                  |                  |                   |                   |
| Multimarket                            | 15,057,217        | 15,299,004        | 15,017,787        | -                 | -                | -                | 281,217           | 13,395,252        |
| Shares                                 | 397,912           | 446,833           | 422,017           | -                 | -                | -                | 24,816            | 143,677           |
| FIDC - Credit rights                   | 3,054,495         | 3,491,414         | 122,122           | -                 | 430,418          | 201,863          | 2,737,011         | 2,514,286         |
| Equity investment fund                 | 1,260,420         | 2,421,512         | -                 | -                 | 181,388          | -                | 2,240,124         | 2,562,464         |
| Real estate                            | 236,384           | 508,839           | -                 | -                 | -                | -                | 508,839           | 128,390           |
| Shares                                 | 1,257,081         | 1,618,932         | 1,227,913         | -                 | 241,748          | -                | 149,271           | 1,207,356         |
| Agribusiness receivables certificates  | 780,110           | 777,518           | 74,034            | 409               | 207,155          | 432,257          | 63,663            | 846,118           |
| Others                                 | 579,428           | 573,897           | 43,071            | 161,543           | 361,594          | 7,507            | 182               | 213,314           |
| Foreign private securities             | 153,479           | 165,040           | -                 | 35,441            | 19,305           | 42,642           | 67,652            | 261,816           |
| Foreign government bonds               | 795,799           | 25,742            | 15,889            | -                 | -                | -                | 9,853             | 24,755            |
| Unrestricted portfolio                 | 92,248            | 88,719            | 24,599            | -                 | -                | -                | 64,120            | 31,169            |
| Federal government bonds               | 92,248            | 88,719            | 24,599            | -                 | -                | -                | 64,120            | 31,169            |
| Subject to repurchase agreements       | 16,323,747        | 15,958,343        | 569,417           | 10,007,338        | 3,830,110        | 509,817          | 1,041,661         | 35,420,708        |
| Federal government bonds               | 14,487,888        | 14,105,924        | 569,417           | 10,007,338        | 3,523,246        | 4,239            | 1,684             | 33,447,157        |
| Debentures                             | 1,571,303         | 1,593,295         | -                 | -                 | 228,978          | 496,662          | 867,655           | 1,572,199         |
| Agribusiness receivables certificates  | 185,597           | 180,245           | -                 | -                 | 2,526            | 6,541            | 171,178           | 217,352           |
| Certificate of real estate receivables | 78,959            | 78,879            | -                 | -                 | 75,360           | 2,375            | 1,144             | 91,639            |
| Others                                 | -                 | -                 | -                 | -                 | -                | -                | -                 | 92,361            |
| Subject to guarantees                  | 13,988,911        | 14,063,070        | 534,250           | 4,352,369         | 1,963,797        | 4,548,513        | 2,664,141         | 11,563,851        |
| Federal government bonds               | 4,350,312         | 4,352,369         | -                 | 4,352,369         | -                | -                | -                 | 1,217,124         |
| Investment fund quotes                 |                   |                   |                   |                   |                  |                  |                   |                   |
| Multimarket                            | 30,322            | 35,161            | 35,161            | -                 | -                | -                | -                 | 35,004            |
| Certificate of real estate receivables | 373,046           | 412,021           | -                 | -                 | -                | -                | 412,021           | 300,864           |
| Debentures                             | 8,627,919         | 8,576,475         | 65,066            | -                 | 1,757,799        | 4,501,490        | 2,252,120         | 9,430,578         |
| Agribusiness receivables certificates  | 257,022           | 253,021           | -                 | -                 | 205,998          | 47,023           | -                 | 257,381           |
| Shares                                 | 350,290           | 434,023           | 434,023           | -                 | -                | -                | -                 | 322,900           |
| Trading securities                     | 74,710,849        | 75,837,778        | 36,493,642        | 16,635,685        | 6,495,242        | 5,302,538        | 10,910,671        | 71,065,472        |
| Available for sale securities          | 4,125,516         | 4,440,761         | 106,336           | 159,160           | 1,823,551        | 1,837,324        | 514,390           | 4,018,864         |
| <b>Total</b>                           | <b>78,836,365</b> | <b>80,278,539</b> | <b>36,599,978</b> | <b>16,794,845</b> | <b>8,318,793</b> | <b>7,139,862</b> | <b>11,425,061</b> | <b>75,084,336</b> |

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### b. Trading securities

|  | 31/03/2021        |                   |                   |                   |                  |                  |                   | 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                          | 46,189,310        | 47,614,016        | 35,465,603        | 2,275,978         | 1,312,353        | 1,419,233        | 7,140,849         | 26,491,610        |
| Federal government bonds               | 20,926,405        | 20,926,824        | 18,542,487        | 2,219,260         | 85,958           | 40,063           | 39,056            | 3,506,534         |
| Debentures                             | 2,414,056         | 2,401,029         | 235               | 5,959             | 179,808          | 690,359          | 1,524,668         | 2,268,071         |
| Certificate of real estate receivables | 30,886            | 30,409            | 48                | 11,825            | 6,358            | 4,655            | 7,523             | 23,152            |
| Investment fund quotes                 |                   |                   |                   |                   |                  |                  |                   |                   |
| Multimarket                            | 15,057,217        | 15,299,004        | 15,017,787        | -                 | -                | -                | 281,217           | 13,395,252        |
| Shares                                 | 397,912           | 446,833           | 422,017           | -                 | -                | -                | 24,816            | 143,677           |
| FIDC - Credit rights                   | 3,054,495         | 3,491,414         | 122,122           | -                 | 430,418          | 201,863          | 2,737,011         | 2,514,286         |
| Equity investment fund                 | 1,091,689         | 1,938,643         | -                 | -                 | 181,388          | -                | 1,757,255         | 2,135,553         |
| Real estate                            | 236,384           | 508,839           | -                 | -                 | -                | -                | 508,839           | 128,390           |
| Shares                                 | 1,061,896         | 1,423,747         | 1,227,913         | -                 | 46,563           | -                | 149,271           | 1,081,079         |
| Agribusiness receivables certificates  | 580,612           | 578,040           | 74,034            | 409               | 7,790            | 432,144          | 63,663            | 846,118           |
| Others                                 | 412,539           | 408,609           | 43,071            | 3,084             | 354,765          | 7,507            | 182               | 184,872           |
| Foreign private securities             | 129,420           | 134,883           | -                 | 35,441            | 19,305           | 42,642           | 37,495            | 239,871           |
| Foreign government bonds               | 795,799           | 25,742            | 15,889            | -                 | -                | -                | 9,853             | 24,755            |
| Unrestricted portfolio                 | 92,248            | 88,719            | 24,599            | -                 | -                | -                | 64,120            | 31,169            |
| Federal government bonds               | 92,248            | 88,719            | 24,599            | -                 | -                | -                | 64,120            | 31,169            |
| Subject to repurchase agreements       | 16,145,918        | 15,780,660        | 569,417           | 10,007,338        | 3,673,178        | 489,066          | 1,041,661         | 34,838,162        |
| Federal government bonds               | 14,487,888        | 14,105,924        | 569,417           | 10,007,338        | 3,523,246        | 4,239            | 1,684             | 33,447,157        |
| Debentures                             | 1,393,474         | 1,415,612         | -                 | -                 | 72,046           | 475,911          | 867,655           | 1,083,058         |
| Agribusiness receivables certificates  | 185,597           | 180,245           | -                 | -                 | 2,526            | 6,541            | 171,178           | 217,352           |
| Certificate of real estate receivables | 78,959            | 78,879            | -                 | -                 | 75,360           | 2,375            | 1,144             | 90,595            |
| Subject to guarantees                  | 12,283,373        | 12,354,383        | 434,023           | 4,352,369         | 1,509,711        | 3,394,239        | 2,664,041         | 9,704,531         |
| Federal government bonds               | 4,350,312         | 4,352,369         | -                 | 4,352,369         | -                | -                | -                 | 1,217,124         |
| Certificate of real estate receivables | 373,046           | 412,021           | -                 | -                 | -                | -                | 412,021           | -                 |
| Debentures                             | 7,209,725         | 7,155,970         | -                 | -                 | 1,509,711        | 3,394,239        | 2,252,020         | 7,907,126         |
| Agribusiness receivables certificates  | -                 | -                 | -                 | -                 | -                | -                | -                 | 257,381           |
| Shares                                 | 350,290           | 434,023           | 434,023           | -                 | -                | -                | -                 | 322,900           |
| <b>Total</b>                           | <b>74,710,849</b> | <b>75,837,778</b> | <b>36,493,642</b> | <b>16,635,685</b> | <b>6,495,242</b> | <b>5,302,538</b> | <b>10,910,671</b> | <b>71,065,472</b> |

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### c. Available-for-sale securities

|  | 31/03/2021       |                  |                |                |                  |                  |                | 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                          | 2,242,149        | 2,554,391        | 6,109          | 159,160        | 1,212,533        | 662,299          | 514,290        | 1,576,998        |
| Certificate of real estate receivables | 3,118            | 2,203            | -              | 701            | 238              | -                | 1,264          | 933              |
| Foreign private securities             | 24,059           | 30,157           | -              | -              | -                | -                | 30,157         | 21,945           |
| Other                                  | 166,889          | 165,288          | -              | 158,459        | 6,829            | -                | -              | 28,442           |
| Investment fund quotes                 |                  |                  |                |                |                  |                  |                |                  |
| Equity investment fund                 | 168,731          | 482,869          | -              | -              | -                | -                | 482,869        | 426,911          |
| Agribusiness receivables certificates  | 199,498          | 199,478          | -              | -              | 199,365          | 113              | -              | -                |
| Debentures                             | 1,484,669        | 1,479,211        | 6,109          | -              | 810,916          | 662,186          | -              | 972,490          |
| Shares                                 | 195,185          | 195,185          | -              | -              | 195,185          | -                | -              | 126,277          |
| Subject to repurchase agreements       | 177,829          | 177,683          | -              | -              | 156,932          | 20,751           | -              | 582,546          |
| Debentures                             | 177,829          | 177,683          | -              | -              | 156,932          | 20,751           | -              | 489,141          |
| Certificate of real estate receivables | -                | -                | -              | -              | -                | -                | -              | 1,044            |
| Other                                  | -                | -                | -              | -              | -                | -                | -              | 92,361           |
| Subject to guarantees                  | 1,705,538        | 1,708,687        | 100,227        | -              | 454,086          | 1,154,274        | 100            | 1,859,320        |
| Investment fund quotes                 |                  |                  |                |                |                  |                  |                |                  |
| Multimarket                            | 30,322           | 35,161           | 35,161         | -              | -                | -                | -              | 35,004           |
| Debentures                             | 1,418,194        | 1,420,505        | 65,066         | -              | 248,088          | 1,107,251        | 100            | 1,523,452        |
| Agribusiness receivables certificates  | 257,022          | 253,021          | -              | -              | 205,998          | 47,023           | -              | -                |
| Certificate of real estate receivables | -                | -                | -              | -              | -                | -                | -              | 300,864          |
| Total                                  | <u>4,125,516</u> | <u>4,440,761</u> | <u>106,336</u> | <u>159,160</u> | <u>1,823,551</u> | <u>1,837,324</u> | <u>514,390</u> | <u>4,018,864</u> |

### d. Reclassification of securities

In order to reflect the current strategy, in the year ended December 31, 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 quarter on ended March 31, 2021.

## 9. Derivative financial instruments

The Bank actively engages 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, 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.

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Transactions conducted in Brazil are traded, registered or held in custody by B3 S.A.; transactions conducted abroad are traded and registered with prime brokers. The Bank uses different financial instruments to achieve economical hedge 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 deemed necessary.

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

The notional amounts of transactions with financial instruments are recorded in memo accounts and the adjustment/premium in balance sheet accounts. The assumed positions arising from transactions with derivative financial instruments, demonstrated below, considers the provisions of Bacen Circular 3641/13, which determines the exclusion of agreements in currency, gold and other assets linked to foreign exchange exposure, with maturity in the first business day following the date the exchange exposure is verified. The receivable leg and payable leg are presented separately for Swap, Non-Deliverable Forward (NDF) and Deliverable Forward (DF) derivatives in the table below.

|                           | 31/03/2021     |                |             |             | 31/12/2020  |
|---------------------------|----------------|----------------|-------------|-------------|-------------|
|                           | Up to 6 months | 6 to 12 months | Over 1 year | Total       | Total       |
| <b>Futures market</b>     |                |                |             |             |             |
| Long position             | 18,193,358     | 447,222        | 5,656,757   | 24,297,337  | 46,259,616  |
| Currency                  | 295,891        | 15,903         | 12,323      | 324,117     | 2,967,155   |
| Interest rate             | 17,775,743     | 431,319        | 4,692,331   | 22,899,393  | 42,436,104  |
| Index                     | 121,724        | -              | 952,103     | 1,073,827   | 856,357     |
| Short position            | 65,437,455     | 9,033,869      | 6,981,585   | 81,452,909  | 29,327,151  |
| Currency                  | 13,837,844     | -              | -           | 13,837,844  | 7,202,404   |
| Interest rate             | 51,466,721     | 8,991,547      | 6,981,585   | 67,439,853  | 22,041,879  |
| Index                     | 132,890        | 42,322         | -           | 175,212     | 82,868      |
| <b>Swap</b>               |                |                |             |             |             |
| Long position             | 28,090,867     | 39,044,829     | 462,009,238 | 529,144,934 | 509,010,400 |
| Currency                  | 8,891,780      | 19,004,408     | 212,547,198 | 240,443,386 | 222,427,424 |
| Interest rate             | 17,172,798     | 19,593,409     | 248,739,789 | 285,505,996 | 280,964,632 |
| Commodities               | 68,771         | 58,439         | -           | 127,210     | 70,654      |
| Index                     | 77,305         | 41,215         | 282,097     | 400,617     | 262,708     |
| Equities                  | 1,719,590      | 285,792        | 440,154     | 2,445,536   | 4,581,842   |
| Other                     | 160,623        | 61,566         | -           | 222,189     | 703,140     |
| Short position            | 28,090,867     | 39,044,829     | 462,009,238 | 529,144,934 | 509,010,400 |
| Currency                  | 7,205,432      | 5,111,343      | 194,925,089 | 207,241,864 | 199,611,006 |
| Interest rate             | 18,754,742     | 32,502,488     | 264,634,595 | 315,891,825 | 304,729,417 |
| Index                     | 49,096         | 185,582        | 992,364     | 1,227,042   | 1,023,134   |
| Commodities               | 501,407        | 58,439         | -           | 559,846     | 2,659,110   |
| Equities                  | 1,435,451      | 826,777        | 1,217,026   | 3,479,254   | 596,074     |
| Other                     | 144,739        | 360,200        | 240,164     | 745,103     | 391,659     |
| <b>Credit derivatives</b> |                |                |             |             |             |
| Long position             | -              | 28,487         | 234,355     | 262,842     | 245,380     |
| Sovereign                 | -              | -              | 15,155      | 15,155      | 14,811      |
| Corporate                 | -              | 28,487         | 219,200     | 247,687     | 230,569     |
| Short position            | -              | 28,487         | 547,706     | 576,193     | 531,197     |
| Sovereign                 | -              | -              | 15,155      | 15,155      | 26,295      |
| Corporate                 | -              | 28,487         | 532,551     | 561,038     | 504,902     |

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|                               | 31/03/2021     |                |             |             | 31/12/2020  |
|-------------------------------|----------------|----------------|-------------|-------------|-------------|
|                               | Up to 6 months | 6 to 12 months | Over 1 year | Total       | Total       |
| Non-deliverable forward - NDF |                |                |             |             |             |
| Long position                 | 124,046,746    | 13,766,892     | 7,737,245   | 145,550,883 | 111,529,822 |
| Currency                      | 121,697,339    | 11,312,746     | 3,297,365   | 136,307,450 | 103,012,402 |
| Commodities                   | 2,349,407      | 2,454,146      | 4,439,880   | 9,243,433   | 8,517,420   |
| Short position                | 124,046,746    | 13,766,892     | 7,737,245   | 145,550,883 | 111,529,822 |
| Currency                      | 121,697,339    | 11,312,746     | 3,297,365   | 136,307,450 | 103,012,402 |
| Commodities                   | 2,349,407      | 2,454,146      | 4,439,880   | 9,243,433   | 8,517,420   |
| Security forwards             |                |                |             |             |             |
| Long position                 | 888,841        | -              | -           | 888,841     | 503,190     |
| Interest rate                 | 411,533        | -              | -           | 411,533     | 493,825     |
| Government bonds              | 477,308        | -              | -           | 477,308     | 9,365       |
| Short position                | 888,841        | -              | -           | 888,841     | 503,190     |
| Interest rate                 | 477,308        | -              | -           | 477,308     | 9,365       |
| Government bonds              | 411,533        | -              | -           | 411,533     | 493,825     |
| Options                       |                |                |             |             |             |
| Long position                 |                |                |             |             |             |
| Call option                   | 6,191,624      | 540,916        | 526,915     | 7,259,455   | 13,227,709  |
| Equities                      | 170,736        | 100,076        | 95,165      | 365,977     | 878,014     |
| Commodities                   | 328,386        | 765            | -           | 329,151     | 52,903      |
| Index                         | 361,602        | 56,973         | -           | 418,575     | 119,752     |
| Currency                      | 5,330,900      | 383,102        | 431,750     | 6,145,752   | 12,177,040  |
| Put option                    | 8,464,043      | 31,825,352     | 267,513     | 40,556,908  | 274,795,366 |
| Equities                      | 604,901        | -              | -           | 604,901     | 184,716     |
| Commodities                   | 69,222         | -              | -           | 69,222      | 182,976     |
| Index                         | 370,206        | 31,384,027     | -           | 31,754,233  | 257,294,489 |
| Currency                      | 7,419,714      | 441,325        | 267,513     | 8,128,552   | 17,133,185  |
| Short position                |                |                |             |             |             |
| Call option                   | 2,849,762      | 276,128        | 351,960     | 3,477,850   | 9,895,186   |
| Equities                      | 192,350        | 85,944         | -           | 278,294     | 637,213     |
| Commodities                   | 331,257        | 525            | -           | 331,782     | 151,097     |
| Index                         | 808,535        | 94,005         | -           | 902,540     | 113,028     |
| Currency                      | 1,517,620      | 95,654         | 351,960     | 1,965,234   | 8,993,848   |
| Put option                    | 6,005,191      | 31,687,464     | 2,831       | 37,695,486  | 271,375,176 |
| Equities                      | 553,925        | -              | -           | 553,925     | 222,639     |
| Commodities                   | 64,664         | -              | -           | 64,664      | 486,359     |
| Index                         | 474,300        | 31,445,130     | -           | 31,919,430  | 257,260,966 |
| Currency                      | 4,912,302      | 242,334        | 2,831       | 5,157,467   | 13,405,212  |

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### b. By cost and market value

|                               | 31/03/2021       |                   |                  |                |                   | 31/12/2020        |
|-------------------------------|------------------|-------------------|------------------|----------------|-------------------|-------------------|
|                               | Cost             | Market            | Up to 6 months   | 6 to 12 months | Over 1 year       | Total             |
| Swaps                         |                  |                   |                  |                |                   |                   |
| Long position                 | 1,861,727        | 28,390,947        | 1,330,184        | 82,018         | 26,978,745        | 13,974,598        |
| Short position                | 3,365,404        | 38,654,063        | 796,044          | 162,056        | 37,695,963        | 23,841,304        |
| Credit derivatives            |                  |                   |                  |                |                   |                   |
| Long position                 | -                | 26,433            | -                | -              | 26,433            | 16,307            |
| Short position                | 4,904            | 18,162            | 2,990            | -              | 15,172            | 4,958             |
| Non-deliverable forward - NDF |                  |                   |                  |                |                   |                   |
| Long position                 | 2,414,412        | 2,305,914         | 1,372,175        | 354,314        | 579,425           | 2,479,522         |
| Short position                | 1,893,285        | 1,960,020         | 1,473,624        | 294,779        | 191,617           | 2,731,852         |
| Forward transaction           |                  |                   |                  |                |                   |                   |
| Long position                 | 969,369          | 971,283           | 971,283          | -              | -                 | 503,155           |
| Short position                | 961,149          | 966,643           | 966,643          | -              | -                 | 503,152           |
| Options market                |                  |                   |                  |                |                   |                   |
| Long position                 | 947,058          | 1,247,419         | 899,311          | 122,667        | 225,441           | 2,192,704         |
| Short position                | 49,126           | 225,506           | 127,597          | 39,081         | 58,828            | 917,539           |
| <b>Long position</b>          | <b>6,192,566</b> | <b>32,941,996</b> | <b>4,572,953</b> | <b>558,999</b> | <b>27,810,044</b> | <b>19,166,286</b> |
| <b>Short position</b>         | <b>6,273,868</b> | <b>41,824,394</b> | <b>3,366,898</b> | <b>495,916</b> | <b>37,961,580</b> | <b>27,998,805</b> |

### c. Notional value by counterparty

|                               | 31/03/2021                       |                            |                   |                  |                    | 31/12/2020         |
|-------------------------------|----------------------------------|----------------------------|-------------------|------------------|--------------------|--------------------|
|                               | Clearing houses / stock exchange | Financial Institutions (i) | Companies         | Individuals      | Total              | Total              |
| Futures market                |                                  |                            |                   |                  |                    |                    |
| Long position                 | 24,052,638                       | 244,699                    | -                 | -                | 24,297,337         | 46,259,616         |
| Short position                | 81,211,864                       | 241,045                    | -                 | -                | 81,452,909         | 29,327,151         |
| Swap                          |                                  |                            |                   |                  |                    |                    |
| Long position                 | 14,548,363                       | 511,392,740                | 1,537,094         | 1,666,737        | 529,144,934        | 509,010,400        |
| Short position                | 14,548,363                       | 511,392,740                | 1,537,094         | 1,666,737        | 529,144,934        | 509,010,400        |
| Credit derivatives            |                                  |                            |                   |                  |                    |                    |
| Long position                 | -                                | 262,842                    | -                 | -                | 262,842            | 245,380            |
| Short position                | -                                | 576,193                    | -                 | -                | 576,193            | 531,197            |
| Non-deliverable forward - NDF |                                  |                            |                   |                  |                    |                    |
| Long position                 | -                                | 108,548,984                | 36,767,491        | 234,408          | 145,550,883        | 111,529,822        |
| Short position                | -                                | 108,548,984                | 36,767,491        | 234,408          | 145,550,883        | 111,529,822        |
| Forward transactions          |                                  |                            |                   |                  |                    |                    |
| Long position                 | -                                | 888,841                    | -                 | -                | 888,841            | 503,190            |
| Short position                | -                                | 888,841                    | -                 | -                | 888,841            | 503,190            |
| Options market                |                                  |                            |                   |                  |                    |                    |
| Long position                 | -                                | 47,199,818                 | 290,095           | 326,450          | 47,816,363         | 288,023,075        |
| Short position                | -                                | 40,668,726                 | 290,430           | 214,180          | 41,173,336         | 281,270,362        |
| <b>Long position</b>          | <b>38,601,001</b>                | <b>668,537,924</b>         | <b>38,594,680</b> | <b>2,227,595</b> | <b>747,961,200</b> | <b>955,571,483</b> |
| <b>Short position</b>         | <b>95,760,227</b>                | <b>662,316,529</b>         | <b>38,595,015</b> | <b>2,115,325</b> | <b>798,787,096</b> | <b>932,172,122</b> |

(i) Includes investments funds.

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### d. Credit derivatives

|                  | <u>31/03/2021</u> | <u>31/12/2020</u> |
|------------------|-------------------|-------------------|
| Credit swap      |                   |                   |
| Transferred risk |                   |                   |
| Sovereign        | 15,155            | 14,811            |
| Corporate        | 247,686           | 230,569           |
| Risk received    |                   |                   |
| Sovereign        | (15,155)          | (26,295)          |
| Corporate        | (561,038)         | (504,902)         |
| Total            | <u>(313,352)</u>  | <u>(285,817)</u>  |

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

### e. Guarantee margin

Guarantee margin in transactions traded on B3 S.A. and other stock exchanges with derivatives comprises federal government bonds and others, totaling R\$10,945,539 (December 31, 2020 – R\$10,114,688), and equities in the amount of R\$434,023 (December 31, 2020 – R\$322,900).

### 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 proper 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 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 Forward: using stock exchange quotations or criteria identical to those described for swaps above.
- Options: the fair value of these instruments are 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 brokers and 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 uses data relating to the issuer's credit spread and interest rate yield curve. These data are obtained from different sources (normally market prices, Bloomberg and Reuters).

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- Securities and short selling: the fair value of government bonds are 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 Company'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 in 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, as applicable.

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

Loans and other operations with loan characteristics are as follows:

#### a. Loans

##### i. By type of credit

| Type of credit   | 31/03/2021        |                    | 31/12/2020        |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | Balance           | Allowance          | Balance           | Allowance          |
| Loans  | 35,057,040        | (845,308)          | 33,102,968        | (1,461,448)        |
| Financing  | 4,211,596         | (89,039)           | 3,379,242         | (102,709)          |
| FINAME/BNDES   | 4,224,111         | (25,230)           | 4,015,395         | (23,458)           |
| Other receivables with loans characteristics and transferred loan (ii) | 46,546            | (28,391)           | 90,350            | (28,391)           |
| Advances in foreign exchange contracts (ii)                            | 2,881,945         | (46,071)           | 2,074,406         | (36,552)           |
| Transferred loans with co-obligations (i)                              | -                 | -                  | 1,472             | -                  |
| Total  | <u>46,421,238</u> | <u>(1,034,039)</u> | <u>42,663,833</u> | <u>(1,652,558)</u> |

(i) Refers to transferred loans as collateral, related to repurchase agreements.

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

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### ii. By risk level and maturity

| Risk level | 31/03/2021 |                |                |                | 31/12/2020 |             |            |             |
|------------|------------|----------------|----------------|----------------|------------|-------------|------------|-------------|
|            | Overdue    | Maturity       |                |                | Total      | Allowance   | Total      | Allowance   |
|            |            | Up to 6 months | 6 to 12 months | Over 12 months |            |             |            |             |
| AA         | 50,862     | 8,626,361      | 1,552,665      | 7,959,606      | 18,189,494 | -           | 18,102,552 | -           |
| A          | 14,928     | 4,936,611      | 1,852,423      | 6,883,331      | 13,687,293 | (68,350)    | 10,868,092 | (54,334)    |
| B          | 16,489     | 3,951,120      | 1,973,292      | 5,726,464      | 11,667,365 | (116,570)   | 9,891,996  | (100,026)   |
| C          | 6,638      | 117,747        | 17,748         | 654,447        | 796,580    | (43,806)    | 868,182    | (44,336)    |
| D          | 751        | 302,638        | 20,500         | 588,102        | 911,991    | (111,852)   | 1,144,051  | (192,475)   |
| E          | 11         | 8              | 98             | 600,827        | 600,944    | (249,618)   | 454,805    | (169,053)   |
| F          | 1,517      | 121,703        | 25,624         | 70,181         | 219,025    | (117,618)   | 216,876    | (116,484)   |
| G          | 37,299     | 26,928         | 19,517         | 20,405         | 104,149    | (81,828)    | 778,055    | (636,626)   |
| H          | 41,162     | 15,509         | 6,449          | 181,277        | 244,397    | (244,397)   | 339,224    | (339,224)   |
| Total      | 169,657    | 18,098,625     | 5,468,316      | 22,684,640     | 46,421,238 | (1,034,039) | 42,663,833 | (1,652,558) |

### iii. By activity sector

| Sector      | 31/03/2021 | 31/12/2020 |
|-------------|------------|------------|
| Commerce    | 84,782     | 77,004     |
| Industry    | 12,739,631 | 13,584,743 |
| Services    | 31,792,177 | 26,894,568 |
| Rural       | 527,795    | 525,643    |
| Individuals | 1,276,853  | 1,581,875  |
| Total       | 46,421,238 | 42,663,833 |

### b. Credit concentration

|                                     | 31/03/2021 | %    | 31/12/2020 | %    |
|-------------------------------------|------------|------|------------|------|
| Largest debtors                     |            |      |            |      |
| 10 largest debtors                  | 13,634,300 | 30%  | 10,059,645 | 24%  |
| 20 following largest debtors        | 5,363,089  | 12%  | 6,772,121  | 16%  |
| 50 following largest debtors        | 11,512,065 | 25%  | 8,307,784  | 19%  |
| 100 following largest debtors       | 8,016,057  | 17%  | 7,666,953  | 18%  |
| 200 following largest debtors       | 5,331,334  | 11%  | 5,502,747  | 13%  |
| 500 following largest debtors       | 2,503,454  | 5%   | 3,117,463  | 7%   |
| Above 500 following largest debtors | 60,939     | 0%   | 1,237,120  | 3%   |
| Total                               | 46,421,238 | 100% | 42,663,833 | 100% |

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

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

|   | 31/03/2021  | 31/03/2020  |
|---|-------------|-------------|
| Opening balance for the quarter                           | (1,652,558) | (1,076,063) |
| Reversal/(recording) of allowance                         | 27,279      | (70,286)    |
| Credit renegotiation                                      | 585,225     | -           |
| Other   | 6,015       | (3,819)     |
| Closing balances for the quarter                          | (1,034,039) | (1,150,168) |
| Breakdown of closing balances                             |             |             |
| Allowance for expected losses associated with credit risk | (1,034,039) | (1,150,168) |

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

As at March 31, 2021, the amount of R\$1,998,632 were due to credit renegotiation (December 31, 2020 – R\$3,915,098). Also in the quarter ended March 31, 2021 there were R\$37,827 written off loans recovered (December 31, 2020 – R\$14,345).

## 11. Other receivables/obligations

### a. Foreign exchange portfolio

|   | 31/03/2021 |             | 31/12/2020 |             |
|---|------------|-------------|------------|-------------|
|   | Assets     | Liabilities | Assets     | Liabilities |
| Unsettled exchange contracts              | 13.564.717 | 27.600.032  | 5.437.396  | 11.329.285  |
| Rights on foreign exchange sales          | 27.360.071 | -           | 13.556.591 | -           |
| (-) Advances in foreign currency received | -          | -           | (2.182)    | -           |
| (-) Advances in local currency received   | (88.669)   | -           | (320)      | -           |
| Liability for foreign exchange purchase   | (20.467)   | 13.504.206  | -          | 7.464.199   |
| Total                                     | 40.815.652 | 41.104.238  | 18.991.485 | 18.793.484  |
| Current                                   | 40.815.383 | 41.104.238  | 18.985.456 | 18.707.516  |
| Non-current                               | 269        | -           | 6.029      | 85.968      |

Guarantees for foreign exchange transactions carried out through B3 S.A., are represented by federal government bonds in the amount of R\$2,683,508 (December 31, 2020 - R\$1,126,263).

### b. Securities trading and brokerage

|   | 31/03/2021 |             | 31/12/2020 |             |
|---|------------|-------------|------------|-------------|
|   | Assets     | Liabilities | Assets     | Liabilities |
| Clearing houses                             | 1,215,524  | 1,193,775   | 399,997    | 190,417     |
| Commissions and brokerage payable           | -          | 151,557     | -          | 125,486     |
| Pending settlement                          | 5,460,931  | 1,531,921   | 3,224,683  | 285,750     |
| Unsettled third-party interbank investments | -          | -           | -          | 52,286      |
| Creditors for stock loans                   | -          | 195         | -          | 135         |
| Securities trading and brokerage            | 289,734    | 891,239     | 81,471     | 674,444     |
| Total                                       | 6,966,189  | 3,768,687   | 3,706,151  | 1,328,518   |
| Current                                     | 6,966,189  | 3,768,687   | 3,706,151  | 1,328,518   |
| Non-current                                 | -          | -           | -          | -           |

“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.

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

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### 12. Other receivables

#### a. Income receivable

|  | <u>31/03/2021</u> | <u>31/12/2020</u> |
|--|-------------------|-------------------|
| Dividends and profit sharing   | 970,405           | 911,059           |
| Receivables from services rendered                                   | 21,880            | 16,654            |
| Rights on energy sales   | 779,440           | 684,384           |
| Management and performance fees from investment funds and portfolios | 13,175            | 14,219            |
| Distribution fees  | 13,520            | 8,668             |
| Commissions on guarantees  | 18,720            | 58,322            |
| Total  | <u>1,817,140</u>  | <u>1,693,306</u>  |
| Current  | 1,726,688         | 1,683,791         |
| Non-current  | 90,452            | 9,515             |

#### b. Sundry

|   | <u>31/03/2021</u> | <u>31/12/2020</u> |
|---|-------------------|-------------------|
| Sundry - Brazil (ii)                                | 7,445,957         | 6,861,382         |
| Amounts receivable from arbitration proceedings (i) | 83,162            | 83,162            |
| Judicial deposits                                   | 1,105,479         | 1,105,238         |
| Taxes to offset                                     | 102,217           | 232,529           |
| Securities and credits receivable                   |                   |                   |
| Without loan characteristics                        | 482,676           | 425,463           |
| Other   | 160,896           | 82,566            |
| Total   | <u>9,380,387</u>  | <u>8,790,340</u>  |
| Current   | 1,995,843         | 1,833,668         |
| Non-current   | 7,384,544         | 6,956,672         |

(i) As described on Note 17a

(ii) Refers basically to receivables from controlled entities.

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### 13. Investments in subsidiaries, associates companies and jointly controlled entities

|   | Subsidiaries, associates and jointly controlled entities |            |                   |            |                 |            |
|---|--|------------|-------------------|------------|-----------------|------------|
|   | Shareholders Equity                                      |            | Net income (loss) |            | Equity interest |            |
|   | 31/03/2021   | 31/12/2020 | 31/03/2021        | 31/03/2020 | 31/03/2021      | 31/12/2020 |
| <b>In Brazil</b>  |  |            |                   |            |                 |            |
| BTG Pactual Asset Management S.A. DTVM                      | 266,963  | 259,344    | 7,620             | 41,833     | 99.99%          | 99.99%     |
| BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. | 605,351  | 536,959    | 68,394            | 51,463     | 99.99%          | 99.99%     |
| BTG Pactual Serviços Financeiros S.A. DTVM                  | 82,985   | 69,738     | 13,247            | 14,553     | 99.99%          | 99.99%     |
| BTG Pactual Holding Participações S.A.                      | 14,483   | 14,079     | 162               | 236        | 99.99%          | 99.99%     |
| BTG Pactual Holding Internacional S.A.                      | 9,653,968  | 9,150,585  | 261,501           | 140,524    | 99.99%          | 99.99%     |
| BW Properties S.A.  | 477,995  | 478,442    | (447)             | 19,302     | 42.72%          | 42.72%     |
| BTG Pactual Holding de Seguros Ltda.                        | 687,963  | 734,666    | 27,319            | 9,320      | 99.99%          | 99.99%     |
| Pan Corretora S.A.  | 56,664   | 42,309     | 14,355            | 9,189      | 51.00%          | 51.00%     |
| Banco Sistema S.A.  | 721,973  | 686,494    | 35,479            | 19,925     | 99.91%          | 99.91%     |
| Eneva S.A.  | 8,148,772  | 7,278,859  | 203,145           | -          | 22.89%          | 22.93%     |
| BTGP Corretora de Seguros S.A.                              | 16,356   | 28,563     | 7,793             | 2,604      | 99.99%          | 99.99%     |
| BTG Pactual Corretora de Resseguros Ltda                    | 13,049   | 25,573     | 5,476             | 4,991      | 99.99%          | 99.99%     |
| <b>Jointly-controlled entities - In Brazil</b>              |  |            |                   |            |                 |            |
| Banco Pan S.A. (ii)   | 5,434,146  | 5,317,468  | 190,277           | 170,558    | 44.85%          | 44.85%     |
| <b>Abroad</b>   |  |            |                   |            |                 |            |
| BTG Pactual Internacional Holding Ltd.                      | 12,605   | 11,425     | 76                | 590        | 99.99%          | 99.99%     |
| BSI Limited (i)   | 494,636  | 321,973    | 125,895           | 93,369     | 100.00%         | 100.00%    |

(i) Refers to investment vehicle used by the Bank, to invest in EFG. The equity accounting result related to the investment in EFG recognized during the quarter ended March 31, 2021 comprises 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\$3.6 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             | Aquisition /<br>Increase /<br>Transfer /<br>(Sales) | Dividends paid   | Equity pick up | Foreign exchange | Fair value<br>adjustments | 31/03/2021        | Equity pick up in<br>31/03/2020 |
| <b>Subsidiaries and associates - In Brazil</b>                 |                        |   |                  |                |                  |                           |                   |                                 |
| BTG Pactual Asset Management S.A. DTVM                         | 259,341                | -   | -                | 7,620          | -                | -                         | 266,961           | 41,833                          |
| BTG Pactual Corretora de Títulos e Valores<br>Mobiliários S.A. | 536,958                | -   | -                | 68,394         | -                | -                         | 605,352           | 51,463                          |
| BTG Pactual Serviços Financeiros S.A. DTVM                     | 69,739                 | -   | -                | 13,247         | -                | -                         | 82,986            | 14,553                          |
| BTG Pactual Holding Participações S.A.                         | 14,078                 | -   | -                | 244            | 243              | -                         | 14,565            | 236                             |
| BTG Pactual Holding Internacional S.A.                         | 9,150,584              | -   | -                | 261,501        | 296,121          | (54,239)                  | 9,653,967         | 140,524                         |
| BW Properties S.A.   | 204,394                | -   | -                | (191)          | -                | -                         | 204,203           | 8,241                           |
| Goodwill – BW Properties S.A.                                  | 2,322                  | -   | -                | -              | -                | -                         | 2,322             | -                               |
| BTG Pactual Holding de Seguros Ltda.                           | 734,666                | -   | (78,000)         | 27,319         | -                | 3,978                     | 687,963           | 9,320                           |
| BTGP Corretora de Seguros S.A.                                 | 28,562                 | -   | (20,000)         | 7,793          | -                | -                         | 16,355            | 2,604                           |
| Pan Corretora S.A.   | 21,577                 | -   | -                | 7,321          | -                | -                         | 28,898            | 4,686                           |
| Banco Sistema S.A.   | 685,857                | -   | -                | 35,446         | -                | -                         | 721,303           | 19,906                          |
| BTG Pactual Corretora de Resseguros Ltda                       | 25,573                 | -   | (18,000)         | 5,476          | -                | -                         | 13,049            | 4,991                           |
| Other (iii) (iv)   | 3,809,972              | 750   | (60)             | 44,292         | -                | 1,005                     | 3,855,959         | (3,331)                         |
|  | <b>15,543,623</b>      | <b>750</b>  | <b>(116,060)</b> | <b>478,462</b> | <b>296,364</b>   | <b>(49,256)</b>           | <b>16,153,883</b> | <b>295,026</b>                  |
| <b>Jointly-controlled entities - In Brazil</b>                 |                        |   |                  |                |                  |                           |                   |                                 |
| Banco Pan S.A. (i)   | 2,385,034              | -   | (33,385)         | 85,345         | -                | 374                       | 2,437,368         | 67,397                          |
| Negative goodwill - Pan S.A.                                   | (3,272)                | -   | -                | -              | -                | -                         | (3,272)           | -                               |
|  | <b>2,381,762</b>       | <b>-</b>  | <b>(33,385)</b>  | <b>85,345</b>  | <b>-</b>         | <b>374</b>                | <b>2,434,096</b>  | <b>67,397</b>                   |
| <b>Total</b>   | <b>17,925,385</b>      | <b>750</b>  | <b>(149,445)</b> | <b>563,807</b> | <b>296,364</b>   | <b>(48,882)</b>           | <b>18,587,979</b> | <b>362,423</b>                  |
| <b>Abroad</b>  |                        |   |                  |                |                  |                           |                   |                                 |
| BTG Pactual Internacional Holding Ltd. (ii)                    | 11,426                 | -   | -                | 76             | 1,104            | -                         | 12,606            | 590                             |
| BSI Limited (ii)   | 321,972                | -   | -                | 125,895        | 7,854            | 38,915                    | 494,636           | 93,369                          |
| Goodwill - BSI Limited (ii)                                    | 421,334                | -   | -                | -              | 10,376           | -                         | 431,710           | (13,758)                        |
|  | <b>754,732</b>         | <b>-</b>  | <b>-</b>         | <b>125,971</b> | <b>19,334</b>    | <b>38,915</b>             | <b>938,952</b>    | <b>80,201</b>                   |
| <b>Total</b>   | <b>18,680,117</b>      | <b>750</b>  | <b>(149,445)</b> | <b>689,778</b> | <b>315,698</b>   | <b>(9,967)</b>            | <b>19,526,931</b> | <b>442,624</b>                  |

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- (i) See note 2.
- (ii) The difference between equity pick up in subsidiaries and net income of subsidiaries refers to the exchange rate variation.
- (iii) Eneva's shares were received in a debt renegotiation and were recorded under Securities. On the base date of December 31, 2020, management reassessed its intention and accounting classification on the investment in the company and took the decision to reclassify the participation as a Permanent Investment. The transfer between accounting items was carried out at market value (accounting practice before reclassification). After reclassification, in accordance with the accounting practices applicable to Financial Institutions, the measurement of this asset will be made using the equity pickup and will be the basis for periodic reviews to meet the concept of recoverable value, at least semi-annually or when there are objective signs of impairment captured by management through external and internal sources.
- (iv) Includes investes in Galgo S.A., Visum Capital and Eneva S.A.

## 14.Intangible asset

|                          | Changes in intangible assets |                         |                       |                    | 31/03/2021     |
|--------------------------|------------------------------|-------------------------|-----------------------|--------------------|----------------|
|                          | 31/12/2020                   | Acquisitions / transfer | Amortization expenses | Exchange variation |                |
| <b>Intangible assets</b> |                              |                         |                       |                    |                |
| Softwares                | 222,295                      | 23,245                  | -                     | 1,676              | 247,216        |
| Amortization             | (117,913)                    | -                       | (1,741)               | (1,557)            | (121,211)      |
| <b>Total</b>             | <b>104,382</b>               | <b>23,245</b>           | <b>(1,741)</b>        | <b>119</b>         | <b>126,005</b> |

The intangible asset amortization period is 5 years.

## 15.Fund raising and loans borrowings

### a. Summary

|   | 31/03/2021         |                   |                   |                   |                   |                   | 31/12/2020         |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|   | Total              | Up to 90 days     | 90 to 365 days    | 1 to 3 years      | 3 to 5 years      | Over 5 years      | Total              |
| Deposits  | 64,440,155         | 30,696,039        | 29,898,435        | 2,039,578         | 1,806,078         | 25                | 56,633,560         |
| Open market funding   | 56,337,648         | 53,975,578        | 455,770           | 333,523           | -                 | 1,572,777         | 62,582,988         |
| Funds from securities issued and accepted                   | 45,360,775         | 2,818,861         | 21,557,693        | 6,834,391         | 9,453,696         | 4,696,134         | 40,427,686         |
| Loans and borrowings  | 6,396,335          | 1,438,200         | 84,488            | 238,722           | 828,025           | 3,806,900         | 6,229,337          |
| Subordinated debts and subordinated debt eligible to equity | 7,412,392          | 772,762           | 46,017            | 2,299,684         | 178,343           | 4,115,586         | 6,977,823          |
| <b>Total</b>  | <b>179,947,305</b> | <b>89,701,440</b> | <b>52,042,403</b> | <b>11,745,898</b> | <b>12,266,142</b> | <b>14,191,422</b> | <b>172,851,394</b> |

### b. Deposits

|                    | 31/03/2021        |                   |                   |                  |                  |              | 31/12/2020        |
|--------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------|-------------------|
|                    | Total             | Up to 90 days     | 90 to 365 days    | 1 to 3 years     | 3 to 5 years     | Over 5 years | Total             |
| Demand deposits    | 5,048,012         | 5,048,012         | -                 | -                | -                | -            | 2,474,628         |
| Interbank deposits | 1,539,290         | 463,036           | 930,650           | -                | 145,604          | -            | 1,341,915         |
| Time deposits      | 57,852,853        | 25,184,991        | 28,967,785        | 2,039,578        | 1,660,474        | 25           | 52,817,017        |
| <b>Total</b>       | <b>64,440,155</b> | <b>30,696,039</b> | <b>29,898,435</b> | <b>2,039,578</b> | <b>1,806,078</b> | <b>25</b>    | <b>56,633,560</b> |

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### c. Open market funding

Open market funding has collateral on the following securities:

|                            | 31/03/2021        |                   |                |                |              | 31/12/2020       |                   |
|----------------------------|-------------------|-------------------|----------------|----------------|--------------|------------------|-------------------|
|                            | Total             | Up to 90 days     | 90 to 365 days | 1 to 3 years   | 3 to 5 years | Over 5 years     | Total             |
| Own portfolio              | 15,899,523        | 15,446,606        | 452,917        | -              | -            | -                | 35,310,369        |
| Federal government bonds   | 14,064,279        | 14,064,279        | -              | -              | -            | -                | 33,335,969        |
| Corporate bonds            | 1,830,426         | 1,377,509         | 452,917        | -              | -            | -                | 1,974,400         |
| Foreign government bonds   | 4,818             | 4,818             | -              | -              | -            | -                | -                 |
| Third-party portfolio      | 33,967,021        | 33,967,021        | -              | -              | -            | -                | 20,602,090        |
| Federal government bonds   | 33,961,963        | 33,961,963        | -              | -              | -            | -                | 20,597,485        |
| Corporate bonds            | 5,058             | 5,058             | -              | -              | -            | -                | 4,605             |
| Unrestricted portfolio (i) | 6,471,104         | 4,561,951         | 2,853          | 333,523        | -            | 1,572,777        | 6,670,529         |
| Federal government bonds   | 6,471,104         | 4,561,951         | 2,853          | 333,523        | -            | 1,572,777        | 6,670,529         |
| <b>Total</b>               | <b>56,337,648</b> | <b>53,975,578</b> | <b>455,770</b> | <b>333,523</b> | <b>-</b>     | <b>1,572,777</b> | <b>62,582,988</b> |

(i) From the unrestricted portfolio, R\$5,354,380 (December 31, 2020 – R\$5,886,127) refers to short position and R\$1,116,724 (December 31, 2020 – R\$784,402) to third-party portfolio.

### d. Fund from securities issued and accepted

|   | 31/03/2021        |                  |                   |                  |                  | 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                               | 30,318,457        | 2,806,855        | 19,471,104        | 6,307,883        | 1,057,071        | 675,544          | 29,308,667        |
| Financial bills                                   | 23,820,790        | 1,815,715        | 16,666,141        | 4,208,966        | 648,387          | 481,581          | 23,718,572        |
| Mortgage bonds/letters of credit for agrobusiness | 6,181,613         | 975,016          | 2,755,133         | 2,004,087        | 262,817          | 184,560          | 5,358,334         |
| Structured transactions                           | 316,054           | 16,124           | 49,830            | 94,830           | 145,867          | 9,403            | 231,761           |
| Securities – abroad                               | 15,042,318        | 12,006           | 2,086,589         | 526,508          | 8,396,625        | 4,020,590        | 11,119,019        |
| Medium term notes (i)                             | 9,770,795         | -                | 2,005,142         | 487,356          | 7,278,297        | -                | 6,429,586         |
| Fixed rate notes and others                       | 5,271,523         | 12,006           | 81,447            | 39,152           | 1,118,328        | 4,020,590        | 4,689,433         |
| <b>Total</b>                                      | <b>45,360,775</b> | <b>2,818,861</b> | <b>21,557,693</b> | <b>6,834,391</b> | <b>9,453,696</b> | <b>4,696,134</b> | <b>40,427,686</b> |

As at March 31, 2021, securities in Brazil were basically indexed o interest referenced rates (CDI) between 85% and 127% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.55% 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 March 31, 2021, securities abroad have rates between 2.5% p.a. and 13.7% p.a. (December 31, 2020 – between 3.0% p.a. and 7.39% p.a.).

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### e. Loans and borrowings

|   | 31/03/2021       |                  |                |                |                | 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                                | 2,372,320        | 1,424,725        | 57,116         | 89,485         | -              | 800,994          | 2,413,513        |
| Foreign currency                            | 1,752,203        | 804,608          | 57,116         | 89,485         | -              | 800,994          | 876,813          |
| Loans abroad                                | 620,117          | 620,117          | -              | -              | -              | -                | 1,536,700        |
| Borrowings in Brazil – official institution | 4,024,015        | 13,475           | 27,372         | 149,237        | 828,025        | 3,005,906        | 3,815,824        |
| FINAME/BNDES                                | 4,024,015        | 13,475           | 27,372         | 149,237        | 828,025        | 3,005,906        | 3,815,824        |
| <b>Total</b>                                | <b>6,396,335</b> | <b>1,438,200</b> | <b>84,488</b>  | <b>238,722</b> | <b>828,025</b> | <b>3,806,900</b> | <b>6,229,337</b> |

On March 31, 2021, securities abroad have rates between 1.35% p.a. and 8.0% p.a. (December 31, 2020 – between 1.35% p.a. and 8.0% p.a.).

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

| Type - original currency                    | 31/03/2021                        |            |            |                            | 31/12/2020       |                  |
|---|-----------------------------------|------------|------------|----------------------------|------------------|------------------|
|   | Issued amount (original currency) | Issued     | Maturity   | Total compensation a.a.    | Net amount       | Net amount       |
| Financial bills - R\$ (i)                   | 4,161,000                         | 15/04/2011 | 04/06/2030 | Inflation plus fixed rates | 852,475          | 829,378          |
| Subordinated debt - US\$                    | 800,000                           | 28/09/2012 | 15/09/2022 | 5.75%                      | 2,306,030        | 2,122,541        |
| Subordinated debt eligible to equity - R\$  | 15,253                            | 23/12/2014 | 15/04/2069 | IPCA + 7.9%                | 888,679          | 897,482          |
| Subordinated debt eligible to equity - US\$ | 600,000                           | 15/02/2019 | 15/02/2029 | 7.75%                      | 3,365,208        | 3,128,422        |
| <b>Total</b>                                |                                   |            |            |                            | <b>7,412,392</b> | <b>6,977,823</b> |

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

## 16. Other obligations

### a. Social and statutory

|                                      | 31/03/2021     | 31/12/2020       |
|--------------------------------------|----------------|------------------|
| Dividends and profit sharing payable | 243,000        | 1,067,211        |
| Employees' profit sharing            | 171,019        | 652,000          |
| <b>Total</b>                         | <b>414,019</b> | <b>1,719,211</b> |
| Current                              | 414,019        | 1,719,211        |
| Non-current                          | -              | -                |

### b. Tax and social security

|                                       | 31/03/2021     | 31/12/2020     |
|---------------------------------------|----------------|----------------|
| Tax and contributions to be collected | 60,359         | 65,671         |
| Tax and contribution payable          | 56,117         | 198,525        |
| <b>Total</b>                          | <b>116,476</b> | <b>264,196</b> |
| Current                               | 116,476        | 264,196        |
| Non-current                           | -              | -              |

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### c. Sundry

|  | <u>31/03/2021</u> | <u>31/12/2020</u> |
|--|-------------------|-------------------|
| Payable for acquisition of assets and rights (i) | 203,503           | 202,428           |
| Amounts payable to related companies (ii)        | 1,034,588         | 1,021,597         |
| Allowance for accounts payable                   | 122,531           | 89,730            |
| Payable - subject to loans operations            | -                 | 6,318             |
| Other creditors - Brazil                         | 421,307           | 337,944           |
| Other  | 6,215             | 3,524             |
| Total  | <u>1,788,144</u>  | <u>1,661,541</u>  |
| Current  | 1,395,514         | 1,268,478         |
| Non-current                                      | 392,630           | 393,063           |

- (i) Refers to amounts payable for the acquisition of investments (substantially Banco Pan S.A.).  
(ii) Refers to receivables related to the agreement celebrated in an arbitration process, involving the sale of BSI Private Banking, to be transferred to related companies.

## 17. Contingent assets and liabilities and legal obligations

The Bank's evaluates 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

As at March 31, 2021 and December 31, 2020, the Bank did not record contingent assets.

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

There was a favorable outcome for the Bank in the amount of R\$204.6 million referring to an arbitration involving the acquisition of Banco BSI due to legal implications in the period in which BSI belonged to Assicurazioni Generali S.P.A. As a consequence, given the relevance of the information and for a better 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 of origin of this acquisition which, although still present the economic reasoning that gave rise to it when we observe the results of previous periods and future perspectives, it was realized in this period in the amount of R\$206.8 million.

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

#### i. Labor provisions

Comprise 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.

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### ii. Civil provisions

For civil lawsuits with chances of unfavourable outcome (pain and suffering and pecuniary injury, among others), contingency amounts are recorded 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 counselors 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 March 31, 2021 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the quarter ended March 31:

|   | 31/03/2021 |       |         | 31/03/2020 |           |
|---|------------|-------|---------|------------|-----------|
|   | Tax (i)    | legal | Labor   | Total      |           |
| Balance at the beginning of the quarter | 1,065,779  | 247   | 44,628  | 1,110,654  | 1,103,865 |
| Recognition                             | 5,456      | 23    | -       | 5,479      | 5,180     |
| Write-off                               | (390)      | -     | (3,630) | (4,020)    | (26)      |
| Balance at the end of the quarter       | 1,070,845  | 270   | 40,998  | 1,112,113  | 1,109,019 |

- (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.

#### i. Suspended payment taxes and other taxes 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 a 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 March 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:

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- 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\$511 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\$28 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\$1,856 million, 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 addition, on December 2017, the Bank received another tax assessment in the amount of R\$902 million, referring to 2012 events, where they believe happened the wrongfully use of goodwill originated from the Bank acquisition by UBS on 2006, also the goodwill from the repurchase by the Bank on 2009 and the goodwill originated in the private subscription of shares made by investors through the Copa Prince Company, in 2011. On 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\$452 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 a tax assessment was received, in the amount of R\$273 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 standalone 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 2017, the Bank received a tax assessment which it is discussed insufficient tax collection of PIS and COFINS and imposes isolated fine, referring to the year of 2012, in the amount of R\$198 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2017, in the capacity of the Banco Pan S/A sponsor, the Bank received a tax assessment of allegedly due income tax on the sale of investment in Brazil by a foreign party, referring to the year of 2012, in the amount of R\$78 million. Against the assessment an administrative appeal was presented, which awaits trial in second administrative instance.
- 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\$1,128 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance .

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- 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\$72 million. On 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\$67 million. On 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\$3,524 billion, regarding the acquisition of Banco Bamerindus do Brasil (current Banco Sistema) in 2014. On 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 standalone financial statements, furthermore the Administration doesn't expect to incur in any loss regarding this matter.
- In 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\$584 million. In April 2020, an appeal was filed at the first administrative level, which is waiting judgment.

### ii. Provision for other contingent liabilities

As at the quarter ended March 31, 2021 and year ended December 31, 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:

|  | <u>31/03/2021</u> | <u>31/12/2020</u>  |
|--|-------------------|--------------------|
| Tax base   | 714,045           | (2,750,750)        |
| Income before taxes and profit sharing   | 955,318           | (2,739,781)        |
| Statutory profit sharing   | (241,273)         | (10,969)           |
| Total charge of income tax and social contribution at the current rates                  | (321,320)         | 1,237,836          |
| Permanent (additions) / deductions in taxation calculation                               | <u>321,320</u>    | <u>(1,237,836)</u> |
| Equity pick up in subsidiaries and associates and jointly controlled companies in Brazil | 199,520           | 160,527            |
| Income/(loss) of foreign exchange on foreign investments                                 | (105,597)         | -                  |
| Interest on equity   | 253,350           | 243,450            |
| Allowance for expected losses associated with credit risk                                | 275,712           | (32,854)           |
| Dividends  | 5,784             | 51,626             |
| Fair value of securities and derivatives   | 80,063            | (1,389,322)        |
| Other non-deductible expenses net of non-taxable income                                  | (387,512)         | (271,263)          |
| Tax and social contribution expense  | <u>-</u>          | <u>-</u>           |
| (Expenses) / revenues from deferred taxes assets   | <u>(40,458)</u>   | <u>1,842,961</u>   |
| Offset of tax losses carry forward - Brazil  | <u>(40,458)</u>   | <u>1,842,961</u>   |

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Income tax and social contributions are calculated and recorded in accordance with the criteria established by Bacen Circular Letter 3059/02, taking into account the period of realization.

Changes in deferred tax assets are as follows:

| Income tax and social contribution                          | 31/03/2020 | Recognition | Realization (i) | 31/03/2021 |
|---|------------|-------------|-----------------|------------|
| Tax loss  | 495,539    | -           | 664,907         | 1,160,446  |
| Interest on equity  | 253,350    | 126,300     | (253,350)       | 126,300    |
| Allowance for loan losses                                   | 1,857,954  | -           | (294,071)       | 1,563,883  |
| Marked-to-market valuation of securities and derivatives    | 2,835,181  | -           | (125,545)       | 2,709,636  |
| Tax contingencies and provision for suspended-payment taxes | 237,255    | 1,316       | -               | 238,571    |
| Other temporary differences                                 | 397,607    | -           | (161,404)       | 236,203    |
| Total   | 6,076,886  | 127,616     | (169,463)       | 6,035,039  |

| Income tax and social contribution                          | 31/12/2019 | Recognition | Realization (i) | 31/03/2020 |
|---|------------|-------------|-----------------|------------|
| Tax loss carryforward                                       | 960,284    | 773,334     | -               | 1,733,618  |
| Interest on equity  | 243,450    | 121,500     | (243,450)       | 121,500    |
| Allowance for loan losses                                   | 899,018    | 32,854      | -               | 931,872    |
| Marked-to-market valuation of securities and derivatives    | 1,681,637  | 1,443,453   | -               | 3,125,090  |
| Goodwill on the acquisition of investment                   | 233,236    | -           | (2,594)         | 230,642    |
| Tax contingencies and provision for suspended-payment taxes | 318,359    | -           | (227,654)       | 90,705     |
| Total   | 4,335,984  | 2,371,141   | (473,698)       | 6,233,427  |

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 loss carry forwards | Total     |
|---------------|--------------------------------------|-------------------------|-----------|
| 2021          | 885,729                              | 647,971                 | 1,533,700 |
| 2022          | 842,293                              | 73,529                  | 915,822   |
| 2023          | 842,293                              | 79,182                  | 921,475   |
| 2024          | 1,154,616                            | 85,442                  | 1,240,058 |
| 2025 onwards  | 1,149,662                            | 274,322                 | 1,423,984 |
| Total         | 4,874,593                            | 1,160,446               | 6,035,039 |
| Present value | 3,811,869                            | 991,962                 | 4,803,831 |

The line of "deferred tax assets" also has PIS and COFINS deferred tax credits in the amount of R\$422,260 (December 31, 2020 - R\$437,419).

The Bank has deferred tax obligations in the amount of R\$1,503 (December 31, 2020 - R\$1.509) according to Note 16(b).

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 are effective. The social contribution rate was set at 20% until December 31, 2021, and 15% from January 1, 2022.

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

#### **a. Capital**

As at March 31, 2021, fully subscribed and paid in capital consists of 2,796,040,306 shares (December 31, 2020 – 2712,706,972), of which 1,784,211,500 are common shares (December 31, 2020 – 1,756,433,722), 662,472,466 are class A preferred shares (December 31, 2020 – 606,916,910), 349,356,340 are class B preferred shares (December 31, 2020 – 349,356,340), registered shares without par value.

As described on 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 on 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 right to one vote each in the deliberations of the General Assembly and participate on equal terms with the Class A Preferred Shares and Class B preferred shares in the distribution of profits.

Preferred shares Class A and B have no right to vote and have priority in capital reimbursement, without premium, and participate on equal terms with the common shares in the profits 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 Company'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 Company's shareholders' agreement.

#### **b. Treasury shares**

During the quarter ended March 31, 2021, the Bank does not bought own units (December 31, 2020 - R\$92,712, equivalent to 3,378,900 units). On the quarter ended March 31, 2021 there were no units cancelled. (December 31, 2020 – R\$258,496 equivalent to 10,468,200 units ). On December 31, 2020, the Bank has no treasury shares.

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### c. Legal reserve

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

### d. Statutory reserve

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

### e. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

### f. Profit distribution

The shareholders are entitled to minimum dividends of 1% on net income in accordance with Article 202 of Law 6404/76.

During the year ended December 31, 2020, the Bank provisioned R\$1,096,000, relating to interest on equity, equivalent to R\$0.42 per share, which generated R\$493,200 in tax benefits. These amounts were approved in the Special Shareholders' Meeting held on July 17, 2020 and December 30, 2020 and paid on February 5, 2021.

## 20. Income from services rendered

|   | <u>31/03/2021</u> | <u>31/03/2020</u> |
|---|-------------------|-------------------|
| Management and performance fee from investment funds and portfolios | 93,750            | 63,490            |
| Technical services  | 160,147           | 103,812           |
| Commission on the placement of securities                           | 311,476           | 114,045           |
| Guarantees granted  | 92,146            | 138,717           |
| Other services  | 29,417            | 15,381            |
| Total   | <u>686,936</u>    | <u>435,445</u>    |

## 21. Other operating income

|  | <u>31/03/2021</u> | <u>31/03/2020</u> |
|--|-------------------|-------------------|
| Adjustment to inflation of judicial deposits | 3,479             | 6,739             |
| Reversal of allowances                       | -                 | 472               |
| Exchange rate variation                      | 82,971            | 198               |
| Adjustments of receivables from sale         | 82,361            | -                 |
| Other operating income                       | 181               | 217               |
| Total  | <u>168,992</u>    | <u>7,626</u>      |

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### 22. Other operating expenses

|  | <u>31/03/2021</u> | <u>31/03/2020</u> |
|--|-------------------|-------------------|
| Exchange rate variation                                      | 46,688            | -                 |
| Monetary restatement expense                                 | 1,076             | 2,194             |
| Allowance for other receivables without loan characteristics | 8,988             | -                 |
| Fee  | 17,887            | -                 |
| Others   | 5,501             | 1,770             |
| Total  | <u>80,140</u>     | <u>3,964</u>      |

### 23. Other administrative expenses

|  | <u>31/03/2021</u> | <u>31/03/2020</u> |
|--|-------------------|-------------------|
| Outsourced services and consulting     | 203,613           | 95,423            |
| Telecommunications and data processing | 106,987           | 58,545            |
| Leases and condominiums                | 18,946            | 16,313            |
| Expenses of the financial system       | 22,798            | 21,895            |
| Advertising and public relations       | 20,961            | 18,362            |
| Depreciation/amortization              | 6,292             | 6,005             |
| Others                                 | 15,232            | 11,396            |
| Total                                  | <u>394,829</u>    | <u>227,939</u>    |

### 24. Tax charges

|            | <u>31/03/2021</u> | <u>31/03/2020</u> |
|------------|-------------------|-------------------|
| PIS/COFINS | 45,794            | (137,977)         |
| ISS        | 30,472            | 15,246            |
| IOF        | 485               | 112               |
| ICMS       | 16                | 5,555             |
| Others     | 115               | 2,534             |
| Total      | <u>76,882</u>     | <u>(114,530)</u>  |

### 25. Non-operating income

|                                    | <u>31/03/2021</u> | <u>31/03/2020</u> |
|------------------------------------|-------------------|-------------------|
| Exchange rate on investment abroad | 68,374            | -                 |
| Changes in equity interest         | (1,505)           | 1,290             |
| Total                              | <u>66,869</u>     | <u>1,290</u>      |



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### 28. Other information

#### a. Cash and cash equivalents

|  | <u>31/12/2020</u> | <u>31/12/2019</u> |
|--|-------------------|-------------------|
| <b>Balances as at beginning of quarter</b> |                   |                   |
| Cash at banks                              | 933,799           | 640,049           |
| Open market investments                    | 39,349,280        | 18,508,555        |
| Interbank deposits                         | 1,210,347         | 1,255,546         |
| Total                                      | <u>41,493,426</u> | <u>20,404,150</u> |
|  | <u>31/03/2021</u> | <u>31/03/2020</u> |
| <b>Balances as at end of quarter</b>       |                   |                   |
| Cash at banks                              | 1,334,454         | 1,451,279         |
| Open market investments                    | 36,206,912        | 46,105,310        |
| Interbank deposits                         | 1,658,084         | 3,360,282         |
| Total                                      | <u>39,199,450</u> | <u>50,916,871</u> |

#### b. Commitments and responsibilities

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

|   | <u>31/03/2021</u> | <u>31/12/2020</u> |
|---|-------------------|-------------------|
| Co-obligation and risks for guarantees granted                      | 59,491,604        | 65,576,431        |
| Responsibility for the management of funds and investment portfolio | 22,165,898        | 18,377,748        |
| Securities under custody  | 376,449,954       | 332,426,893       |
| Securities trading and brokerage                                    | 3,490,401,395     | 3,876,036,704     |
| Loans contracted to release   | 2,660,028         | 2,469,412         |
| Commitments to be released  | 185,100           | 115,800           |

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

"Responsibility for the management of funds and investment portfolio" is recognized by the sum of the equity value of funds and investment portfolios.

"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" register amounts related to loan contracts with clients to release.

The item "Commitments to be released" registers amounts related to the financial commitments of the Bank with its investees.

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### **c. Non-recurring Items**

In accordance with BCB Resolution 2/2020, we present below the non-recurring items for the period, recognized in other administrative expenses:

- R\$30.6 million due to goodwill amortization and products distribution.
- R\$3.9 million related to projects to combat Covid-19.
- R\$1.3 million related to administrative expenses.

## **29.Subsequent events**

### **Stock 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.

### **Necton Investimentos S.A.**

As described on note 2, on April 5, 2021, after verification of certain precedent conditions, including all necessary regulatory approvals, the acquisition was concluded.

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

On April 5, 2021, Banco Sistema (BTG's affiliate) signed the purchase agreement of 100% of CaixaPar's ordinary equity stake in Banco Pan, which represents 49.2% of Banco Pan's voting share capital and 26.8% of Banco Pan's total share capital. Banco Sistema will pay R\$3.7 billion to CaixaPar, which corresponds to R\$11.42 per share. The completion and closure of the transaction are subject to verification of certain precedent conditions as well as regulatory approval.

### **EFG Sale**

On April 2020, 2021, the BTG Pactual (Cayman) International Holding Limited sold its entire participation of BTG Pactual Holding EFG Ltda ("Holding EFG") to BTG Pactual Holding S.A. for R\$3.8 billion. Holding EFG owned approximately 89.51% of BTGP BSI Ltd – which represents approximately 22.25% of EFG. After the transaction, Banco BTG Pactual will own 2.64% of EFG's total share capital.