

(A free translation of the original in Portuguese)

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





(A free translation of the original in Portuguese)

Independent auditor's report

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

Opinion

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

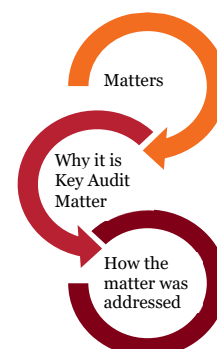
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco BTG Pactual S.A. as at December 31, 2021, and its financial performance and cash flows for the year and six-month period then ended, in accordance with accounting practices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

Basis for opinion

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

Key Audit Matters

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





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Why it is a Key Audit Matter

How the matter was addressed in the audit

Fair value measurement of derivative financial instruments

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

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

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

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

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

Measurement of the provision for expected losses associated with credit risk

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

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

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

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

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



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Why it is a Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="258 459 606 504">Tax credits in subsidiary</p> <p data-bbox="258 526 877 985">As disclosed in Notes 4(r) and 13, Banco Pan S.A. and its subsidiaries, an indirect subsidiary of the Institution, whose total interest is approximately 71.7% and is accounted for using the equity method in the parent company financial statements, has tax credits totaling R\$ 3.5 billion, arising from temporary additions in the calculation bases of Corporate Income Tax and Social Contribution on Net Income and income tax and social contribution losses, recognized based on the projection of taxable income for the realization of these tax credits. This projection, prepared based on a study of the current and future scenarios by the Bank's management, involves subjective judgments and assumptions.</p> <p data-bbox="258 1008 877 1310">We consider this an area of audit focus, as the use of different assumptions in the projection of taxable income could significantly modify the terms and amounts expected for the realization of tax credits, with a consequent accounting impact, and could fail to meet the requirements of the National Monetary Council and Brazilian Central Bank regarding the initial recognition and maintenance of these assets in the financial statements.</p>	<p data-bbox="877 526 1516 840">Our key audit procedures considered the understanding of the calculation and recording processes and their consistency with tax and accounting standards related to tax credits, including specific requirements of the National Monetary Council and the Brazilian Central Bank, as well as an understanding of the more significant assumptions used by management to project future taxable profit for purposes of estimating the realization of tax credits.</p> <p data-bbox="877 862 1516 1075">We compared the main assumptions used by Banco Pan S.A. and its subsidiaries to project taxable profits with the budget projections approved by its Board of Directors and with the macroeconomic projections disclosed in the market, and analyzed historical data to corroborate the consistency of these realization estimates.</p> <p data-bbox="877 1097 1516 1220">We believe that the assumptions and criteria adopted by management are consistent in relation to the initial recognition, maintenance and realization of the tax credit.</p>

Other matters

Statement of value added

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

Audit of corresponding figures of the year

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



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Consolidated financial statements

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going



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concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries and associates to express an opinion on the Institution's financial statements. We are responsible for the direction, supervision and performance of the audit, considering these investees. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, February 16, 2022

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

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

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 December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Assets			
Current assets		214,016,436	179,442,683
Cash at banks	6	1,602,316	933,799
Financial instruments		184,836,606	151,665,953
Interbank investments	7	54,244,377	50,210,427
Securities	8	86,450,158	71,292,526
Derivative financial instruments	9	4,329,033	5,404,639
Interbank transactions		9,753,880	5,033,708
Loans	10	30,322,180	20,167,006
Allowance for expected losses associated with credit risk	10	(263,022)	(442,353)
Other receivables		27,164,850	26,183,106
Credits by honored endorsements and sureties		146,323	-
Foreign exchange portfolio	11	21,109,913	18,985,456
Income receivable	12	927,089	1,683,791
Securities trading and brokerage	11	4,347,646	3,706,151
Sundry	12	898,329	1,833,668
Allowance for impairment of assets		(264,450)	(25,960)
Other assets		412,664	659,825
Other assets		19,889	541,860
Prepaid expenses		392,775	126,914
Provision for losses on other assets		-	(8,949)
Non-current assets		80,699,305	54,951,502
Financial instruments		67,019,288	41,135,813
Interbank investments	7	6,821,763	2,163,992
Securities	8	4,788,268	3,791,810
Derivative financial instruments	9	29,973,688	13,761,647
Interbank transactions		131,470	131,742
Loans	10	26,195,265	22,496,827
Allowance for expected losses associated with credit risk	10	(759,696)	(1,210,205)
Other receivables		13,228,820	13,558,049
Credits by honored endorsements and sureties		58,126	224,678
Foreign exchange portfolio	11	229,087	6,029
Income receivable	12	-	9,515
Deferred tax assets	18	5,220,240	6,514,305
Sundry	12	7,738,386	6,956,672
Allowance for impairment of assets		(17,019)	(153,150)
Other assets		451,197	257,640
Prepaid expenses		451,197	257,640
Permanent assets		23,354,588	18,872,613
Investments		22,318,292	18,681,482
Investments in associates and controlled entities	13	22,316,389	754,732
Other investments		4,770	4,232
Allowance for losses in investments		(2,867)	(2,867)
Property and equipment in use		143,572	86,749
Property in use		3,085	2,975
Other property and equipment in use		354,295	274,032
Accumulated depreciation		(213,808)	(190,258)
Intangible assets	14	892,724	104,382
Other intangible assets		1,055,780	222,295
Accumulated amortization		(163,056)	(117,913)
Total assets		318,201,799	253,266,798

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

BANCO BTG PACTUAL S.A.

Balance sheets

As at December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Liabilities			
Current liabilities		194,117,962	170,078,482
Deposits and other financial instruments		166,252,891	146,355,273
Deposits	15	85,064,987	54,496,144
Open market funding	15	61,083,259	60,665,011
Funds from securities issued and accepted	15	14,425,291	23,300,233
Loans and borrowings	15	1,210,785	2,371,740
Derivative financial instruments	9	4,386,773	4,759,118
Subordinated debt	15	69,374	763,027
Debt instrument eligible to equity	15	12,422	-
Interbank transactions		675,195	69,110
Unsettled receipts and payments		675,195	69,110
Interdependencies transactions		647,753	364,016
Unsettled third party assets		647,753	364,016
Other liabilities		26,478,002	23,290,083
Collection and payments of tax and similar charges		25,422	2,164
Foreign exchange portfolio	11	21,032,830	18,707,516
Social and statutory	16	1,921,578	1,719,211
Tax and social security	16	497,249	264,196
Securities trading and brokerage	11	2,414,560	1,328,518
Sundry	16	586,363	1,268,478
Provisions		64,121	-
Allowance for guarantees		64,121	-
Non-current liabilities		86,355,495	56,244,218
Deposits and other financial instruments		84,606,381	54,494,926
Deposits	15	3,926,093	2,137,416
Open market funding	15	1,347,581	1,917,977
Funds from securities issued and accepted	15	29,810,596	17,127,453
Loans and on lending	15	6,482,383	3,857,597
Derivative financial instruments	9	35,521,050	23,239,687
Subordinated debt	15	1,997,729	2,188,893
Debt instrument eligible to equity	15	5,520,949	4,025,903
Provisions	17	1,268,461	1,268,752
Provision for contingent liabilities		1,148,606	1,110,654
Allowance for guarantees		119,855	158,098
Other liabilities		480,653	480,540
Foreign exchange portfolio	11	229,434	85,968
Deferred liabilities	18	1,256	1,509
Sundry	16	249,963	393,063
Deferred income		348,596	263,443
Shareholders' equity	19	37,379,746	26,680,655
Capital		15,760,364	10,013,243
Capital Reserve		652,515	652,515
Other comprehensive income		1,571,456	1,665,033
Income reserves		19,395,411	14,349,864
Total liabilities and shareholders' equity		318,201,799	253,266,798

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

BANCO BTG PACTUAL S.A.

Statements of income

Year and Semester ended December 31

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

	Note	31/12/2021		31/12/2020
		2nd semester	Year	Year
Financial income / (expenses)		1,638,630	5,659,235	(971,133)
Loans		2,415,717	3,597,609	2,491,758
Securities		4,963,832	11,152,307	10,656,340
Foreign exchange		475,981	1,083,411	(3,754,548)
Derivative financial instruments		1,920,366	620,220	(2,731,366)
Mandatory investments		258,621	334,640	48,217
Funding operations		(6,952,682)	(10,076,252)	(5,011,787)
Borrowings		(1,398,942)	(1,523,972)	(2,458,973)
Allowance for expected losses associated with credit risk	10	(44,263)	471,272	(210,774)
Other operating income / (expenses)		1,485,353	2,368,359	2,030,145
Income from services rendered	20	1,773,494	3,329,691	2,206,604
Personnel expenses		(402,098)	(687,454)	(427,283)
Other administrative expenses	22	(1,284,209)	(2,151,659)	(1,115,390)
Tax charges	23	(260,866)	(578,621)	(40,808)
Equity pick up in associates and controlled entities	13	1,582,579	3,003,210	1,574,626
Other operating income	21	284,398	605,420	359,039
Other operating expenses	21	(207,945)	(1,152,228)	(526,643)
Provision expenses		(51,197)	(67,551)	(39,991)
Allowance for contingent liabilities		(16,316)	(37,952)	(6,789)
Guarantees		(34,881)	(29,599)	(33,202)
Operating income		3,072,786	7,960,043	1,019,021
Non-operating income		789,468	856,093	1,369,099
Income / (loss) before taxation and profit sharing		3,862,254	8,816,136	2,388,120
Income tax and social contribution	18	(220,881)	(1,392,860)	1,512,132
Provision for income tax		(41,677)	(41,677)	(143,793)
Deferred income tax and social contribution		(166,589)	(166,589)	-
Deferred asset		(12,615)	(1,184,594)	1,655,925
Statutory profit sharing		(522,526)	(1,128,799)	(620,127)
Net income for the semester / year		3,118,847	6,294,477	3,280,125
Net income per share - basic	25	0.27	0.55	0.31
Net income per share - diluted	25	0.27	0.55	0.31

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

BANCO BTG PACTUAL S.A.

Statements of comprehensive income

Years and semester ended December 31

(In thousands of reais)

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Net income for the semester / year	3,118,847	6,294,477	3,280,125
Changes in fair value of assets available for sale	(48,125)	69,849	(189,165)
Deferred IR/CSLL on fair value of assets available for sale	40,379	(12,985)	90,029
Changes in fair value of associates and controlled entities	(153,752)	(171,259)	(41,886)
Exchange variation of investments	377,762	20,818	742,952
Total comprehensive income for the semester / year	3,335,111	6,200,900	3,882,055

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

Year and semester ended December 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	1,980,484	9,010,695	12,424,235	1,063,103	(165,784)	-	21,366,161
Capital increase	19	2,650,500	-	-	-	-	-	-	-	-	-	2,650,500
Offering costs		(29,349)	-	-	-	-	-	-	-	-	-	(29,349)
Own shares acquired	19	-	-	-	-	-	-	-	-	(92,712)	-	(92,712)
Cancellation of treasury shares		-	-	-	-	-	(258,496)	(258,496)	-	258,496	-	0
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	(99,136)	-	-	(99,136)
Changes in fair value of associates and controlled entities		-	-	-	-	-	-	-	(41,886)	-	-	(41,886)
Exchange variation of investments		-	-	-	-	-	-	-	742,952	-	-	742,952
Net income for the year		-	-	-	-	-	-	-	-	-	3,280,125	3,280,125
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	164,006	-	2,020,119	2,184,125	-	-	(2,184,125)	0
Intermediate interest on equity (R\$0.11 per share)	19	-	-	-	-	-	-	-	-	-	(1,096,000)	(1,096,000)
Balances as at December 31, 2020		<u>10,013,243</u>	<u>652,515</u>	<u>-</u>	<u>1,597,062</u>	<u>1,980,484</u>	<u>10,772,318</u>	<u>14,349,864</u>	<u>1,665,033</u>	<u>-</u>	<u>-</u>	<u>26,680,655</u>
Capital increase	19	5,797,288	-	-	-	-	-	-	-	-	-	5,797,288
Offering costs		(50,167)	-	-	-	-	-	-	-	-	-	(50,167)
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	56,864	-	-	56,864
Changes in fair value of associates and controlled entities		-	-	-	-	-	226,070	226,070	(171,259)	-	-	54,811
Exchange variation of investments		-	-	-	-	-	-	-	20,818	-	-	20,818
Intermediate interest on equity (R\$0.06 per share)		-	-	-	-	-	(650,000)	(650,000)	-	-	-	(650,000)
Net income for the year		-	-	-	-	-	-	-	-	-	6,294,477	6,294,477
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	314,724	-	5,154,753	5,469,477	-	-	(5,469,477)	-
Intermediate interest on equity (R\$0.07 per share)		-	-	-	-	-	-	-	-	-	(825,000)	(825,000)
Balances as at December 31, 2021		<u>15,760,364</u>	<u>652,515</u>	<u>-</u>	<u>1,911,786</u>	<u>1,980,484</u>	<u>15,503,141</u>	<u>19,395,411</u>	<u>1,571,456</u>	<u>-</u>	<u>-</u>	<u>37,379,746</u>
Balances as at June 30, 2021		15,510,364	652,515	650,000	1,755,844	1,980,484	10,122,318	14,508,646	1,355,192	-	3,016,848	35,043,565
Own shares acquired	19	250,000	-	-	-	-	-	-	-	-	-	250,000
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	(7,746)	-	-	(7,746)
Changes in fair value of assets available for sale - controlled entities		-	-	-	-	-	226,070	226,070	(153,752)	-	-	72,318
Exchange variation of investments		-	-	-	-	-	-	-	377,762	-	-	377,762
Net income for the semester		-	-	-	-	-	-	-	-	-	3,118,847	3,118,847
Intermediate interest on equity (R\$0.06 per share)	19	-	-	(650,000)	-	-	-	(650,000)	-	-	-	(650,000)
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	155,942	-	5,154,753	5,310,695	-	-	(5,310,695)	-
Interest on equity (R\$0.07 per share)	19	-	-	-	-	-	-	-	-	-	(825,000)	(825,000)
Balances as at December 31, 2021		<u>15,760,364</u>	<u>652,515</u>	<u>-</u>	<u>1,911,786</u>	<u>1,980,484</u>	<u>15,503,141</u>	<u>19,395,411</u>	<u>1,571,456</u>	<u>-</u>	<u>-</u>	<u>37,379,746</u>

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

BANCO BTG PACTUAL S.A.

Statements of cash flows

Year and semester ended December 31

(In thousands of reais)

Note	31/12/2021		31/12/2020
	2nd semester	Year	Year
Operating activities			
Net income for the semester/year	3,118,847	6,294,477	3,280,125
Adjustments to net income	(920,590)	(99,132)	(1,602,634)
Equity pick up in associates and controlled entities	13 (1,582,579)	(3,003,210)	(1,598,472)
Interest expense with subordinated debt and debt instrument eligible to equity	287,445	1,184,594	1,366,379
Allowance for expected losses associated with credit risk	10 65,161	166,481	210,774
Guarantees	12,427	7,145	33,202
Allowance for contingent liabilities	17 (80,351)	(58,715)	6,789
Permanent assets exchange variation	265,981	265,991	(552)
Reversal of allowances	21 82,858	125,521	(11,905)
Deferred income tax and social contribution	18 12,615	1,184,594	(1,655,925)
Depreciation and amortization	22 15,853	28,467	47,076
Adjusted net income for the semester/year	2,198,257	6,195,345	1,677,491
Operational activities			
Short-term interbank investments	2,627,375	668,517	(881,905)
Securities and derivative financial instruments	10,785,872	(19,381,507)	(30,956,989)
Loans	(7,848,254)	(14,432,041)	(17,702,317)
Other receivables and other assets	2,413,675	(3,506,880)	11,086,018
Interbank transactions	(2,526,944)	(4,113,815)	(3,960,079)
Interdependencies transactions	544,009	283,737	323,667
Other liabilities	(7,167,860)	1,629,043	(18,016,784)
Deferred income	98,124	85,153	125,838
Deposits	8,250,668	32,357,520	32,121,914
Open market funding	(1,974,983)	(152,148)	25,339,945
Loans and borrowings	2,307,998	1,463,831	2,339,280
Cash (used in) / provided by operating activities	9,707,937	1,096,755	1,496,079
Investing activities			
(Acquisition) / sale of investments and capital increase	13 (1,502,000)	(1,090,595)	(453,417)
(Acquisition) / sale of other investments	(19)	(538)	-
(Acquisition) / sale of property and equipment in use	(61,493)	(80,263)	(59,209)
(Acquisition) / sale of intangible assets	14 (580,205)	(653,465)	(46,009)
Dividends and interest on equity received	13 57,505	270,438	1,077,766
Cash provided by / (used in) investing activities	(2,086,212)	(1,554,423)	519,131
Financing activities			
Acquisition of treasury shares	19		
Funds from securities issued and accepted	706,011	3,808,201	18,593,010
Subordinated debt and debt instrument eligible to equity	2,807,697	622,651	(1,535,731)
Interest on equity	19 (650,000)	(1,746,000)	(541,000)
Offering costs	250,000	5,797,288	2,650,500
Capital increase	2 -	(50,167)	-
Cash provided by financing activities	3,113,708	8,431,973	19,074,067
(Decrease) / Increase in cash and cash equivalents	28 10,735,433	7,974,305	21,089,277
Balance of cash and cash equivalents			
At the beginning of the semester/year	38,732,298	41,493,426	20,404,149
At the end of the semester/year	49,467,731	49,467,731	41,493,426
(Decrease) / Increase in cash and cash equivalents	10,735,433	7,974,305	21,089,277

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

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Statements of value added

Year and semester ended December 31

(In thousands of reais)

	Note	31/12/2021	31/12/2020
Income		20,733,294	16,564,424
Financial income		16,788,187	13,196,315
Services rendered	20	3,329,691	2,206,604
Other		615,416	1,161,505
Expenses		(11,766,705)	(14,167,448)
Financial brokerage		(11,600,224)	(13,956,674)
Allowance for loan losses and other receivables	10	(166,481)	(210,774)
Inputs acquired from third parties		(2,077,901)	(1,040,716)
Materials, energy and other		(38,283)	(27,299)
Outsourced services		(2,039,618)	(1,013,417)
Gross value added		6,888,688	1,356,260
Depreciation and amortization	23	28,467	(23,230)
Net value added produced by the entity		6,917,155	1,333,030
Value added received through transfer		3,003,210	1,574,626
Equity pick up in associates and controlled entities	13	3,003,210	1,574,626
Value added to be distributed		9,920,365	2,907,656
Distribution of value added		9,920,365	2,907,656
Personnel		1,797,344	1,047,409
Direct compensation		1,553,473	894,612
Benefits		214,347	134,152
FGTS – government severance pay fund		29,524	18,645
Taxes, fees and contributions		1,763,216	(1,471,326)
Federal		1,565,857	(1,578,791)
Municipal		197,359	107,465
Remuneration of third-party capital		65,328	51,448
Rent		65,328	51,448
Remuneration of shareholders		6,294,477	3,280,125
Retained earnings		5,469,477	2,184,125
Interest on equity	19	825,000	1,096,000

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

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Notes to the standalone financial statements
December 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.

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

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Notes to the standalone financial statements

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(In thousands of reais, except otherwise indicated)

- 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**

Senior Bond issue

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

Share Split

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

Global Medium Term Notes Issuance

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

Primary public offering

On June 29, 2020, the Bank made a public offering of newly issued shares, on best efforts underwriting, of 35,625,000 Units, composed of 35,625,000 common shares and 71,250,000 preferred shares. The book building process was concluded with a price of R\$74.40 per Unit, therefore R\$24.80 per share, resulting in an

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(In thousands of reais, except otherwise indicated)

offering of R\$2,650,500, an amount which, after deducting the issuance costs of R\$ 29,349, corresponds to the Bank's capital increase.

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

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

- **Acquisitions and disposals**

Credpago Serviços de Cobrança S.A.

On June 29, 2021, the Bank sold to Loft Brasil Tecnologia Ltda. all of its shares held in Credpago Serviços de Cobrança SA for a total amount of R\$1,568 million, with a settlement agreed in (i) cash (partially at the time and the remainder in installments to be paid within 24 months) and (ii) in shares of Loft Holdings Ltd. On September 16, 2021, the sale was approved by regulatory agencies and the deal was completed in the following days.

Empiricus

On May 31, 2021, the Bank signed an agreement with Empiricus Research Publicações Ltda., Vitreo Holding Financeira SA, Vitreo Holding SA, Vitreo Distribuidora de Títulos e Valores Mobiliarios SA, its subsidiaries, and their respective shareholders (sellers) with the aim of acquiring these companies and establishing long-term partnerships with the sellers. The acquisition was approved by regulatory agencies and the incorporation of Holding Universa S.A. was concluded on December 1, 2021. Therefore, the companies mentioned above become subsidiaries of BTG Pactual.

Banco Pan S.A.

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

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EFG Sale

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

Kinvo Tecnologia da Informação Ltda

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

Necton Investimentos S.A.

On October 23, 2020, definitive documents were signed regarding the acquisition of 100% of the share capital of Necton Investimentos S.A. Corretora de Valores Mobiliários e Commodities, for the amount of R\$ 342 million. This acquisition is part of BTG Pactual's expansion strategy in the investment retail segment. On April 5, 2021, after verification of certain precedent conditions, including all necessary regulatory approvals, the acquisition was concluded.

EQI Investimentos

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

Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A.

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

3. Presentation of the 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

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accordance with the standards and instructions of the Conselho Monetário Nacional (CMN), Bacen and Securities and Exchange Commission (CVM).

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 February 15, 2022, 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 amount 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:

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a. Cash and cash equivalents

For the purposes of the cash flow statement, this includes cash on hand, bank deposits, short-term, highly liquid investments that are readily convertible into a known amount of cash, which are subject to an insignificant risk of change in value, with maturity, on the acquisition date, equal to or less than 90 days.

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 an 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 nor as held-to-maturity securities. They are stated at cost, with interest recorded in profit or loss, and subsequently adjusted to fair value, with that amount recorded in a separate account under shareholders' equity, net of tax effects, which will only be recognized in statements of income after the effective realization.

iii. Held to maturity securities

Acquired with the intention and financial capacity to hold in the portfolio until maturity. They are recorded at acquisition cost, plus income earned against income for the period.

Declines in the market value of available-for-sale and held-to-maturity securities, below their respective discounted costs, related to reasons considered to be non-temporary, are reflected in income as incurred losses.

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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 (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.

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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.

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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 59th day of default, provided the expected receipt. As from the 60th 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 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

Controlled entities 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.

l. Foreign currency translation

See note 3.

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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 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) software's 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 year ended December 31, 2021. The Company measures crypto assets through the determination of fair value.

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

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.

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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 25% for social contribution.

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

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 a 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.

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.

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v. Recurring and non-recurring net income

As provided in BCB Resolution No. 2, of 08/12/2020, BTG Pactual discloses the non-recurring result in a note (27c.), presenting non-recurring events that occurred and contributed to the result, which are not related (or are incidentally) to normal Bank activities.

5. Risk management

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.

The Bank monitors and controls risk exposure through several and different supplemental internal systems, including credit, financial, operational, compliance, tax, and legal systems. The Bank believes that the involvement of the Committees/areas (including their subcommittees) with management and continuous risk control promotes a strict risk control culture in the organization. The Bank's commissions comprise senior members of the business units and senior members of the control departments, which do not depend on the

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business areas. Further details on risk management can be found at www.btgpactual.com.br/ri, in the Corporate Governance / Risk management section.

a. Operating limits

	31/12/2021	31/12/2020
Reference Shareholders' Equity Consolidated	37,379,747	26,680,655
Tier I	33,657,720	22,087,705
Common Equity	33,266,891	21,710,355
Complementary Equity	390,829	377,350
Tier II	5,135,239	4,045,185
Reference Shareholders' Equity (PR) - (a)	38,792,959	26,132,890
Required Reference Shareholders' Equity (PRE)	19,799,466	12,553,154
Total exposure risk-weighted - (b)	247,493,322	156,914,431
Credit risk	203,488,396	120,955,912
Operational risk	17,193,881	7,025,255
Market risk	26,811,044	28,933,264
Basel ratio - (a/b)	15.7%	16.7%
Tier I capital	13.6%	14.1%
Tier II capital	2.1%	2.6%
Fixed assets ratio	63.5%	99.6%
Fixed assets to equity capital ratio	19,389,610	13,057,529
Status for fixed assets to equity capital ratio	12,308,874	13,004,047
Amount of margin (insufficiency)	7,080,736	53,482

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 years ended December 31 and 2020, the Bank was in compliance with all operating limits.

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

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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 year ended:

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

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.

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.

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f. Environmental, Social and Governance Risk (ESG)

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

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

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

6. Cash at banks

Cash refer basically to deposits abroad in prime banks.

7. Interbank investments

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	52,269,561	50,398,070	327,029	-	1,544,462	50,777,127
Own portfolio	14,859,471	14,538,137	13,337	-	307,997	24,146,547
Federal government bonds	14,803,021	14,481,687	13,337	-	307,997	24,124,935
Corporate bonds	9,052	9,052	-	-	-	3,560
Foreign private securities	47,398	47,398	-	-	-	18,052
Third-party portfolio	34,692,149	34,353,769	313,692	-	24,688	21,111,426
Federal government bonds	34,692,149	34,353,769	313,692	-	24,688	21,106,178
Corporate bonds	-	-	-	-	-	5,248
Short position	2,717,941	1,506,164	-	-	1,211,777	5,519,154
Federal government bonds	2,717,941	1,506,164	-	-	1,211,777	5,519,154
Interbank investments (*)	8,796,579	3,087,794	431,484	4,227,662	1,049,639	1,597,292
Interbank deposit certificates	5,921,519	212,734	431,484	4,227,662	1,049,639	889,230
Investments in foreign currency - overnight	2,875,060	2,875,060	-	-	-	708,062
Total	61,066,140	53,485,864	758,513	4,227,662	2,594,101	52,374,419

The collateral received in repurchase agreements amounts to R\$52,534,223 (December 31, 2020 - R\$52,515.281).

(*) The Interbank Investments refer basically to deposits in prime banks.

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8. Securities

a. Summary by type of portfolio

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

	31/12/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	55,949,982	58,368,692	27,832,041	2,203,957	9,267,612	2,626,822	16,434,731	28,068,608
Federal government bonds	16,634,892	16,014,484	8,844,510	323,969	5,985,942	295,035	565,029	3,506,534
Debentures	7,774,175	7,602,011	-	799,611	1,008,960	1,431,505	4,361,935	3,240,561
Certificate of real estate receivables	448,776	427,585	1,098	-	5,828	10,988	409,672	24,085
Investment fund quotes								
Multimarket	15,735,863	15,710,329	15,471,400	-	-	-	238,929	13,395,252
Shares	125,563	234,592	210,957	-	-	-	23,635	143,677
FIDC - Credit rights	6,202,265	7,443,110	212,361	454,919	374,195	1,631	6,400,004	2,514,286
Equity investment fund	1,079,284	2,670,766	-	-	-	-	2,670,766	2,562,464
Real estate	351,306	629,610	-	-	50,000	-	579,610	128,390
Shares	1,443,211	1,485,044	1,485,044	-	-	-	-	1,207,356
Agribusiness receivables certificates	1,479,196	1,447,486	205	33	819,113	92,991	535,144	846,118
Rural Product Bill	1,654,108	1,642,330	-	16,483	682,254	593,965	349,628	125,187
Others	1,339,263	1,338,377	567,666	539,513	196,246	31,255	168	88,127
Foreign private securities	1,572,197	1,685,320	1,038,801	41,532	144,807	169,452	290,728	261,816
Foreign government bonds	109,883	37,648	-	27,897	268	-	9,483	24,755
Unrestricted portfolio	969,757	964,993	669,134	88,484	48,273	21,945	137,157	31,169
Federal government bonds	969,757	964,993	669,134	88,484	48,273	21,945	137,157	31,169
Subject to repurchase agreements	24,288,922	24,090,897	14,566,267	3,396,763	599,096	2,259,268	3,269,503	35,420,708
Federal government bonds	18,267,925	18,266,380	14,566,267	3,330,235	356,983	12,895	-	33,447,157
Debentures	6,000,524	5,806,299	-	66,528	242,113	2,245,291	3,252,367	1,572,199
Agribusiness receivables certificates	-	-	-	-	-	-	-	217,352
Certificate of real estate receivables	20,473	18,218	-	-	-	1,082	17,136	91,639
Others	-	-	-	-	-	-	-	92,361
Subject to guarantees	7,896,415	7,813,844	3,654,977	399,252	666,764	840,473	2,252,377	11,563,851
Federal government bonds	2,709,578	2,709,703	2,709,703	-	-	-	-	1,217,124
Investment fund quotes								
Multimarket	30,322	36,639	36,639	-	-	-	-	35,004
Certificate of real estate receivables	433,812	441,044	-	-	-	-	441,044	300,864
Debentures	3,368,089	3,258,557	-	9,028	605,896	832,300	1,811,333	9,430,578
Agribusiness receivables certificates	9,009	8,173	-	-	-	8,173	-	257,381
Foreign government bonds	-	-	-	-	-	-	-	-
Shares	179,004	201,442	201,442	-	-	-	-	322,900
Promissory Note	1,166,601	1,158,286	707,193	390,224	60,868	-	-	-
Others	-	-	-	-	-	-	-	-
Trading securities	82,531,175	84,392,438	45,878,435	4,878,251	8,793,059	3,395,858	21,446,836	71,065,472
Available for sale securities	6,573,901	6,842,458	843,985	1,210,205	1,788,686	2,352,650	646,932	4,018,864
Total	89,105,076	91,238,426	46,722,419	6,088,456	10,581,745	5,748,508	22,093,768	75,084,336

- (i) The terms of investment fund shares, in all tables in Note 8, take into account the term, in cases where the funds have fixed term, or their liquidity for redemption.

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b. Trading securities

	31/12/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	51,862,043	54,000,670	27,024,696	1,023,667	8,260,334	1,790,366	15,901,608	26,491,610
Federal government bonds	16,634,892	16,014,484	8,844,510	323,969	5,985,942	295,035	565,029	3,506,534
Debentures	5,434,108	5,301,431	-	158,456	197,197	625,897	4,319,881	2,268,071
Certificate of real estate receivables	445,265	425,734	-	-	5,685	10,988	409,062	23,152
Investment fund quotes								
Multimarket	15,735,863	15,710,329	15,471,400	-	-	-	238,929	13,395,252
Shares	125,563	234,592	210,957	-	-	-	23,635	143,677
FIDC - Credit rights	6,202,265	7,443,110	212,361	454,919	374,195	1,631	6,400,004	2,514,286
Equity investment fund	910,553	2,180,307	-	-	-	-	2,180,307	2,135,553
Real estate	351,306	629,610	-	-	50,000	-	579,610	128,390
Shares	1,204,218	1,246,051	1,246,051	-	-	-	-	1,081,079
Agribusiness receivables certificates	1,479,196	1,447,486	205	33	819,113	92,991	535,144	846,118
Rural Product Bill	1,654,108	1,642,330	-	16,483	682,254	593,965	349,628	125,187
Others	2,626	2,238	411	378	874	407	168	59,685
Foreign private securities	1,572,197	1,685,320	1,038,801	41,532	144,807	169,452	290,728	239,871
Foreign government bonds	109,883	37,648	-	27,897	268	-	9,483	24,755
Unrestricted portfolio	969,757	964,993	669,134	88,484	48,273	21,945	137,157	31,169
Federal government bonds	969,757	964,993	669,134	88,484	48,273	21,945	137,157	31,169
Subject to repurchase agreements	23,108,595	22,914,414	14,566,267	3,375,875	361,467	1,341,302	3,269,503	34,838,162
Federal government bonds	18,267,925	18,266,380	14,566,267	3,330,235	356,983	12,895	-	33,447,157
Debentures	4,820,197	4,629,816	-	45,640	4,484	1,327,325	3,252,367	1,083,058
Agribusiness receivables certificates	-	-	-	-	-	-	-	217,352
Certificate of real estate receivables	20,473	18,218	-	-	-	1,082	17,136	90,595
Subject to guarantees	6,590,780	6,512,361	3,618,338	390,225	122,985	242,245	2,138,568	9,704,531
Federal government bonds	2,709,578	2,709,703	2,709,703	-	-	-	-	1,217,124
Certificate of real estate receivables	433,812	441,044	-	-	-	-	441,044	-
Debentures	2,092,776	1,993,714	-	1	62,117	234,072	1,697,524	7,907,126
Promissory Note	1,166,601	1,158,285	707,193	390,224	60,868	-	-	257,381
Agribusiness receivables certificates	9,009	8,173	-	-	-	8,173	-	-
Shares	179,004	201,442	201,442	-	-	-	-	322,900
Total	82,531,175	84,392,438	45,878,435	4,878,251	8,793,059	3,395,858	21,446,836	71,065,472

c. Available-for-sale securities

	31/12/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	4,087,939	4,364,493	807,346	1,180,290	1,007,278	836,456	533,123	1,576,998
Certificate of real estate receivables	3,511	1,851	1,098	-	143	-	610	933
Foreign private securities	-	-	-	-	-	-	-	21,945
Other	1,336,637	1,332,610	567,255	539,135	195,372	30,848	-	28,442
Investment fund quotes								
Equity investment fund	168,731	490,459	-	-	-	-	490,459	426,911
Debentures	2,340,067	2,300,580	-	641,155	811,763	805,608	42,054	972,490
Shares	238,993	238,993	238,993	-	-	-	-	126,277
Subject to repurchase agreements	1,180,327	1,176,483	-	20,888	237,629	917,966	-	582,546
Debentures	1,180,327	1,176,483	-	20,888	237,629	917,966	-	489,141
Certificate of real estate receivables	-	-	-	-	-	-	-	1,044
Other	-	-	-	-	-	-	-	92,361
Subject to guarantees	1,305,635	1,301,482	36,639	9,027	543,779	598,228	113,809	1,859,320
Investment fund quotes								
Multimarket	30,322	36,639	36,639	-	-	-	-	35,004
Debentures	1,275,313	1,264,843	-	9,027	543,779	598,228	113,809	1,523,452
Certificate of real estate receivables	-	-	-	-	-	-	-	300,864
Total	6,573,901	6,842,458	843,985	1,210,205	1,788,686	2,352,650	646,932	4,018,864

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 semester and year ended December 31, 2021.

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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.

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.

	31/12/2021				31/12/2020
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	24,572,331	6,007,331	14,544,622	45,124,284	46,259,616
Currency	4,054,432	-	12,351	4,066,783	2,967,155
Interest rate	20,295,773	4,564,583	10,212,243	35,072,599	42,436,104
Index	222,126	1,442,748	4,320,028	5,984,902	856,357
Short position	7,301,553	7,493,622	4,154,427	18,949,602	29,327,151
Currency	-	-	-	-	7,202,404
Interest rate	7,266,106	7,493,622	3,951,259	18,710,987	22,041,879
Index	35,447	-	203,168	238,615	82,868
Swap					
Long position	49,716,428	10,080,954	503,423,544	563,220,926	509,010,400
Currency	14,518,625	753,439	245,800,886	261,072,950	222,427,424
Interest rate	33,130,918	7,346,736	251,878,591	292,356,245	280,964,632
Commodities	177,649	139,134	-	316,783	70,654
Index	844,961	645,913	3,660,197	5,151,071	262,708
Equities	912,964	1,195,732	2,083,870	4,192,566	4,581,842
Other	131,311	-	-	131,311	703,140
Short position	49,716,428	10,080,954	503,423,544	563,220,926	509,010,400
Currency	16,382,166	1,624,472	212,561,598	230,568,236	199,611,006
Interest rate	27,523,610	7,250,211	281,399,670	316,173,491	304,729,417
Index	706,226	198,952	6,344,171	7,249,349	1,023,134
Commodities	630,469	102,860	-	733,329	2,659,110
Equities	4,017,254	827,683	2,172,864	7,017,801	596,074
Other	456,703	76,776	945,241	1,478,720	391,659
Credit derivatives					
Long position	30,692	-	948,121	978,813	245,380
Sovereign	-	-	83,707	83,707	14,811
Corporate	30,692	-	864,414	895,106	230,569
Short position	30,692	-	292,580	323,272	531,197
Sovereign	-	-	13,868	13,868	26,295

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Corporate	30,692	-	278,712	309,404	504,902
Non-deliverable forward - NDF					
Long position	96,687,708	32,729,058	26,659,775	156,076,541	111,529,822
Currency	93,221,639	28,809,588	12,197,095	134,228,322	103,012,402
Commodities	3,466,069	3,919,470	14,462,680	21,848,219	8,517,420
Short position	96,687,708	32,729,058	26,659,775	156,076,541	111,529,822
Currency	93,221,639	28,809,588	12,197,095	134,228,322	103,012,402
Commodities	3,466,069	3,919,470	14,462,680	21,848,219	8,517,420
Security forwards					
Long position	-	-	-	-	503,190
Interest rate	-	-	-	-	493,825
Government bonds	-	-	-	-	9,365
Short position	-	-	-	-	503,190
Interest rate	-	-	-	-	9,365
Government bonds	-	-	-	-	493,825
Options					
Long position					
Call option	3,757,030	516,764	572,232	4,846,026	13,227,709
Equities	343,363	98,516	3,355	445,234	878,014
Commodities	224,574	83,796	-	308,370	52,903
Index	-	-	-	-	119,752
Currency	3,189,093	334,452	568,877	4,092,422	12,177,040
Put option	4,045,734	493,855	272,514	4,812,103	274,795,366
Equities	341,458	19,293	-	360,751	184,716
Commodities	47,164	-	-	47,164	182,976
Index	-	-	-	-	257,294,489
Currency	3,657,112	474,562	272,514	4,404,188	17,133,185
Short position					
Call option	875,159	222,387	251,846	1,349,392	9,895,186
Equities	346,879	21,050	1,246	369,175	637,213
Commodities	166,957	77,301	-	244,258	151,097
Index	41	-	-	41	113,028
Currency	361,282	124,036	250,600	735,918	8,993,848
Put option	564,062	69,534	52,008	685,604	271,375,176
Equities	326,272	19,719	-	345,991	222,639
Commodities	47,639	-	-	47,639	486,359
Index	-	-	-	-	257,260,966
Currency	190,151	49,815	52,008	291,974	13,405,212

b. By cost and market value

	31/12/2021					31/12/2020
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Swaps						
Long position	1,748,977	28,649,241	564,301	408,971	27,675,969	13,974,598
Short position	2,090,353	36,545,904	731,767	1,365,426	34,448,711	23,841,304
Credit derivatives						
Long position	-	31,517	85	-	31,432	16,307
Short position	32,138	49,416	2,973	-	46,443	4,958
Non-deliverable forward - NDF						
Long position	3,063,565	3,478,689	1,065,974	733,370	1,679,345	2,479,522
Short position	2,720,904	2,927,558	1,396,917	706,596	824,045	2,731,852
Forward transaction						
Long position	5,863	5,863	5,863	-	-	503,155
Short position	5,545	5,545	5,545	-	-	503,152
Options market						
Long position	1,914,627	2,137,411	1,312,743	237,726	586,942	2,192,704
Short position	344,561	379,400	142,022	35,527	201,851	917,539
Long position	12,590,652	34,302,721	2,948,966	1,380,067	29,973,688	19,166,286
Short position	42,839,249	39,907,823	2,279,224	2,107,549	35,521,050	27,998,805

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c. Notional value by counterparty

	31/12/2021				31/12/2020
	Clearing houses / stock exchange	Financial Institutions (i)	Companies	Individuals	Total
Futures market					
Long position	44,740,093	384,191	-	-	45,124,284
Short position	18,534,777	414,825	-	-	18,949,602
Swap					
Long position	15,596,052	536,694,533	10,659,525	270,816	563,220,926
Short position	15,596,052	536,694,533	10,659,525	270,816	563,220,926
Credit derivatives					
Long position	-	978,813	-	-	978,813
Short position	-	323,272	-	-	323,272
Non-deliverable forward - NDF					
Long position	-	97,084,558	57,362,638	1,629,345	156,076,541
Short position	-	97,084,558	57,362,638	1,629,345	156,076,541
Forward transactions					
Long position	-	-	-	-	-
Short position	-	-	-	-	-
Options market					
Long position	-	9,189,266	147,447	321,416	9,658,129
Short position	-	1,614,013	137,033	283,950	2,034,996
Long position	<u>60,336,145</u>	<u>644,331,361</u>	<u>68,169,610</u>	<u>2,221,577</u>	<u>775,058,693</u>
Short position	<u>34,130,829</u>	<u>636,131,201</u>	<u>68,159,196</u>	<u>2,184,111</u>	<u>932,172,122</u>

(i) Includes investments funds.

d. Credit derivatives

	31/12/2021	31/12/2020
Credit swap		
Transferred risk		
Sovereign	83,707	14,811
Corporate	895,106	230,569
Risk received		
Sovereign	(13,868)	(26,295)
Corporate	(309,404)	(504,902)
Total	<u>655,541</u>	<u>(285,817)</u>

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

e. Guarantee margin

The margin of guarantee given in operations traded on B3 SA and on other stock exchanges with derivative financial instruments is mainly composed of federal government bonds, bonds issued by governments of other countries, debentures and others, totaling R\$6,276,121 (December 31, 2020 – BRL 10,114,688), and shares in the amount of BRL 201,442 (December 31, 2020 – BRL 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.

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- 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).
- Securities and short selling: the fair value of government bonds is calculated based on prices disclosed by the Brazilian Association of Financial and Capital Market Entities (ANBIMA). The fair value of corporate bonds is calculated based on prices traded on the secondary market, prices of similar assets and market visibility of the 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	31/12/2021		31/12/2020	
	Balance	Allowance	Balance	Allowance
Loans	39,525,271	(909,179)	33,102,968	(1,461,448)
Financing	8,271,849	(90,451)	3,379,242	(102,709)
FINAME/BNDES	4,258,754	(23,088)	4,015,395	(23,458)
Other receivables with loans characteristics and transferred loan	679,066	(36,415)	90,350	(28,391)
Advances in foreign exchange contracts (i)	3,833,270	(14,996)	2,074,406	(36,552)
Transferred loans with co-obligations	-	-	1,472	-
Total	56,568,210	(1,074,129)	42,663,833	(1,652,558)
Adjustment to market value (ii)	(50,765)	-	-	-
Total	56,517,445	(1,074,129)	42,663,833	(1,652,558)

(i) 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.

(ii) Contracts including hedge accounting transactions.

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ii. By risk level and maturity

Risk level	31/12/2021					31/12/2020		
	Overdue	Maturity			Total	Allowance	Total	Allowance
		Up to 6 months	6 to 12 months	Over 12 months				
AA	51,760	16,779,504	4,781,867	7,856,867	29,469,998	(270)	18,102,552	-
A	14,693	3,159,815	737,041	9,332,010	13,243,559	(66,188)	10,868,092	(54,334)
B	11,952	2,119,398	1,570,760	6,838,275	10,540,385	(105,401)	9,891,996	(100,026)
C	2,151	149,621	587,383	813,574	1,552,729	(66,112)	868,182	(44,336)
D	12,885	23,753	12,405	484,987	534,030	(90,152)	1,144,051	(192,475)
E	14,986	86,732	5,375	266,487	373,580	(110,383)	454,805	(169,053)
F	37,997	1,242	107,406	393,126	539,771	(323,079)	216,876	(116,484)
G	10,190	1,237	433	22,051	33,911	(32,297)	778,055	(636,626)
H	82,424	4,517	5,418	187,888	280,247	(280,247)	339,224	(339,224)
Total	239,038	22,325,819	7,808,088	26,195,265	56,568,210	(1,074,129)	42,663,833	(1,652,558)

iii. By activity sector

Sector	31/12/2021	31/12/2020
Commerce	112,587	77,004
Industry	17,221,689	13,584,743
Services	34,574,594	26,894,568
Rural	694,019	525,643
Individuals	3,965,321	1,581,875
Total	56,568,210	42,663,833

b. Credit concentration

	31/12/2021	%	31/12/2020	%
Largest debtors				
10 largest debtors	12,253,348	23%	10,059,645	24%
20 following largest debtors	4,733,099	8%	6,772,121	16%
50 following largest debtors	8,190,592	14%	8,307,784	19%
100 following largest debtors	7,643,927	14%	7,666,953	18%
200 following largest debtors	8,099,158	14%	5,502,747	13%
500 following largest debtors	9,363,924	17%	3,117,463	7%
Above 500 following largest debtors	6,284,162	10%	1,237,120	3%
Total	56,568,210	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:

	2021	2020
Opening balance of the year	(1,652,558)	(1,076,063)
Reversal/(recording) of allowance	471,272	(210,774)
Portfolio transfer	-	(316,551)
Write off	158,568	(49,170)
Ending balance for the year	(1,022,718)	(1,652,558)

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d. Renegotiation/recovery of credits written off to loss

As at December 31, 2021, the amount of R\$4,969,568 were due to credit renegotiation (December 31, 2020 – R\$3,915,098). Also, in the year ended December 31, 2021 there were R\$96,087 written off loans recovered (December 31, 2020 – R\$14,345).

11. Other receivables/obligations

a. Foreign exchange portfolio

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange contracts	6,954,116	14,412,364	5,437,396	11,329,285
Rights on foreign exchange sales	14,390,841	-	13,556,591	-
(-) Advances in foreign currency received	-	-	(2,182)	-
(-) Advances in local currency received	(5,957)	-	(320)	-
Liability for foreign exchange purchase	-	6,849,900	-	7,464,199
Total	21,339,000	21,262,264	18,991,485	18,793,484
Current	21,109,913	21,032,830	18,985,456	18,707,516
Non-current	229,087	229,434	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\$1,336,281 (December 31, 2020 - R\$1,126,263).

b. Securities trading and brokerage

	31/12/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	214,856	446,734	399,997	190,417
Commissions and brokerage payable	-	119,967	-	125,486
Pending settlement	3,622,807	382,261	3,224,683	285,750
Unsettled third-party interbank investments	-	3,900	-	52,286
Creditors for stock loans	-	107	-	135
Securities trading and brokerage	509,983	1,461,591	81,471	674,444
Total	4,347,646	2,414,560	3,706,151	1,328,518
Current	4,347,646	2,414,560	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>31/12/2021</u>	<u>31/12/2020</u>
Dividends and profit sharing	653,410	911,059
Receivables from services rendered	19,569	16,654
Rights on energy sales	224,208	684,384
Management and performance fees from investment funds and portfolios	11,315	14,219
Distribution fees	2,366	8,668
Commissions on guarantees	16,221	58,322
Total	<u>927,089</u>	<u>1,693,306</u>
Current	927,089	1,683,791
Non-current	-	9,515

b. Sundry

	<u>31/12/2021</u>	<u>31/12/2020</u>
Sundry - Brazil (ii)	6,445,919	6,861,382
Amounts receivable from arbitration proceedings (i)	-	83,162
Judicial deposits	1,125,770	1,105,238
Taxes to offset	299,971	232,529
Securities and credits receivable		
Without loan characteristics	688,734	425,463
Other	76,321	82,566
Total	<u>8,636,715</u>	<u>8,790,340</u>
Current	898,329	1,833,668
Non-current	7,738,386	6,956,672

- (i) As described on Note 17a
(ii) Refers basically to receivables from controlled entities.

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13. Investments in associate's companies and controlled entities

	Associates and controlled entities					
	Shareholders' Equity		Net income / (Loss)		Equity Interest	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
BTG Pactual Asset Management S.A. DTVM	679,145	259,344	69,802	79,344	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	1,193,406	536,959	206,430	185,155	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	125,379	69,738	55,641	31,264	99.99%	99.99%
BTG Pactual Holding Participações S.A.	247,101	14,079	1,552	794	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	10,673,841	9,150,585	1,405,701	988,259	99.99%	99.99%
BW Properties S.A.	421,269	478,442	1,194	18,280	42.72%	42.72%
BTG Pactual Holding de Seguros Ltda.	736,027	734,666	67,333	80,795	99.99%	99.99%
Pan Corretora S.A.	49,168	42,309	47,890	41,030	51.00%	51.00%
Banco Sistema S.A.	1,115,111	686,494	428,210	7,959	99.91%	99.91%
BTGP Corretora de Seguros S.A.	29,403	28,563	28,647	24,190	99.99%	99.99%
BTG Pactual Corretora de Resseguros Ltda.	24,692	25,573	24,592	19,835	99.99%	99.99%
Empiricus Research Publicações S.A.	(598)	-	-	-	100.00%	0.00%
Vitreo Holding S.A	73,907	-	-	-	100.00%	0.00%
Vitreo Holding Financeira S.A	(38,192)	-	-	-	100.00%	0.00%
Banco Pan S.A. (i)	5,834,261	5,317,468	774,576	655,569	44.30%	44.85%
BTG Pactual Internacional Holding Ltd.	120,915	11,425	(1,176,660)	(274)	100.00%	100.00%
BSI Limited	-	321,973	-	(122,054)	100.00%	100.00%

(i) Banco Pan has deferred tax asset of R\$3.5 billion, substantially recognized based on a study of the actual and future scenarios, approved by its Management.

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	Changes in Investments						31/12/2021	Equity pick up in 31/12/2020
	31/12/2020	Acquisition / Increase / Transfer / (Sales)	Dividends paid	Equity pick up	Foreign exchange	Fair value adjustments		
BTG Pactual Asset Management S.A. DTVM	259,341	350,000	-	70,027	-	-	679,368	79,343
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	536,958	450,000	-	206,430	-	20	1,193,408	185,153
BTG Pactual Holding Participações S.A.	14,079	232,699	-	1,552	(1,229)	-	247,101	794
BTG Pactual Holding Internacional S.A.	9,150,584	452,000	-	1,405,701	(302,639)	(31,805)	10,673,841	988,259
BTG Pactual Holding de Seguros Ltda. (iii)	734,666	34,636	(78,000)	67,333	-	4,391	763,026	80,795
Banco Sistema S.A.	685,857	-	-	427,814	-	407	1,114,078	7,952
Banco Pan S.A. (i)	2,385,034	(30,428)	(115,651)	344,520	-	1,468	2,584,943	-
BTG Pactual Internacional Holding Ltd.	11,426	1,790,786	-	(1,176,640)	20,030	29,162	674,765	(274)
BSI Limited	321,972	(1,677,371)	-	1,308,630	7,854	38,915	-	(122,054)
Goodwill - BSI Limited	421,334	(431,326)	-	-	9,992	-	-	(23,846)
Others (ii)	4,158,866	(45,765)	(76,787)	347,842	-	1,703	4,385,859	378,504
Total	18,680,117	1,090,595	(270,438)	3,003,210	(265,991)	44,261	22,316,389	1,574,626

(i) As shown in Note 2, as of May 2021, Banco Pan started to be consolidated in the bank's structure. The participation result presented refers to the equity income from January to April of 2021.

(ii) The item Others includes balances referring to Investments in: 79.72% - BW Properties S.A., 99.99% - BTG Pactual Serviços Financeiros S.A. DTVM, 100.00% - BTGP Corretora de Seguros S.A., 51.00% - Pan Corretora S.A., 100.00% - BTG Pactual Corretora de Resseguros Ltda, 21.53% - Eneva, 6.67% - Galgo S/A e 50.00% - Visum.

(iii) The amount of R\$ 34,636 presented in the column "Acquisition / Contribution / (Transfer) / (Sales) / (Consolidation)" refers to adjustments from previous years in the subsidiary.

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14. Intangible asset

	Changes in intangible assets				31/12/2021
	31/12/2020	Acquisitions / transfer	Amortization expenses	Exchange variation	
Intangible assets					
Software's	222,295	832,201	-	1,284	1,055,780
Amortization	(117,913)	(35,763)	(8,090)	(1,290)	(163,056)
Total	104,382	617,702	(8,090)	(6)	892,724

The intangible asset amortization period is 5 years.

15. Fund raising and loans borrowings

a. Summary

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Deposits	88,991,080	47,425,782	37,639,205	3,874,697	50,501	895
Open market funding	62,430,840	60,074,393	1,008,866	-	-	1,347,581
Funds from securities issued and accepted	44,235,887	2,253,145	12,172,146	17,183,374	11,140,596	1,486,626
Loans and borrowings	7,693,168	182,172	1,028,613	299,544	341,080	5,841,759
Subordinated debts and subordinated debt eligible to equity	7,600,474	51,605	30,191	1,999,148	27,135	5,492,395
Total	210,951,449	109,987,097	51,879,021	23,356,763	11,559,312	14,169,256

b. Deposits

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Demand deposits	9,436,159	9,436,159	-	-	-	-
Interbank deposits	3,266,660	138,212	1,139,838	1,982,636	5,974	-
Time deposits	76,288,261	37,851,411	36,499,367	1,892,061	44,527	895
Total	88,991,080	47,425,782	37,639,205	3,874,697	50,501	895

c. Open market funding

Open market funding has collateral on the following securities:

	31/12/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Own portfolio	24,081,405	23,343,837	737,568	-	-	-
Federal government bonds	18,262,156	18,262,156	-	-	-	-
Corporate bonds	5,819,249	5,081,681	737,568	-	-	-
Third-party portfolio	34,361,767	34,361,767	-	-	-	-
Federal government bonds	34,361,767	34,361,767	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Unrestricted portfolio (i)	3,987,668	2,368,789	271,298	-	-	1,347,581
Federal government bonds	3,987,668	2,368,789	271,298	-	-	1,347,581
Total	62,430,840	60,074,393	1,008,866	-	-	1,347,581

- (i) From the unrestricted portfolio, R\$3,987,668 (December 31, 2020 – R\$5,886,127) refers to short position and there was no third-party portfolio position at December 31, 2021 (December 31, 2020 – R\$784,402).

On December 31, 2021, the amount of collateral ceded in the repurchase agreements was R\$62,635,840 (December 31, 2020 - R\$62,795,958).

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d. Fund from securities issued and accepted

	31/12/2021					31/12/2020	
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	31,544,616	2,206,101	11,724,692	14,361,965	2,039,270	1,212,588	29,308,667
Financial bills	14,823,001	127,977	5,667,456	7,906,065	498,757	622,746	23,718,572
Mortgage bonds/letters of credit for agrobusiness	16,081,409	2,063,267	6,026,023	6,248,988	1,153,289	589,842	5,358,334
Structured transactions	640,206	14,857	31,213	206,912	387,224	-	231,761
Securities – abroad	12,691,271	47,044	447,454	2,821,409	9,101,326	274,038	11,119,019
Medium term notes (i)	11,158,425	-	423,953	2,172,380	8,562,092	-	6,429,586
Fixed rate notes and others	1,532,846	47,044	23,501	649,029	539,234	274,038	4,689,433
Total	44,235,887	2,253,145	12,172,146	17,183,374	11,140,596	1,486,626	40,427,686

As at December 31, 2021, securities in Brazil were basically indexed to interest reference rates (CDI) between 86% and 127% or inflation indexes (IPCA and IGPM) plus 1.00% p.a. to 13.00 % p.a. (December 31, 2020 – indexed to (CDI) between 60% and 127% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.55% p.a.).

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

e. Loans and borrowings

	31/12/2021					31/12/2020	
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	3,639,205	182,172	999,197	-	-	2,457,836	2,413,513
Foreign currency	3,457,033	-	999,197	-	-	2,457,836	876,813
Loans abroad	182,172	182,172	-	-	-	-	1,536,700
Borrowings in Brazil – official institution	4,053,963	-	29,416	299,544	341,080	3,383,923	3,815,824
FINAME/BNDES	4,053,963	-	29,416	299,544	341,080	3,383,923	3,815,824
Total	7,693,168	182,172	1,028,613	299,544	341,080	5,841,759	6,229,337

On December 31, 2021, securities abroad have rates between 1.56% p.a. and 8.0% p.a. (December 31, 2020 – between 1.35% p.a. and 8.00% p.a.).

f. Subordinated debt and debt instrument eligible to equity

Type - original currency	31/12/2021					31/12/2020
	Issued amount (original currency)	Issued	Maturity	Total compensation p.a	Net amount	Net amount
Financial bills - R\$ (i)	160,618	17/03/2015	30/12/2031	110% a 118% DI	163,895	829,378
Subordinated debt - US\$	1,831,065	15/02/2019	15/02/2029	7,75%	1,903,208	2,122,541
Subordinated debt eligible to equity - R\$	2,130,424	09/03/2015	Perpetual	110% a 126% DI	2,173,901	897,482
Subordinated debt eligible to equity - US\$	3,232,126	28/09/2012	15/02/2029	5,75% a 7,75%	3,359,470	3,128,422
Total					7,600,474	6,977,823

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

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16. Other obligations

a. Social and statutory

	<u>31/12/2021</u>	<u>31/12/2020</u>
Dividends and profit sharing payable	810,578	1,067,211
Employees' profit sharing	1,111,000	652,000
Total	<u>1,921,578</u>	<u>1,719,211</u>
Current	1,921,578	1,719,211
Non-current	-	-

b. Tax and social security

	<u>31/12/2021</u>	<u>31/12/2020</u>
Tax and contributions to be collected	187,451	65,671
Tax and contribution payable	309,798	198,525
Total	<u>497,249</u>	<u>264,196</u>
Current	497,249	264,196
Non-current	-	-

c. Sundry

	<u>31/12/2021</u>	<u>31/12/2020</u>
Payable for acquisition of assets and rights (i)	212,235	202,428
Amounts payable to related companies (ii)	10	1,021,597
Allowance for accounts payable	170,537	89,730
Payable - subject to loans operations	-	6,318
Other creditors - Brazil	85,855	337,944
Other	367,689	3,524
Total	<u>836,326</u>	<u>1,661,541</u>
Current	586,363	1,268,478
Non-current	249,963	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.

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a. Contingent assets

As at December 31, 2020, the Bank recorded two contingent assets, as described below:

The Bank recorded a gain of R\$216.5 million as a result of a definitive agreement celebrated in an arbitration process, duly probated by the respective arbitration court. Both arbitration and settlement agreement are subject to a 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 in 2020 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.

ii. Civil provisions

For civil lawsuits with chances of unfavorable 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 December 31, 2021 are appropriate to cover probable losses arising therefrom.

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The provisions recognized and their changes are as follows for the year ended December 31, 2021 and 2020:

	31/12/2021			Total	31/12/2020
	Tax (i)	legal	Labor		Total
Balance at the beginning of the year	1,065,779	247	44,628	1,110,654	1,103,865
Recognition	33,591	25,124	-	58,715	29,082
Write-off	(10,818)	(63)	(9,882)	(20,763)	(22,293)
Balance at the end of the year	1,088,552	25,308	34,746	1,148,606	1,110,654

- (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. And among the aforementioned legal discussions, we highlight the process that involves the legality of charging COFINS in accordance with the rules established in Law 9,718/98.

As of December 31, 2021, the Bank was a party to tax proceedings with a possible probability of success, which are not provisioned. The description of the relevant processes follows.

As of December 31, 2021, the Bank was a party to tax proceedings with a possible probability of success, which are not provisioned. The description of the relevant processes follows.

- Lawsuits relating to the payment of profit sharing, in which is questioned the levy and payment of social security contribution on these values and its deductibility on the income tax and social tax base. The amount claimed is R\$1.061 million. Part of this amount is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- Lawsuits regarding the demutualization and IPO of B3 S.A., in which is questioned the taxation of PIS and Cofins on revenues earned from the sale of shares of the company's previously mentioned. The amount claimed is R\$68 million and part of it is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- On December 2015, the Bank received a tax assessment in the amount of R\$1,893 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, in 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\$923 million, referring to 2012 events, where they believe happened the wrongfully use of goodwill originated from the Bank acquisition by UBS in 2006, also the goodwill from the repurchase by the Bank in 2009 and the goodwill originated in the private subscription of shares made by investors through the Copa Prince Company, in 2011. 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\$463

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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\$279 million, related to the period of 2014. Against this assessment an appeal was filed, which is awaiting ruling of the first administrative instance. As a result, the Bank does not expect to incur any losses (other than the costs of the appeal itself) related to this matter and have not established (and do not expect to) any related contingencies on its 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\$204 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\$80 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\$1,155 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2018, the Bank was made aware of the non-approval compensation of the negative balance of income tax, related to 2013, in the amount of R\$73 million. 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\$69 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\$3,617 billion, regarding the acquisition of Banco Bamerindus do Brasil (current Banco Sistema) in 2014. In October 2019, a defense was presented at the first administrative level, which, in April 2020, was judged partially valid, reducing the amount of the assessment by 98%. An appeal was lodged against the unfavorable part of the decision to the second administrative instance. Due to the prognosis attributed by the lawyers, the Bank did not make any provision in its individual financial statements. In addition, Management does not expect to incur any loss related to the 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\$600 million. In April 2020, an appeal was filed at the first administrative level, which is waiting judgment.

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- In July 2021, as joint and several responsible, the Bank received a tax assessment notice allegedly due on the income distributed to investment fund shareholders, in the amount of R\$353 million. An administrative appeal was filed against the assessment, which is awaiting judgment.
- In December 2021, the Bank received a tax assessment notice aiming at the collection of IRPJ/CSLL, in the amount of 96 million, due to an alleged formal error in filling out its ECF in 2016. Against the assessment, an administrative appeal was filed awaiting trial.

ii. Provision for other contingent liabilities

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

18. Income tax and social contribution

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

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Tax base	3,339,728	7,687,337	1,767,993
Income before taxes and profit sharing	3,862,254	8,816,136	2,388,120
Statutory profit sharing	(522,526)	(1,128,799)	(620,127)
Total charge of income tax and social contribution at the current rates	(1,502,877)	(3,459,302)	(813,662)
Permanent (additions) / deductions in taxation calculation	1,294,611	3,251,036	669,869
Equity pick up in associates and controlled entities in Brazil	747,487	1,335,458	1,330,075
Income/(loss) of foreign exchange on foreign investments	(82,782)	(8,575)	-
Interest on equity	357,457	610,807	483,300
Allowance for expected losses associated with credit risk	(140,726)	114,639	(74,411)
Dividends	47,488	59,988	60,131
Fair value of securities and derivatives	113,409	1,277,181	(1,050,130)
Other non-deductible expenses net of non-taxable income	252,278	(138,462)	(79,096)
Tax and social contribution expense / revenues	(208,266)	(208,266)	(143,793)
(Expenses) / revenues from deferred taxes assets	(12,615)	(1,184,594)	1,655,925
Offset of tax losses carry forward - Brazil	(220,881)	(1,392,860)	1,512,132

Income tax and social contributions are calculated and recorded in accordance with the criteria established by Bacen Circular Letter 4842/2020, taking into account the period of realization.

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Changes in deferred tax assets are as follows:

Income tax and social contribution	31/12/2020	Recognition	Realization	31/12/2021
Tax loss	495,539	-	(8,260)	487,279
Interest on equity	253,350	-	(141,279)	112,071
Allowance for loan losses	1,857,954	-	(1,299,966)	557,988
Marked-to-market valuation of securities and derivatives	2,835,181	-	(430)	2,834,751
Tax contingencies and provision for suspended-payment taxes	237,255	663,750	(662,850)	238,155
Other temporary differences	397,607	303,490	-	701,097
Total	6,076,886	967,240	(2,112,785)	4,931,341

Income tax and social contribution	31/12/2019	Recognition	Realization	31/12/2020
Tax loss carryforward	960,284	-	(464,745)	495,539
Interest on equity	243,450	493,200	(483,300)	253,350
Allowance for loan losses	899,018	973,568	(14,632)	1,857,954
Marked-to-market valuation of securities and derivatives	1,681,637	1,153,544	-	2,835,181
Goodwill on the acquisition of investment	233,236	4,019	-	237,255
Tax contingencies and provision for suspended-payment taxes	322,480	(4,121)	79,248	397,607
Total	4,340,105	2,620,210	(883,429)	6,076,886

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

Description	Tax credits on temporary differences	Tax losses carry forwards	Total
2022	1,461,329	39,857	1,501,186
2023	693,028	35,454	728,482
2024	693,028	53,219	746,247
2025	563,805	57,952	621,757
2026 onwards	1,032,871	300,798	1,333,669
Total	4,444,061	487,280	4,931,341
Present value	3,251,930	267,050	3,518,980

The line of "deferred tax assets" also has PIS and COFINS deferred tax credits in the amount of R\$288.899 (December 31, 2020 - R\$437,419).

The Bank has deferred tax obligations in the amount of R\$1,256 (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 25% until December 31, 2021, and 20% from January 1, 2022. The increase effects in the financial statements were irrelevant.

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19.Shareholders' equity

a. Capital

As at December 31, 2021, fully subscribed and paid in capital consists of 11,506,119,928 shares (December 31, 2020 – 2,712,706,972), of which 7,244,165,568 are common shares (December 31, 2020 – 1,756,433,722), 2,864,529,000 are class A preferred shares (December 31, 2020 – 606,916,910), 1,397,425,360 are class B preferred shares (December 31, 2020 – 349,356,340), registered shares without par value.

At the extraordinary shareholders' meeting held on November 4, 2021, a capital increase was approved as a result of the merger of Holding Universa, in the amount of R\$250,000 through the issuance of 29,134,704 new shares, of which 9,711,568 are common shares and 19,423. 136 class A preferred shares, all book-entry and with no par value issued by the Company, represented by 9,711,569 securities certificates (units) issued by BTG.

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

As described 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 profit's distribution.

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

The Class B preferred shares are convertible into common shares, upon request by writing to the holder or the Bank without deliberation and board or shareholders meeting, provided that (i) such conversion occurs at the time of issuance of new shares by the Bank whether or not within the limit of authorized capital (unless the shareholder converting the shares is BTG Pactual Holding S.A.) (ii) upon conversion, BTG Pactual Holding S.A. (or its successor in any capacity, including by virtue of merger, division or other corporate reorganization) continues to hold directly or indirectly, more than 50% of common shares issued by the Bank and (iii) conversion is in accordance with the 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.

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b. Treasury shares

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

c. Legal reserve

This reserve is established every six months at the rate of 5% of net income for the semester/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

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

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

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

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

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

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

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20. Income from services rendered

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Management and performance fee from investment funds and portfolios	215,068	401,309	250,576
Technical services	501,285	871,585	412,565
Commission on the placement of securities	740,758	1,475,046	1,089,116
Guarantees granted	223,292	424,414	387,934
Other services	93,091	157,337	66,413
Total	1,773,494	3,329,691	2,206,604

21. Other operating results

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Exchange rate variation	46,259	(83,187)	(461,039)
Adjustments of receivables from sale	200,947	355,708	272,977
Reversal of provisions	-	-	37,612
Monetary restatement expense	17,682	14,760	(5,989)
Allowance for other receivables without loan characteristics	14,715	(27,948)	(11,905)
Result on the sale of credit operations	(20,898)	(637,753)	(12,861)
Other operating income	(182,252)	(168,388)	13,601
Total	76,453	(546,808)	(167,604)

22. Other administrative expenses

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Outsourced services and consulting	511,359	973,932	460,630
Telecommunications and data processing	376,090	614,159	334,539
Leases and condominiums	37,749	78,556	69,671
Expenses of the financial system	38,168	83,381	92,915
Advertising and public relations	63,826	104,560	83,065
Depreciation/amortization	15,853	28,467	23,230
Reimburse to subsidiaries	173,047	173,047	-
Others	68,117	95,557	51,340
Total	1,284,209	2,151,659	1,115,390

23. Tax charges

	2021		2020
	2nd semester	Year	Year
PIS/COFINS	146,796	381,464	(80,871)
ISS	83,174	151,685	97,071
ICMS	26,922	37,160	13,534
Outros	3,974	8,312	11,074
Total	260,866	578,621	40,808

24. Related parties

Institutions comprising the BTG Pactual Group invest their cash and cash equivalents mainly in funding products offered by the Bank.

Related-party balances, which are all carried at arms' length, are reflected in the following accounts:

Parent company (i)		Subsidiaries and joint controlled entities		Total	
31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020

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	Parent company		Subsidiaries and joint controlled entities		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Assets						
Interbank investments	-	-	8,441,080	502,285	8,441,080	502,285
Derivative financial instruments	-	-	53,430,977	30,229,604	53,430,977	30,229,604
Loans and Receivables	4,427,603	4,296,749	496,587	1,227,769	4,924,190	5,524,518
Foreign exchange portfolio	-	-	-	29,021	-	29,021
Income Receivable	-	-	-	801,884	-	801,884
Securities trading and brokerage	-	-	-	487,618	-	487,618
Sundry	-	-	7,024,614	6,939,679	7,024,614	6,939,679
Liabilities						
Deposits	(53,075)	(135,247)	(8,193,268)	(6,812,670)	(8,246,343)	(6,947,917)
Open market funding	-	-	(2,969,708)	(3,443,615)	(2,969,708)	(3,443,615)
Funds from securities issued and accepted	-	(3,514,229)	-	(71,016)	-	(3,585,245)
Loans and borrowings	-	-	-	-	-	-
Derivative financial instruments	-	-	(34,739,572)	(21,551,503)	(34,739,572)	(21,551,503)
Foreign exchange portfolio	-	-	-	(29,144)	-	(29,144)
Securities trading and brokerage	-	-	-	(169,922)	-	(169,922)
Sundry	-	-	(25,240,431)	(1,489,716)	(25,240,431)	(1,489,716)
Statements of income						
Financial income	-	-	57,518	115,828	57,518	115,828
Financial expenses	(642)	(3,037)	(259,548)	(520,352)	(260,190)	(523,389)
Other operating income	-	34,383	(1,893,969)	5,377	(1,893,969)	39,760

(i) Includes natural person.

Total compensation paid in the period to key management personnel totaling R\$16,360 (December 31, 2020 – R\$16,277) is considered a short-term benefit.

25. Earnings per share

	31/12/2021		31/12/2020
	2nd semester	Year	Year
Net income for the semester / year	3,118,847	6,294,477	3,280,125
Weighted average per thousand of common shares outstanding in the semester / Year	7,237,515	7,235,997	6,966,293
Weighted average per thousand of common shares held in treasury	-	-	7,633
Net income for the semester / year per common share - basic	0.43	0.87	0.47
Net income for the semester / year per common share - diluted	0.43	0.87	0.47
Weighted average per thousand of class A preferred shares outstanding in the semester / year	2,851,228	2,848,192	2,309,009
Weighted average per thousand of class A preferred shares held in treasury	-	-	15,267
Net income for the semester / year per class A preferred shares - basic	1.09	2.21	1.42
Net income for the semester / year per class A preferred shares - diluted	1.09	2.21	1.41
Weighted average per thousand of class B preferred shares outstanding in the semester / year	1,397,425	1,397,425	1,397,425
Net income for the semester / year per class B preferred shares - basic and diluted	2.23	4.50	2.35
Weighted average per thousand of shares outstanding in the semester / year	11,486,169	11,481,615	10,672,501
Weighted average per thousand of shares held in treasury	-	-	22,900
Net income per share - basic	0.27	0.55	0.31
Net income per share - diluted	0.27	0.55	0.31

26. Operational result

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

27. Other information

a. Cash and cash equivalents

	31/12/2020	31/12/2019
Balances as at beginning of period		
Cash at banks	933,799	640,048
Open market investments	39,349,280	18,508,555
Interbank deposits	1,210,347	1,255,546
Total	41,493,426	20,404,149
	31/12/2021	31/12/2020
Balances as at end of period		

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Cash at banks	1.602.316	933,799
Open market investments	44.790.047	39,349,280
Interbank deposits	3.075.369	1,210,347
Total	<u>49.467.731</u>	<u>41,493,426</u>

b. Commitments and responsibilities

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

	<u>31/12/2021</u>	<u>31/12/2020</u>
Co-obligation and risks for guarantees granted	25,954,192	65,576,431
Responsibility for the management of funds and investment portfolio	199,786,006	18,377,748
Securities under custody	48,203,972	332,426,893
Securities trading and brokerage	1,651,906,829	3,876,036,704
Loans contracted to release	3,161,540	2,469,412
Commitments to be released	143,786	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.

c. Non-recurring Items

In accordance with BCB Resolution 2/2020, we present below the non-recurring items for the year ended December 31, 2021, recognized in other administrative expenses:

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

28.Subsequent Events

Approval of the share buyback program

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

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

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

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

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

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

Acquisition of Elite Corretora de Câmbio e Valores Mobiliários Ltda.

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

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