# Consolidated financial statements under IFRS

**Banco BTG Pactual S.A.**

December 2023

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(A free translation of the original in Portuguese)

# Banco BTG Pactual S.A.

## Consolidated financial statements at December 31, 2023 and independent auditor's report

(A free translation of the original in Portuguese)

# *Independent auditor's report*

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

## Opinion

We have audited the accompanying consolidated financial statements of Banco BTG Pactual S.A. and its subsidiaries ("Institution" or "Consolidated"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information

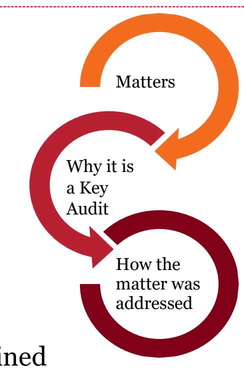
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Banco BTG Pactual S.A. and its subsidiaries as at December 31, 2023, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

## Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Institution and its subsidiaries 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.




We planned and performed our audit for the year ended December 31, 2023 taking into consideration that the operations of the Institution had not changed significantly in relation to the previous year. In this respect, the Key Audit Matters, as well as our audit approach, have remained substantially in line with those in the prior period.

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| Why it is a Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Fair value measurement of complex or illiquids financial instruments** | |
| As disclosed in Notes 3(b), 4(b), 4(d), 7, 8 and 9, the fair value measurement of complex or illiquid 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.<br><br>We kept to 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 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 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.<br><br>We also (i) tested the completeness and integrity of the data extracted from the underlying systems that serve as a basis for fair value measurement; and (ii) independently re-performed, on a sample basis, the calculations for measurement of financial instruments with the support of our specialists in pricing financial instruments in accordance with the requirements provided for by the International Financial Reporting Standards (IFRS).<br><br>We believe that the criteria adopted by management in the fair value measurement of these 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 3(b), 4(b and c) and 12, the provision for expected losses associated with credit risk is estimated based on the analysis of the loan operations and specific risks presented in each portfolio, considering the contractual terms, loss scenarios weighted by probability, the risk rating of the client based on the periodic analysis of the quality of the customer and sectors of activity, according to the criteria established by IFRS 9.<br><br>This is an area that has been defined as the focus of audit, because 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) attribution of risk level; and (iii) reconciliation of account balances with auxiliary reports.<br><br>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) tests regarding the validation of models applied in the determination of recoverable credit value on a sample basis, with the assistance of our specialists, considering the parameters developed for the most significant portfolios; (iii) tests on classification in stages provided for in IFRS 9, and (iv) test of the completeness and integrity of the data extracted |

| Why it is a Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| | from the underlying systems that serve as a basis for calculating the provision.<br><br>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. |
| **Deferred tax assets in consolidated subsidiary** | |
| As disclosed in Notes 2 and 22, Banco Pan S.A. ("Bank"), an indirect subsidiary of the Institution, included in the consolidation process in the consolidated financial statements, has deferred tax assets totaling R$ 3.3 billion, arising from temporary differences in the calculation basis 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 deferred tax assets. This projection, prepared based on a study of the current and future scenario by the Bank's management, involves subjective judgments and assumptions.<br><br>We kept 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 deferred tax assets. | Our key audit procedures considered the understanding of the calculation and recording processes, as well as an understanding of the significant assumptions used by management to project future taxable profit for purposes of estimating the realization of deferred tax assets.<br><br>We compared the main assumptions used by Banco Pan S.A. 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.<br><br>We believe that the assumptions and criteria adopted by management are consistent in relation to the initial recognition, maintenance and realization of the deferred tax assets and are aligned with information approved by those charged with governance. |

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Institution and its subsidiaries, as a whole, 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 and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institution and its subsidiaries.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Banco BTG Pactual S.A.

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, actions taken to eliminate threats to our independence or safeguards applied.

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, March 28, 2024

PricewaterhouseCoopers
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Edison Arisa Pereira
Contador CRC 1SP127241/O-0

# Consolidated financial statements under IFRS
## Banco BTG Pactual S.A.

### Balance sheet
At December 31
(All amounts in thousands of reais)

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **Assets** | | | |
| Cash | **6** | 2,439,095 | 3,069,046 |
| Financial instruments | | 436,303,404 | 398,146,160 |
| Financial assets at fair value through profit or loss | **7** | 178,807,129 | 156,996,525 |
| Financial assets at fair value through other comprehensive income | **8** | 22,070,238 | 16,455,650 |
| Financial assets at amortized cost | | 235,426,037 | 224,693,984 |
| Money market repurchase commitments | **10** | 66,382,691 | 65,365,726 |
| Interbank deposit investments | **11** | 7,181,798 | 8,748,546 |
| Deposited with the Central Bank | | 22,542,833 | 17,629,141 |
| Credit operations | **12** | 119,808,899 | 111,157,950 |
| Marketable securities | **13** | 18,138,572 | 15,431,811 |
| Other receivables | | 1,371,244 | 6,360,809 |
| Deferred tax assets | **22** | 5,592,892 | 5,800,485 |
| Other assets | **15** | 32,427,762 | 27,044,878 |
| Investments in affiliates and jointly controlled subsidiaries | **16** | 7,826,277 | 7,917,758 |
| Property and equipment | | 515,092 | 508,618 |
| Right-of-use | | 322,262 | 401,066 |
| Intangible assets | **17** | 9,689,026 | 10,253,420 |
| **Total assets** | | **495,115,810** | **453,141,430** |

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | **7** | 44,730,105 | 62,834,530 |
| Financial liabilities at amortized cost | **14** | 341,911,634 | 297,156,935 |
| Money market funding | | 97,075,862 | 87,139,332 |
| Deposits | | 133,273,103 | 115,749,672 |
| Acceptances and endorsements | | 73,531,521 | 67,944,679 |
| Borrowings, onlendings and leases | | 17,911,780 | 18,103,247 |
| Subordinated debts and debt instruments eligible to capital | | 20,119,368 | 8,220,005 |
| Tax liabilities | **18** | 4,496,878 | 2,178,344 |
| Current | | 4,020,634 | 1,484,157 |
| Deferred | | 476,244 | 694,187 |
| Sundry liabilities | **19** | 30,031,428 | 23,214,981 |
| Other liabilities | **20** | 8,209,895 | 9,268,805 |
| Social and statutory liabilities | | 4,034,629 | 3,569,719 |
| Provision for contingent liabilities | **21** | 4,995,441 | 5,091,446 |
| Provision for expected loss arising from credit risk for financial guarantees | | 317,633 | 275,636 |
| **Total liabilities** | | **438,727,643** | **403,590,395** |
| **Equity** | | | |
| Share capital | **23** | 15,760,364 | 15,760,364 |
| Treasury shares | | (532,428) | (231,252) |
| Capital reserves | | 652,515 | 652,515 |
| Revenue reserves | | 32,123,118 | 25,139,020 |
| Other comprehensive income | | 3,951,687 | 3,590,324 |
| **Total equity of controlling stockholders** | | **51,955,256** | **44,910,971** |
| Non-controlling interest | | 4,432,911 | 4,640,064 |
| **Total equity** | | **56,388,167** | **49,551,035** |
| **Total liabilities and equity** | | **495,115,810** | **453,141,430** |

See the accompanying notes to the consolidated financial statements under IFRS.

# Consolidated financial statements under IFRS

## Banco BTG Pactual S.A.

### Statement of income

Years ended December 31
(All amounts in thousands of reais, unless otherwise stated)

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Net profit (loss) from financial instruments | **25** | 23,508,085 | 21,333,925 |
| Expected losses from credit risk | **12** | (2,280,246) | (4,650,965) |
| Net foreign exchange variations | | 1,109,240 | 1,200,631 |
| Revenue from provision of services | **26** | 9,098,936 | 8,400,584 |
| Equity in the earnings of subsidiary, affiliates, and jointly controlled subsidiaries | **16** | 1,076,706 | 748,437 |
| Administrative expenses | **28** | (10,381,413) | (9,194,637) |
| Personnel expenses | | (5,803,678) | (4,997,240) |
| Tax expenses | | (1,882,157) | (1,628,460) |
| Other revenues / (expenses) | **27** | (2,781,697) | (2,267,891) |
| Operating profit before taxes | | 11,663,776 | 8,944,384 |
| Income tax and social contribution | **22** | (1,409,016) | (1,293,642) |
| Provision for current income tax and social contribution | | (2,138,356) | (904,145) |
| Provision for deferred income tax and social contribution | | 729,340 | (389,497) |
| **Net income for the year** | | **10,254,760** | **7,650,742** |
| Net income attributable to controlling stockholders | | 9,980,342 | 7,194,764 |
| Net income attributable to non-controlling stockholders | | 274,418 | 455,978 |

See the accompanying notes to the consolidated financial statements under IFRS.

# Consolidated financial statements under IFRS

## Banco BTG Pactual S.A.

### Condensed statement of comprehensive income

Years ended December 31
(All amounts in thousands of reais)

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Net income for the year** | **10,254,760** | **7,650,742** |
| Other comprehensive income with reclassification to profit or loss | | |
| Change in carrying value adjustments - affiliates and jointly controlled subsidiary | 247,042 | (114,422) |
| Change in carrying value adjustments of financial assets at fair value through other comprehensive income | 81,455 | (10,499) |
| Accumulated translation adjustments | (2,158) | (60,127) |
| Foreign exchange variations on foreign investments on non-monetary items | (1,095,838) | (1,088,823) |
| Hedge from foreign investments | 1,099,909 | 1,090,005 |
| Goodwill/negative goodwill in acquisition of interest in subsidiaries | 31,239 | - |
| Others | (286) | - |
| **Total comprehensive income** | **10,616,123** | **7,466,876** |

See the accompanying notes to the consolidated financial statements under IFRS.

# Consolidated financial statements under IFRS

## Banco BTG Pactual S.A.

### Condensed statements of changes in equity

Years ended December 31
(In thousands of Reais, except for the amount of dividends per share)

| | Note | Capital | Capital reserve | Revenue reserves | Other comprehensive income | Treasury shares | Retained earnings | Total controlling stockholders | Total noncontrolling stockholders | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balances at December 31, 2021 (Restated)** | | **15,760,364** | **652,515** | **20,111,693** | **3,774,191** | **-** | **-** | **40,298,763** | **3,710,967** | **44,009,730** |
| Acquisition of treasury shares | **23** | - | - | - | - | (231,252) | - | (231,252) | - | (231,252) |
| Change in carrying value adjustments of affiliates and jointly controlled subsidiary | | - | - | (5,843) | (114,422) | - | - | (120,265) | - | (120,265) |
| Change in carrying value adjustments of financial assets at fair value through other comprehensive income | | - | - | - | (10,499) | - | - | (10,499) | - | (10,499) |
| Accumulated translation adjustments | | - | - | - | (60,127) | - | - | (60,127) | - | (60,127) |
| Foreign exchange variation on investments | | - | - | - | (1,088,823) | - | - | (1,088,823) | - | (1,088,823) |
| Hedge from foreign investments | | - | - | - | 1,090,004 | - | - | 1,090,004 | - | 1,090,004 |
| Net income for the year | | - | - | - | - | - | 7,194,764 | 7,194,764 | 455,978 | 7,650,742 |
| Allocations of net income | | - | - | - | - | - | - | - | - | - |
| Income reserve | | - | - | 5,033,170 | - | - | (5,033,170) | - | - | - |
| Interim interest on capital (R$ 0.10 per share) | **23** | - | - | - | - | - | (2,161,594) | (2,161,594) | - | (2,161,594) |
| Addition to non-controlling stockholders | **23** | - | - | - | - | - | - | - | 473,119 | 473,119 |
| **Balances at December 31, 2022** | | **15,760,364** | **652,515** | **25,139,020** | **3,590,324** | **(231,252)** | **-** | **44,910,971** | **4,640,064** | **49,551,035** |
| Acquisition of treasury shares | **23** | - | - | - | - | (301,176) | - | (301,176) | - | (301,176) |
| Change in carrying value adjustments of affiliates and jointly controlled subsidiary | | - | - | - | 247,042 | - | - | 247,042 | - | 247,042 |
| Change in carrying value adjustments of financial assets at fair value through other comprehensive income | | - | - | - | 81,455 | - | - | 81,455 | - | 81,455 |
| Foreign exchange variation on investments | | - | - | - | (1,095,838) | - | - | (1,095,838) | - | (1,095,838) |
| Accumulated translation adjustments | | - | - | - | (2,158) | - | - | (2,158) | - | (2,158) |
| Hedge from foreign investments | | - | - | - | 1,099,909 | - | - | 1,099,909 | - | 1,099,909 |
| Goodwill/negative goodwill in acquisition of interest in subsidiaries | | - | - | - | 31,239 | - | - | 31,239 | - | 31,239 |
| Net income for the year | | - | - | - | - | - | 9,980,342 | 9,980,342 | 274,418 | 10,254,760 |
| Net income allocation | | | | | | | | | | |
| Income reserve | | - | - | 6,984,098 | (286) | - | (6,984,098) | (286) | - | (286) |
| Intermediate interest on equity (R$0.26 per share) | **23** | - | - | - | - | - | (2,975,000) | (2,975,000) | - | (2,975,000) |
| Addition to non-controlling stockholders and others | **23** | - | - | - | - | - | (21,244) | (21,244) | (481,571) | (502,815) |
| **Balances at December 31, 2023** | | **15,760,364** | **652,515** | **32,123,118** | **3,951,687** | **(532,428)** | **-** | **51,955,256** | **4,432,911** | **56,388,167** |

See the accompanying notes to the consolidated financial statements under IFRS.

# Consolidated financial statements under IFRS

## Banco BTG Pactual S.A.

### Consolidated condensed statement of cash flows

Years ended December 31

(All amounts in thousands of reais)

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Operating activities | | | |
| Net income for the period | | 10,254,760 | 7,650,742 |
| Adjustments to net income | | 2,233,486 | 6,189,113 |
| Results from interests in affiliates and companies with shared control | 16 | (1,076,706) | (748,437) |
| Deferred tax assets | 22 | (729,340) | 389,497 |
| Provision for contingencies | 21 | 369,902 | 330,317 |
| Provision for expected losses associates with credit risk | | 2,280,246 | 4,650,965 |
| Foreign exchange variation of permanent assets | | 63,581 | 259,929 |
| Exchange-rate change on cash | | 101,835 | (55,676) |
| Depreciation and amortization | | 1,223,968 | 1,362,518 |
| Adjusted net income for the period | | 12,488,246 | 13,839,855 |
| Increase/decrease in operating activities | | | |
| Money market repurchase commitments | | (1,496,903) | (110,134) |
| Interbank deposit investments | | (1,001,074) | (4,619,976) |
| Credit operations | | (10,931,195) | (15,625,499) |
| Marketable securities at amortized cost | | (2,706,761) | (11,984,151) |
| Financial assets at fair value through profit or loss | | (21,810,604) | (31,079,279) |
| Financial assets at fair value through other comprehensive income | | (5,614,588) | (6,769,075) |
| Other assets | | (2,708,609) | (16,542,077) |
| Financial liabilities at fair value through profit or loss | | (18,104,425) | 27,841,858 |
| Financial liabilities at amortized cost | | 17,331,964 | 24,020,344 |
| Money market funding | | 9,936,530 | 29,194,694 |
| Tax liabilities | | 2,318,534 | (1,901,529) |
| Sundry liabilities | | 6,816,447 | 9,868,816 |
| Other liabilities | | (1,017,910) | 4,971,872 |
| Cash (used) / from operating activities | | (16,500,346) | 21,105,718 |
| Investing activities | | | |
| Hedge from foreign investments | | (1,099,909) | (1,090,004) |
| (Acquisition)/disposal of other investments | 16 | 275,385 | (1,589,826) |
| Dividends received | 16 | 821,140 | 1,676,737 |
| (Acquisition) / disposal of property and equipment | | (138,174) | (277,176) |
| (Acquisition) / disposal of intangible assets | 17 | (517,912) | (872,303) |
| Cash (used in) / from investing activities | | (659,470) | (2,152,572) |
| Financing activities | | | |
| Acquisition of treasury shares | 23b | (301,176) | (231,252) |
| Proceeds from acceptances and issues of bonds | | 5,586,842 | 1,377,017 |
| Subordinated debt and debt instruments eligible to equity | | 11,899,363 | 153,504 |
| Non-controlling interest in equity | | (755,989) | 929,097 |
| Interest on equity | 23 | (2,845,000) | (2,025,000) |
| Cash flows from financing activities | | 13,584,040 | 203,366 |
| Increase in cash and cash equivalents | | (3,575,776) | 19,156,512 |
| Balances of cash and cash equivalents | 30 | | |
| At the beginning of the period | | 76,556,439 | 57,344,251 |
| Foreign exchange variations on cash and cash equivalents | | (101,835) | 55,676 |
| At the end of the period | | 72,878,828 | 76,556,439 |
| Increase in cash and cash equivalents | | (3,575,776) | 19,156,512 |

See the accompanying notes to the consolidated financial statements under IFRS.

## 1. Operating context

Banco BTG Pactual S.A. (“Bank” or “BTG Pactual”), established as a multiple bank, operates together with its subsidiaries (“BTG Pactual Group”), offering financial products and services related to trading and investment portfolios, credit, financing, leasing, insurance, foreign exchange, among others, in Brazil and in several locations abroad. The Bank’s headquarters is located at Praia de Botafogo, 501 – 5º floor – Torre Corcovado, in the city and state of Rio de Janeiro. Its main place of business is the office located at Av. Brigadeiro Faria Lima, 3477 – 14º floor (parte), in the city and state of São Paulo.

Operations are conducted in the context of a set of companies that operate in an integrated manner in the financial market, and certain operations have the intermediation of other companies that are part of the BTG Pactual Group. The Bank’s parent company is BTG Pactual Holding Financeira Ltda. (“Holding Financeira”), which is controlled by BTG Pactual G7 Holding S.A. through BTG Pactual Holding S.A. (“Holding”).

BTG Pactual has units listed on B3 S.A. in São Paulo. Each unit corresponds to 1 common share and 2 class A preferred shares.

## 2. Corporate reorganizations and acquisitions

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

On July 19, 2019, the Bank, through its investee BTG Pactual Asset Management S.A. DTVM, acquired 80% interest in Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A. (“Ourinvest”), and the latter maintained its administrative and operational independence, despite being a member of BTG Pactual Conglomerate. The purchase and sale agreement also provided for the purchase option of the remaining shares of Ourinvest until 2022 in two tranches of 10% each (the option related to the first tranche was exercised in March 2021 and the second tranche in March 2022). On November 16, 2022, the transaction was concluded after satisfaction of all condition’s precedent, including regulatory approvals.

On January 20, 2023, the company's name was changed from Ourinvest Distribuidora de Títulos e Valores Mobiliários S.A. to BTG Pactual Advisors Distribuidora de Títulos e Valores Mobiliários S.A.

**Banco Pan S.A.**

On April 5, 2021, a purchase and sale agreement were entered into between CaixaPar and Banco Sistema (controlled by BTG Pactual), for the acquisition of all common shares, registered and without par value, issued by Banco Pan and held 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 operation, Banco Sistema paid CaixaPar the total amount of approximately BRL 3,7 billion, which corresponds to BRL 11.42 for each Share object of the operation. In May 2021, after having attested the satisfaction of all condition’s precedent, including applicable regulatory approvals, the acquisition was settled.

In June 2022, the evaluation of the allocation of assets for the acquisition of Banco Pan S.A. was concluded, with no material effects on the lines of assets.

The final allocation of the price paid indicates the following amounts, including the effects of step acquisition indicated under IFRS 3 – business combination:

| | BRL million |
|---|---|
| Price Paid for the purchase of interest in Banco Pan on May 31 (26.84%) | 3,694 |
| Prior equity interest at fair value on May 31 (44.85%) | 6,084 |
| Non-controlling interest on the net fair value of assets and liabilities (28.31%) | 2,305 |
| **(a) Subtotal** | **12,083** |
| Banco Pan's Equity on May 31, 2021 (100%) | 5,476 |
| Capital gains on assets / liabilities and identified assets (100%) | 4,849 |
| Deferred tax related to capital gains and identified assets of the acquired position and minority interest | (1,203) |
| **(b) Subtotal** | **9,122** |
| **(c) Goodwill related to Banco Pan (a - b):** | **2,960** |

(a) It refers to the fair value of Banco Pan (referring to 100% of ON and PN shares). The position previously held by Banco BTG S.A. was remeasured as required by IFRS 3 (Acquisition in stages), and this remeasurement generated a result of BRL 3,627 million.
(b) Related to the fair value of acquired assets and liabilities in obtainment of control
(c) The Bank's management did not identify indications of impairment in relation to goodwill on the acquisition of control of Banco Pan. (Note 16)

The intangible assets identified in the transaction were:

**BRL million**

| Identified asset | Fair value calculated (referring to 100%) | Estimated useful life according to a report prepared by a specialized company |
|---|---|---|
| Client portfolio | 1,607 | 8.4 years |
| Core deposits | 553 | 10 years |
| Brand | 278 | N/A |

Capital gains on assets and liabilities are written off according to the disposal (partial or total amortization) of the corresponding assets.

### 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 communicated to shareholders and the market in general that it had signed, jointly with Santander Corretora de Seguros, Investimentos e Serviços S.A. and CBOE III, LLC, binding contracts for the acquisition of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A. ("CSD BR").

On May 26, 2022, the Bank confirmed, in view of the satisfaction of the applicable condition's precedent, the formalization of the operation related to the subscription of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.

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

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

This acquisition is part of the expansion strategy of BTG Pactual Digital in the investment advisory segment.
On October 21, 2022, the transaction was concluded, after satisfaction of all condition's precedent, including regulatory approvals.

**Merger of shares of Mosaico Tecnologia ao Consumidor by Banco PAN S.A. (Controlled by BTG Pactual)**

At October 03, 2021, Banco PAN S.A. (B3: BPAN4) signed an Agreement of Association and Other Covenants ("Association Agreement") for the merger of all shares issued by Mosaico Tecnologia ao Consumidor S.A. ("Mosaico") (B3: MOSI3), a native digital company that brings together the brands Zoom, Buscapé and Bondfaro, and which owns the largest platform of content and sales origination for e-commerce in Brazil ("Operação Mosaico").

On March 11, 2022, the Board of Directors of Banco PAN confirmed the satisfaction of suspensive conditions regarding the effectiveness of Mosaico Operation, according to the Protocol and Justification of the Merger of Shares entered into between Banco PAN and Mosaico on October 26, 2021 and, therefore, stated that the resolutions of the Extraordinary General Meeting of Banco PAN held on December 1, 2021, including the merger of shares, became valid and effective, for all legal purposes and effects.

**Acquisition of Banco BESA S.A.**

On March 30, 2022, BTG Pactual agreed to acquire the share control of Banco BESA S.A. ("BESA"), as well as its subsidiaries. As communicated to the market on October 7, 2022, the transaction was concluded after regulatory approvals. The transaction complements the strategy of BTG Pactual, focused on the acquisition and recovery of defaulted loan portfolios and purchase of alternative financial assets.

The purchase price allocation ("PPA") report, prepared by an independent company specialized in asset valuation, was completed in accordance with relevant regulatory deadlines, with no material impact on the lines of assets and liabilities.

**FIS Privatbank S.A.**

On March 23, 2023, Banco BTG Pactual S.A. communicated to shareholders and the market in general that one of its subsidiaries signed definitive documents referring to the acquisition of 100% (one hundred percent) of the capital of a financial institution headquartered in Luxembourg, FIS Privatbank S.A., for EUR 21.3 million. On September 20, 2023, the transaction was concluded after satisfaction of all condition's precedent, including regulatory approvals.

On January 15, 2024, the company's name was changed from FIS Privatbank S.A. to BTG Pactual Europe S.A.

**Órama Distribuidora de Títulos e Valores Mobiliários S.A.**

On October 2, 2023, Banco BTG Pactual S.A. communicated to shareholders and the general market that it had signed, through a subsidiary, the definitive documents regarding the acquisition of 100% (one hundred percent) of the share capital of Órama Distribuidora de Títulos e Valores Mobiliários S.A., for the amount of R$ 500 million, subject to certain adjustments. On March 15, 2024, the transaction was concluded after overcoming all the preceding conditions, including regulatory approvals.

**Offers**

**Subordinated Financial Notes**

On June 30, 2023, the Bank issued Subordinated Financial Notes that served as guarantee for Funding via Agribusiness Receivables Certificates issued by Opea Securitizadora S.A., totaling an offer amount of BRL 3,500,100 (three billion, five hundred million and one hundred thousand reais), divided into four series.

Said Notes will mature on July 15, 2033, with principal balances being fully amortized on the maturity date and semi-annual interest payments.

On August 31, 2023, the Bank issued BRL 3,500,100 (three billion, five hundred million and one hundred thousand reais) of Subordinated Financial Notes, divided into four series. Said Notes will mature on September 15, 2033, with principal balances being fully amortized on the maturity date and semi-annual interest payments.

On November 6, 2023, the Bank issued BRL 2,000,100 (two billion and one hundred thousand Brazilian reais) of Subordinated Financial Notes, divided into four series. Said Notes will mature on November 16, 2033, with principal balances being fully amortized on the maturity date and semi-annual interest payments.

On December 19, 2023, the Bank issued BRL 1,500,000 (one billion and five hundred million reais) of Subordinated Financial Notes, divided into four series. Said Notes will mature on December 15, 2033, with principal balances being fully amortized on the maturity date and semi-annual interest payments.

**Approval of share repurchase program**

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

- Repurchase with the aim of providing better conditions to carry out the efficient investment of available cash resources in order to maximize the allocation of the Bank's capital.
- Acquisition of up to BRL 1,000,000,000 (one billion reais) observing in every case the limits set forth in CVM Instruction 567.
- Non-existence, at BTG Pactual, of BPAC11 units or treasury shares.
- Maintenance, in treasury, of BPAC11 units acquired under the Program.
- Definition of a period of up to 18 months for the acquisitions, being the Executive Board responsible for deciding the best time to make the acquisitions; and
- Intermediation of BTG Pactual CTVM S.A. and operations conducted in accordance with the current regulation.

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

## 3. Presentation of consolidated financial statements

### a. Basis of preparation

The condensed consolidated interim financial statements in accordance with the Bank's IFRS were prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The Balance Sheet accounts are presented in order of liquidity and liability, with the segregation between current and non-current presented in an explanatory note.

### b. Judgment and significant accounting estimates

In the process of preparing the consolidated condensed interim financial statements under IFRS of the Bank, the Management has exercised judgment and used estimates to calculate certain amounts recognized in the consolidated condensed interim financial statements under IFRS. The most relevant application of exercise of judgment and use of estimates occur at:

Going concern

Management evaluated the ability of the Bank and its subsidiaries for going concern normally and is convinced that they have sufficient funds to continue operating. Additionally, Management is not aware of any material uncertainty that may generate significant doubts about its ability to continue operating. Therefore, the condensed consolidated interim financial statements under IFRS were prepared based on this principle.

Expected credit loss

The measurement of expected credit loss reflects the use of significant assumptions, as described below:

- Term: The Bank considers the maximum contractual period over which it will be exposed to the credit risk of the financial instrument. Assets that do not have a specific maturity have an estimated life expectation based on the period of exposure to credit risk. Additionally, all contractual terms are considered when determining expected life, including prepayment and rollover options.
- Forward-looking information: IFRS 9 – Financial Instruments requires a weighted and unbiased estimate of credit loss that embodies forecasts of future economic conditions. BTG Pactual uses macroeconomic information and public information on the market with projections prepared internally to determine the impact of said estimates in determining the expected credit loss.
- Probability-weighted loss scenarios: the Bank uses weighted scenarios to determine the expected credit loss over an adequate observation horizon, through analyses carried out by the credit risk team, also considering the characteristics of the papers (maturity, issuer, economic scenario, among others).
- Criteria for significant increase or decrease in credit risk: in each period of the Financial Statements under IFRS, BTG Pactual assesses whether the credit risk on a financial asset has increased significantly using relative and absolute indicators, according to the nature of each product.

BTG Pactual assesses whether he credit risk has increased significantly on individual (case by case) or collective basis. For collective valuation purposes, financial assets are grouped based on shared credit risk characteristics, considering the type of instrument, credit risk ratings, date of initial recognition, remaining term, branch, geographic location of the counterparty among several other factors.

Fair value of financial instruments

The fair value of financial instruments is calculated using pricing techniques based on assumptions, which consider information and market conditions. Main assumptions: historical data and information of similar transactions. For more complex or illiquid instruments, significant judgment is required to determine the model used by selecting specific data and in some cases, valuation adjustments are applied to the model value or quoted price for financial instruments that are not actively traded.

Deferred tax assets

Deferred tax assets are recognized on tax losses to the extent that is likely that the taxable profit will be available in the period in which the losses may be used. A criterion is required to establish the amount of future deferred taxable asset that should be recognized, based on the probable flow of future taxable profit and together with tax planning strategies, if any.

**c. IFRS pronouncements reviewed**

❖ **Accounting pronouncements recently issued and applicable in 2023 or in future periods.**

The following pronouncements became effective in 2023 or will be effective for periods after the date of these consolidated condensed interim financial statements under IFRS and were not adopted in advance:

- IFRS 17 - Insurance Contracts: The pronouncement replaces IFRS 4 – Insurance Contracts and presents three evaluation approaches:
  - Standard Model: applicable to all insurance contracts without direct participation.
  - Premium Allocation Approach (PAA): applicable to contracts lasting up to 12 months or when it produces results similar to those that would be obtained if the standard model were used. It is more simplified than the standard model.
  - Variable Fee Approach: applicable to insurance contracts with direct participation. Insurance contracts that are substantially service contracts related to investments under which an entity promises a return on investment based on the underlying items.

  Insurance contracts must be recognized through the analysis of the following items:

  - Expected future cash flows: estimate of all components of the contractual cash flow.
  - Adjustment to the Risk: estimate of the offset required dye to the deviations that may occur between cash flows.
  - Contractual margin: difference between any amounts received before the beginning of the contractual coverage and the present value of estimated cash flows at the beginning of the contract.
  - Discount: projected cash flows shall be discounted to present value, so as to reflect the time value of money, at rates that reflect the characteristics of the respective flows. This standard is effective for years started as of January 1, 2023. The possible impacts are being evaluated and will be completed by the date on which the standard enters into force.

- Amendment to IFRS 17 - The effectiveness of the standard begins on January 1, 2023, and the transition date corresponds to the previous year, January 1, 2022, with the transition impacts recorded directly in Equity, in Retained Earnings, when applicable and relevant. In our impact analyses, it was observed that the transition to IFRS 17 and the reassignment of financial assets resulted in irrelevant impacts on the Bank's Equity and results under IFRS, considering the characteristics of the insurance products sold by the group, as well as due to the relevance of insurance operations in the financial statements in IFRS. Additionally, the adoption of the standard will not result in regulatory and prudential impacts, since such limits, for BACEN purposes, are determined based on the Prudential Consolidated, in accordance with accounting standards and principles applicable to institutions authorized to operate by BACEN. In the case of the insurance activity regulator (SUSEP), operational and Solvency limits continue to be determined in accordance with local regulations, applicable to entities supervised by SUSEP.

- Amendments to IAS 1 – Presentation of Financial Statements – Requires that only information on material accounting policies be disclosed, eliminating disclosures of information that duplicate or summarize the requirements of IFRS standards. These amendments are effective for years beginning on January 1, 2023, and have no financial impact. There was no material impact regarding changes in disclosure.

- Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Includes the definition of accounting estimates: monetary values subject to uncertainties in their measurement. Examples of accounting estimates are the expected credit loss and the fair value of an asset or liability. This amendment is effective for years started on January 1, 2023, and the analyses regarding the changes in disclosure concluded that there was no relevant impact on the consolidated condensed interim statements.

- Amendments to IAS 12 – Income Taxes – Clarifies that the exemption for accounting of deferred taxes arising from temporary differences generated in the initial recognition of assets or liabilities do not apply to lease operations. These amendments are effective for the years started on January 1, 2023, did not materially impact the consolidated condensed interim financial statements.

- Amendments to IAS 12 – Income Tax issued on May 23, 2023, allowing companies a temporary exemption for accounting for deferred tax arising from the international reform of income tax implemented by the OECD (Organization for Economic Co-operation and Development), known as "Pillar Two". These amendments are effective for the years started on January 1, 2023, but they are not required for the disclosure in the consolidated condensed interim statements for 2023. The possible impacts are being evaluated and will be completed by the date on which the standard enters into force.

- Amendments to IAS 7 – Statement of Cash Flow and IFRS 7 – Financial Instruments: Disclosures issued in May 2023 increasing the disclosure requirements for supplier financing agreements and their effect on a company's liabilities, cash flows and exposure to liquidity risk. These amendments will become effective as from January 1, 2024. The possible impacts are being evaluated and will be completed by the date on which the standard enters into force.

**d. Consolidated condensed interim financial statements**

The Bank's IFRS statements comprise the condensed consolidated interim financial statements of the Bank, its branches abroad, direct, and indirect subsidiaries in Brazil and abroad, as well as investment funds and special purpose entities (SPE). Control exists where the Bank has the power to manage the entity's financial and operating policies, generally attributed to holding a majority of voting rights, and is exposed to varying returns from its involvement with its investees and has the ability to use its power to affect that return.

The accounting practices adopted in the recording of operations and in the evaluation of the rights and obligations of the Bank, direct and indirect subsidiaries, and investment funds with relevant investment in consolidated companies, included in the consolidation, were consistently applied, and the investments, assets, liabilities and results existing and/or determined between the consolidated entities were eliminated. The table below lists the Bank's main direct and indirect subsidiaries, including investment funds, consolidated in the condensed consolidated interim financial statements in IFRS.

| | Country | Interest in total capital - % 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **Subsidiaries** | | | |
| BTG Pactual Cayman Branch | Cayman | 100.00% | 100.00% |
| BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. | Brazil | 99.99% | 99.99% |
| Banco Sistema S.A. | Brazil | 100.00% | 100.00% |
| Banco Pan S.A. | Brazil | 74.10% | 73.95% |
| Banco BESA S.A. | Brazil | 100.00% | 96.50% |
| ECTP Brasil S.A. (i) | Brazil | 100.00% | - |
| **Indirect subsidiaries** | | | |
| BTG Pactual Resseguradora S.A | Brazil | 100.00% | 100.00% |
| BTG Pactual Vida e Previdência S.A. | Brazil | 100.00% | 100.00% |
| Banco BTG Pactual Chile S.A. | Chile | 100.00% | 100.00% |
| BTG Pactual Chile Capital S.A. Corredores de Bolsa | Chile | 100.00% | 100.00% |
| BTG Pactual S.A. Comissionista de Bolsa | Chile | 100.00% | 100.00% |
| BTG Pactual Holding Participações S.A | Brazil | 99.99% | 99.99% |
| BTG Pactual Oil & Gas S.A.R.L. | Luxembourg | 100.00% | 100.00% |
| BTG Pactual COMM, (CH) SA | Switzerland | 100.00% | 100.00% |
| BTG Pactual AM US, LLC | United States | 100.00% | 100.00% |
| Banco BTG Colombia S.A | Colombia | 100.00% | 100.00% |
| ECTP Brasil S.A. (i) | Brazil | - | 100.00% |
| BTG Pactual NY Corporation | United States | 100.00% | 100.00% |
| BTG Pactual Europe S.A | Luxembourg | 100.00% | - |
| **Investment funds** | | | |
| BTG Pactual Absolute Return Master Fund | Cayman | 100.00% | 100.00% |
| FIDC FGTS | Brazil | 100.00% | 100.00% |
| Fundo de Investimento Multimercado CP LS Investimento no Exterior | Brazil | 100.00% | 100.00% |
| FIDC NP Alternative Assets I | Brazil | 100.00% | 100.00% |
| Warehouse FIP | Brazil | 100.00% | 100.00% |
| BTGP Consignados II FIDC (ii) | Brazil | 100.00% | - |
| BTGP Consignados FIDC (ii) | Brazil | 100.00% | - |
| FIDC NP Alternative Assets III | Brazil | 100.00% | 100.00% |
| Fundo de Investimento Multimercado CP LS II Investimento no Exterior (ii) | Brazil | 100.00% | - |
| BTG Pactual International Port Fund SPC | Cayman | 100.00% | 100.00% |
| Clave Alpha Macro Participações FIC FIM | Brazil | - | 90.52% |
| Clave Total Return Master FIM | Brazil | 82.71% | 70.65% |

(i) In June 2023, ECTP Brasil S.A. became the Bank's direct investment.

(ii) Fund established in 2023.

### e. Functional currency

The items included in the financial statements of the Bank and subsidiaries are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). Consolidated condensed interim financial statements under IFRS are presented in reais (BRL), which is the functional currency of the controlling stockholder, the Bank. The rate used for translating assets and liabilities into foreign currency is that of the closing date, while the profit or loss accounts are translated into monthly average rates.

The financial currencies of subsidiaries, whose functional currency is different from that adopted by the Bank, are translated into the Bank's functional currency using the criteria of IAS 21.

The currency translation effects of subsidiaries headquartered abroad, with a functional currency different from the parent company, are recorded in equity and presented in the consolidated statement of comprehensive income, as well as the result of the hedge on these investments, when applicable.

### f. Comparative financial statements restatement

In these financial statements, the comparative balances of the statement of income were negatively adjusted by BRL 353,406 (net of tax effects) to reflect the amortization of capital gains referring to the first 12 months of the 2022 fiscal year.

The adjustments refer to the final assessment of the fair value of assets and liabilities (and corresponding amortizations) arising from the acquisition of control of Banco Pan (see note "2. Corporate reorganizations and acquisitions"). In June 2022, the evaluation of the Purchase Price Allocation (PPA) was completed, within the period allowed by IFRS 3 and, therefore, the information determined in the PPA applied to the 2021 and 2022 fiscal years resulted in impacts on the following items: “Deferred Tax Assets”, “Intangible Assets” and Equity.

The nature of the changes is due to the application of the assumptions established for the recognition of the identified intangibles, as well as the respective applicable deferred taxation.

## 4. Significant accounting policies

The consolidated financial statements were prepared based on international accounting standards issued by the IASB, in force until December 31, 2023.

**a. Cash**

For the purposes of statement of cash flow, cash, bank deposits, highly liquid short-term investments that are promptly convertible into a known sum of cash, which are subject to an insignificant risk of change in value, with maturity which is usually three months as of the acquisition date.

**b. Financial instruments**

“Financial instrument” is any contract that gives rise to a financial asset in an entity and concomitantly a financial liability or ownership interest in another entity.

"Equity instrument" is any agreement that represents a residual participation in the assets of the issuing entity after the deduction of all its liabilities.

“Derivative” is the financial instrument whose value changes in response to changes in an observable market variable (such as interest rate, exchange rate, price of financial instruments, market index or credit rating), in which the initial investment is very low compared to other financial instruments with similar response to changes in market factors, and it is usually settled at a future date.

(i) Recognition date

All financial assets and liabilities are originally recognized on negotiation date, that is, the date in which the Consolidated becomes a stakeholder of the instrument contractual relationship. Financial assets purchases or sales requiring the asset to be delivered within a determined period established by the bylaws or market standards are included.

(ii) Initial recognition of financial instruments

The classification of financial instruments on initial recognition depends on the purpose for which they were acquired and on its characteristics. The classification of financial instruments pursuant to IFRS 9 is usually based on the business model in which a financial asset is managed, in addition to its contractual cash flow.

(iii) Financial assets measured at fair value through profit or loss

Correspond to assets that satisfy one of the following conditions:

a) Financial assets that do not satisfy (after performing the "SPPI test – only for principal and interest") the conditions of financial assets at amortized cost or fair value through other comprehensive income; or

b) irrevocable election, of assets that meet the measurement requirements at amortized cost or at fair value through other comprehensive income, at initial recognition, for the purpose of eliminating or significantly reducing a measurement or recognition inconsistency.

(iv) Financial assets at fair value through other comprehensive income

Financial asset must be measured at fair value through other comprehensive income if both following conditions are addressed: (i) the financial asset is maintained within a business model whose purpose is achieved by means of payment of contractual cash flows and the sale of financial assets; and (ii) the contractual terms of the financial asset lead to cash flows on specific dates, which are composed only of payments of principal and interest.

Unrealized gains or losses are recognized in other comprehensive income. Upon maturity of the debt instrument, unrealized gains or losses previously recognized in other comprehensive income are reclassified to profit or loss as "Fair value gain/(loss) through other comprehensive income".

(v) Financial assets at amortized cost

A financial asset must be measured at amortized cost if both characteristics are presented:

• If the financial asset is held within a business model whose purpose is to maintain financial assets to pay contractual cash flows; and

• The contractual terms of the financial asset led to cash flows on specific dates, which are composed only of payments of principal and interest. After initial measurement, financial assets will be measured at amortized cost using the effective interest rate method. Even if the Company does not intend to sell the asset classified in this category, as it is expected to hold it until maturity to collect contractual cash flows, it is not required to hold these instruments until maturity and a sale event may occur.

(vi) Financial liabilities

The financial liabilities are classified into one of the following categories:

• Financial liabilities measured at fair value through profit or loss: this category includes financial liabilities issued to generate short-term profit resulting from price changes, financial derivatives not considered as hedge accounting and financial liabilities resulting from direct sale of financial assets purchased through repurchase agreements or borrowed ("short positions").

• Other financial liabilities at fair value through profit or loss: financial liabilities are included in this category when there is more relevant information obtained, either because it eliminates or significantly reduces recognition or measurement inconsistencies ("accounting differences") arising from the measurement of assets or liabilities or the recognition of its gains or losses on a different basis because there is a managed group of financial assets and liabilities, which is managed and whose performance is evaluated based on fair value, in accordance with a documented strategy of risk or investment management and the information on the Bank is provided to the Bank's key management professionals on the same basis.

• Financial liability at amortized cost: financial liabilities, regardless of their form and maturity, not included in any of the prior categories and resulting from financing raising carried out by financial institutions.

Fundraising instruments are initially recognized at fair value, which is basically considered to be the transaction price. They are subsequently measured at amortized cost (accrual) and the related expenses are recognized as a financial cost.

(vii) Derivative financial instruments

Derivative financial instruments are recorded at fair value and held as assets when the fair value is positive; and as liabilities when the fair value is negative. Changes in the fair value of derivatives are recognized in the statement of income under "Net income from financial instruments".

Derivative financial instruments used to mitigate the risks from exposures to changes in market value of financial assets and liabilities and that are highly correlated to alterations in their market value in relation to the market value of the item that is being protected, both at the beginning and throughout the life of the contract and considered effective in the reduction of risk associated with the exposure to be protected, are considered as hedge structures in compliance with the IFRS 9 and are classified according to their nature:

• Market risk hedge: the financial instruments classified into this category, as well as its related financial assets and liabilities, hedged item, are measured at fair value and have their gains and losses, realized or unrealized, recorded in the profit or loss; and

• Cash flow hedge: the instruments classified into this category are measured at fair value, and the effective the portion of gains or losses recorded, net of tax effects, in a separate account in the equity. The non-effective portion of the respective hedge is directly recognized in the profit or loss.

• Hedge of net investment in operations abroad - It is accounted for similarly to cash flow hedge, that is, the portion of gain or loss on the hedging instrument that is determined as an effective hedge is recognized in the equity, and reclassified to profit (loss) for the year in case of disposal of the operation abroad. The non-effective portion is recognized in profit or loss for the year.

**c. Write-off of financial assets and liabilities**

(i) Financial assets

A financial asset (or the financial asset portion that may be invested or a group of similar assets) is written off when the rights to receive cash flows from the asset have expired or there is a transfer of the right to receive cash flow from the asset or an assumption of an obligation to pay the cash flow received, in full and without material delay, to a third party due to a transfer agreement, and: (i) There is a substantial transfer of all risks and rewards of the asset; or (ii) There is no substantial transfer or substantial retention of all risks and rewards of the asset, but there is a transfer of control over the asset.

(ii) Financial liabilities

A financial liability is charged off when obligation in relation to the liability is eliminated, canceled or expired. When an existing financial liability is replaced by another one from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a write-off of the original liability and recognition of a new liability, and the difference in book value is recognized in the profit or loss for the year.

**Impairment of financial assets**

Pursuant to IFRS 9, upon initial recognition of a debt instrument, the Bank should prepare projections of possible expected losses over a period of 12 months and recognize a provision, regardless of whether or not a loss is incurred. If the Company anticipates a significant deterioration in the credit quality of its counterparties, it should recognize a provision in the amount of all expected losses over the life of the financial instrument, and not only for the subsequent 12 months.

**Measurement**

Expected credit losses are estimates weighted by their probability of occurrence and are measured as follows:

• Financial assets that were not reduced to their recoverable value on the reporting date: according to the present value of all cash disbursements (e.g., the difference between the cash flow due to the entity under the contract and the cash flow the company expects to receive).

• Financial assets were reduced to their recoverable value on the reporting date: according to the difference between gross adjusted cost and the present value of future cash flows.

• Loan commitments not contributed: according to the present value of the difference between the contractual cash flow that is due to the Company if the commitment is received and the cash flow that the Company expects to receive; and

• Financial guarantee contracts: according to the estimated payments for reimbursement of holders of securities/amounts that the Company expects to recover. If a credit event occurs, although considering the expected losses during the entire life of the financial instrument, the Company should also recognize income arising from payments of interest on the carrying amount, which means that the provision should be accounted for in the recognition of payment of interest.

The main evidences of deterioration of the credit quality of a counterparty are:

- A significant decrease in the fair value of a financial instrument during an extended period.
- Non-compliance with contractual terms due to late payment of interest or principal.
- Deterioration in payment capacity and operating performance.
- Non-compliance with covenants.
- A significant change in the performance of the market in which the counterparty operates; and
- Reduced liquidity of the financial asset due to borrower's financial issues.

In the event of losses due to impairment of debt instruments designated at fair value through other comprehensive income, they are reclassified from other comprehensive income to the result, presented in the statements of income under IFRS as "accumulated impairment losses". If, in the fiscal years subsequent to the recognition of the loss, the fair value of the asset is higher than the carrying amount, the previously incurred loss will be reversed to profit or loss.

The Bank writes off the gross carrying amount of its financial instruments when there is no probable expectation of fully or partially recovering the contractual cash flows of financial assets.

BTG applies a three-stage approach to measure the expected credit loss, in which the financial assets migrate from one stage to another according to the changes in credit risk.

- Stage 1 - Expected credit losses for 12 months: represents the possible default events within 12 months. Applicable to financial assets derived from or purchased without credit recovery problems.

- Stage 2 - Expected credit loss throughout life of financial instrument: considers all possible default events. Applicable to financial assets derived or purchased without credit recovery issues whose credit risk significantly increased; and

- Stage 3 - Expected credit loss for assets with impairment issues: considers all possible default events. Applicable to financial assets derived from or purchased with credit recovery problems. The measurement of assets classified in this stage differs from stage 2 because interest income is recognized by applying the effective interest rate to the amortized cost (net of allowance) and not to the gross book value.

An asset will migrate from stage to stage as its credit risk increases or decreases. Thus, a financial asset that has migrated to stages 2 and 3 may return to stage 1, unless it was originated or purchased with credit recovery issues.

**Macroeconomic Scenarios**

Forward-looking information is based on macroeconomic scenarios that are reassessed annually or whenever market conditions so require.

**d. Subsequent classification and measurement of financial assets**

The classification and subsequent measurement of financial assets depend on the business model and on the characteristics of its cash flows (Principal and Interest Payment Only – SPPI Test).

**Business model:**

Consists of management of financial assets to generate cash flows and not only the Management's intention regarding an individual instrument. The financial assets can be managed to:

i) collect contractual cash flows;

ii) collect contractual cash flows and sell; or

iii) any other type of management.

The business model process includes assessing the risks affecting the performance of the business model and how performance is reviewed by Management.

**SPPI Test**

Consists of the evaluation of cash flows generated by the financial asset to identify solely for the payment of principal and interest (SPPI). Cash flows must include only consideration for the time value of money and the credit risk. Exceptions to these concepts will be measured at fair value.

Hybrid contracts are measured as a whole, including all built-in features, and are jointly measured at fair value.

**e. Determination of fair value**

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

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

• Level 2: Price quotes observable in active markets for financial instruments with similar characteristics or based upon pricing models for which significant parameters are based on observable factors in active markets.

• Level 3: Pricing models for which current market transactions or observable data is not available and which require a high level of judgment and estimates. Instruments in this category were priced using valuation techniques for which at least one input, which could have a significant effect on the price, is not based on observation of market data. When inputs can be observed from market data without excessive costs and efforts, this input is used. Otherwise, the Bank determines an appropriate level for the input entry. Financial instruments basically include interest in private equity funds, unlisted shares arising from our Merchant Banking activities, some debt securities (debentures) of closely held companies and energy derivatives, whose pricing depends on unobservable inputs. No gain or loss is recognized on initial recognition of a financial instrument priced using techniques that consider unobservable inputs.

**Assumptions of Level 3 evaluation**

| Assets | Pricing technique | Main assumptions |
|---|---|---|
| Private equity funds (investments not quoted) | Price of recent investments; models based on discounted cash flow or gains, multiples of market transactions (M&A). | Revenue and market growth, expected leverage and profitability, discount rates, macroeconomic assumptions such as inflation and exchange rates, risks, and premiums, including market, size and country risk premium. |
| Debt instruments (debentures) | Standard models and price comparison | Probability of default, material losses and yield declines, prepayment, and recovery rate. |
| Energy derivatives | Data system-based models (Decomp and Newwave) | GDP, level of water reserves and rainfall forecast. |

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

The Bank assesses the levels in each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the period. The fair values of financial instruments are determined as follows:

- Swaps: its cash flows are discounted to present values based on profitability curves that reflect the appropriate risk factors. These profitability curves can be traced mainly based on prices observed in negotiations at B3 S.A. for Brazilian government bonds traded on the secondary market or for derivatives and securities traded overseas. These profitability curves can be used to obtain the fair values of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock exchange indices, etc.).

- Futures and terms: fair value determined based on stock exchange quotations or using criteria identical to those described above for swaps.

- Options: the fair values of these instruments are determined based on mathematical models (such as Black & Scholes) that are fed with data on implicit volatility, profitability curve for interest rates and fair values of the underlying assets. All of this data is obtained from different sources (usually brokers and brokerage firms' prices, Bloomberg, Reuters).

- Credit derivatives: the fair values of these instruments are determined based on well-established mathematical market models that are fed with issuer's credit spread data and profitability curve for interest rates. This data is obtained from different sources (usually market prices, Bloomberg, Reuters).

- Securities and unsecured sale: the fair values of public securities are determined based on the prices disclosed by ANBIMA. The fair values of corporate debt securities are calculated based on secondary market prices, on the price of similar assets and on the market visibility by the Bank's commercial areas. Shares are calculated based on the prices published by B3 S.A. Fund quotas are measured considering the prices of quotas published by Management.

Financial assets valued at fair value in profit or loss: we estimate the fair values of financial instruments by applying the discount of cash flows at present value based on profitability curves that reflect the appropriate risk factors.

**f. Financial instruments – Net presentation**

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current legal and enforceable right to offset the recognized amounts and if the intention of offsetting, or realizing the asset and settling the liability simultaneously, in accordance with the CMN Resolution 3263/05.

**g. Recognition of revenues and expenses**

Revenue is recognized to the extent that it is probable that the economic benefit will be transferred to the Bank and that revenue can be reliably measured. The following specific recognition criteria should be met before revenue is recognized:

<u>(i) Interest income and expenses:</u>

For all financial instruments measured at amortized cost, financial assets that collect interest classified as <u>financial assets at fair value through other comprehensive income</u>, interest income or expenses are recorded using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts or payments for the expected useful life of the financial instrument, or a shorter period if appropriate, to the net book value of the asset or liability. The calculation considers all contractual terms of the financial instrument and includes any incremental fees or costs that are directly attributable to the instrument and are integral parts of the effective rate, but not future credit losses. The book value of the financial asset or liability is adjusted if the Bank reviews its estimates for payment and receipt. The adjusted book value is calculated based on the original interest rate and the adjustment to book value is recorded under "Other operating income (expenses)". However, for a reclassified financial asset for which the Bank subsequently increases its estimate of future cash receipts, the effect of the increase is recognized as an adjustment to the effective rate from the date of the estimate change.

Interest income (expense) is recognized in accordance with the elapsed time using the effective interest rate method.

(ii) Fee and commission income

The Bank and its subsidiaries earn fee and commission income on various types of services it provides for its customers. Income from fees can be segregated into the following categories:

- Income from fees and commissions for services rendered in a given period:

Fees and commissions earned from services during the period are accrued in the course of the same period. These fees include income from commission, brokerage and asset management, custody and other management, advisory fees and management and performance on investment funds. In addition, there is also income from Banco Pan's retail portfolio, related to registration, drafts and card annual fees.

Income from collaterals provided and loan commitment fees where credit is likely to be used - and other credit-related fees - are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate of the loan. When it is not likely that a credit from a loan commitment will not be used, the income from loan commitment fees is recognized over the commitment term using the straight-line method.

- Income from fees for transaction services provided:

Fees arising from negotiations or interest in negotiations with third parties, such as an agreement for acquisition of shares or other securities or the acquisition or sale of a business, are recognized at the end of the transaction that originated the fee. Fees or components of fees that are probably related to specific performance are recognized after meeting specific criteria for recognition.

(iii) Net revenues from financial instruments

Results arising from trading activity include all gains and losses from changes in fair value and the income or expense of interest and dividends of financial assets and liabilities for trading.

**h. Investment property**

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

The fair value of investment properties is calculated at least annually, or when deemed relevant by Management, which may use qualified independent appraisers.

Investment properties are written-off when sold or when they cease to be used permanently and no further economic benefits are expected from their sale.

**i. Investments in affiliates and jointly controlled subsidiaries**

Investments in affiliates and companies with shared control include interest in companies over which the Bank and its subsidiaries have significant influence in the operational and financial policies, and also joint ventures, being initially recognized at acquisition cost and subsequently measured under the equity method. The investments in affiliates and jointly controlled subsidiaries include goodwill identified in acquisition, net of any accumulated impairment loss.

The interest of the Bank and its subsidiaries in the profit or loss of its unconsolidated companies is recognized under "Equity in the earnings of affiliates and jointly controlled subsidiaries", and changes in the corresponding reserves of the Equity of its affiliates and jointly controlled subsidiaries is recognized in other comprehensive income.

**j. Property for use**

Property and equipment are carried at cost, excluding maintenance costs, less accumulated depreciation and impairment. Changes in the estimated useful life are accounted for as changes in the amortization method or period, and properly treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment at its residual value throughout its estimated useful life.

Property and equipment is written down upon disposal or when future economic benefits are no longer expected from their use. Any gain or loss generated on the disposal of the asset (calculated as the difference between the net funds from the disposal and the book value of the asset) is recognized in "other operating income" in the statement of income for the year in which the asset was disposed of.

**k. Business combination and goodwill**

Business combinations are accounted for under the acquisition accounting method. The method involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. In any business combination carried out in stages, the acquirer shall measure its former interest in the acquiree at fair value on the acquisition date and shall recognize in profit or loss for the period the resulting gain or loss, if any, or in other comprehensive income, as appropriate. Shares issued and transferred as part of payment are measured at fair value on the issue date. Any excess of acquisition cost over the fair value of the identifiable net assets which were acquired is recognized as a goodwill. If the acquisition cost is lower than the fair value of identifiable net assets acquired, the acquisition discount is recognized directly in the statement of income in the year of acquisition.

Goodwill acquired in a business combination is initially accounted for at cost, representing the excess cost of the business combination over the net fair value of identifiable assets, liabilities and contingent liabilities acquired.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment annually, or even more frequently if events or changes in circumstances indicate that the book value may be below the recoverable value.

**l. Intangible assets**

Intangible assets are carried at cost and include assets acquired and value of computer software. An intangible asset is only recognized when its cost can be reliably measured, and it is probable that the expected future economic benefits attributed to it will be realized.

Amortization expenses for intangible assets with defined useful lives (from 5 to 10 years) are recognized in the statement of income under IFRS under administrative expenses, according to their useful life. Intangible assets with an indefinite useful life are not amortized, but tested annually to identify possible impairment losses, which are recognized by the amount that the book value of the asset exceeds its recoverable value, being accounted for in the statement of income under IFRS.

**m. Impairment of non-financial assets**

Investments in affiliate and jointly controlled subsidiaries and assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to confirm their impairment loss. Assets that are subject to amortization are reviewed for verification of impairment losses, annually or whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized for the amount by which the book value of the asset exceeds its recoverable value. The latter is the higher of the asset's fair value less its sale costs and value in use. For impairment loss valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGU).

**n. Financial guarantees provided**

In the ordinary course of business, the Bank and its subsidiaries grant financial guarantees, through letters of credit, collaterals, and sureties. Financial guarantees are initially recognized in the financial statements under IFRS (in ’other liabilities’) at the premium amount and are amortized over the term of the contract. Subsequent to initial recognition, the liability is measured at the higher between the amount initially recognized less, when appropriate, the amount of accumulated amortization recognized in profit or loss, and the best estimate of the costs necessary to settle any financial obligation generated by this guarantee.

**o. Provision, contingent liabilities, and contingent assets**

They are recognized in the balance sheet and/or disclosed in the financial statements according to the probability estimate for each of the items indicated below. These estimates are made by management based on the interpretations of external legal advisors.

**i. Provision**

A provision is a liability of uncertain timing or amount and must be recognized in the Balance sheet only when:

- has a present obligation (legal or non-formalized).
- Management understands that an outflow of funds to settle the obligation is probable; and
- the amount can be reliably estimated.

**ii. Contingent liabilities**

A contingent liability is:

- a possible obligation whose existence can be confirmed only on the occurrence of uncertain future events; or
- a present obligation for which it is not probable that an outflow of funds will be required to settle the obligation or whose amounts cannot be reliably measured.

Contingent liabilities are not recognized in the Balance Sheet, but, when relevant, are disclosed in the Bank’s financial statements, unless the likelihood of an outflow of funds is remote.

Contingent liabilities are periodically reassessed to determine if an outflow of funds becomes probable. If this happens, the provision must be recognized in the financial statements for the period in which the change in the probability estimate occurs.

### iii. Contingent assets

A contingent asset is a likely asset whose existence of which will be confirmed only on the occurrence of one or more uncertain future events.

Contingent assets are not recognized in the Balance Sheet, but, when relevant, are disclosed in the Bank's financial statements when it is probable that economic benefits will flow to the entity.

### p. Taxes

Provision for income tax and social contribution, when due, are recognized based on accounting profit, adjusted by the additions and exclusions under the tax legislation. The deferred income tax and social contribution are calculated based on temporary differences whenever the realization of these amounts is considered probable. For income tax (IRPJ), as of January 1, 2022, the rate used is 15%, plus a 10% surcharge on annual taxable profit exceeding R$ 240, and 20% for social contribution on profit (CSLL), increased to 21% from August 1, 2022, to December 31, 2022, for banks. For other financial institutions, the nominal CSLL rate is 15%, increased to 16% in that period.

The deferred component, represented by tax credits and deferred tax liabilities, is obtained from the differences between the accounting and tax bases of assets and liabilities. Tax credits are only recognized when it is probable that future taxable profit will be available to offset them.

### q. Dividends and interest on capital (JCP) of shares

Dividends and interest on capital of shares are recognized as a liability and deducted from the equity when approved by the Bank's stockholders. Dividends on interim dates are deducted from equity when stated and are not subject to Bank's future decision.

### r. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the common and preferred stockholders by the weighted average of the number of outstanding common and preferred shares on each year. The weighted average number of common and preferred shares is calculated based on the periods the shares were outstanding.

### s. Segment reporting

IFRS 8 requires that operating segments be disclosed consistently with the information provided to the operating decision maker, that is, the individual or group of individuals that allocates resources to segments and measures their performance. Management considers that the Bank has only one segment that is related to Investment Banking activities of and, therefore, no information by segment is disclosed.

### t. Lease operations

The Bank leases mainly real estate (underlying assets) to carry out its operating activities. Initial recognition, which occurs upon signature of the contract in the "Financial liabilities at amortized cost" group corresponds to total future payments at present value as a contra-entry to right-of-use assets, depreciated under the straight-line method over the lease term and tested annually to identify any impairment losses.

The finance cost corresponding to interest on lease liabilities is recognized under "Net profit (loss) from financial instruments" in the Statement of Income.

### u. Insurance Contracts

The conceptual changes, as well as the impacts on the adoption of IFRS 17, are described below:

- IFRS 17 - Insurance Contracts: The pronouncement replaces IFRS 4 – Insurance Contracts and presents three evaluation approaches:
  - Standard Model: applicable to all insurance contracts without direct participation;
  - Premium Allocation Approach (PAA): applicable to contracts lasting up to 12 months or when it produces results similar to those that would be obtained if the standard model were used. It is more simplified than the standard model;
  - Variable Fee Approach: applicable to insurance contracts with direct participation. Insurance contracts that are substantially service contracts related to investments under which an entity promises a return on investment based on the underlying items.

  Insurance contracts must be recognized through the analysis of the following items:

  - Expected future cash flows: estimate of all components of the contractual cash flow;
  - Adjustment to the Risk: estimate of the offset required dye to the deviations that may occur between cash flows;
  - Contractual margin: difference between any amounts received before the beginning of the contractual coverage and the present value of estimated cash flows at the beginning of the contract;
  - Discount: projected cash flows shall be discounted to present value, so as to reflect the time value of money, at rates that reflect the characteristics of the respective flows. This standard is effective for years started as of January 1, 2023. The possible impacts are being evaluated and will be completed by the date on which the standard enters into force.

- Amendment to IFRS 17 - The effectiveness of the standard begins on January 1, 2023, and the transition date corresponds to the previous year, January 1, 2022, with the transition impacts recorded directly in Equity, in Retained Earnings, when applicable and relevant. In our impact analyses, it was observed that the transition to IFRS 17 and the reassignment of financial assets resulted in irrelevant impacts on the Bank's Equity and results under IFRS, considering the characteristics of the insurance products sold by the group, as well as due to the relevance of insurance operations in the financial statements in IFRS. IFRS 17 establishes retrospective application as a new adoption norm. Thus, in the preparation of December 2023 financial statements, the Company applied adjustments to the opening balances in December 2022. The effect from these adjustments is BRL 16,047 decrease in stockholder equity. Further explanation on the reconciliation of the Balance Sheet and Income Statements between IFRS 4 and IFRS 17 are provided below.

| | 2022 (Presented) | IFRS 17 Adjustments | 2022 (Restated) |
|---|---|---|---|
| **Assets** | | | |
| Deferred tax assets | 5,787,356 | 13,129 | 5,800,485 |
| Other assets | 28,013,030 | (968,153) | 27,044,878 |
| **Total assets** | **454,096,453** | **(955,024)** | **453,141,430** |
| **Liabilities** | | | |
| Other liabilities | 10,207,782 | (938,977) | 9,268,805 |
| **Total liabilities** | **404,529,372** | **(938,977)** | **403,590,395** |
| **Equity** | | | |
| Revenue reserves | 25,155,067 | (16,047) | 25,139,020 |
| **Total equity** | **49,567,081** | **(16,047)** | **49,551,035** |

## 5. Risk management

Risk Management at BTG Pactual is carried out through the involvement of all instances of management and control of the Institution. The Bank's Board of Directors, pursuant to CMN Resolution 4557/2017, is the body responsible for setting risk appetite levels, approving and reviewing policies, strategies and risk limits, capital management policies and strategies, the stress test program, business continuity management policy, among other activities. The Executive Board is responsible for formulating policies, defining risk-related guidelines and overseeing risk management and control processes. Below, there is a set of committees and risk areas, responsible for carrying out risk management and control activities.

The main committees and areas involved in risk management activities are: (i) Executive Board's meeting, which defines global policies and limits and is responsible for managing our risks; (ii) Risk Committee, which assesses the execution of policies, compliance with limits and conducts risk monitoring; (iii) Risk and capital Committee, composed of independent members who evaluate the results of risk management and strategies; (iv) New Products Committee, which assesses the feasibility and oversees the implementation of new business and product proposals; (v) Credit Risk Area, which is responsible for approving new credit operations in accordance with the guidelines established by our Chief Risk Officer ("CRO"), (vi) Market Risk area, which is responsible for monitoring market risk, including the use of our risk limits (VaR), and for the approval of exceptions; (vii) Operating Risk area, which assesses the main operating risks considering the internal policies and regulatory limits established; (viii) Compliance Committee, which is responsible for establishing Anti Money Laundry ("AML") rules and reporting potential issues involving money laundering; (ix) CRO, who is responsible for monitoring liquidity risk, including cash position and capital structure management; (x) Audit Committee, which is responsible for carrying out independent assessment of the adequacy of internal controls, and for evaluating the maintenance of accounting records; (xi) Socio-environmental Risk area which assesses socio-environmental risks, in accordance with the principles of relevance and proportionality, as well as manages and reduces adverse social and environmental impacts resulting from our operations and activities; (xi) ESG Committee which is responsible for overseeing and managing the implementation of ESG policies and practices, processes and procedures for social, environmental and climate risks, ensuring the Bank's adherence to these guidelines.

The Bank monitors and controls risk exposure through a variety of different but complementary credit, financial, operational, compliance, tax, and legal internal systems. We believe that the involvement of the committees/areas (including their subcommittees) with the continuous management and control of risks promotes a culture of strict risk control across the organization. The Bank's committees are made up of senior members of the business units and senior members of the control departments, who are independent from the business areas. Further risk management details are available at , in the Corporate Governance / Risk Management section.

## a. Operating limits

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Consolidated equity (i) | 49,381,806 | 42,371,767 |
| Level I | 46,334,527 | 39,349,820 |
| Core capital | 45,911,863 | 38,920,976 |
| Supplementary Capital | 422,663 | 428,844 |
| Level II | 17,771,352 | 7,090,539 |
| Reference Equity (PR) (a) | 64,105,878 | 46,440,359 |
| Capital requirement (PRE) | 29,272,568 | 24,672,681 |
| Total risk-weighted exposure - (b) | 365,907,099 | 308,408,513 |
| Credit risk | 242,672,300 | 236,523,528 |
| Operating risk | 29,844,615 | 23,527,597 |
| Market risk | 93,390,184 | 48,357,389 |
| Basel Ratio - (a/b) | 17.5% | 15.1% |
| Tier I Capital | 12.7% | 12.8% |
| Tier II Capital | 4.9% | 2.3% |
| Property and equipment consumption index | 57.6% | 56.5% |
| Property and equipment limit (LI) | 32,052,939 | 23,220,179 |
| Property and equipment limit situation | 18,447,800 | 13,126,907 |
| Value of margin or insufficiency | 13,605,139 | 10,093,272 |

(i) The limits are calculated based on the Prudential Consolidated, in accordance with accounting standards and principles applicable to institutions authorized to operate by BACEN.

CMN Resolutions 4,955 and 4,958, of 2021, became effective in January 2022, were observed, and provide the criteria for calculating installments and capital requirements, including the minimum requirement of Reference Equity (PR), Tier I Capital and Core Capital and Core Capital Additions. For determination of risk, the procedures set forth in Circular Letters 3644, 3652, 3679, of 2013, and 3696, of 2014 were observed for credit risk, in Circular Letters 3634, 3635, 3636, 3637, 3638, 3639, 3641 and 3645, of 2013, and Circular-Letter 3498, of 2011, for market risk, and Circular Letters 3640 and 3675, of 2013, for operating risk, all published by the Central Bank of Brazil.

The Bank opted for the basic indicator approach for measuring operating risk.

In the years ended December,31 2023 and 2022, all prudential and operating limits are fully complied with.

## b. Market risk

Value at Risk (VaR) measures the potential loss on financial instruments due to adverse market events over a defined time horizon with a specified level of confidence. Along with stress tests, VaR is used to measure the exposure of our financial instruments to market risk. We use historical simulation with full remeasurement of instruments to calculate VaR, preserving real distributions and the correlation between assets, not making use of approximations (Greek approximations) and normal distributions. Our VaR can be measured and indicated according to different periods, historical data, and levels of confidence. The accuracy of the market risk methodology is tested using daily back-testing, which compares the adherence between the VaR estimates and the realized gains and incurred losses.

The VaR shown below was calculated for a period of one day, level of confidence of 95.0% and one year of historical data. A 95.0% level of confidence means that there is a one in twenty chance that net trading revenues will be below the estimated VaR Accordingly, shortfalls in net trading revenues on a single trading day greater than the VaR presented are expected and estimated to occur, on average, approximately once a month. Shortfalls on a single day can exceed the VaR by significant amounts; and they can also occur more frequently or accumulate over a longer period, such as several consecutive trading days. Given its reliance on historical data, VaR accuracy is limited in its ability to predict unprecedented market changes, as historical distributions in market risk factors cannot produce accurate estimates of future market risk. Different VaR methodologies and statistical distribution estimates can produce a different VaR Furthermore, the VaR calculated for a period of one day does not capture the market risk of positions that cannot be liquidated or offset with hedges within a period of one day. As mentioned earlier, we use models in stress tests as a complement to VaR in our daily risk activities.

The following table contains the daily average VaR of the Bank and its subsidiaries for the periods ended in:

| In BRL million | December 2023 | December 2022 |
|---|---|---|
| VaR daily average | 160.4 | 132.7 |

### c. Credit risk

All counterparties of the Bank and its subsidiaries are submitted to a strict credit analysis process, whose main focus is to assess the borrower's payment capacity, based on cash flow simulations, leverage and debt schedule, quality of assets, interest hedge and working capital. Qualitative aspects, such as strategic orientation, business sector, areas of expertise, efficiency, regulatory environment, and market share, are systematically evaluated and complement the credit analysis process. Counterparty credit limits are established by the Credit Risk area and are reviewed regularly. Measurement and follow-up of exposure to credit risk includes all financial instruments able to generate counterpart risk, such as private securities, derivatives, guarantees provided, and transactions' possible settlement risks, among others.

The maximum exposures of financial assets segregated by geographic region are shown below:

| | December 2023 | | | | |
|---|---|---|---|---|---|
| | **Brazil** | **United States** | **Europe** | **Other** | **Total** |
| **Assets** | | | | | |
| Cash | 40,775 | 852,478 | 643,952 | 901,889 | 2,439,095 |
| Financial instruments | 357,637,311 | 14,285,398 | 8,910,755 | 55,469,940 | 436,303,404 |
| Financial assets at fair value through profit or loss | 140,963,196 | 8,022,476 | 4,500,773 | 25,320,684 | 178,807,129 |
| Financial assets at fair value through other comprehensive income | 17,114,618 | 58,982 | - | 4,896,638 | 22,070,238 |
| Financial assets at amortized cost | 199,559,497 | 6,203,941 | 4,409,983 | 25,252,617 | 235,426,037 |
| Open market deposits | 62,163,722 | 38,730 | 3,569,389 | 610,850 | 66,382,691 |
| Interbank deposit investments | 2,250,573 | 3,559,719 | - | 1,371,505 | 7,181,798 |
| Deposited with the Central Bank | 22,542,833 | - | - | - | 22,542,833 |
| Credit operations | 93,092,552 | 2,605,491 | 840,593 | 23,270,263 | 119,808,899 |
| Marketable securities | 18,138,572 | - | - | - | 18,138,572 |
| Other receivables | 1,371,244 | - | - | - | 1,371,244 |
| **Total** | **357,678,085** | **15,137,877** | **9,554,708** | **56,371,829** | **438,742,499** |

| | December 2022 | | | | |
|---|---|---|---|---|---|
| | **Brazil** | **United States** | **Europe** | **Other** | **Total** |
| **Assets** | | | | | |
| Cash | 215,917 | 680,946 | 354,082 | 1,818,100 | 3,069,046 |
| Financial instruments | 326,702,151 | 16,498,993 | 9,261,452 | 45,683,564 | 398,146,160 |
| Financial assets at fair value through profit or loss | 130,134,087 | 5,311,441 | 2,445,144 | 19,105,853 | 156,996,525 |
| Financial assets at fair value through other comprehensive income | 13,014,331 | 27,618 | - | 3,413,701 | 16,455,650 |
| Financial assets at amortized cost | 183,553,733 | 11,159,934 | 6,816,308 | 23,164,009 | 224,693,984 |
| Open market deposits | 56,633,499 | 2,218,703 | 6,228,862 | 284,663 | 65,365,726 |
| Interbank deposit investments | 719,863 | 6,287,113 | - | 1,741,570 | 8,748,546 |
| Deposited with the Central Bank | 17,629,141 | - | - | - | 17,629,141 |
| Credit operations | 86,837,544 | 2,654,007 | 574,608 | 21,091,791 | 111,157,950 |
| Marketable securities | 15,418,863 | 111 | 12,838 | - | 15,431,811 |
| Other receivables | 6,314,823 | - | - | 45,986 | 6,360,809 |
| **Total** | **326,918,067** | **17,179,939** | **9,615,534** | **47,501,664** | **401,215,205** |

# Consolidated financial statements under IFRS

Banco BTG Pactual S.A.

The following table shows the main credit risk exposures based on book values and categorized by counterparty's economic activity:

| | December 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Governments | Financial institutions | Services | Investment funds | Individuals | Industry | Electricity | Rural | Other | Total |
| **Assets** | | | | | | | | | | |
| Cash | - | 2,439,095 | - | - | - | - | - | - | - | 2,439,095 |
| Financial instruments | 58,992,297 | 177,922,512 | 43,061,534 | 33,680,698 | 52,300,504 | 24,064,233 | 10,643,699 | 2,871,390 | 32,766,538 | 436,303,404 |
| Financial assets at fair value through profit or loss | 6,761,484 | 104,737,438 | 16,282,191 | 30,575,771 | 107,066 | 7,751,963 | 4,587,225 | 61,262 | 7,942,730 | 178,807,129 |
| Financial assets at fair value through other comprehensive income | 554,085 | 6,269,667 | 6,286,485 | 77,774 | 1,502,237 | 2,053,504 | 1,984,551 | 1,923,027 | 1,418,908 | 22,070,238 |
| Financial assets at amortized cost | 51,676,728 | 66,915,407 | 20,492,858 | 3,027,153 | 50,691,201 | 14,258,766 | 4,071,924 | 887,101 | 23,404,901 | 235,426,037 |
| Open market deposits | 45,159,362 | 19,160,857 | 5,043 | 2,030,082 | 2,416 | - | - | - | 24,932 | 66,382,691 |
| Interbank deposit investments | - | 7,181,798 | - | - | - | - | - | - | - | 7,181,798 |
| Deposited with the Central Bank | - | 22,542,833 | - | - | - | - | - | - | - | 22,542,833 |
| Credit operations | 26,360 | 5,011,109 | 20,487,815 | 997,071 | 50,688,784 | 14,258,766 | 4,071,924 | 887,101 | 23,379,969 | 119,808,899 |
| Marketable securities | 6,491,005 | 11,647,567 | - | - | - | - | - | - | - | 18,138,572 |
| Other receivables | - | 1,371,244 | - | - | - | - | - | - | - | 1,371,244 |
| **Total** | **58,992,297** | **180,361,607** | **43,061,534** | **33,680,698** | **52,300,504** | **24,064,233** | **10,643,699** | **2,871,390** | **32,766,538** | **438,742,499** |

| | December 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Governments | Financial institutions | Services | Investment funds | Individuals | Industry | Electricity | Rural | Other | Total |
| **Assets** | | | | | | | | | | |
| Cash | 293,596 | 2,775,449 | - | - | - | - | - | - | - | 3,069,046 |
| Financial instruments | 107,341,508 | 97,686,315 | 49,741,272 | 37,916,416 | 41,077,891 | 27,908,069 | 7,433,492 | 2,269,733 | 26,771,465 | 398,146,160 |
| Financial assets at fair value through profit or loss | 66,865,087 | 38,146,752 | 8,277,620 | 21,175,299 | 2,867,370 | 5,947,795 | 1,609,231 | 183,814 | 11,923,558 | 156,996,525 |
| Financial assets at fair value through other comprehensive income | 252,129 | 5,568,407 | 3,825,560 | 67,346 | - | 114,142 | 189,967 | - | 6,438,098 | 16,455,650 |
| Financial assets at amortized cost | 40,224,292 | 53,971,156 | 37,638,092 | 16,673,771 | 38,210,520 | 21,846,132 | 5,634,294 | 2,085,919 | 8,409,808 | 224,693,984 |
| Open market deposits | 25,253,202 | 23,800,510 | 222,492 | 16,080,911 | - | - | 8,611 | - | - | 65,365,726 |
| Interbank deposit investments | - | 8,748,546 | - | - | - | - | - | - | - | 8,748,546 |
| Deposited with the Central Bank | - | 17,629,141 | - | - | - | - | - | - | - | 17,629,141 |
| Credit operations | - | 3,766,368 | 36,309,920 | 592,860 | 37,300,918 | 18,802,911 | 5,625,683 | 611,380 | 8,147,909 | 111,157,950 |
| Marketable securities | 8,799,978 | 26,590 | 1,105,679 | - | 909,602 | 3,043,221 | - | 1,474,539 | 72,202 | 15,431,811 |
| Other receivables | 6,171,112 | - | - | - | - | - | - | - | 189,697 | 6,360,809 |
| **Total** | **107,635,105** | **100,461,764** | **49,741,272** | **37,916,416** | **41,077,891** | **27,908,069** | **7,433,492** | **2,269,733** | **26,771,465** | **401,215,205** |

### d. Asset liquidity analysis

In volatile markets or when the trading of a security in the market is impaired, the liquidity of the Bank's portfolio positions may be reduced. In such cases, the Bank may not be able to sell some assets, which would adversely affect its ability to balance its portfolio or respond to redemption requests. Furthermore, such circumstances may force the Bank to sell assets at reduced prices, adversely affecting its performance. If there are no other market players to sell them at the same time, the Bank may not be able to sell these assets or avoid related losses. If the Bank incurs substantial trading losses, the need for liquidity could increase considerably while its access to liquidity could be impaired. Along with a market downturn, the Bank's counterparties could incur losses, weakening their financial condition and increasing the Bank's credit risk to them.

In accordance with its policy, the Bank regularly monitors its liquidity position. The table below summarizes the expected cash flows for the Bank and its subsidiaries In the year ended December 2023 and 2022:

| | December 2023 | | |
|---|---|---|---|
| | **Up to 12 months** | **Over 12 months** | **Total** |
| **Assets** | | | |
| Cash | 2,439,095 | - | 2,439,095 |
| Financial instruments | 339,030,114 | 97,273,290 | 436,303,404 |
| Financial assets at fair value through profit or loss | 167,341,162 | 11,465,967 | 178,807,129 |
| Financial assets at fair value through other comprehensive income | 11,474,350 | 10,595,888 | 22,070,238 |
| Financial assets at amortized cost | 160,214,602 | 75,211,434 | 235,426,037 |
| Money market repurchase commitments | 66,382,614 | 77 | 66,382,691 |
| Interbank deposit investments | 7,181,798 | - | 7,181,798 |
| Deposited with the Central Bank | 22,542,833 | - | 22,542,833 |
| Credit operations | 61,265,033 | 58,543,866 | 119,808,899 |
| Marketable securities | 2,617,800 | 15,520,772 | 18,138,572 |
| Other receivables | 224,525 | 1,146,719 | 1,371,244 |
| Tax assets - Deferred | - | 5,592,892 | 5,592,892 |
| Other assets | 16,281,996 | 16,145,766 | 32,427,762 |
| Investments in affiliates and jointly controlled subsidiaries | - | 7,826,277 | 7,826,277 |
| Property and equipment | - | 515,092 | 515,092 |
| Right-of-use | - | 322,262 | 322,262 |
| Intangible assets | - | 9,689,026 | 9,689,026 |
| **Total Assets** | **357,751,206** | **137,364,604** | **495,115,810** |

| | December 2022 | | |
|---|---|---|---|
| | **Up to 12 months** | **Over 12 months** | **Total** |
| **Assets** | | | |
| Cash | 3,069,046 | - | 3,069,046 |
| Financial instruments | 316,622,392 | 81,523,767 | 398,146,160 |
| Financial assets at fair value through profit or loss | 151,610,500 | 5,386,025 | 156,996,525 |
| Financial assets at fair value through other comprehensive income | 6,262,029 | 10,193,621 | 16,455,650 |
| Financial assets at amortized cost | 158,749,863 | 65,944,121 | 224,693,984 |
| Money market repurchase commitments | 65,291,081 | 74,645 | 65,365,726 |
| Interbank deposit investments | 8,724,472 | 24,075 | 8,748,546 |
| Deposited with the Central Bank | 17,629,141 | - | 17,629,141 |
| Credit operations | 57,940,120 | 53,217,830 | 111,157,950 |
| Marketable securities | 4,849,153 | 10,582,658 | 15,431,811 |
| Other receivables | 4,315,896 | 2,044,913 | 6,360,809 |
| Tax assets - Deferred | - | 5,800,485 | 5,800,485 |
| Other assets | 15,192,917 | 11,851,961 | 27,044,878 |
| Investments in affiliates and jointly controlled subsidiaries | - | 7,917,758 | 7,917,758 |
| Property and equipment | - | 508,618 | 508,618 |
| Right-of-use | 78,804 | 322,262 | 401,066 |
| Intangible assets | - | 10,253,420 | 10,253,420 |
| **Total Assets** | **334,963,159** | **118,178,271** | **453,141,430** |

## e. Liquidity risk

The Bank and its subsidiaries manage liquidity risk by concentrating their portfolio on high credit quality and highly liquid assets, using funds obtained from top-tier counterparties at competitive rates. The Bank and its subsidiaries maintain a strong capital structure and a low level of leverage. Possible mismatches between assets and liabilities are monitored considering impact of extreme market conditions to evaluate its ability to realize assets or decrease the leverage. The collaterals for operations are also periodically monitored.

The table below summarizes the contractual cash flow for the Bank and its subsidiaries In the year ended December 31, 2023, and 2022:

| | December 2023 | | |
|---|---|---|---|
| | Up to 12 months | Over 12 months | Total |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 35,390,288 | 9,339,817 | 44,730,105 |
| Financial liabilities at amortized cost | 245,968,116 | 95,943,518 | 341,911,634 |
| Money market funding | 92,888,239 | 4,187,623 | 97,075,862 |
| Deposits | 117,059,960 | 16,213,143 | 133,273,103 |
| Acceptances and endorsements | 27,449,933 | 46,081,588 | 73,531,521 |
| Borrowings, onlendings and leases | 8,569,984 | 9,341,796 | 17,911,780 |
| Subordinated debts and debt instruments eligible to capital | - | 20,119,368 | 20,119,368 |
| Tax liabilities | - | 4,496,878 | 4,496,878 |
| Sundry liabilities | 28,450,100 | 1,581,327 | 30,031,428 |
| Other liabilities | 7,835,351 | 374,544 | 8,209,895 |
| Social and statutory liabilities | 4,034,629 | - | 4,034,629 |
| Provision for contingent liabilities | 309,190 | 4,686,251 | 4,995,441 |
| Provision for expected loss arising from credit risk for financial guarantees | 163,757 | 153,876 | 317,633 |
| **Total liabilities** | **322,151,432** | **116,576,211** | **438,727,643** |

| | December 2022 | | |
|---|---|---|---|
| | Up 12 months | Over 12 months | Total |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 58,322,379 | 4,512,151 | 62,834,530 |
| Financial liabilities at amortized cost | 218,037,044 | 79,119,891 | 297,156,935 |
| Money market funding | 78,342,684 | 8,796,648 | 87,139,332 |
| Deposits | 104,464,297 | 11,285,375 | 115,749,672 |
| Acceptances and endorsements | 27,686,963 | 40,257,716 | 67,944,679 |
| Borrowings, onlendings and leases | 7,543,100 | 10,560,147 | 18,103,247 |
| Subordinated debts and debt instruments eligible to capital | - | 8,220,005 | 8,220,005 |
| Tax liabilities | - | 2,178,344 | 2,178,344 |
| Sundry liabilities | 21,838,699 | 1,376,282 | 23,214,981 |
| Other liabilities | 8,665,889 | 602,916 | 9,268,805 |
| Social and statutory liabilities | 3,569,719 | - | 3,569,719 |
| Provision for contingent liabilities | 302,812 | 4,788,634 | 5,091,446 |
| Provision for expected loss arising from credit risk for financial guarantees | 82,088 | 193,548 | 275,636 |
| **Total liabilities** | **310,818,629** | **92,771,766** | **403,590,395** |

## f. Operating risk

Aligned with the guidelines of Bacen and the concepts of the Basel Committee, the Bank defined an operating risk management policy applicable to the Bank and its subsidiaries in Brazil and abroad.

The policy consists of a set of principles, procedures and instruments that provide permanent adequacy of the risk management to the size, nature and complexity of the Bank's products, services, activities, processes, and systems.

The Bank and its subsidiaries have a strong operating risk management culture, which is based on risk assessment, monitoring, simulation, and validation, and on consistent internal controls. There is constant improvement of operating risk management and control mechanisms, aimed at complying with regulatory requirements and the guidelines of regulatory bodies, quickly adapting to changes and anticipating trends, among which we can mention the new proposals for the revision of Basel.

### g. Social and environmental risk (ESG)

BTG Pactual understands social, environmental and climate risks as: financial losses or damages to image and reputation as a result of socio-environmental damages. It includes the possibility of losses for the institution caused, directly or indirectly, by events associated with the transition to a low-carbon economy, in which the emission of greenhouse gases is reduced or offset; and by events associated with extreme environmental conditions, which may be related to changes in weather patterns.

BTG Pactual, in conducting its business, activities and operational processes, assumes commitments based on responsible and sustainable business practices, balancing economic, financial, regulatory, environmental, social and climate aspects in its operations. We believe that sound business practices and corporate responsibility are long-term fundamentals that should be applied daily to create value to stockholders and clients through long-term sustainable growth.

For up-to-date information about management of the aforementioned risks and regarding ESG, please refer to our annual reports published on the IR page, as well as our ESG page.

## 6. Cash

The breakdown of this caption is shown in the table below:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Cash | 2,439,095 | 3,069,046 |
| | **2,439,095** | **3,069,046** |

The balance of this caption refers basically to bank deposits abroad.

## 7. Financial assets and liabilities at fair value through profit or loss

### a. Summary

| **Assets** | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Marketable securities | 140,173,998 | 92,001,575 |
| Loans and advances to clients | 2,597,694 | 3,605,244 |
| Derivative financial instruments | 19,983,627 | 14,288,216 |
| Foreign exchange portfolio | 16,051,810 | 47,101,490 |
| **Total** | **178,807,129** | **156,996,525** |

| **Liabilities** | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Derivative financial instruments | 25,488,283 | 13,760,429 |
| Share loans | 3,280,010 | 2,125,686 |
| Foreign exchange portfolio | 15,961,812 | 46,948,415 |
| **Total** | **44,730,105** | **62,834,530** |

### b. Marketable securities:

| | 12/31/2023 | | 12/31/2022 | |
|---|---|---|---|---|
| | Cost | Fair value | Cost | Fair value |
| Federal government bonds | 66,386,489 | 67,115,376 | 39,019,182 | 38,414,390 |
| Shares | 13,785,349 | 13,785,349 | 10,006,567 | 10,006,567 |
| Certificates of agribusiness receivables | 871,200 | 871,793 | 2,851,130 | 2,822,310 |
| Certificate of real estate receivables (CRI) | 2,931,245 | 2,905,388 | 1,679,005 | 1,570,193 |
| Corporate bond | 2,883,449 | 2,919,618 | 2,161,079 | 2,277,366 |
| Funds | 28,804,278 | 28,804,278 | 22,727,233 | 22,727,233 |
| Debentures | 16,924,823 | 17,914,265 | 9,541,581 | 12,231,020 |
| Promissory notes | 4,833,797 | 4,817,628 | 1,721,726 | 1,721,726 |
| Other | 1,044,546 | 1,040,303 | 246,613 | 230,770 |
| **Total** | **138,465,176** | **140,173,998** | **89,954,116** | **92,001,575** |

### c. Loans and advances to clients

| | Market value | |
|---|---|---|
| | 12/31/2023 | 12/31/2022 |
| Loans and advances to clients (i) | 2,597,694 | 3,605,244 |

(i) They refer to positions from Banco Pan that were classified according to the "fair value through profit or loss" business model, considering the portfolio assignment strategy.

### d. Derivative financial instruments

The Bank and its subsidiaries actively participate in risk intermediation operations involving derivative financial instruments, meeting their own needs as well as clients' needs, with a view to reducing exposure to market, currency and interest rate risks. Some derivative financial instruments may be associated with operations involving marketable securities or, also, rights and obligations.

The management of risks involved in these operations is carried out through strict control policies, definition of strategies, determination of limits, among other monitoring techniques. Risk exposure limits are approved by the Board of Directors, based on the aforementioned policies.

Operations in Brazil are negotiated and filed or held in custody at B3 S.A. and when they are carried out abroad, at first-rate brokerage firms. BTG Pactual Group uses different financial instruments as economic hedge, such as options, forwards, futures, and swaps with periodic adjustments. The use of these instruments is intended to constitute a hedge of treasury positions in markets, aiming to adjust the level of risk existing in the portfolio to the expected exposure limits, whenever the Committees/management and risk monitoring areas deem necessary.

- Net investment hedge structure in foreign operations

In the period ended December 31, 2023, and 2022, the Bank's net investment abroad hedge strategy consists of a hedge of exposure in foreign currency, arising from the functional currency of the operation abroad in relation to the Bank's functional currency (Real).

In order to hedge changes in future cash flows, resulting from foreign exchange variation in net investments, in operations abroad, the Bank uses futures contracts, financial assets and forward contracts or NDF contracts (Non-Deliverable Forward) by our subsidiaries abroad.

| | 12/31/2023 | | |
|---|---|---|---|
| | Hedge instrument | | Object of hedge |
| | Nominal value | Change in the fair value (i) | Foreign exchange variations on foreign investments (i) |
| Net investment hedge in foreign operations | 18,990,996 | 1,099,909 | (1,095,838) |

| | 12/31/2022 | | |
|---|---|---|---|
| | Hedge instrument | | Object of hedge |
| | Nominal value | Change in the fair value (i) | Foreign exchange variations on foreign investments (i) |
| Net investment hedge in foreign operations | 17,833,471 | 1,090,005 | (1,088,823) |

(i) Recorded in the equity under "Carrying value adjustments".

- Market risk hedge structure:

The Bank adopts the fair value hedge strategy, which consists of accounting for the desired economic protection effects. The fixed rate exposure comes from the Financing and Structured Credit activity that the Bank operates with its customers through the Corporate Lending area, and due to the characteristics and practice of the Brazilian market.

In addition, to finance all of Banco BTG Pactual's business lines, funding is carried out through debt instruments indexed mainly to the CDI and IPCA percentage, consequently with intrinsic exposure to the fixed rate. The main objects protected through this strategy are Bank Deposit Certificates - CDB, Financial Bills - LF, Agribusiness Credit Bills - LCA and Real Estate Credit Bills - LCI.

The instruments designated for the hedging relationship, in turn, are DI and IPCA (DAP) futures and Swaps.

| | 12/31/2023 | | |
|---|---|---|---|
| | Hedge instrument | | Object of hedge |
| | Nominal value | Market | |
| Fair value hedge | (17,139,011) | (386,651) | 343,470 |

| | 12/31/2022 | | |
|---|---|---|---|
| | Hedge instrument | | Object of hedge |
| | Nominal value | Market | |
| Fair value hedge | (14,403,135) | (770,541) | 877,576 |

During the year ended December 31, 2023, a portion of the Hedge strategies was revoked, whose effective portion was BRL 155,021 and which will be deferred in income (loss) according to the terms of the Hedged items.

- Derivative financial instruments per counterparty (notional)

| | 12/31/2023 | | | | | 12/31/2022 |
|---|---|---|---|---|---|---|
| | Settlement chamber / stock exchange | Financial institutions and funds | Companies | Individuals | Total | Total |
| Future market | | | | | | |
| Long position | 133,440,493 | 1,967,550 | - | - | 135,408,043 | 63,524,718 |
| Short position | 89,812,495 | 2,901,354 | - | - | 92,713,849 | 57,514,170 |
| Swap | | | | | | |
| Asset position | 19,496,452 | 263,497,495 | 15,670,884 | 2,654,640 | 301,319,471 | 204,628,645 |
| Liability position | 19,520,146 | 264,066,573 | 16,701,125 | 2,636,270 | 302,924,114 | 204,628,565 |
| Credit derivatives | | | | | | |
| Asset position | - | 8,936,884 | - | - | 8,936,884 | 1,348,213 |
| Liability position | - | 2,466,754 | - | - | 2,466,754 | 5,131,045 |
| Forward contracts - NDF | | | | | | |
| Asset position | - | 55,956,297 | 54,201,867 | 367,069 | 110,525,233 | 110,483,208 |
| Liability position | - | 55,276,160 | 53,946,406 | 342,404 | 109,564,970 | 110,483,208 |
| Forward operations | | | | | | |
| Asset position | 206,874 | 1,872,245 | 271,824 | 4,375 | 2,355,318 | 18,273,566 |
| Liability position | 208,890 | 1,873,111 | 593,002 | 4,337 | 2,679,340 | 17,809,190 |
| Options market | | | | | | |
| Asset position | 5,272,712 | 163,405,301 | 2,136,463 | 79,248 | 170,893,724 | 216,012,965 |
| Liability position | 5,852,350 | 138,229,123 | 5,430,444 | 58,477 | 149,570,394 | 206,904,120 |
| **Asset position** | **158,416,531** | **495,635,772** | **72,281,038** | **3,105,332** | **729,438,673** | **614,271,315** |
| **Liability position** | **115,393,881** | **464,813,075** | **76,670,977** | **3,041,488** | **659,919,421** | **602,470,298** |

# Consolidated financial statements under IFRS
Banco BTG Pactual S.A.

- By cost and market value:

| | 12/31/2023 | | | | | 12/31/2022 |
|---|---|---|---|---|---|---|
| | Cost | Market | Up to 6 months | From 6 to 12 months | Over 1 year | Market |
| Swap | | | | | | |
| Asset position | 3,659,136 | 4,017,732 | 654,091 | 906,480 | 2,457,161 | 6,430,579 |
| Liability position | 5,227,853 | 5,532,907 | 617,047 | 1,107,764 | 3,808,096 | 4,088,255 |
| Credit derivatives | | | | | | |
| Asset position | 229,345 | 532,204 | 680 | 3,187 | 528,337 | 124,003 |
| Liability position | (3) | 38,073 | 101 | 180 | 37,792 | 241,160 |
| Forward contracts - NDF | | | | | | |
| Asset position | 6,033,595 | 4,227,541 | 442,042 | 1,144,278 | 2,641,221 | 2,534,071 |
| Liability position | 4,589,085 | 4,314,000 | 1,526,547 | 656,191 | 2,131,262 | 5,260,535 |
| Forward operations | | | | | | |
| Asset position | 2,414,823 | 2,409,042 | 588,455 | 265,528 | 1,555,059 | 1,887,209 |
| Liability position | 2,724,544 | 2,733,011 | 896,019 | 276,390 | 1,560,602 | 2,085,240 |
| Options market | | | | | | |
| Asset position | 3,120,476 | 8,797,108 | 5,412,570 | 1,228,876 | 2,155,662 | 3,312,354 |
| Liability position | 7,338,600 | 12,870,292 | 10,116,395 | 1,003,142 | 1,750,755 | 2,085,239 |
| **Asset position** | **15,457,375** | **19,983,627** | **7,097,838** | **3,548,349** | **9,337,440** | **14,288,216** |
| **Liability position** | **19,880,079** | **25,488,283** | **13,156,109** | **3,043,667** | **9,288,507** | **13,760,429** |

- Derivative financial instruments recorded in memorandum and equity accounts (Notional):

| | 12/31/2023 | | | | 12/31/2022 |
|---|---|---|---|---|---|
| | Up to 6 months | From 6 to 12 months | Over 1 year | Total | Total |
| Future market | | | | | |
| Long position | 49,520,496 | 21,531,319 | 64,356,228 | 135,408,043 | 63,524,718 |
| Currency | 2,604,280 | - | 16,947 | 2,621,227 | 326,896 |
| Interest rate | 45,313,152 | 21,479,527 | 64,114,028 | 130,906,707 | 43,903,695 |
| Commodities | 1,265,943 | 51,792 | 225,253 | 1,542,988 | 2,843,478 |
| Indexes | 337,121 | - | - | 337,121 | 16,450,649 |
| Short position | 37,902,521 | 17,412,616 | 37,398,712 | 92,713,849 | 57,514,170 |
| Currency | 20,891,124 | - | - | 20,891,124 | 5,270,756 |
| Interest rate | 14,751,567 | 17,366,378 | 37,363,507 | 69,481,452 | 43,324,813 |
| Commodities | 2,259,634 | 46,238 | 35,205 | 2,341,077 | 4,188,836 |
| Indexes | 196 | - | - | 196 | 4,729,765 |
| Swap | | | | | |
| Asset position | 175,825,332 | 49,542,632 | 75,951,507 | 301,319,471 | 204,628,645 |
| Currency | 12,081,249 | 7,336,114 | 6,448,691 | 25,866,054 | 24,270,800 |
| Interest rate | 161,730,828 | 40,091,958 | 61,896,655 | 263,719,441 | 177,024,152 |
| Commodities | 792,836 | 448,862 | 573,946 | 1,815,644 | 1,275,155 |
| Indexes | 533,759 | 692,011 | 5,371,315 | 6,597,085 | 80 |
| Stocks | 686,660 | 973,687 | 1,660,900 | 3,321,247 | 2,058,458 |
| Liabilities position | 175,520,995 | 49,865,403 | 77,537,716 | 302,924,114 | 204,628,565 |
| Currency | 12,122,372 | 7,424,180 | 7,302,450 | 26,849,002 | 24,270,800 |
| Interest rate | 161,454,487 | 39,929,046 | 62,185,112 | 263,568,645 | 177,024,152 |
| Commodities | 738,453 | 399,671 | 440,103 | 1,578,227 | 1,275,155 |
| Indexes | 531,045 | 690,805 | 5,151,945 | 6,373,795 | - |
| Stocks | 674,638 | 1,421,701 | 2,458,106 | 4,554,445 | 2,058,458 |
| Credit derivatives | | | | | |
| Asset position | 75,233 | 82,243 | 8,779,408 | 8,936,884 | 1,348,213 |
| Sovereign | 7,189 | - | 164,604 | 171,793 | 33,837 |
| Corporate | 68,044 | 82,243 | 8,614,804 | 8,765,091 | 1,314,376 |
| Liabilities position | 14,960 | 6,778 | 2,445,016 | 2,466,754 | 5,131,045 |
| Sovereign | - | - | 140,398 | 140,398 | 12,966 |
| Corporate | 14,960 | 6,778 | 2,304,618 | 2,326,356 | 5,118,079 |
| Forward contracts - NDF | | | | | |
| Asset position | 63,644,448 | 17,898,521 | 28,982,264 | 110,525,233 | 110,483,208 |
| Currency | 60,313,207 | 14,647,945 | 12,801,891 | 87,763,043 | 83,554,636 |
| Commodities | 1,485,240 | 1,347,576 | 5,441,797 | 8,274,613 | 26,928,572 |
| Interest rate | 1,846,001 | 1,903,000 | 10,738,576 | 14,487,577 | - |
| Liabilities position | 63,250,928 | 17,727,443 | 28,586,599 | 109,564,970 | 110,483,208 |
| Currency | 59,916,705 | 14,470,439 | 12,707,646 | 87,094,790 | 83,554,636 |
| Commodities | 1,486,856 | 1,349,154 | 5,441,822 | 8,277,832 | 26,928,572 |
| Interest rate | 1,847,367 | 1,907,850 | 10,437,131 | 14,192,348 | - |
| Forward transactions | | | | | |
| Asset position | 559,066 | 227,972 | 1,568,280 | 2,355,318 | 18,273,566 |
| Interest rate | 148,213 | 171,236 | 16,003 | 335,452 | 464,376 |
| Commodities | 259,733 | 1,631 | 1,017 | 262,381 | 17,205,769 |

| | | | | | |
|---|---|---|---|---|---|
| Government bonds | - | - | 1,549,038 | 1,549,038 | 465,818 |
| Stocks | 149,547 | 55,105 | 2,222 | 206,874 | 137,603 |
| Currency | 1,573 | - | - | 1,573 | - |
| Liabilities position | 870,960 | 242,152 | 1,566,228 | 2,679,340 | 17,809,190 |
| Interest rate | 148,147 | 171,235 | 15,942 | 335,324 | - |
| Commodities | 566,194 | 18,873 | 6,044 | 591,111 | 17,205,768 |
| Government bonds | - | - | 1,542,267 | 1,542,267 | 465,818 |
| Stocks | 154,871 | 52,044 | 1,975 | 208,890 | 137,604 |
| Currency | 1,748 | - | - | 1,748 | - |
| Options | | | | | |
| Asset position | 151,689,530 | 15,000,671 | 4,203,523 | 170,893,724 | 216,012,965 |
| Purchase of call option | 31,701,185 | 5,015,966 | 3,891,010 | 40,608,161 | 65,211,785 |
| Indexes | 7,221,826 | 32,560 | - | 7,254,386 | 53,046,476 |
| Stocks | 4,377,689 | 1,355,080 | 711,955 | 6,444,724 | 3,545,329 |
| Commodities | 660,844 | 122,475 | 36,645 | 819,964 | 1,433,412 |
| Currency | 6,659,766 | 2,056,075 | 314,940 | 9,030,781 | 7,186,568 |
| Interest rate | 12,781,060 | 1,449,776 | 2,827,470 | 17,058,306 | - |
| Purchase of put option | 119,988,345 | 9,984,705 | 312,513 | 130,285,563 | 150,801,180 |
| Indexes | 72,133,511 | 50,160 | - | 72,183,671 | 130,179,914 |
| Stocks | 15,516,480 | 8,026,941 | 217,276 | 23,760,697 | 6,558,305 |
| Commodities | 2,220,206 | - | - | 2,220,206 | 471,918 |
| Currency | 17,598,894 | 1,447,680 | 95,237 | 19,141,811 | 8,627,706 |
| Interest rate | 12,519,254 | 459,924 | - | 12,979,178 | 4,963,337 |
| Liabilities position | 134,400,294 | 6,629,101 | 8,540,999 | 149,570,394 | 206,904,120 |
| Sale of call option | 93,193,962 | 4,071,616 | 8,202,036 | 105,467,614 | 64,298,910 |
| Indexes | 64,972,599 | 191,693 | 2 | 65,164,294 | 53,030,026 |
| Stocks | 6,380,144 | 852,713 | 5,171,626 | 12,404,483 | 3,600,048 |
| Commodities | 1,014,462 | 128,470 | 27,341 | 1,170,273 | 1,402,701 |
| Currency | 6,427,410 | 1,448,662 | 175,597 | 8,051,669 | 6,266,135 |
| Interest rate | 14,399,347 | 1,450,078 | 2,827,470 | 18,676,895 | - |
| Sale of put option | 41,206,332 | 2,557,485 | 338,963 | 44,102,780 | 142,605,210 |
| Indexes | 9,230,418 | 50,160 | 1 | 9,280,579 | 130,153,347 |
| Stocks | 9,186,726 | 883,924 | 181,515 | 10,252,165 | 1,131,959 |
| Commodities | 1,934,515 | 10,651 | - | 1,945,166 | 845,943 |
| Currency | 8,177,336 | 1,152,826 | 157,447 | 9,487,609 | 5,510,624 |
| Interest rate | 12,677,337 | 459,924 | - | 13,137,261 | 4,963,337 |
| Asset position | **441,314,105** | **104,283,358** | **183,841,210** | **729,438,673** | **614,271,315** |
| Liabilities position | **411,960,658** | **91,883,493** | **156,075,270** | **659,919,421** | **602,470,298** |

### e. Reclassification of marketable securities

Management classifies marketable securities according to the business models defined based on the strategies of its trading desks.

In the period ended December 31, 2023, and 2022, reclassifications or changes in the intentions were not made by the Management.

## 8. Financial assets at fair value through other comprehensive income

| | **12/31/2023** | | **12/31/2022** | |
|---|---|---|---|---|
| | **Cost** | **Fair value** | **Cost** | **Fair value** |
| Federal government bonds | 3,095,041 | 3,112,233 | 863,362 | 859,910 |
| Shares | 3,302,829 | 3,302,829 | 2,373,916 | 2,373,916 |
| Debentures | 5,171,845 | 5,115,491 | 6,696,478 | 6,632,630 |
| Certificate of real estate receivables (CRI) | 318,153 | 294,997 | 224,106 | 211,245 |
| Promissory notes | 6,298,915 | 6,256,682 | 3,541,427 | 3,520,241 |
| Foreign private securities | 3,872,018 | 3,926,474 | 2,796,672 | 2,710,234 |
| Other | 61,625 | 61,532 | 141,934 | 147,474 |
| **Total** | **22,120,426** | **22,070,238** | **16,637,895** | **16,455,650** |

## 9. Fair value of financial instruments

The fair values of financial instruments are determined as follows:

- Swaps - its cash flows are discounted to present values based on profitability curves that reflect the appropriate risk factors. These profitability curves can be traced mainly based on prices observed in negotiations at B3 S.A. for Brazilian government bonds on the secondary market or for derivatives and marketable securities traded overseas. These profitability curves can be used to obtain the fair values of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock exchange indices, etc.).

- Futures and Forwards – quoted on stock exchanges or using criteria identical to those described above for swaps.

- Options – the fair values of these instruments are determined based on mathematical models (such as Black & Scholes) that are fed with data on implicit volatility, profitability curve for interest rates and fair values of the underlying assets. All of this data is obtained by using different sources (usually brokers and brokerage firms' prices, Bloomberg, Reuters).

- Credit derivatives – the fair values of these instruments are determined based on well-established mathematical market models that are fed with issuer's credit spread data and profitability curve for interest rates. This data is obtained using different sources (usually market prices, Bloomberg, Reuters).

- Marketable securities – the fair values of public bonds are calculated based on the prices published by ANBIMA. The fair values of corporate debt securities are calculated based on secondary market prices, on the price of similar assets and on the market visibility by the Company's commercial areas. The shares are calculated based on the prices provided by B3 (Brazilian stock exchange). Fund quotas are calculated considering the prices of quotas disclosed by the custodian.

- Financial assets valued at fair value - we estimate the fair values of financial instruments by applying the discount of cash flows at present value based on profitability curves that reflect the appropriate risk factors.

We present below a summary of the pricing hierarchy of assets and liabilities at fair value, classified according to the pricing methodology adopted by the Bank:

| | December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | 115,021,140 | 54,964,198 | 8,821,791 | 178,807,129 |
| Financial assets at fair value through other comprehensive income | 4,695,493 | 14,503,625 | 2,871,120 | 22,070,238 |
| **Liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 15,216,739 | 26,420,935 | 3,092,431 | 44,730,105 |

| | December 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | 70,744,858 | 78,793,623 | 7,458,045 | 156,996,525 |
| Financial assets at fair value through other comprehensive income | 5,098,143 | 9,762,638 | 1,594,869 | 16,455,650 |
| **Liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 17,413,167 | 43,520,702 | 1,900,661 | 62,834,530 |

There were no reclassifications between the levels 1, 2 and 3 during the year ended December 31, 2023, and 2022.

## 10. Money market repurchase commitments

The amounts presented below are basically short-term operations, indexed to reference interest rates in the local or foreign market.

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Own portfolio | 21,162,205 | 10,329,313 |
| Financed Operations | 39,919,112 | 46,136,586 |
| Short position | 5,301,374 | 8,899,827 |
| **Total** | **66,382,691** | **65,365,726** |

## 11. Interbank deposits

The breakdown of this caption is shown in the table below:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Interbank deposits | 2,250,573 | 729,351 |
| Foreign currency investments - overnight | 4,931,225 | 8,019,195 |
| **Total** | **7,181,798** | **8,748,546** |

## 12. Loan operations

### a. Breakdown of portfolio and expected loss

The breakdown of the caption Credit Operations and receivables is as follows:

| | 12/31/2023 | | |
|---|---|---|---|
| | Balance | Provision | Total |
| Loans | 85,963,962 | (5,021,236) | 80,942,726 |
| Financing | 28,237,891 | (1,728,056) | 26,509,835 |
| FINAME/BNDES | 5,667,070 | (19,903) | 5,647,167 |
| Operations with credit assignment characteristics | 2,912,449 | (23,499) | 2,888,950 |
| Advance on export contracts - ACC | 2,154,154 | (28,268) | 2,125,886 |
| Financing of marketable securities | 943,006 | (16,429) | 926,577 |
| Credits assigned with co-obligation | 77,963 | (4,113) | 73,850 |
| **Subtotal** | **125,956,495** | **(6,841,505)** | **119,114,991** |
| Fair value adjustments (i) | 693,908 | - | 693,908 |
| **Total** | **126,650,403** | **(6,841,505)** | **119,808,899** |

(i) Including contracts subject to hedge accounting.

| | 12/31/2022 | | |
|---|---|---|---|
| | Balance | Provision | Total |
| Loans | 82,877,477 | (5,266,019) | 77,611,458 |
| Financing | 22,722,026 | (1,490,735) | 21,231,291 |
| FINAME/BNDES | 4,611,090 | (22,298) | 4,588,792 |
| Operations with credit assignment characteristics | 3,294,589 | (81,321) | 3,213,268 |
| Advance on export contracts – ACC | 3,600,871 | (12,637) | 3,588,234 |
| Financing of marketable securities | 1,000,715 | (17,667) | 983,048 |
| Credits assigned with co-obligation | 198,221 | (13,283) | 184,938 |
| **Subtotal** | **118,304,989** | **(6,903,960)** | **111,401,029** |
| Fair value adjustments (i) | (243,079) | - | (243,079) |
| **Total** | **118,061,910** | **(6,903,960)** | **111,157,950** |

(i) Including contracts subject to hedge accounting.

### b. Changes in expected loss per stage

| Changes in expected loss | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Balance at 12/31/2022** | **3,777,814** | **789,895** | **2,336,250** | **6,903,960** |
| Transferred to Stage 1 | - | (5,384) | (6,070) | (11,454) |
| Transferred to Stage 2 | (276,369) | - | (4,970) | (281,339) |
| Transferred to Stage 3 | (1,130,065) | (327,348) | - | (1,457,413) |
| From Stage 1 | - | 276,369 | 1,130,065 | 1,406,434 |
| From Stage 2 | 5,384 | - | 327,348 | 332,733 |
| From Stage 3 | 6,070 | 4,970 | - | 11,039 |
| Inflows / (outflows) of operations in 2023 (i) | 2,285,058 | 236,147 | (2,583,659) | (62,455) |
| **Balance at 12/31/2023** | **4,667,892** | **974,648** | **1,198,965** | **6,841,505** |

| Changes in expected loss | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Balance at 12/31/2021** | **3,216,139** | **697,253** | **659,556** | **4,572,948** |
| Transferred to Stage 1 | - | (5,676) | (3,264) | (8,940) |
| Transferred to Stage 2 | (187,933) | - | (2,018) | (189,951) |
| Transferred to Stage 3 | (2,229,210) | (216,477) | - | (2,445,687) |
| From Stage 1 | - | 187,933 | 2,229,210 | 2,417,143 |
| From Stage 2 | 5,676 | - | 216,477 | 222,153 |
| From Stage 3 | 3,264 | 2,018 | - | 5,282 |
| Inflows / (outflows) of operations in 2022 (i) | 2,969,879 | 124,844 | (763,711) | 2,331,012 |
| **Balance at 12/31/2022** | **3,777,814** | **789,895** | **2,336,250** | **6,903,960** |

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Opening balances for the year** | **(6,903,960)** | **(4,572,948)** |
| Reversal/(constitution) of provision | (2,280,246) | (4,650,965) |
| Write-offs - against the provision | 2,342,701 | 2,319,953 |
| **Closing balances for the year** | **(6,841,505)** | **(6,903,960)** |

## 13. Marketable securities measured at amortized cost

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Federal government bonds | 9,391,853 | 8,816,005 |
| Rural Product Bill | 8,746,719 | 6,612,834 |
| Other | - | 2,972 |
| **Total** | **18,138,572** | **15,431,811** |

## 14. Financial liabilities at amortized cost

### a. Summary

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Deposits | 133,273,103 | 115,749,672 |
| Money market funding | 97,075,862 | 87,139,332 |
| Acceptances and endorsements | 73,531,521 | 67,944,679 |
| Borrowings, onlendings and leases | 17,911,780 | 18,103,247 |
| Subordinated debts and debt instruments eligible to capital | 20,119,368 | 8,220,005 |
| **Total** | **341,911,634** | **297,156,935** |

### b. Deposits

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Demand deposit | 6,087,991 | 8,641,922 |
| Time deposit | 119,702,207 | 102,303,311 |
| Interbank deposit | 7,334,945 | 4,590,532 |
| Other deposits | 135,381 | 218,739 |
| **Subtotal** | **133,260,524** | **115,754,504** |
| Adjustment to fair value (i) | 12,579 | (4,832) |
| **Total** | **133,273,103** | **115,749,672** |

(i) Considering fair value adjustments of items subject to accounting hedge.

## c. Money market funding

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Operations with own funds | 51,118,927 | 23,533,248 |
| Operations with third party funds | 39,964,219 | 46,304,707 |
| Short position | 5,992,716 | 17,301,377 |
| **Total** | **97,075,862** | **87,139,332** |

## d. Acceptances and endorsements

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Marketable securities – Domestic | 62,836,929 | 53,326,359 |
| Financial bills | 38,497,660 | 29,848,247 |
| Real estate credit/agribusiness bills | 16,604,973 | 18,910,600 |
| Certificates of structured operations | 3,243,445 | 1,939,481 |
| Certificates of agribusiness receivables | 4,490,851 | 2,470,305 |
| Debentures | - | 157,726 |
| Marketable securities – Foreign | 10,625,077 | 15,163,450 |
| Medium term notes | 8,918,852 | 11,803,051 |
| Fixed rate notes | 1,706,225 | 3,360,399 |
| **Subtotal** | 73,462,006 | 68,489,809 |
| Adjustment to fair value (i) | 69,515 | (545,130) |
| **Total** | **73,531,521** | **67,944,679** |

(i) Considering fair value adjustments of items subject to accounting hedge.

As of December 31, 2023, obligations for marketable securities in Brazil are basically indexed to the reference interest rate (CDI) between 80% and 123%, or price indexes (IPCA and IGPM) plus a fixed rate between 2.19% p.a. and 8.10% p.a. (December 31, 2022 - reference interest rate (CDI) between 100% and 127%, or price indexes (IPCA and IGPM) plus a fixed rate between 0.49% p.a. and 7.85% p.a.).

As of December 31, 2023, obligations for marketable securities abroad had rates between 2.5% p.a. and 7.4% p.a. (December 31, 2021 - between 2.5% p.a. and 7.4% p.a.).

## e. Borrowings, onlendings and leases

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Foreign loans | 12,108,814 | 7,097,919 |
| Liabilities in foreign currencies | 6,681,151 | 5,465,954 |
| Foreign borrowings | 5,427,663 | 1,631,965 |
| Domestic loans | - | 4,361,552 |
| Domestic borrowings | - | 4,361,552 |
| Domestic onlendings | 5,473,404 | 6,234,462 |
| FINAME/BNDES | 5,473,404 | 6,234,462 |
| Lease operations (IFRS 16) | 329,562 | 409,314 |
| **Total** | **17,911,780** | **18,103,247** |

## f. Subordinated debts and debt instruments eligible to capital

| | 12/31/2023 | | | | | 12/31/2022 |
|---|---|---|---|---|---|---|
| **Name of currency - original currency** | **Principal value (original currency)** | **Issue** | **Maturity** | **Compensation p.a.** | **Book balance** | **Book balance** |
| Subordinated financial bills eligible to capital - R$ (i) | 16,422,275 | 11/02/2019 - 22/12/2023 | 23/01/2026 - 03/04/2034 | 100% - 140% CDI | 16,422,275 | 4,502,409 |
| Subordinated financial bills eligible to capital - R$ | 65,053 | 22/03/2019 - 21/03/2023 | Perpetual | 110% - 126% CDI | 65,053 | 53,152 |
| Subordinated notes - US$ | 1,599 | 15/02/2019 | 15/02/2029 | 7.75% a.a. | 7,740 | 37,555 |
| Subordinated notes - CLP | 92,877,024 | 16/01/2019 | 01/11/2028 | 2.25% a.a. | 510,825 | 543,066 |
| Subordinated notes eligible to capital - US$ | 601,876 | 15/02/2019 | 15/02/2029 | 7.75% a.a. | 2,913,860 | 3,141,063 |
| **Subtotal** | | | | | **19,919,753** | **8,277,245** |
| Mark-to-market (ii) | | | | | 199,615 | (57,240) |
| **Total** | | | | | **20,119,368** | **8,220,005** |

# 15. Other assets

The breakdown of this caption is shown in the table below:

### a. Other assets

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Judicial deposits (i) | 3,496,229 | 2,941,481 |
| Recoverable tax income | 2,878,421 | 1,632,120 |
| Investment properties | 719,938 | 570,835 |
| Sundry debtors – Domestic (ii) | 5,972,288 | 6,316,390 |
| Services rendered receivable | 209,994 | 206,226 |
| Electricity transaction rights | 1,429,699 | 157,018 |
| Management and performance fee of funds and investment portfolios | 1,217,630 | 1,011,786 |
| Dividends and bonuses | 187,670 | 140,965 |
| Prepaid expenses | 1,419,358 | 1,416,685 |
| Trading and intermediation of securities | 5,306,113 | 5,298,359 |
| Without credit granting characteristics | 8,720,447 | 6,748,934 |
| Sundry | 869,975 | 604,079 |
| **Total** | **32,427,762** | **27,044,878** |

(i) Judicial deposits are classified and measured at amortized cost. However, for purposes of format of presentation, we decided to maintain in the group of Amortized cost, in the balance sheet, only items related to the Bank's operation.

(ii) It corresponds mainly to receivables from forward sales of commodities.

### b. Rights-of-use

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Right-of-use of lease | 322,262 | 401,066 |

# 16. Investments in affiliates and jointly controlled subsidiaries

| | Affiliates and jointly controlled companies | | | | | |
|---|---|---|---|---|---|---|
| | Equity | | Profit / (loss) | | Interest | |
| | 12/31/2023 | 12/31/2022 | 12/31/2023 | 12/31/2022 | 12/31/2023 | 12/31/2022 |
| Too Seguros S.A. | 639,624 | 450,877 | 318,220 | 217,995 | 51.00% | 51.00% |
| Pan Corretora S.A. | 61,900 | 49,044 | 60,622 | 47,765 | 51.00% | 51.00% |
| BTG Pactual Holding S.A.R.L. | 3,124,840 | 3,427,813 | 1,615,518 | 1,079,848 | 40.00% | 40.00% |

| | 12/31/2022 | Acquisition / Contribution / Transfer / (Sales) | Dividends/Interest on capital | Profit (loss) from interest | Foreign exchange variation | Carrying value adjustment | 12/31/2023 | Profit (loss) from interest on 12/31/2022 |
|---|---|---|---|---|---|---|---|---|
| Too Seguros S.A. | 229,947 | - | (115,663) | 211,308 | - | 616 | 326,208 | 111,179 |
| Pan Corretora S.A. | 25,012 | - | (24,359) | 30,917 | - | - | 31,570 | 24,360 |
| BTG Pactual Holding S.A.R.L. | 1,371,125 | - | (668,487) | 646,207 | (98,910) | - | 1,249,935 | 431,939 |
| Other (i) | 6,291,674 | (275,385) | (12,631) | 188,274 | 35,495 | (8,863) | 6,218,564 | 180,959 |
| **Total** | **7,917,758** | **(275,385)** | **(821,140)** | **1,076,706** | **(63,415)** | **(8,246)** | **7,826,277** | **748,437** |

(i) The caption Other includes basically balances related to the following interest: Eneva: 21.24%, Galgo S.A.: 6.67%, Visum: 50% and Absolute: 25% (As of December 31, 2022 – Eneva 21.53%, Galgo S.A. 6.67%, and Visum 50%).

# 17. Intangible assets

| | Changes in intangible assets | | | | |
|---|---|---|---|---|---|
| | 12/31/2022 | Acquisitions / Transfer / Write-off | Amortization | Foreign exchange variations | 12/31/2023 |
| Goodwill (i) | 8,400,982 | 221,975 | - | - | 8,622,957 |
| Intangible assets (ii) | 3,633,091 | 238,513 | - | (877) | 3,870,727 |
| Accumulated amortization | (1,780,653) | 57,424 | (1,082,140) | 711 | (2,804,658) |
| **Total** | **10,253,420** | **517,912** | **(1,082,140)** | **(166)** | **9,689,026** |

(i) In June 2022, the evaluation of the allocation of assets for the acquisition of Banco Pan S.A. was concluded. In the year ended December 31, 2023, no impairment was identified in the period for this asset. The review of goodwill for impairment was based, among other factors, on macroeconomic assumptions, market share, regulatory and stress scenarios.
(ii) It mainly refers to licenses and copyrights, software, trademarks, and patents.

# 18.Tax liabilities

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Deferred | 476,244 | 694,187 |
| Social contribution and deferred income tax (Note 22) | 476,244 | 694,187 |
| Current | 4,020,634 | 1,484,157 |
| Taxes and contributions payable | 390,042 | 194,566 |
| Taxes and contributions payable | 3,630,592 | 1,289,591 |
| **Total** | **4,496,878** | **2,178,344** |

# 19. Sundry liabilities

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Liabilities for acquisition of assets | 276,341 | 250,195 |
| Provision for unsettled payments | 2,399,036 | 3,012,580 |
| Sundry creditors and prepaid income (i) | 27,356,051 | 19,952,206 |
| **Total** | **30,031,428** | **23,214,981** |

(i) It refers mainly to mathematical provisions for benefits to be granted to participants of pension plans sold by the consolidated company BTG Pactual Vida e Previdência S.A.

# 20. Other liabilities

| | 12/31/2023 (i) | 12/31/2022 |
|---|---|---|
| Payment transactions (ii) | 3,051,068 | 3,258,247 |
| Other liabilities from securities clearing accounts (iii) | 2,752,695 | 3,845,103 |
| Pending settlements | 1,972,548 | 1,804,044 |
| Other | 433,584 | 361,411 |
| **Total** | **8,209,895** | **9,268,805** |

(i) Transactions classified in the group of Other liabilities have an average settlement below 90 days. Payments include operations that may exceed this period, but settlement will occur in less than 12 months.
(ii) They refer basically to payables related to card transactions.
(iii) This caption basically represents sales of securities issued by governments of other countries, to be settled within the regulatory terms.

## 21. Contingent assets and liabilities

The Bank's Management evaluates the obligations of the companies of BTG Pactual Group and recognizes provision whenever it understands that it is probable that funds will be used to settle present obligations (formalized or not formalized) with uncertain terms or amounts. Management's judgment to determine the expected loss also considers the interpretations of its external legal counsel.

### a. Provision

### i. Tax

Provisions for tax and social security proceedings arise from judicial and administrative proceedings related to federal, state, and municipal taxes. It is recognized based on the probability of outflow of funds, and also considering the opinion of external legal advisors and the level status of each proceeding.

### ii. Civil

In civil lawsuits in which loss is deemed potential (pain and suffering, property damages, and other proceedings with condemnation requests), contingency amounts are accrued based on the likelihood of outflow of funds and the opinion of external legal advisors is one of the sources to obtain an estimate.

### iii. Labor

They consist of lawsuits filed by former employees, mainly requests for overtime pay and salary equalization. The amounts of provision are estimated according to analysis of the potential amount of loss considering, among others, the stage of the proceeding and the opinions of external legal advisors.

### b. Breakdown and changes in provision

Provision formed and respective changes may be shown as follows In the year ended December 31, 2023, and 2022:

| | 12/31/2023 | | | | | |
|---|---|---|---|---|---|---|
| | Tax | | | Civil (ii) | Labor | Total |
| | Legal Obligation | Tax and social security obligations (i) | Total | | | |
| **Balance at the beginning of the period** | **1,373,158** | **1,685,971** | **3,059,129** | **1,815,755** | **216,562** | **5,091,446** |
| Constitution / Reversal | 105,694 | (112,126) | (6,432) | 392,464 | (16,130) | 369,902 |
| Remand | (102,201) | (111) | (102,312) | (292,677) | (70,918) | (465,907) |
| **Balance at the end of the period** | **1,376,651** | **1,573,734** | **2,950,385** | **1,915,542** | **129,514** | **4,995,441** |

(i) As of December 31, 2023, it considers a provision related to an active legal dispute in the amount of BRL 330,320 (BRL 311,726 on December 31, 2022). Of this amount, BRL 18,594 is due to updates during the period.

(ii) As of December 31, 2023, it considers a provision for other non-litigious risks in the amount of BRL 670,774 (BRL 687,258 on December 31, 2022). Of this amount, BRL 10,984 is due to constitutions/reversals, and BRL (27,469) is due to reductions for payments during the period.

**i. Taxes with enforceability suspended and other tax liabilities**

The Bank has been discussing the legality of some taxes and contributions. The amounts related to present obligations (legal or not formalized), with probable outflow of funds (also based on interpretations of external legal counsel), are provisioned in the amount considered by Management as sufficient to cover future losses. Among the aforementioned legal discussions, we highlight the proceeding involving the legality of COFINS collection in accordance with the rules established in Law 9718/98.

On December 31, 2023, the Bank was a party to tax proceedings with a possible likelihood of success, which are not accrued, in accordance with current accounting standards (IAS 37). The relevant proceedings are described below.

- Proceedings related to the payment of Share of Profit and Results (PLR), in which the alleged levy of social security contribution on the amounts regarding its interest and its deductibility from the IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) calculation basis is being discussed. The amount involved is BRL 1,650 million. Part of this amount is guaranteed by an indemnity clause, as it refers to the period prior to the acquisition of the Bank by the current controllers.

- Proceeding related to the demutualization and the IPO of Bovespa and of BM&F, in which the taxation of PIS (Social Integration Program) and Cofins (Contribution to Social Security Financing) on income earned on the sale of shares of said companies is being discussed. The amount involved is BRL 66 million and is also guaranteed by an indemnity clause, as it refers to the period prior to the acquisition of the Bank by the current controllers.

- In December 2015, a fine of BRL 2,164 million was received for the years 2010 and 2011, where the tax authority considered the use of goodwill generated in the acquisition of the Bank by UBS in 2006, and in the repurchase of the Bank by BTG in 2009, as undue. A defense was presented against this fine at the Administrative Council of Tax Appeals of the Brazilian Federal Revenue (CARF), which was partially favorable to reduce the fine by BRL 278 million. Against the unfavorable part, a new appeal was presented, also to CARF, which, in February 2019, was judged in favor of the use of goodwill generated in the acquisition of the Bank by UBS. Against this decision, appeals were filed by PGFN and the Bank. In December 2023, a judgment was issued by the Superior Chamber of CARF, against which there is no appeal, confirming the favorable decision regarding the goodwill resulting from the acquisition of the Bank by UBS in 2006. The remaining amount of the contingency is BRL 114 million.

- In December 2017, a tax deficiency notice in the amount of BRL 1,198 million was received, referring to 2012, in which it was considered improper to use the goodwill generated in the operations of acquisition of the Bank by UBS carried out in 2006, the goodwill related to the repurchase of the Bank by BTG in 2009 and the goodwill generated in the private subscription of shares carried out by investors through Companhia Copa Prince, in 2011. In October 2019, the second administrative level judged partially valid to recognize goodwill generated in the private subscription of shares carried out by investors through Companhia Copa Prince. Appeals were filed against that decision by the Bank and PGFN. In December 2018, a tax deficiency notice amounting to BRL 547 million was received regarding 2013. A defense was filed against this notice, which is awaiting a decision by the second administrative instance. Finally, in February 2019, a tax deficiency notice was received in the amount of BRL 300 million, referring to 2014. A defense was presented against this action, which is awaiting judgment at the second administrative instance. The Bank does not expect to incur any loss (other than resource expenses) related to the tax deficiency notice and has not established (and does not expect to establish) any provision in its financial statements. In addition to the assessment as to the invalidity of the tax deficiency notice, should the Bank incur losses, Management believes it has the right to be indemnified by its parent company for part of these losses. Hence, in no event does BTG Pactual expect to incur any material loss related to this matter.

- In December 2017, the Bank received a tax deficiency notice in which an alleged insufficient payment of PIS and COFINS is discussed and imposes a separate fine, referring to 2012, in the amount of BRL 242 million. An administrative appeal was filed against the notice, which was partially granted to exclude the isolated fine. Against the unfavorable part of the decision, an appeal was filed at the second administrative instance.

- In December 2017, as jointly and severally liable for Banco Pan S.A., the Bank received an IRRF tax deficiency notice allegedly due on the sale of an investment in Brazil by a foreign entity, referring to 2012, in the amount of BRL 92 million. An administrative appeal was filed against the notice, which is awaiting judgment at the second administrative instance.

- In December 2017, the Bank received a tax deficiency notice seeking to collect Income Tax on the alleged capital gain in the merger of companies, when One Properties was incorporated by BR Properties, in the amount of BRL 1,348 million. An administrative appeal was filed against the notice, which is awaiting judgment at the second administrative instance.

- In December 2018, the Bank was aware of the non-approval of the offsetting of the negative balance of IRPJ (Corporate Income Tax), referring to 2013, in the amount of BRL 83 million. In June 2019, an unfavorable decision was rendered at the administrative trial court. An appeal was filed against this decision, which is awaiting judgment at the second administrative instance. In March 2019, the Bank was aware of the non-approval of the offsetting of negative BRL balance, for the same year, in the amount of BRL 80 million. In August 2019, an unfavorable decision was rendered to the Bank at the administrative trial court. Against this decision, an appeal was filed with the second administrative instance.

- In September 2019, as jointly and severally liable for Banco Sistema, the Bank received a tax deficiency notice aimed at collecting IRPJ (Corporate Income Tax), CSLL (Social Contribution on Net Income), PIS (Social Integration Program), and COFINS (Contribution to Social Security Financing), totaling BRL 4,295 million, referring to the acquisition of Banco Bamerindus do Brasil (currently Banco Sistema) in 2014. In October 2019, a defense was presented at the administrative trial court that, in April 2020, was partially granted, reducing the amount by 98%. Against the unfavorable part of the decision, an appeal was filed at the second administrative instance. In the event of a final and unappealable unfavorable decision, there will be an impact on the balance of tax loss and negative basis of social contribution used to pay the PERT program in 2017, in the amount of BRL 1,245 million. Due to the prognosis given by the lawyers, the Bank did not constitute any provision in its standalone financial statements. In addition, the Management does not expect to incur any loss related to the topic.

- In March 2020, the Bank received a tax deficiency notice aiming at the collection of IRPJ (Corporate Income Tax), CSLL (Social Contribution on Net Income), PIS (Social Integration Program) and COFINS

(Contribution to Social Security Financing) on the capital gain on the sale of shares of Rede D'or, in 2015, in the amount of BRL 713 million.

- In July 2021, as jointly and severally liable, the Bank received an IRRF tax deficiency notice allegedly due on the income distributed to investment fund unitholders, in the amount of BRL 425 million. An administrative appeal was filed against the assessment, which is awaiting judgment.

- In December 2021, the Bank received a tax deficiency notice aimed at charging IRPJ/CSLL, in the amount of BRL 117 million, resulting from an alleged formal error in filling out its ECF in 2016. An administrative appeal was filed against the assessment, which is awaiting judgment.

- In December 2018, Gestora de Recursos, an indirect subsidiary of the Bank, received a tax deficiency notice totaling BRL 117 million, referring to the years 2013 and 2014, regarding the amortized goodwill generated in the acquisition of BFRE in 2012. In September 2019, an unfavorable lower court decision was rendered. Against this decision, an appeal was filed to the second administrative instance.

- In December 2021, Banco Sistema received a tax deficiency notice of PIS/COFINS, in the amount of BRL 147 million, allegedly levied on operating revenues for the period from 2007 to 2009. Against the assessment, an administrative appeal was filed, which was upheld to exclude the tax debt. Against said decision, the PGFN filed an appeal which is awaiting judgment at the administrative higher court.

- INSS on Profit Sharing (PLR) and Worker Meal Program (PAT) – Incidence of social security contribution on PLR and PAT, for calendar years 2012, 2013, 2016 and 2017 of Banco Pan, a direct subsidiary of the Bank. In December 2023, the amounts related to these proceedings total approximately BRL 148,206.

- Unapproved offsets - Rejection of requests for offsets of IRPJ, CSLL, PIS, COFINS, arising from overpayments or undue payments by Banco Pan, the Bank's direct subsidiary. In December 2023, the amounts related to these proceedings total approximately BRL 281,012.

- IRPJ/CSLL – Deductibility of Losses on Credit Operations and other operating expenses, referring to the calendar years 2007 to 2017 of Banco Pan. In December 2023, amounts related to these proceedings total approximately BRL 1,054,017.

- PIS/COFINS – Deductibility of commission expenses paid to banking correspondents and losses on sale or transfer of financial assets, referring to the 2017 calendar year of Banco Pan. In December 2023, the amount related to this proceeding totals approximately BRL 264,003.

- In 2023, in the capacity of joint responsible for Real Estate Investment Fund (FIIs), BTG Pactual Serviços Financeiros S/A ("PSF") received tax fines aiming at the collection of IRPJ, CSLL, PIS, and COFINS, as well as fines for non-compliance with ancillary obligations, totaling BRL 763 million, related to the classification of the funds as legal entities, following the provisions of Law 9,779/99. Defenses were submitted against the fines. Due to the prognosis provided by the lawyers, PSF did not establish any provision in its individual financial statements.

- In December 2023, the Bank received a tax fine aiming at the collection of IRPJ/CSLL, in the amount of BRL 67 million, related to the offsetting of tax paid abroad for the year 2018. An administrative appeal has been filed against the fine, awaiting judgment.

## 22. Income tax and social contribution

Reconciliation of income tax and social contribution expense with the product of the tax rate on profit before income tax and social contribution is as follows:

| **Income tax and social contribution on profit** | **12/31/2023** | **12/31/2022** |
|---|---|---|
| **Calculation basis** | **11,389,358** | **8,488,406** |
| Total charge of income tax and social contribution at current rates | (5,125,211) | (3,819,783) |
| **Temporary (additions) / exclusions in tax calculation** | **2,986,855** | **2,915,637** |
| Equity in the earnings of subsidiary of affiliates in the country | (563,333) | 1,092,687 |
| Dividends | 511,840 | 317,256 |
| Interest on capital | 1,237,136 | 1,161,098 |
| Result of market valuation of marketable securities and derivative financial instruments | 813,688 | 1,246,456 |
| Provision for impairment of trade receivables | (46,585) | (620,730) |
| Foreign exchange gain/(loss) on investments abroad | 81,604 | 31,253 |
| Remeasurement of shareholding (Acquisition in stages) | (289,150) | (585,522) |
| Other non-deductible expenses, net of non-taxable income | 1,241,655 | 273,140 |
| **Current income tax and social contribution expense - Brazil** | **(2,138,356)** | **(904,145)** |
| **(Expense) / revenue with deferred taxes** | **729,340** | **(389,497)** |
| **Total (expense) / income** | **(1,409,016)** | **(1,293,642)** |

Movement of deferred tax assets referring to income tax and social contribution, presented under the heading "Tax Assets - Deferred", can be shown as follows:

| **Income tax and social contribution** | **12/31/2022** | **Increase** | **Realization** | **12/31/2023** |
|---|---|---|---|---|
| Income tax losses and negative basis of social contribution on net income | 1,563,907 | - | (126,306) | 1,437,601 |
| Interest on capital | 254,250 | 254,250 | (254,250) | 254,250 |
| Expected loss allowances associated with credit risk | 3,987,154 | 17,610 | - | 4,004,764 |
| Mark-to-market of marketable securities and derivatives | 402,650 | - | (502,828) | (100,178) |
| Business combination | (3,427,722) | 881,157 | - | (2,546,566) |
| Tax contingencies and provisions for suspended taxes | 311,856 | - | (1,673) | 310,183 |
| Other temporary differences | 2,557,147 | 88,265 | (524,077) | 2,121,334 |
| **Total** | **5,649,241** | **1,241,282** | **(1,409,135)** | **5,481,388** |

| **Income tax and social contribution** | **12/31/2021** | **Increase** | **Realization** | **12/31/2022** |
|---|---|---|---|---|
| Income tax losses and negative basis of social contribution on net income | 1,993,882 | - | (429,975) | 1,563,907 |
| Interest on capital | 254,250 | 254,250 | (254,250) | 254,250 |
| Expected loss allowances associated with credit risk | 3,627,272 | 359,882 | - | 3,987,154 |
| Mark-to-market of marketable securities and derivatives | 1,605,492 | - | (1,202,842) | 402,650 |
| Business combination | (1,203,359) | (2,224,363) | - | (3,427,722) |
| Tax contingencies and provisions for suspended taxes | 301,629 | 10,227 | - | 311,856 |
| Other temporary differences | 1,413,949 | 1,143,198 | - | 2,557,147 |
| **Total** | **7,993,115** | **(456,807)** | **(1,887,067)** | **5,649,241** |

The financial item deferred tax assets have tax credits, which refer to deferred PIS and COFINS in the amount of BRL 111,505 (December 31, 2022 – BRL 151,244 ).

Below is the breakdown of present value of tax credits, in view of the expectation for the realization of deferred tax assets.

| **Description** | **Tax credits on temporary differences** | **Tax loss and negative basis for social contribution** | **Total** |
|---|---|---|---|
| 2024 | 587,159 | 85,093 | 672,252 |
| 2025 | 332,909 | 187,343 | 520,252 |
| 2026 | 1,000,369 | 256,253 | 1,256,622 |
| 2027 | 1,000,369 | 227,924 | 1,228,293 |
| As of 2028 | 1,122,982 | 680,987 | 1,803,969 |
| **Total** | **4,043,788** | **1,437,600** | **5,481,388** |
| **Present value** | **2,984,975** | **985,827** | **3,970,802** |

Banco Pan S.A., a subsidiary consolidated in the financial statements, has a tax credit balance of BRL 3.5 billion, substantially recognized based on a study of the current and future scenario approved by its Management. On November 13, 2019, Constitutional Amendment No. 103 was published, which provides for increase of Social Contribution on Banks' Profit rate from 15% to 20%, effective as of March 1, 2020.

On April 28, 2022, Provisional Act No. 1,115 was published, which instituted new CSLL rates for financial institutions and similar institutions for the period from August 1, 2022, to December 31, 2022. Specifically, the Provisional Act increased to 21% CSLL rate applicable to banks in the discussed period, with such rate reduced again to 20% as of January 1, 2023. For other financial institutions and the like, in accordance with applicable legislation, CSLL rate was increased to 16% from August 1, 2022, to December 31, 2022, being reduced to 15% beginning as of January 1, 2023. The effects of this increase on the condensed consolidated interim financial statements for the period December 31, 2023, were immaterial.

## 23. Equity

### a. Share capital and capital reserves

At December 31, 2023, the subscribed and paid-up share capital is comprised of 11,506,119,928 shares (December 31, 2022 - 11,506,119,928), and 7,244,165,568 common shares (December 31, 2022 - 7,244,165,568), 2,864,529,000 are class A preferred shares (December 31, 2022 - 2,864,529,000), 1,397,425,360 class B preferred shares (December 31, 2022 – 1,397,425,360), all registered and with no par value.

Common shares entitle their respective holders to one vote in Shareholders' Meeting's resolutions and will participate, on equal terms with Class A preferred shares and Class B preferred shares in the distribution of profits.

Holders of Class A and B preferred shares have restricted voting rights, but will have priority in the reimbursement of capital, without premium, and will participate, under the same conditions as common shares, in the distribution of profits.

Class A preferred shares entitle the respective holders to be included in a public offering for the acquisition of shares as a result of the Disposal of the Company's Control at the same price and under the same conditions offered to the Selling Controlling Stockholder.

Class B preferred shares will be convertible into common shares, upon simple written request by their holder or the Bank, without the need for resolution and meeting of the board or stockholders, provided that (i) such conversion occurs upon the issue of new shares by the Bank, within or outside the authorized capital limit (unless the stockholder to be converted is BTG Pactual Holding S.A.) (ii) after the conversion, BTG Pactual Holding S.A. (or the company that may succeed it in any capacity, including by virtue of takeover, merger, spin-off or other type of corporate reorganization) continues to hold, directly or indirectly, more than 50% of the common shares issued by the Bank and (iii) the Bank's stockholders' agreement is always met. These shares will be convertible into Class A preferred shares, at the request of their holder, and provided that (i) the Bank is a publicly held company with its shares listed on the stock exchange and (ii) the Bank's Stockholders' Agreement is always met. Class B preferred shares have the right to be included in a public tender offer as a result of any disposal of the Bank's control, at the same price and same conditions.

Below is the composition of the shares:

| | Common | Preferred shares Class A | Preferred shares Class B | Total |
|---|---|---|---|---|
| Outstanding on December 31, 2023 | 7,244,165,568 | 2,864,529,000 | 1,397,425,360 | 11,506,119,928 |
| Outstanding on December 31, 2022 | 7,244,165,568 | 2,864,529,000 | 1,397,425,360 | 11,506,119,928 |

### b. Treasury shares

In the year ended December 31, 2023, the Bank repurchased units in the amount of BRL 301,176, equivalent to 14,119,600 units (on December 31, 2022, the Bank repurchased units in the amount of BRL 231,252, equivalent to 10,000,000 units).

### c. Legal reserve

It is semi-annually formed at the rate of 5% of the profit for the year, calculated according to the Brazilian Corporation Law before any allocation, limited to 20% of the share capital.

### d. Statutory reserve

Pursuant to the Bylaws, the purpose of this reserve is to maintain working capital and its amount is limited to the share capital balance.

### e. Unrealized revenue reserve

Recognized based on the undistributed income determined in a branch abroad.

### f. Profit distribution

Shareholders are entitled to a minimum distribution of 1% of the statutory net profit for the fiscal year determined according to the accounting practices adopted in Brazil for institutions authorized to operate by the Central Bank of Brazil (BRGAAP), adjusted pursuant to Article 202 of Law No. 6,404/76.

As of 2023, the Bank decided the following amount referred to interest on equity:

(i) BRL 1,530,000, equivalent to BRL 0.13 per share. Such amount and its respective destination were approved by the Board of Directors on August 1, 2023, and were paid on August 15, 2023.

(ii) BRL 880,000, equivalent to BRL 0.07 per share. Such amount and its respective destination were approved by the Board of Directors on November 29, 2023, and were paid on February 15, 2024.

(iii) BRL 565,000, equivalent to BRL 0.04 per share. Such amount and its respective destination were approved by the Board of Directors on November 27, 2023, and were paid on February 15, 2024.

During the year ended December 31, 2022, the Bank resolved on the following amounts relating to interest on equity:

(i) BRL 1,200,000, equivalent to BRL 0.10 per share. Such amount and its respective destination were approved by the Board of Directors on August 1, 2022, and were paid on August 15, 2022.

(ii) BRL 750,000, equivalent to BRL 0.07 per share. Such amount and its respective destination were approved by the Board of Directors on December 13, 2022, to be paid on February 15, 2023.

(iii) BRL 565,000, equivalent to BRL 0.05 per share. Such amount and its respective destination were approved by the Board of Directors on December 29, 2022, to be paid on February 15, 2023.

## 24.Earnings per share

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Net income for the period** | **10,254,760** | **7,650,742** |
| Weighted average per thousand outstanding common shares in the period | 7,244,166 | 7,244,166 |
| Weighted average per thousand treasury common shares | 22,436 | 2,127 |
| **Net income per common share - basic** | **1.42** | **1.06** |
| **Net income per common share - diluted** | **1.42** | **1.06** |
| Weighted average per thousand Class A preferred shares, outstanding in the period | 2,864,529 | 2,864,529 |
| Weighted average per thousand Class A preferred treasury shares | 44,872 | 4,255 |
| **Net income per Class A preferred share - basic** | **3.58** | **2.67** |
| **Net income per Class A preferred share - diluted** | **3.64** | **2.67** |
| Weighted average per thousand Class B preferred shares, outstanding in the period | 1,397,425 | 1,397,425 |
| **Net income per Class B preferred share - basic and diluted** | **7.34** | **5.47** |
| Weighted average per thousand outstanding shares in the period | 11,506,120 | 11,506,120 |
| Weighted average per thousand treasury shares | 67,307 | 6,382 |
| **Net income per share - Basic** | **0.89** | **0.66** |
| **Net income per share - Diluted** | **0.90** | **0.67** |

Profit distributions are determined and carried out, as mentioned in note 23-F, based on the net profit presented in the financial statements prepared in accordance with BRGAAP, adjusted pursuant to Article 202 of Law No. 6,404/76.

## 25.Net profit (loss) from financial instruments

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Credit operations | 32,737,050 | 28,967,079 |
| Profit (loss) from compulsory investments at the Central Bank of Brazil | 1,904,247 | 1,642,363 |
| Market funding | (13,039,922) | (15,402,127) |
| Deposits | (12,030,642) | (10,275,253) |
| Acceptances and endorsements | (12,093,040) | (9,735,181) |
| Loans, onlendings and lease liabilities | (10,975,968) | (14,596,353) |
| Profit (loss) from operations with marketable securities and derivatives | 37,006,360 | 40,733,397 |
| **Total** | **23,508,085** | **21,333,925** |
| Income from measured interest | 49,799,280 | 37,983,659 |
| Interest expense | (63,297,555) | (57,383,132) |
| Profit (loss) from fair value measurement | 37,006,360 | 40,733,398 |
| **Total** | **23,508,085** | **21,333,925** |

## 26. Revenue from provision of services

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Management fee and performance premium of funds and investment portfolios | 2,281,807 | 2,031,843 |
| Technical Advisory | 1,443,424 | 2,129,942 |
| Brokerage | 1,203,125 | 1,194,052 |
| Marketable securities' placement commission | 1,278,008 | 908,577 |
| Income from guarantees | 634,371 | 416,512 |
| Revenues from services rendered to individuals and other services | 2,258,201 | 1,719,658 |
| **Total** | **9,098,936** | **8,400,584** |

## 27. Other income / (expenses)

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Update of amounts receivable/payable for the sale of assets and rights | 123,434 | 63,601 |
| Adjustment for inflation of legal deposits and others | 196,094 | 150,286 |
| Provision for other credits without credit granting characteristics | (500,293) | (306,121) |
| Expenses on assignment of credits | (2,045,303) | (1,690,292) |
| Goodwill amortization | (369,902) | (330,317) |
| Other operating results | (190,700) | (68,098) |
| Non-operating profit | (22,307) | 245,303 |
| Other operating profit | 27,280 | (332,253) |
| **Total** | **(2,781,697)** | **(2,267,891)** |

## 28. Administrative expenses

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Outsourced and advisory services | 2,814,342 | 2,400,023 |
| Telecommunication and data processing | 1,873,918 | 1,662,311 |
| Rentals and condominiums | 168,445 | 129,172 |
| Expenses of the financial system | 887,951 | 980,375 |
| Advertising and public relations | 667,268 | 666,627 |
| Depreciation and amortization | 1,223,968 | 1,362,518 |
| Commissions paid to banking correspondents | 1,718,541 | 1,537,949 |
| Other | 1,026,979 | 455,662 |
| **Total** | **10,381,413** | **9,194,637** |

## 29. Related parties

BTG Pactual Group member institutions invest their cash and cash equivalents primarily in the Bank’s funding products. The balances of transactions with related parties, which are carried out based on usual market rates and conditions, are reflected in the following accounts:

| | Maturity | Rate | Assets / (Liabilities) | | Income / (Expenses) | |
|---|---|---|---|---|---|---|
| | | | 12/31/2023 | 12/31/2022 | 12/31/2023 | 12/31/2022 |
| Derivative financial instruments | | | (384) | 19,986 | (38,602) | (27,677) |
| Credit operations | 02/15/2024 a 02/16/2043 | CDI to CDI+3.5% SOFR to SOFR+2.36% | 6,593,527 | 5,898,864 | 201,048 | 204,289 |
| Other assets / liabilities | | | - | 70,098 | - | - |
| Deposits | 12/04/2025 a 12/29/2025 | CDI | (46,379) | (100,622) | (4,278) | (1,856) |

As disclosed on the Bank Investor Relations website on December 23, 2022, and September 08, 2023, the Bank signed a commitment for the acquisition of credit portfolios from Banco Pan S.A. ("Pan"), a company controlled and consolidated in these financial statements. These transactions are considered "neutral" for BTG, as the credit operations transferred by Pan were already included in the consolidated financial statements and therefore would not affect the equity position and the results of the controlling entity.

The total compensation paid to Key Management Personnel for the period ended December 31, 2023, was BRL 22,530  (December 31, 2022 – BRL 21,600), which is considered as a short-term benefit.

## 30. Other information

### a. Cash and cash equivalents

| **Balances at the beginning of the period** | **12/31/2022** | **12/31/2021** |
|---|---|---|
| Cash | 3,068,946 | 3,219,641 |
| Money market repurchase commitments | 65,255,592 | 49,996,040 |
| Interbank deposit investments | 8,231,901 | 4,128,570 |
| **Total** | **76,556,439** | **57,344,251** |
| **Balances at the end of the period** | **12/31/2023** | **12/31/2022** |
| Cash | 2,439,095 | 3,068,946 |
| Money market repurchase commitments | 64,775,654 | 65,255,592 |
| Interbank deposit investments | 5,664,079 | 8,231,901 |
| **Total** | **72,878,828** | **76,556,439** |

### b. Comparison between BRGAAP and IFRS accounting practices

As established by CMN Resolution No. 4,818/20, we present below the main differences between the financial statements prepared in accordance with BRGAAP (which is the accounting basis for tax assessment purposes as well as for profit distribution to shareholders) and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS).

#### Business combination

Goodwill acquired in business combinations results from the difference between the consideration and the fair value of the assets acquired and liabilities assumed. This goodwill is amortized over the expected period for the realization of future economic benefits that justified its recognition under BRGAAP. On the other hand, in accordance with IFRS, goodwill is not amortized, but is tested, at least annually, to identify possible impairments. Regarding the acquisition in stages (step acquisition), until the year 2022, BRGAAP did not require the measurement of the fair value of the interest previously held before the acquisition of control. Under IFRS, the effects of remeasurements impacted the statement of income, with the corresponding amount being allocated to the revenue reserve. This difference in accounting treatment through 2022 results in a difference in equity across GAAP.

#### Financial instruments

In addition to the differences in the classification of financial instruments between BRGAAP and IFRS, the main divergence introduced by IFRS 9, in comparison with Central Bank's rules (Resolution 2682 and Circular Letter 3068), is the systematic calculation of expected loss for financial assets.

#### Leases

Although it has an insignificant impact on the result for the period, IFRS 16 provides for the accounting of the total flow of lease payments to be made, discounted at an incremental rate, as a liability of the Bank, with the corresponding recognition of the Right of use in Assets at the initial moment. Subsequently, the asset will be depreciated based on the useful life of the lease agreement, while the liability will be updated considering the effect of interest over time. BRGAAP, on the other hand, provides for the straight-line recognition of lease in income, as a balancing entry in accounts payable monthly.

**Foreign exchange variation of foreign investments**

Until 2016, under BRGAAP, exchange changes on investments abroad were accounted for as profit (loss) for the period, while under IFRS these effects were always recorded in the Equity as Other Comprehensive Income when the functional currency of the investee was different from the functional currency of the investor. As of 2017, there was convergence in this accounting treatment in both practices, and since then the transactions have not shown differences. However, considering the divergence of concepts between practices up to 2017, there is a difference, arising from previous years, under Other comprehensive income between GAAPs.

**Tax effects**

Based on the items mentioned above and considering that the Bank's tax base is determined in accordance with BRGAAP accounting, deferred tax effects related to these GAAP differences are determined and accounted for in these financial statements.

## 31. Subsequent events

**Subordinated Notes**

On January 12, 2024, the Bank, through its subsidiary BTG Pactual Cayman Branch, announced its intention to withdraw all Subordinated Notes (with a rate of 7.750%) in circulation as of February 15, 2024. These notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF market of the Luxembourg Stock Exchange. The completion of this transaction is conditional upon the approval of the Brazilian Central Bank.

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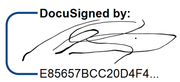
| Edison Arisa<br>edison.arisa@pwc.com<br>PricewaterhouseCoopers<br>Security Level: Email, Account Authentication (None), Digital Certificate<br>**Signature Provider Details:**<br>Signature Type: ICP Smart Card<br>Signature Issuer: AC SERASA RFB v5<br>**Electronic Record and Signature Disclosure:**<br>Not Offered via DocuSign | <br>Signature Adoption: Drawn on Device<br>Using IP Address: 18.231.224.30 | Sent: 28 March 2024 \| 22:20<br>Viewed: 28 March 2024 \| 22:47<br>Signed: 28 March 2024 \| 22:48 |

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