

(A free translation of the original in Portuguese)

Banco BTG Pactual S.A.

Quarterly information (ITR) at

March 31, 2021

**and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

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

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

Scope of review

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

Conclusion on the consolidated interim information

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



Banco BTG Pactual S.A.

Emphasis of matter

Deferred tax credits recorded in jointly controlled subsidiary

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

Other matters

Audit and revision of previous year's figures

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

Statement of Value Added

The quarterly information referred to above includes the consolidated statement of value added for the quarter ended March 31, 2021. This statement is the responsibility of the Company's management and is presented as supplementary information under IAS 34. This statement has been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether it is reconciled with the consolidated interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that this consolidated statement of value added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that it is consistent with the consolidated interim accounting information taken as a whole.

São Paulo, May 11, 2021


PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


Edison Arisa Pereira
Contador CRC 1SP127241/O-0

BANCO BTG PACTUAL S.A and subsidiaries

Consolidated financial statements

March 31, 2021

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BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated balance sheets

As at March 31, 2021 and December 31, 2020

(In thousands of reais)

	Note	31/03/2021	31/12/2020
Assets			
Current assets		217,457,948	187,717,707
Cash at banks	6	2,606,661	1,794,059
Financial instruments		161,926,714	156,316,664
Short-term interbank investments	7	47,843,739	51,624,133
Securities	8	75,554,577	70,682,719
Derivative financial instruments	9	5,345,210	5,849,388
Interbank transactions		5,789,522	5,033,771
Loans	10	27,940,833	23,689,197
Allowance for expected losses associated with credit risk	10	(547,167)	(562,544)
Other receivables		52,042,393	28,794,320
Foreign exchange portfolio	11	41,539,320	19,373,261
Income receivable	12	1,393,501	1,385,346
Securities trading and brokerage	11	8,452,077	5,047,647
Sundry	12	885,983	3,251,041
Allowance for impairment of assets		(228,488)	(262,975)
Other assets		882,180	812,664
Other assets		732,789	701,514
Prepaid expenses		168,162	138,870
Provision for losses on other assets		(18,771)	(27,720)
Long-term assets		49,321,326	44,278,252
Financial instruments		34,249,664	32,689,303
Long-term interbank investments	7	87,377	66,095
Securities	8	5,112,208	4,432,951
Derivative financial instruments	9	1,890,235	2,378,158
Interbank transactions		155,711	155,115
Loans	10	27,753,212	26,977,410
Allowance for expected losses associated with credit risk	10	(749,079)	(1,320,426)
Other receivables		14,744,309	11,331,309
Foreign exchange portfolio	11	269	6,029
Income receivable	12	90,485	9,515
Sundry	12	7,448,853	4,102,007
Deferred tax assets	18	7,204,702	7,213,758
Other assets		327,353	257,640
Prepaid expenses		327,353	257,640
Permanent assets		13,024,452	12,929,374
Investments		12,542,985	12,470,940
Investments in associates and jointly controlled entities - in Brazil	13	6,455,124	6,343,115
Investments in associates and jointly controlled entities - abroad	13	6,063,989	6,105,557
Other investments		28,404	26,800
Allowance for losses in investments		(4,532)	(4,532)
Property and equipment in use		143,860	142,601
Property in use		4,708	4,576
Other property and equipment in use		453,206	445,641
Accumulated depreciation		(314,054)	(307,616)
Intangible assets	14	337,607	315,833
Other intangible assets		604,244	574,053
Accumulated amortization		(266,637)	(258,220)
Total assets		279,803,726	244,925,333

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated balance sheets

As at March 31, 2021 and December 31, 2020

(In thousands of reais)

	Note	31/03/2021	31/12/2020
Liabilities			
Current liabilities		199,887,084	179,301,351
Deposits and financial instruments		142,968,372	146,500,325
Deposits	15	58,886,376	54,996,405
Open market funding	15	52,352,510	59,584,116
Funds from securities issued and accepted	15	25,973,428	24,027,977
Loans and borrowings	15	1,522,111	2,408,422
Derivative financial instruments	9	3,450,303	4,720,378
Subordinated debt	15	772,762	763,027
Debt instrument eligible to capital	15	10,882	-
Interbank transactions		149,535	69,110
Unsettled receipts and payments		149,535	69,110
Interdependencies transactions		236,671	364,016
Unsettled third party assets		236,671	364,016
Other liabilities		56,532,506	32,367,900
Collection and payments of tax and similar charges		14,755	2,429
Foreign exchange portfolio	11	41,341,812	19,127,129
Social and statutory	16	753,969	2,371,534
Tax and social security	16	482,869	745,530
Securities trading and brokerage	11	8,169,947	5,227,307
Sundry	16	5,769,154	4,893,971
Long-term liabilities		48,699,494	38,222,538
Financial instruments		44,502,063	34,763,117
Deposits	15	3,907,422	1,967,929
Open market funding	15	1,713,577	577,779
Funds from securities issued and accepted	15	23,200,657	18,286,134
Loans and borrowings	15	5,288,949	4,234,785
Derivative financial instruments	9	3,232,620	3,002,961
Subordinated debt	15	2,915,832	2,667,626
Debt instrument eligible to capital	15	4,243,006	4,025,903
Other liabilities		2,226,268	1,501,567
Foreign exchange portfolio	11	414,353	14,425
Social and statutory	16	6,912	-
Deferred liabilities	18	60,076	56,157
Sundry	16	1,744,927	1,430,985
Provision		1,971,163	1,957,854
Provision for contingent liabilities	17	1,775,808	1,776,483
Provision for guarantees		195,355	181,371
Deferred income		244,349	275,494
Shareholders' equity	19		
Capital		12,557,873	10,013,243
Capital Reserve		652,515	652,515
Other comprehensive income		(75,008)	(87,573)
Income reserves		16,102,470	16,102,470
Retained earnings		1,176,497	-
Total shareholders' equity of controlling shareholders		30,414,347	26,680,655
Non-controlling interest		558,452	445,295
Total shareholders' equity		30,972,799	27,125,950
Total Liabilities and Shareholders' equity		279,803,726	244,925,333

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of income

Quarters ended March 31

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

	Note	31/03/2021	31/03/2020
Financial income		4,426,626	6,473,194
Loans		1,387,119	743,272
Securities		2,221,814	(422,347)
Derivative financial instruments		792,588	6,141,053
Mandatory investments		25,105	11,216
Financial expenses		(3,575,109)	(7,072,817)
Funding operations		(1,037,665)	(957,964)
Borrowing and onlending		(2,209,619)	(2,357,875)
Foreign Exchange		(370,415)	(3,639,018)
Allowance for loan losses and other receivables	10	42,590	(117,960)
Net financial income		851,517	(599,623)
Other operating income (expenses)		1,079,998	826,704
Income from services rendered	20	1,320,731	865,530
Personnel expenses		(313,482)	(227,798)
Other administrative expenses	23	(534,792)	(415,118)
Tax charges		(145,489)	(51,883)
Equity earnings of associates and jointly controlled entities	13	439,989	418,942
Other operating income	21	443,734	286,563
Other operating expenses	22	(130,693)	(49,532)
Provisions expenses		(11,272)	(7,205)
Provision for contingent liabilities		815	23,631
Other		(12,087)	(30,836)
Operating income		1,920,243	219,876
Non-operating (expenses) / income		14,630	(36,227)
Income before income tax and profit sharing		1,934,873	183,649
Income tax and social contribution	18	(333,730)	493,298
Provision for income tax		(158,902)	(780,111)
Provision for social contribution		(148,621)	(592,755)
Deferred income tax and social contribution		(26,207)	1,866,164
Statutory profit sharing		(431,259)	(74,124)
Non-controlling interest		6,613	165,100
Net income for the quarter	19	1,176,497	767,923
Net income per share - basic	25	0.42	0.29
Net income per share - diluted	25	0.42	0.29

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

BANCO BTG PACTUAL S.A.

Consolidated statements of comprehensive income

Quarters ended March 31

(In thousands of reais)

	<u>31/03/2021</u>	<u>31/03/2020</u>
Net income for the quarter	1,176,497	767,923
Changes in fair value of assets available for sale	105,859	(116,650)
Deferred IR/CSLL on fair value of assets available for sale	(50,411)	55,476
Changes in fair value of associates and jointly controlled	(44,147)	112,581
Exchange variation of investments	471,695	1,378,237
Foreign Investment hedge	(470,431)	(1,435,751)
Total comprehensive income	<u>1,189,062</u>	<u>761,816</u>

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

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

BANCO BTG PACTUAL S.A. and subsidiaries

Statements of changes in shareholders' equity – parent company

Quarters ended March 31

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

	Note	Capital	Capital reserve	Income reserves				Other comprehensive income	Treasury shares	Retained earnings	Controlling interests	Non-controlling interests	Total	
				Special earnings reserve	Legal	Unrealized	Statutory							Total
Balances as at December 31, 2019		7,392,092	652,515	-	1,433,056	3,365,072	8,646,025	13,444,153	9,194	(165,784)	-	21,332,170	351,785	21,683,955
Own shares acquired	19	-	-	-	-	-	-	-	-	(77,066)	-	(77,066)	-	(77,066)
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	(61,174)	-	-	(61,174)	-	(61,174)
Changes in fair value of associates and jointly controlled		-	-	-	-	-	-	-	112,581	-	-	112,581	-	112,581
Exchange variation of investments		-	-	-	-	-	-	-	1,378,237	-	-	1,378,237	-	1,378,237
Foreign Investment hedge		-	-	-	-	-	-	-	(1,435,751)	-	-	(1,435,751)	-	(1,435,751)
Intermediate interest on equity (R\$0.24 per share)		-	-	270,000	-	-	(270,000)	-	-	-	-	-	-	-
Previous years adjustments		-	-	-	-	-	(18,036)	(18,036)	-	-	-	(18,036)	-	(18,036)
Net income for the quarter		-	-	-	-	-	-	-	-	767,923	-	767,923	165,100	933,023
Reduction of non-controlling		-	-	-	-	-	-	-	-	-	-	-	(226,938)	(226,938)
Balances as at March 31, 2020		<u>7,392,092</u>	<u>652,515</u>	<u>270,000</u>	<u>1,433,056</u>	<u>3,365,072</u>	<u>8,357,989</u>	<u>13,426,117</u>	<u>3,087</u>	<u>(242,850)</u>	<u>767,923</u>	<u>21,998,884</u>	<u>289,947</u>	<u>22,288,831</u>
Balances as at December 31, 2020		10,013,243	652,515	-	1,597,062	1,980,478	12,524,930	16,102,470	(87,573)	-	-	26,680,655	445,295	27,125,950
Capital increase	19	2,570,000	-	-	-	-	-	-	-	-	-	2,570,000	-	2,570,000
Public offering costs		(25,370)	-	-	-	-	-	-	-	-	-	(25,370)	-	(25,370)
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	55,448	-	-	55,448	-	55,448
Changes in fair value of associates and jointly controlled		-	-	-	-	-	-	-	(44,147)	-	-	(44,147)	-	(44,147)
Exchange variation of investments		-	-	-	-	-	-	-	471,695	-	-	471,695	-	471,695
Foreign Investment hedge		-	-	-	-	-	-	-	(470,431)	-	-	(470,431)	-	(470,431)
Intermediate interest on equity (R\$0.11 per share)		-	-	312,500	-	-	(312,500)	-	-	-	-	-	-	-
Net income for the quarter		-	-	-	-	-	-	-	-	1,176,497	-	1,176,497	6,613	1,183,110
Addition of non-controlling		-	-	-	-	-	-	-	-	-	-	-	106,544	106,544
Balances as at March 31, 2021		<u>12,557,873</u>	<u>652,515</u>	<u>312,500</u>	<u>1,597,062</u>	<u>1,980,478</u>	<u>12,212,430</u>	<u>16,102,470</u>	<u>(75,008)</u>	<u>1,176,497</u>	<u>1,176,497</u>	<u>30,414,347</u>	<u>558,452</u>	<u>30,972,799</u>

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

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of cash flows

Quarters ended March 31

(In thousands of reais)

	Note	31/03/2021	31/03/2020
Operating activities			
Net income for the quarter		1,176,497	767,923
Adjustments to net income			
Equity pick up from associates and jointly controlled entities	13	(47,773)	(1,964,182)
Interest expense with subordinated debt		(439,989)	(418,942)
Deferred income tax and social contribution	18	411,794	243,096
Reversal of provision	21	26,207	(1,866,164)
Allowance for loan losses and other receivables	10	(6,107)	-
Allowance for contingent liabilities	17	(42,590)	117,960
Permanent assets exchange variation		(815)	(23,631)
Depreciation and amortization	23	(12,303)	(30,540)
		16,030	14,039
Adjusted net income for the quarter		1,128,724	(1,196,259)
(Increase)/decrease in operational activities			
Short-term interbank investments		556,472	(425,584)
Securities and derivative financial instruments		(5,850,638)	11,986,129
Loans		(5,571,571)	(2,985,969)
Other receivables and other assets		(26,820,402)	(7,757,228)
Interbank transactions		(675,922)	591,256
Interdependencies transactions		(127,345)	2,579
Other liabilities		25,999,432	5,025,961
Deferred income		(31,145)	(13,707)
Deposits		5,829,464	2,763,631
Open market funding		(6,095,807)	20,028,987
Loans and borrowings		167,853	710,676
Cash (used in) / provided by operating activities		(11,490,885)	28,730,472
Investment activities			
Sale of other investment		(1,604)	(1,251)
(Acquisition) / sale of equity interests	13	169,145	177,945
Dividends and interest on equity received	13	464,174	(7,337)
(Acquisition) / sale of property		(6,474)	(48,570)
(Acquisition) / sale of intangible assets	14	(20,287)	(47,872)
Cash provided by investment activities		604,954	72,915
Financing activities			
Acquisition of treasury shares	19b	-	(77,066)
Funds from securities issued and accepted		6,859,974	2,219,060
Subordinated debt and debt instruments eligible to equity		74,132	990,172
Non-controlling interest		113,157	(61,838)
Capital increase	2	2,544,630	-
Interest on equity - distributed	19f	(1,096,000)	(541,000)
Cash provided by financing activities		8,495,893	2,529,328
(Decrease) / increase in cash and cash equivalents		(2,390,038)	31,332,715
Balance of cash and cash equivalents	26		
At the beginning of the quarter		44,406,399	21,518,691
At the end of the quarter		42,016,361	52,851,406
(Decrease) / increase in cash and cash equivalents		(2,390,038)	31,332,715
Non-cash transaction			
Interest on equity	19	55,448	(602,174)
Changes in fair value of assets available for sale		-	(541,000)
		55,448	(61,174)

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of value added

Quarters ended March 31

(In thousands of reais)

	Note	31/03/2021	31/03/2020
Revenues		6,063,756	7,534,087
Financial brokerage		4,426,626	6,473,194
Services rendered	20	1,320,731	865,530
Other		316,399	195,363
Expenses		(3,575,109)	(7,072,817)
Financial brokerage		(3,617,699)	(6,954,857)
Allowance for loan losses and other receivables	10	42,590	(117,960)
Inputs acquired from third parties		(489,415)	(379,329)
Materials, energy and other		(5,992)	(4,029)
Outsourced services		(483,423)	(375,300)
Gross value added		1,999,232	81,941
Depreciation and amortization	23	(16,030)	(14,039)
Net value added produced by the entity		1,983,202	67,902
Value added received through transfer		439,989	418,942
Equity in the earnings of associates and jointly controlled entities		439,989	418,942
Value added to be distributed		2,423,191	486,844
Distribution of value added		2,423,191	486,844
Personnel		744,741	301,928
Direct compensation		651,972	239,589
Benefits		50,185	31,408
FGTS – government severance pay fund		42,584	30,931
Taxes, fees and contributions		479,219	(441,416)
Federal		430,810	(471,090)
Municipal		48,409	29,674
Remuneration of third party capital		29,347	23,509
Rent expenses		29,347	23,509
Remuneration of shareholders		1,169,884	602,823
Retained earnings		1,176,497	767,923
Non-controlling interest		(6,613)	(165,100)

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

BANCO BTG PACTUAL S.A. and subsidiaries

Notes to the consolidated financial statements

March 31, 2021

(In thousands of reais, except otherwise indicated)

1. Operations

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

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

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

Application for Level 2 Adherence:

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

Covid-19 Pandemic | Context, Initiatives and Impacts

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

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

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

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

BANCO BTG PACTUAL S.A. and subsidiaries

Notes to the consolidated financial statements

March 31, 2021

(In thousands of reais, except otherwise indicated)

- Our technology teams have delivered the connectivity and cybersecurity necessary for us to operate in this new work environment, with all our teams working stably, continuously, and without any operational incidents - and with a very high level of engagement all around the Firm;
- In the first weeks of the crisis, our client and operations teams cleared unprecedented volumes of transactions in secondary markets keeping our operational platform available and working intensely in cooperation with our market counterparts; and
- Using technology, we are keeping ourselves close and available to clients in all segments, bringing quality information and specialized advice on a daily basis, to support them in their business needs or in the management of their portfolios;

New Units Program

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

2. Corporate reorganization and acquisitions

- **Corporate events**

Global Medium Term Notes Issuance

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

Primary public offering

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

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

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- **Acquisitions and disposals**

Kinvo Tecnologia da Informação Ltda

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

Necton Investimentos S.A.

On October 26, 2020, definitive documents were signed regarding the acquisition of 100% of the share capital of Necton Investimentos S.A. Corretora de Valores Mobiliários e Commodities, for the amount of R\$ 348 million. This acquisition is part of BTG Pactual's expansion strategy in the investment retail segment. The conclusion and closing of the transaction are subject to verification of certain precedent conditions, including obtaining all necessary regulatory approvals, including from Bacen.

EQI Investimentos

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

Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A.

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

3. Presentation of the financial statements

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

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

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

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

The consolidated financial statements were approved by the Bank's management on May 10, 2021, and they contain a true and fair view of the development and results of the Bank. Management evaluated the Bank and its subsidiaries' capacity to continue operating as usual and has concluded that the Bank and its subsidiaries have funds to continue their operations in the future. Additionally, management is not aware of any material uncertainty that may create significant doubts on its ability to continue operating. Therefore, the financial statements were prepared based on this principle.

a. Consolidated financial statements

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

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

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

	Country	Equity interest - %	
		31/03/2021	31/12/2020
Direct subsidiaries			
BTG Pactual Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Brazil	99.99	99.99
BTG Pactual Serviços Financeiros S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Holding Participações S.A.	Brazil	99.99	99.99
BTG Pactual Holding Internacional S.A.	Brazil	99.99	99.99
BW Properties S.A.	Brazil	72.09	72.09
BTG Pactual Holding de Seguros Ltda.	Brazil	99.99	99.99
BTG Pactual Cayman International Holding Limited	Cayman	100.00	100.00
BTG Pactual Corretora de Seguros Ltda.	Brazil	100.00	100.00
Banco Sistema S.A.	Brazil	99.91	99.91
BTGP-BSI LIMITED	UK	100.00	100.00
Enforce Gestão de Ativos S.A.	Brazil	70.00	70.00
BTG Pactual Corretora de Resseguros Ltda.	Brazil	100.00	100.00
ZB Consultoria Ltda	Brazil	99.99	99.99
RESALE Tecnologia e Serviços Ltda	Brazil	65.42	65.42
Indirect subsidiaries			
BTG Pactual Gestora de Investimentos Alternativos Ltda.	Brazil	99.98	99.98
BTG Pactual WM Gestão de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Gestora de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Corporate Services Ltda.	Brazil	99.99	99.99
Ourininvest Distribuidora de Títulos e Valores Mobiliários S.A.	Brazil	80.00	80.00

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		31/03/2021	31/12/2020
BTG Pactual NY Corporation	USA	100.00	100.00
BTG Pactual Global Asset Management Limited	Bermuda	100.00	100.00
BTG Pactual Europe LLP	UK	100.00	100.00
BTG Pactual Asset Management US, LLC	USA	100.00	100.00
BTG Pactual US Capital, LLC	USA	100.00	100.00
BTG Global Asset Management (UK) Limited	UK	100.00	100.00
BTG Pactual Resseguradora S.A.	Brazil	100.00	100.00
BTG Pactual Vida e Previdência S.A.	Brazil	100.00	100.00
Banco BTG Pactual Chile S.A.	Chile	100.00	100.00
BTG Pactual Chile SPA	Chile	100.00	100.00
BTG Pactual Chile S.A.	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Corredores de Bolsa	Chile	100.00	100.00
BTG Pactual Chile Capital Administradora de Fondos de Inversion de Capital Extranjero S.A.	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Administradora General de Fondos	Chile	100.00	100.00
BTG Pactual Chile Servicios Financieros S.A.	Chile	100.00	100.00
Inmobiliaria BTG Pactual Chile Limitada	Chile	100.00	100.00
BTG Pactual Chile S.A. Administración de Activos	Chile	100.00	100.00
BTG Pactual Holding Delaware LLC	USA	100.00	100.00
BTG Pactual Peru Capital S.A. Sociedad Agente de Bolsa	Peru	100.00	100.00
BTG Pactual Peru Capital S.A. Sociedad Administradora de Fondos Inversion	Peru	100.00	100.00
BTG Pactual Perú S.A.C.	Peru	100.00	100.00
BTG Pactual S.A. Comisionista de Bolsa	Colombia	99.97	99.97
BTG Pactual Sociedad Fiduciaria (Colômbia) S.A.	Colombia	99.97	99.97
Laurel Sociedad Gestora Profissional S.A.S	Colombia	100.00	100.00
BTG Pactual S.S. Soluciones y Servicios S.A.S.	Colombia	100.00	100.00
BTG Pactual E&P S.a.r.l.	Luxembourg	100.00	100.00
BTG Pactual Oil & Gas S.a.r.l.	Luxembourg	100.00	100.00
TTG Brasil Investimentos Florestais Ltda.	Brazil	100.00	100.00
BTG Pactual Timberland Investments Group LLC	USA	100.00	100.00
BTG Pactual Casa de Bolsa, S.A. de C.V.	Mexico	100.00	100.00
Bastec Tecnologia e Serviços Ltda.	Brazil	99.84	99.84
BTG Pactual UK Holdco Limited	UK	100.00	100.00
BTG Pactual Gestora de Fondos SA de CV Operadora de Fondos de Inversion	Mexico	100.00	100.00
TTG Forestry Services LLC	USA	100.00	100.00
BTG Pactual Argentina S.A.	Argentina	100.00	100.00
BTG Pactual RE Income S.A.	Colombia	100.00	100.00
BTG Pactual Chile Aseorias Financieras	Chile	100.00	100.00
PFC Consultoria e Assessoria Empresarial Eireli	Brazil	100.00	100.00
BTG Pactual Seguros S.A	Brazil	100.00	100.00
BTG Pactual Reinsurance Ltd.	Cayman	100.00	100.00
BTG Pactual Holding EFG Ltd.	Brazil	100.00	100.00
BTG Pactual (UK) Limited	UK	100.00	100.00
BP Agencia de Sseguros LTD	Colombia	100.00	100.00
Greenwood Echo LLC	USA	100.00	100.00
Investment funds			
Fundo de Investimento Multimercado Crédito Privado LS Investimento no Exterior	Brazil	100.00	100.00
BTG Pactual International Portfolio Fund SPC - CLASS C	Cayman	100.00	100.00
BTG Pactual Global Fund LP	Cayman	100.00	100.00
BTG Pactual Oil & Gas FIQ FIP	Brazil	100.00	100.00
BTG Pactual Fundo de Investimento Imobiliário Ametista	Brazil	100.00	100.00
Warehouse Fundo de Investimento em Participação	Brazil	100.00	100.00
BTG Pactual Absolute Return Master Fund	Cayman	100.00	100.00
FIDC NP Alternative Assets I	Brazil	100.00	100.00
BTG Pactual ARF Equities Brasi FIA IE	Brazil	100.00	100.00
BTGP Int Fund II SPC - BTGPH Corp Hedge	Brazil	100.00	100.00
BTG PACTUAL RED FIP - Multimercado Investimento no Exterior	Brazil	98.65	98.65
FIM CP Energy	Brazil	72.56	72.56
FIM CP Vitória Fidelis	Brazil	53.11	53.11
FIDC NP Alternative Assets II	Brazil	100.00	100.00
BTG Pactual SICAV - Mexico Equity Fund	Luxembourg	92.32	94.30
BTG Pactual SICAV- Latin America Equity Fund	Luxembourg	62.04	58.88
BTG Pactual Fondo Alfa Concentrado S.A. de C.V.	Mexico	88.54	82.20
BTG Pactual Absoluto Global Equities Inst FIA IE	Brazil	100.00	100.00
Seedling FIP	Brazil	100.00	100.00
FIDC NP Alternative Assets III	Brazil	100.00	100.00
FIDC NP Precatórios Brasil	Brazil	100.00	100.00
FIDC Créditos não-Padronizados I	Brazil	100.00	100.00
Vulcan FIP Multiestrategia	Brazil	100.00	100.00
Exes Credito Direto FIM CP IE	Brazil	90.99	88.73
T.Rowe Global Allocation Fund FIC FIM IE	Brazil	83.62	96.37
FIM CP Proventia	Brazil	70.63	70.63
BTG Pactual Absoluto LS FIC FIM	Brazil	67.97	90.18
BTG Pactual Consumer Asset Backed Investment Fund	Cayman	100.00	100.00
BTG Pactual BRAZIL Infrastructure Fund II, LP	Cayman	100.00	100.00
BTG Pactual International Port Fund SPC - SP I	Cayman	100.00	100.00
BTG Pactual PAR SPC Segregated Petro Africa CL B	Cayman	57.33	57.33
Brasil Capital 100 B Prev Fundo de Investimento em cotas de fundos de investimentos em acoes	Brazil	-	100.00
BTG Pactual Absoluto LS Master Previdencia fundo de investimento multimercado	Brazil	51.11	83.08
Oceania Long Biased FI em cotas de fundos de investimento multimercado Access Previdencia	Brazil	-	89.40
EQI fundo de investimento em cotas de fundos de investimento em acoes	Brazil	-	100.00
EQI Macro Fundo de Investimento em cotas de fundos de investimento multimercado	Brazil	-	100.00
Global Advantage Fund dolar FI em cotas de fundos de investimento de acoes no exterior	Brazil	-	100.00
Alaska Previdencia 100 fundo de investimento em cotas de fundos de investimento multimercado	Brazil	-	62.00
Clave Gestora de Recursos	Brazil	100.00	-

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		31/03/2021	31/12/2020
X20 EMP Imobiliarios SP	Brazil	100.00	-
BTG Pactual Strategic Capital Fund A, L.P	USA	100.00	-
Kinea Prev FIC FIM	Brazil	99.88	-
FIP Corp SS I - Multiestratégia	Brazil	100.00	-
FII BTG Pactual AAA Corporate Office Fund	Brazil	100.00	-
BTG Infra Master Fundo Incentivado de Investimento em Infraestrutura Renda Fixa Crédito Privado	Brazil	100.00	-
BTG Pactual ESG Fundo de Índice S&P/B3 Brazil ESG	Brazil	74.04	-
BTG Pactual Absoluto Global Equities Master Inst FI de ações Investimento no Exterior	Brazil	100.00	-
EQI Long Bias VP FIC FIM	Brazil	71.34	-

b. Functional currency

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

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

The effects of foreign exchange variations on investments abroad are distributed in the fair value adjustments in the shareholders' equity.

4. Significant accounting practices

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

a. Cash and cash equivalents

For the purposes of statements of cash flows, cash and cash equivalents include, pursuant to CMN Resolution 4.818/20, cash, bank deposits and highly-liquid short-term investments with original maturities up to 90 days, subject to an insignificant risk of change in value.

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

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

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c. Securities

Measured and classified in accordance with the criteria established by Bacen Circular Letter 3068/01, of November 8, 2001, under the following categories:

i. Trading securities

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

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

ii. Available for sale securities

These are securities that are neither classified as trading securities or as held-to-maturity securities. They are stated at cost, with interest recorded in profit or loss, and subsequently adjusted to fair value, with that amount recorded in a separate account under shareholders' equity, net of tax effects, which will only be recognized in statements of income after the effective realization.

iii. Held-to-maturity securities

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

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

d. Derivative financial instruments

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

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

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

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- Market risk hedge: financial instruments included in this category, as well as their related hedged financial assets and liabilities, are measured at fair value, and their realized or unrealized related gains or losses are recorded in statements of income.
- Cash flow hedge: the instruments classified in this category are measured at fair value, and the effective portion of the appreciation or depreciation is recorded in a separate account under shareholders' equity, net of tax effects. The non-effective portion of the respective hedge is directly recorded in statements of income.
- Net Investment Hedge of Foreign Operations - accounted for similarly to cash flow hedge, i.e. the portion of gains or losses on a hedging instrument that is determined to be an effective hedge is recognized in Shareholders' equity, and reclassified to income for the period in the event of disposal of the foreign operation. The ineffective portion is recognized in statements of income for the period.

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

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

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

Assets and liabilities resulting from swap and non-deliverable forward agreements (NDF) are recognized in assets and liabilities at their carrying amount, with adjustments to fair value, recorded in statements of income.

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

f. Determining fair value

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

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

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

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Level 3: Pricing models in which current market transactions or observable data are not available and require a high degree of judgment and estimation. Instruments in this category have been valued using a valuation technique where at least one input which could have a significant effect on the instrument's valuation, is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, the Bank determines a reasonable level for the input. Financial instruments primarily include certain unlisted equity shares mainly derived from our merchant banking activities, debt securities (debentures) from non-public companies and energy derivatives where valuation depends upon unobservable inputs. No gain or loss is recognized on the initial recognition of a financial instrument valued using a technique incorporating significant unobservable data.

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

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

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

g. Financial instruments – net presentation

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

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

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

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

Recorded at present value, calculated on a "pro rata die" basis on the index variation and on the agreed interest rate, updated up to 59th day of default, provided the expected receipt. As from the 60th day, the

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recognition in income occurs at the time of the effective receipts of installments. Renegotiated transactions are maintained at least in the same level in which they were classified before the renegotiation and, if they had already been written off, they are fully provisioned and gains are recorded in the results when actually received.

j. Allowance for expected losses associated with credit risk

Recognized based on an analysis of loan risk losses at an amount deemed as sufficient to cover probable losses, pursuant to CMN Resolution 2682 of December 21, 1999, among which:

- Allowances are recorded for loans, based on the risk classification of the client, based on the periodical analysis of client quality and of activity industries and not only upon default.
- Considering exclusively the default, written of loans against losses are carried out after 360 days from the credit due date or after 540 days, for transactions with maturity over 36 months.
- The allowance for loan losses and other receivables is estimated based on the analysis of transactions and specific risks presented in each portfolio, in accordance with the criteria established by CMN Resolution 2682/99.

k. Investment property

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

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

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

l. Investments

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

m. Foreign currency translation

See note 3b.

n. Goodwill and negative goodwill

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

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

Negative goodwill is recognized in investments for associates and jointly controlled entities, and in deferred income to subsidiaries.

o. Property and equipment in use and

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

p. Intangible assets

Intangible assets include acquired rights to the underlying assets designated to the entities' maintenance or used for such purpose, in accordance with CMN Resolution 3642, of November 26, 2008. Comprised by (i) goodwill paid in acquisition transferred to intangible assets due to incorporation of acquirer's equity by the acquired, or consolidation of the company; (ii) for acquired rights of assets management contracts; and (iii) softwares and improvements in third part property. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

q. Crypto-currency

Corresponds to rights acquired and controlled by the entity as a result of past events, which have identifiable non-monetary assets without physical substance, and capable of generating future economic benefits. In reference to this topic are purchase and sale transactions for crypto-assets carried out by the Company during the quarter ended March 31, 2021. The Company measures crypto-assets through the determination of fair value.

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

r. Impairment on non-financial assets

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

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

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s. Income tax and social contribution

The provisions for income tax and social contribution are recorded based on accounting profits adjusted by additions and deductions according to the tax legislation. Deferred income tax and social contribution are calculated on temporary differences, whenever the realization of these amounts is considered as probable, at the rate of 15% for income tax, plus a 10% surtax on the annual taxable income exceeding R\$240, and 20% for social contribution.

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

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

Recognized according to the criteria described below:

i. Contingent assets

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

ii. Contingent liabilities

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

iii. Legal obligation – tax and social security

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

u. Earnings per share

Calculated based on weighted average shares of the period.

v. Revenue recognition

Revenues and expenses are recorded under the accrual method.

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5. Risk management

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

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

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

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a. Operational limits

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

The resolutions 4.192/13 and 4.278/13 issued by the CMN regulates the requirements on Minimum Required Capital for Tier I and Additional Capital and Resolution 4.193/13 institute the Additional for the Main Capital. Credit risk was calculated based on the Circular Bacen 3.644/13, 3.652/13, 3.679/13 and 3.696/14, market risk based on Circulars 3.634, 3.635, 3.636, 3.637, 3.638, 3.639, 3.641 e 3.645, 2013 and Circular-Letter 3.498/11, and operational risk based on Circulars 3.640/13 and 3.675/13.

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

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

b. Market risk

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

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

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

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

c. Credit risk

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

d. Liquidity risk

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

e. Operational risk

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

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

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

f. Socio-environmental risk (ESG)

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

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

We believe that solid business practices and corporate responsibility are long-term drivers that must be applied daily to generate shareholder value through sustainable growth and recurring revenue and business flows.

6. Cash at banks

Cash refer basically to deposits abroad in prime banks.

7. Interbank investments

	31/03/2021					31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	44,732,230	44,570,379	161,851	-	-	48,866,043
Own portfolio	7,723,613	7,616,140	107,473	-	-	25,762,614
Federal government bonds	7,398,356	7,290,883	107,473	-	-	24,941,535
Foreign private securities	34,845	34,845	-	-	-	653,884
Corporate bonds	290,412	290,412	-	-	-	166,945
Foreign government bonds	-	-	-	-	-	250
Third-party portfolio	33,267,060	33,212,682	54,378	-	-	19,099,745
Federal government bonds	33,242,587	33,188,209	54,378	-	-	19,074,876
Corporate bonds	5,802	5,802	-	-	-	5,248
Foreign government bonds	18,671	18,671	-	-	-	19,621
Short position	3,741,557	3,741,557	-	-	-	4,003,684
Federal government bonds	3,733,785	3,733,785	-	-	-	3,989,435
Foreign government bonds	7,772	7,772	-	-	-	14,249
Interbank investments (*)	3,198,886	2,919,180	192,329	-	87,377	2,824,185
Interbank deposit certificates	739,103	459,397	192,329	-	87,377	889,228
Investments in foreign currency - overnight	2,459,783	2,459,783	-	-	-	1,934,957
Total	47,931,116	47,489,559	354,180	-	87,377	51,690,228

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

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The collateral received in repurchase agreements amounts to R\$45,331,751 (December 31, 2020 - R\$8,907,925), whereas the collateral granted amounts to R\$56,347,341 (December 31, 2020 - R\$61,880,613).

8. Securities

a. By type of portfolio

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

	31/03/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	42,227,891	42,676,812	28,802,192	2,999,964	2,409,672	2,965,419	5,499,565	21,384,852
Federal government bonds	21,151,582	21,927,460	17,441,923	2,282,888	373,620	42,592	1,786,437	4,142,352
Debentures (i)	4,944,098	4,912,908	719,259	5,959	1,005,128	1,405,931	1,776,631	3,832,505
Investment fund quotes								
Shares	927,444	964,549	438,964	-	-	500,769	24,816	648,956
Multimarket	1,914,785	1,914,924	1,636,405	36,572	1,353	-	240,594	1,615,019
FIDC - Credit Rights	424,215	420,601	128,013	47,757	977	238,032	5,822	193,402
Real Estate	402,155	391,654	265,534	-	-	-	126,120	128,293
Equity Investment fund	412,993	511,815	251,607	-	-	-	260,208	561,827
Shares	6,506,148	6,858,371	5,922,663	105,881	219,746	14,277	595,804	4,432,315
Certificate of real estate receivables	34,004	32,612	48	12,526	6,596	4,655	8,787	24,085
Certificate of bank deposits	7,267	7,878	5,599	1,422	750	104	3	6,993
Agribusiness receivables certificates	780,110	777,518	74,034	409	207,155	432,257	63,663	846,118
Promissory note	165,538	163,937	5,478	158,459	-	-	-	33,927
Other	427,495	424,067	41,894	1,662	371,500	7,403	1,608	195,310
Foreign government bonds	2,706,637	1,936,333	1,569,925	186,788	12,249	143,826	23,545	2,014,322
Foreign private securities	1,423,420	1,432,185	300,846	159,641	210,598	175,573	585,527	2,709,428
Unrestricted portfolio	92,248	88,719	24,599	-	-	-	64,120	31,170
Federal government bonds	92,248	88,719	24,599	-	-	-	64,120	31,170
Subject to repurchase agreements	17,464,131	17,097,253	1,153,051	10,318,634	3,920,165	532,998	1,172,405	36,942,427
Federal government bonds	14,783,146	14,401,184	569,419	10,302,596	3,523,246	4,239	1,684	34,252,259
Certificate of real estate receivables	78,959	78,879	-	-	75,360	2,375	1,144	91,639
Agribusiness receivables certificates	185,597	180,245	-	-	2,526	6,541	171,178	217,352
Foreign government bonds	295,885	291,966	-	16,038	90,055	55,129	130,744	52,058
Other	-	-	-	-	-	-	-	92,362
Foreign private securities	581,188	583,632	583,632	-	-	-	-	718,708
Debentures	1,539,356	1,561,347	-	-	228,978	464,714	867,655	1,518,049
Subject to guarantees	20,734,592	20,804,001	6,538,773	4,565,974	2,325,721	4,600,496	2,773,037	16,757,221
Federal government bonds	4,661,482	4,663,437	51,899	4,565,974	41,533	-	4,031	1,521,976
Investment fund quotes								
Multimarket	2,888,446	2,895,382	2,895,382	-	-	-	-	2,194,509
Shares	2,012	2,012	2,012	-	-	-	-	25
Debentures (i)	8,910,887	8,851,313	65,065	-	1,913,175	4,553,473	2,319,600	9,696,511
Certificate of real estate receivables	406,894	449,406	-	-	-	-	449,406	328,163
Agribusiness receivables certificates	257,022	253,021	-	-	205,998	47,023	-	-
Shares	3,440,680	3,524,415	3,524,415	-	-	-	-	2,601,352
Foreign government bonds	67,133	67,009	-	-	67,009	-	-	56,400
Other	100,036	98,006	-	-	98,006	-	-	358,285
Trading securities	74,429,987	74,447,035	35,570,233	17,725,412	6,163,363	6,098,399	8,889,628	69,299,761
Available for sale securities	4,988,106	5,118,981	121,572	159,160	2,218,236	2,000,514	619,499	4,687,651
Held-to-maturity securities	1,100,769	1,100,769	826,810	-	273,959	-	-	1,128,258
Total	80,518,862	80,666,785	36,518,615	17,884,572	8,655,558	8,098,913	9,509,127	75,115,670

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b. Trading securities

	31/03/2021							31/12/2020
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	38,504,274	38,820,796	28,021,172	2,840,804	781,877	2,191,913	4,985,030	18,490,547
Federal government bonds	20,102,712	20,878,590	16,667,012	2,282,888	99,661	42,592	1,786,437	3,074,580
Debentures/Eurobonds	3,444,330	3,419,293	713,150	5,959	179,808	743,745	1,776,631	2,803,880
Investment fund quotes								
Shares	927,444	964,549	438,964	-	-	500,769	24,816	648,956
Multimarket	1,914,785	1,914,924	1,636,405	36,572	1,353	-	240,594	1,615,019
FIDC - Credit Rights	424,215	420,601	128,013	47,757	977	238,032	5,822	193,402
Real Estate	402,155	391,654	265,534	-	-	-	126,120	128,293
Equity Investment fund	244,407	224,523	251,607	-	-	-	(27,084)	330,108
Shares	6,310,963	6,663,189	5,922,663	105,881	24,564	14,277	595,804	4,306,038
Certificate of real estate								
receivables	30,886	30,409	48	11,825	6,358	4,655	7,523	23,152
Certificate of bank deposits	7,267	7,878	5,599	1,422	750	104	3	6,993
Agribusiness receivables								
certificates	580,612	578,040	74,034	409	7,790	432,144	63,663	846,118
Promissory note	5,478	5,478	5,478	-	-	-	-	5,485
Other	409,708	406,711	41,894	1,662	354,144	7,403	1,608	184,920
Foreign government bonds	2,706,637	1,936,333	1,569,925	186,788	12,249	143,826	23,545	2,014,322
Foreign private securities	992,675	978,624	300,846	159,641	94,223	64,366	359,548	2,309,281
Unrestricted portfolio	92,248	88,719	24,599	-	-	-	64,120	31,170
Federal government bonds	92,248	88,719	24,599	-	-	-	64,120	31,170
Subject to repurchase agreements	17,286,302	16,919,570	1,153,051	10,318,634	3,763,233	512,247	1,172,405	36,359,880
Federal government bonds	14,783,146	14,401,184	569,419	10,302,596	3,523,246	4,239	1,684	34,252,259
Certificate of real estate								
receivables	78,959	78,879	-	-	75,360	2,375	1,144	90,595
Foreign government bonds	295,885	291,966	-	16,038	90,055	55,129	130,744	52,058
Agribusiness receivables								
certificates	185,597	180,245	-	-	2,526	6,541	171,178	217,352
Foreign private securities	581,188	583,632	583,632	-	-	-	-	718,708
Debentures	1,361,527	1,383,664	-	-	72,046	443,963	867,655	1,028,908
Subject to guarantees	18,547,163	18,617,950	6,371,411	4,565,974	1,618,253	3,394,239	2,668,073	14,418,164
Federal government bonds	4,609,583	4,611,538	-	4,565,974	41,533	-	4,031	1,461,490
Investment fund quotes								
Multimarket	2,844,984	2,844,984	2,844,984	-	-	-	-	2,144,337
Shares	2,012	2,012	2,012	-	-	-	-	25
Debentures	7,209,725	7,155,970	-	-	1,509,711	3,394,239	2,252,020	7,897,178
Certificate of real estate								
receivables	373,046	412,022	-	-	-	-	412,022	-
Shares	3,440,680	3,524,415	3,524,415	-	-	-	-	2,601,352
Other	67,133	67,009	-	-	67,009	-	-	56,400
Other	-	-	-	-	-	-	-	257,382
Total	74,429,987	74,447,035	35,570,233	17,725,412	6,163,363	6,098,399	8,889,628	69,299,761

c. Available-for-sale securities

	31/03/2021							31/12/2020
	Cost	Market value	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market value
Own portfolio	2,674,747	2,807,146	6,109	159,160	1,353,836	773,506	514,535	1,826,533
Investment fund quotes								
Equity investment fund	168,586	287,292	-	-	-	-	287,292	231,719
Shares	195,185	195,182	-	-	195,182	-	-	126,277
Debentures (*)	1,499,768	1,493,615	6,109	-	825,320	662,186	-	1,028,625
Certificate of real estate receivables	3,118	2,203	-	701	238	-	1,264	933
Promissory note	160,060	158,459	-	158,459	-	-	-	28,442
Agribusiness receivables certificates	199,498	199,478	-	-	199,365	113	-	-
Foreign private securities	430,745	453,561	-	-	116,375	111,207	225,979	400,147
Other	17,787	17,356	-	-	17,356	-	-	10,390
Subject to repurchase agreements	177,829	177,683	-	-	156,932	20,751	-	582,547
Debentures (*)	177,829	177,683	-	-	156,932	20,751	-	489,141
Certificate of real estate receivables	-	-	-	-	-	-	-	1,044
Other	-	-	-	-	-	-	-	92,362
Subject to guarantees	2,135,530	2,134,152	115,463	-	707,468	1,206,257	104,964	2,278,571
Debentures (*)	1,701,162	1,695,343	65,065	-	403,464	1,159,234	67,580	1,799,333
Investment fund quotes								
Multimarket	43,462	50,398	50,398	-	-	-	-	50,172
Certificate of real estate receivables	33,848	37,384	-	-	-	-	37,384	328,163
Agribusiness receivables certificates	257,022	253,021	-	-	205,998	47,023	-	-
Other	100,036	98,006	-	-	98,006	-	-	100,903
Total	4,988,106	5,118,981	121,572	159,160	2,218,236	2,000,514	619,499	4,687,651

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d. Held-to-maturity securities

	31/03/2021					31/12/2020	
	Cost	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Cost
Own portfolio	1,048,870	774,911	-	273,959	-	-	1,067,772
Federal government bonds	1,048,870	774,911	-	273,959	-	-	1,067,772
Subject to guarantees	51,899	51,899	-	-	-	-	60,486
Federal government bonds	51,899	51,899	-	-	-	-	60,486
Total	1,100,769	826,810	-	273,959	-	-	1,128,258

If measured at fair value, held-to-maturity securities would be reported as at the quarter ended March 31, 2021 with a positive adjustment of R\$20,415 (December 31, 2020 – R\$121,096 positive).

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

e. Reclassification of securities

In order to reflect the current strategy, in the first quarte of 2020, the Bank changed the classification of securities from Available for Sale Securities to Trading Securities in the amount of R\$167,963 and net income in the amount of R\$49,810, net of tax effects. No reclassifications or changes in intention occurred during the quarter ended on March 31, 2021.

9. Derivative financial instruments

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

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

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

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

	31/03/2021		
	Hedge instrument		
	Nominal value	Market (i)	Hedge assets
Net Investment Hedge of Foreign Operations	11,278,900	(470,431)	7,636,557
	31/12/2020		
	Hedge instrument		
	Nominal value	Market (i)	Hedge assets
Net Investment Hedge of Foreign Operations	9,169,326	(754,593)	4,852,426

(i) Recorded in stockholders' equity under heading asset valuation adjustments.

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

a. Recognized in memorandum and balance sheet accounts

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

	31/03/2021				31/12/2020
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	9,861,829	255,702	2,830,757	12,948,288	46,405,846
Currency	341,554	30,961	6,161	378,676	3,060,027
Interest rate	9,434,433	224,446	2,348,544	12,007,423	42,437,408
Index	73,742	-	476,052	549,794	877,974
Commodities	12,100	295	-	12,395	30,437
Short position	34,118,365	4,579,959	3,505,393	42,203,717	29,610,519
Currency	7,219,877	45,997	-	7,265,874	29,552,860
Interest rate	26,603,574	4,499,071	3,493,171	34,595,816	15,120
Index	274,389	21,161	4,151	299,701	10,147
Commodities	20,525	13,730	8,071	42,326	32,392
Swap					
Long position	14,026,715	7,284,264	15,758,205	37,069,184	78,522,128
Currency	4,445,892	2,571,276	112,196	7,129,364	5,946,869
Interest rate	8,579,816	4,545,092	15,455,802	28,580,710	67,386,320
Index	38,653	20,608	141,049	200,310	262,708
Equities	863,309	93,171	49,158	1,005,638	4,152,437
Commodities	18,734	23,334	-	42,068	70,654
Other	80,311	30,783	-	111,094	703,140
Short position	14,026,715	7,284,264	15,758,205	37,069,184	78,522,128
Currency	3,604,142	2,555,671	524,550	6,684,363	5,946,869
Interest rate	9,382,277	4,147,117	14,022,387	27,551,781	67,386,320

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	31/03/2021				31/12/2020
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Index	24,412	53,111	496,182	573,705	262,708
Equities	710,308	342,379	595,004	1,647,691	4,152,437
Commodities	233,206	5,886	-	239,092	70,654
Other	72,370	180,100	120,082	372,552	703,140
Credit Derivatives					
Long position	-	14,243	117,177	131,420	245,380
Sovereign	-	-	7,577	7,577	14,811
Corporate	-	14,243	109,600	123,843	230,569
Short position	-	14,243	273,853	288,096	531,197
Sovereign	-	-	7,577	7,577	26,295
Corporate	-	14,243	266,276	280,519	504,902
Non-deliverable forward - NDF					
Long position	40,953,223	6,981,335	5,895,383	53,829,941	96,340,819
Currency	38,556,131	4,527,189	1,455,503	44,538,823	92,165,893
Commodities	2,349,407	2,454,146	4,439,880	9,243,433	4,129,675
Other	47,685	-	-	47,685	45,251
Short position	40,953,223	6,981,335	5,895,383	53,829,941	96,340,819
Currency	38,556,131	4,527,189	1,455,503	44,538,823	92,165,893
Commodities	2,349,407	2,454,146	4,439,880	9,243,433	4,129,675
Other	47,685	-	-	47,685	45,251
Security forwards					
Long position	591,531	-	-	591,531	552,949
Interest rate	262,494	-	-	262,494	493,825
Government bonds	329,037	-	-	329,037	59,124
Short position	591,531	-	-	591,531	552,949
Interest rate	329,037	-	-	329,037	493,825
Government bonds	262,494	-	-	262,494	59,124
Options market					
Call option - long position	4,041,431	307,045	263,457	4,611,933	19,249,788
Equities	641,161	87,640	47,582	776,383	1,220,839
Commodities	164,193	383	-	164,576	52,903
Currency	2,876,786	190,536	215,875	3,283,197	17,489,681
Index	359,241	28,486	-	387,727	486,315
Other	50	-	-	50	50
Put option - long position	12,500,489	19,165,226	133,590	31,799,305	275,900,316
Equities	6,957,920	8,295	-	6,966,215	389,432
Commodities	628,896	-	-	628,896	204,899
Index	1,148,369	18,936,056	-	20,084,425	258,137,551
Currency	3,765,304	220,875	133,590	4,119,769	17,168,434
Call option - short position	2,495,545	136,834	175,980	2,808,359	10,935,136
Equities	1,021,545	42,972	-	1,064,517	538,427
Commodities	165,629	263	-	165,892	-
Currency	904,104	46,596	175,980	1,126,680	10,035,993
Index	404,267	47,003	-	451,270	360,716
Put option - short position	5,015,776	17,038,265	1,231	22,055,272	272,098,722
Equities	1,573,695	-	-	1,573,695	234,982
Commodities	203,798	-	-	203,798	-
Index	655,560	16,916,862	-	17,572,422	283,792
Currency	2,582,723	121,403	1,231	2,705,357	271,579,948

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b. By cost and market value

	31/03/2021					31/12/2020
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Futures						
Long position	445	445	445	-	-	2,218
Short position	4,145	4,145	4,145	-	-	2,373
Swaps						
Long position	2,351,165	2,470,084	1,347,228	84,531	1,038,325	2,537,797
Short position	3,800,477	3,933,472	797,914	150,651	2,984,907	3,606,524
Credit derivatives						
Long position	-	26,433	-	-	26,433	16,308
Short position	4,904	18,162	2,990	-	15,172	4,958
Non-deliverable forward - NDF						
Long position	2,298,302	2,200,215	1,289,701	320,473	590,041	2,607,957
Short position	1,180,238	1,208,817	718,004	317,086	173,727	2,371,760
Security forwards						
Long position	1,116,470	1,119,771	1,119,771	-	-	552,906
Short position	1,108,255	1,114,811	1,114,811	-	-	553,006
Options market						
Long position	1,136,640	1,418,497	1,057,579	125,482	235,436	2,510,360
Short position	240,217	403,516	305,962	38,740	58,814	1,184,718
Long position	6,903,022	7,235,445	4,814,724	530,486	1,890,235	8,227,546
Short position	6,338,236	6,682,923	2,943,826	506,477	3,232,620	7,723,339

c. Notional by counterparty

	31/03/2021					31/12/2020
	Clearing houses / stock exchange	Financial Institutions (i)	Companies	Individuals	Total	Total
Futures market						
Long position	12,039,231	909,057	-	-	12,948,288	46,405,846
Short position	40,823,072	1,380,645	-	-	42,203,717	29,610,519
Swap						
Long position	7,275,608	28,191,660	768,547	833,369	37,069,184	78,522,128
Short position	7,275,608	28,191,660	768,547	833,369	37,069,184	78,522,128
Credit derivatives						
Long position	-	131,420	-	-	131,420	245,380
Short position	-	288,096	-	-	288,096	531,197
Non-deliverable forward - NDF						
Long position	-	30,704,513	23,008,224	117,204	53,829,941	96,340,819
Short position	-	30,704,513	23,008,224	117,204	53,829,941	96,340,819
Security forwards						
Long position	-	591,531	-	-	591,531	552,949
Short position	-	591,531	-	-	591,531	552,949
Options market						
Long position	1,741,106	34,361,809	145,098	163,225	36,411,238	295,150,104
Short position	2,469,594	22,141,732	145,215	107,090	24,863,631	283,033,858
Long position	21,055,945	94,889,990	23,921,869	1,113,798	140,981,602	517,217,226
Short position	50,568,274	83,298,177	23,921,986	1,057,663	158,846,100	488,591,470

(i) Includes investments funds.

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d. Credit derivatives

	31/03/2021	31/12/2020
Credit swap		
Transferred risk		
Sovereign	7,577	14,811
Corporate	123,843	230,569
Risk received		
Sovereign	(7,577)	(26,295)
Corporate	(280,519)	(504,902)
	<u>(156,676)</u>	<u>(285,817)</u>

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

In accordance with CMN resolutions, the effect on the calculation of Minimum Required Capital (MRC) on March 31, 2021, is R\$45,938 (December 31, 2020 – R\$41,393).

e. Guarantee margins

Guarantee margins in transactions traded on B3 S.A. and other stock exchanges with derivatives comprises federal government and foreign government bonds totaling R\$14,596,078 (December 31, 2020 – R\$13,029,606) and shares in the amount of R\$3,524,415 (December 31, 2020 – R\$2,601,352).

f. Fair value of financial instruments

The fair values of financial instruments are calculated as follows:

- Swaps: cash flows are discounted to present value based on yield curves reflecting the proper risk factors. These yield curves are mainly based on the prices traded on B3 S.A., Brazilian government bonds traded on the secondary or derivative market and securities traded abroad. These yield curves may be used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock market indexes, etc.).
- Futures and Forward: using stock exchange quotations or criteria identical to those described for swaps above.
- Options: the fair value of these instruments is calculated based on mathematical models (such as Black & Scholes) that use data containing implied volatility, interest rate yield curve and the fair value of the underlying asset. These data are obtained from different sources (normally prices from brokerage firms, Bloomberg and Reuters).
- Credit derivatives: the fair value of these instruments is calculated based on mathematical models largely adopted in the market that uses data relating to the issuer's credit spread and interest rate yield curve. These data are obtained from different sources (normally prices from brokerage firms, Bloomberg and Reuters).

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- Securities and short selling: the fair value of government bonds are calculated based on prices disclosed by the Brazilian Association of Financial and Capital Market Entities (ANBIMA). The fair value of corporate bonds is calculated based on prices traded on the secondary market, prices of similar assets and market visibility of the Company's commercial departments. Shares are calculated based on the prices informed by B3 S.A. Fund quotas are valued based on quota prices disclosed by the custodian.
- Financial assets at fair value through profit (loss): The Bank estimates the fair values of the financial instruments by discounting cash flows to present value based on yield curves reflecting the proper risk factors.

10.Loans

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

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

Loans and other operations with credit characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	31/03/2021		31/12/2020	
	Balance	Allowance	Balance	Allowance
Loans	43,819,088	(1,084,757)	40,895,440	(1,679,978)
Financing	3,495,331	(95,184)	2,765,734	(108,768)
FINAME/BNDES	4,224,111	(25,230)	4,015,395	(23,458)
Receivables (ii)	127,237	(38,758)	90,350	(28,391)
Advances in foreign exchange contacts (ii)	2,881,945	(46,071)	2,074,406	(36,552)
Securities financing	1,146,333	(6,246)	823,810	(5,823)
Transferred loans with co-obligations (i)	-	-	1,472	-
Total	55,694,045	(1,296,246)	50,666,607	(1,882,970)

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

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

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ii. By risk level and maturity

Risk level	31/03/2021					31/12/2020		
	Overdue	Maturity			Total	Allowance	Total	Allowance
		Up to 6 months	6 to 12 months	Over 12 months				
AA	57,776	10,194,959	2,194,190	11,095,553	23,542,478	(3,735)	22,567,484	(12,168)
A	14,928	5,289,933	1,969,660	7,000,140	14,274,661	(68,453)	10,985,055	(55,300)
B	16,489	4,298,273	2,137,897	6,955,603	13,408,262	(140,772)	11,773,945	(132,497)
C	6,638	937,835	42,771	986,314	1,973,558	(207,900)	1,932,766	(92,371)
D	1,072	302,638	20,500	738,699	1,062,909	(111,909)	1,368,470	(223,614)
E	14,134	133,361	98	672,558	820,151	(285,223)	662,956	(243,445)
F	1,763	121,703	25,624	98,420	247,510	(136,125)	243,008	(133,470)
G	37,401	27,037	19,906	20,405	104,749	(82,362)	779,785	(636,967)
H	41,185	26,126	6,936	185,520	259,767	(259,767)	353,138	(353,138)
Total	191,386	21,331,865	6,417,582	27,753,212	55,694,045	(1,296,246)	50,666,607	(1,882,970)

iii. By activity sector

Sector	31/03/2021	31/12/2020
Commerce	9,460,090	8,260,119
Industry	12,764,064	13,620,149
Services	30,976,374	25,972,744
Rural	529,384	527,425
Individuals	1,964,133	2,286,170
Total	55,694,045	50,666,607

b. Credit concentration

	31/03/2021	%	31/12/2020	%
Largest debtors				
10 largest debtors	14,035,052	26%	12,249,129	24%
20 largest debtors	9,303,459	18%	8,435,272	17%
50 following largest debtors	11,042,260	20%	10,000,060	20%
100 following largest debtors	9,715,065	15%	9,214,961	18%
200 following largest debtors	7,331,406	13%	7,043,622	14%
500 following largest debtors	3,830,679	7%	3,492,334	7%
Above 500 following largest debtors	436,124	1%	231,229	0%
Total	55,694,045	100%	50,666,607	100%

c. Allowance for expected losses associated with credit risk

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

	31/03/2021	31/03/2020
Opening balances for the quarter	(1,882,970)	(1,179,029)
Reversal/(accrual) of allowance	42,590	(315,085)
Credit renegotiation	531,141	(316,551)
Other	12,993	(72,305)
Closing balances for the quarter	(1,296,246)	(1,882,970)
Breakdown of closing balances		
Allowance for loan losses	(1,296,246)	(1,882,970)

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d. Renegotiation/recovery of credits written off as loss

As at March 31, 2021, the amount of R\$1,999,020 were due to credit renegotiation (December 31, 2020 – R\$3,974,087). Also in the quarter there were R\$39,020 written off loans recovered (December 31, 2020 – R\$27,971).

11. Other receivables/obligations

a. Foreign Exchange portfolio

	31/03/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange contracts	13,590,196	27,889,085	5,514,014	11,467,369
Rights on foreign exchange sales	28,058,529	-	13,867,773	-
(-) Advances in foreign currency received	(88,668)	-	(2,177)	-
(-) Advances in local currency received	(20,468)	-	(320)	-
Liability for foreign exchange purchase	-	13,867,080	-	7,674,185
Total	<u>41,539,589</u>	<u>41,756,165</u>	<u>19,379,290</u>	<u>19,141,554</u>
Current	41,539,320	41,341,812	19,373,261	19,127,129
Long-term	269	414,353	6,029	14,425

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

b. Securities trading and brokerage

	31/03/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	1,275,440	1,281,999	422,002	216,833
Unsettled financial assets / liabilities	272	1,005,292	53,026	668,755
Pending settlement	6,844,204	4,198,322	4,437,251	2,745,303
Creditors for stock loans	-	39,378	-	51,005
Commissions and brokerage payable	-	151,975	-	125,925
Other securities trading and brokerage	332,161	1,492,981	135,368	1,419,486
Total	<u>8,452,077</u>	<u>8,169,947</u>	<u>5,047,647</u>	<u>5,227,307</u>
Current	8,452,077	8,169,947	5,047,647	5,227,307
Long-term	-	-	-	-

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

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

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12. Other receivables

a. Income receivable

	<u>31/03/2021</u>	<u>31/12/2020</u>
Dividends and bonus	73,270	135,064
Receivables from services rendered	159,190	120,614
Rights on energy sales	779,440	684,384
Management and performance fees for investment funds and portfolio	437,013	385,422
Distribution fees	13,593	8,736
Commissions on guarantees	21,480	60,641
Total	<u>1,483,986</u>	<u>1,394,861</u>
Current	1,393,501	1,385,346
Long-term	90,485	9,515

b. Sundry

	<u>31/03/2021</u>	<u>31/12/2020</u>
Sundry	1,910,978	1,896,874
Judicial deposits	1,647,366	1,629,330
Taxes recoverable to offset	440,510	605,928
Securities and credits receivable		
Without loan characteristics	2,937,551	2,448,972
Investment properties	973,225	450,864
Salaries advances	46,027	49,026
Other	379,179	272,054
Total	<u>8,334,836</u>	<u>7,353,048</u>
Current	885,983	3,251,041
Long-term	7,448,853	4,102,007

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13. Investments in associates and jointly controlled entities

	Shareholders' Equity		Associates and jointly-controlled entities		Interest	
			Net income (loss)			
	31/03/2021	31/12/2020	31/03/2021	31/03/2020	31/03/2021	31/12/2020
In Brazil						
Banco Pan S.A. (iii)	5,434,146	5,317,468	190,277	170,558	44.85%	44.85%
Too Seguros S.A.	350,176	332,791	22,711	14,271	51.00%	51.00%
Pan Corretora S.A.	56,664	42,309	14,355	9,189	51.00%	51.00%
Abroad						
BTG Pactual Holding S.A.R.L.	5,458,072	5,482,135	276,846	563,320	41.03%	41.03%
EFG International (i) (ii)	9,198,428	9,397,958	591,279	419,033	29.39%	29.39%

(i) On March 31, 2021, the equity on EFG include total return swap in the amount of CHF46,686.

(ii) The equity accounting result related to the investment in EFG recognized during the period ended March 31, 2021, comprises the income generated by the investee for the second half of 2020, as a result of the late disclosure of its financial information.

(iii) Banco PAN has a tax credit balance of R\$3.6 billion, substantially recognized based on a study of the current and future scenario approved by its Management.

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	Changes in investments						31/03/2021	Equity pickup from associates in 31/03/2020
	31/12/2020	Acquisition / Increase/ Transfer / (Sales)	Dividends paid	Fair value adjustment	Exchange variation	Equity pickup from associates		
In Brazil								
Banco Pan S.A.	2,385,034	-	(33,385)	374	-	85,345	2,437,368	67,397
Negative Goodwill - Banco Pan	(3,275)	-	-	-	-	-	(3,275)	-
Pan Corretora S.A.	21,577	-	-	-	-	7,321	28,898	4,686
Too Seguros S.A.	169,722	-	(3,136)	420	-	11,583	178,589	7,278
Other (iii) (iv)	3,770,057	(6,101)	-	1,005	210	48,373	3,813,544	(3)
Total	6,343,115	(6,101)	(36,521)	1,799	210	152,622	6,455,124	79,358
Abroad								
BTG Pactual Holding S.A.R.L. (i)	2,249,320	-	(283,595)	(55,973)	216,105	113,590	2,239,447	231,130
EFG International (i)	2,762,060	(163,044)	(144,058)	6,458	68,225	173,777	2,703,418	149,458
Goodwill - EFG International (i) (ii)	1,094,177	-	-	-	26,947	-	1,121,124	(41,004)
	6,105,557	(163,044)	(427,653)	(49,515)	311,277	287,367	6,063,989	339,584
Total	12,448,672	(169,145)	(464,174)	(47,716)	311,487	439,989	12,519,113	418,942

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- (i) The difference between equity pick up in subsidiaries and net income of subsidiaries refers to the exchange rate variation.
- (ii) See note 17a.
- (iii) The line "Other" includes investes Galgo S.A., Visum Capital and Eneva S.A. ("Eneva"). Eneva's shares were received in a debt renegotiation and were recorded under Securities. On the base date of December 31, 2020, management reassessed its intention and accounting classification on the investment in the company and took the decision to reclassify the participation as a Permanent Investment. The transfer between accounting items was carried out at market value (accounting practice before reclassification). After reclassification, in accordance with the accounting practices applicable to Financial Institutions, the measurement of this asset will be made using the equity pickup and will be the basis for periodic reviews to meet the concept of recoverable value, at least semi-annually or when there are objective signs of impairment captured by management through external and internal sources.
- (iv) Investments in subsidiaries, jointly controlled companies and associates are measured by the equity pick up method, using unaudited balance sheets estimates in their initial recognition. Any changes identified during these company's auditing process will be adjusted in the subsequent financial statements.

14. Intangible assets

	Changes in Intangible assets				31/03/2021
	31/12/2020	Acquisitions / Transfer / Write off	Amortization expenses	Exchange variation	
Intangible assets					
Cost	574,053	9,185	-	21,006	604,244
Amortization	(258,220)	11,102	(6,677)	(12,842)	(266,637)
Total	<u>315,833</u>	<u>20,287</u>	<u>(6,677)</u>	<u>8,164</u>	<u>337,607</u>

The intangible assets amortization period is 5 years.

15. Fund raising and loans and onlending

a. Summary

	31/03/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Deposits	62,793,798	28,266,967	30,619,409	2,100,212	1,807,185	25	56,964,334
Open market funding	54,066,087	51,929,521	422,989	140,800	-	1,572,777	60,161,895
Funds from securities issued and accepted	49,174,085	4,064,597	21,908,831	7,941,712	10,161,054	5,097,891	42,314,111
Loans and borrowings	6,811,060	1,437,623	84,488	268,979	1,213,070	3,806,900	6,643,207
Subordinated debts and subordinated debt eligible to equity	7,942,482	772,763	10,881	2,272,495	178,343	4,708,000	7,456,556
Total	<u>180,787,512</u>	<u>86,471,471</u>	<u>53,046,598</u>	<u>12,724,198</u>	<u>13,359,652</u>	<u>15,185,593</u>	<u>173,540,103</u>

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b. Deposits

	31/03/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Demand deposits	5,693,150	5,693,150	-	-	-	-	2,655,156
Interbank deposits	822,836	463,131	214,101	-	145,604	-	1,569,295
Time deposits	56,277,812	22,110,686	30,405,308	2,100,212	1,661,581	25	52,739,883
Total	62,793,798	28,266,967	30,619,409	2,100,212	1,807,185	25	56,964,334

c. Open market funding

Open market funding has collateral on the following securities:

	31/03/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Own Portfolio	16,886,062	16,465,926	420,136	-	-	-	36,614,052
Federal government bonds	14,316,838	14,316,838	-	-	-	-	34,136,364
Corporate securities	1,979,677	1,559,541	420,136	-	-	-	2,187,870
Foreign securities	226,602	226,602	-	-	-	-	247,357
Foreign government bonds	362,945	362,945	-	-	-	-	42,461
Third-party portfolio	32,474,639	32,474,639	-	-	-	-	18,590,387
Federal government bonds	32,450,909	32,450,909	-	-	-	-	18,566,182
Corporate bonds	5,058	5,058	-	-	-	-	4,605
Foreign government bonds	18,672	18,672	-	-	-	-	19,600
Unrestricted portfolio (i)	4,705,386	2,988,956	2,853	140,800	-	1,572,777	4,957,456
Federal government bonds	4,697,651	2,981,221	2,853	140,800	-	1,572,777	4,943,108
Foreign securities	7,735	7,735	-	-	-	-	-
Foreign government bonds	-	-	-	-	-	-	14,348
Total	54,066,087	51,929,521	422,989	140,800	-	1,572,777	60,161,895

(i) From the unrestricted portfolio, R\$3,781,385 (December 31, 2020 – R\$4,370,758) refers to short position and R\$924,001 (December 31, 2020 – R\$586,698) to third-party portfolio.

d. Funds from securities issued and accepted

	31/03/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	30,470,682	2,807,196	19,472,587	6,458,284	1,057,071	675,544	29,312,146
Financial bills	23,820,820	1,815,745	16,666,141	4,208,966	648,387	481,581	23,718,574
Mortgage bonds/letters of credit for agribusiness	6,333,808	975,327	2,756,616	2,154,488	262,817	184,560	5,361,812
Certificates of structured transactions	316,054	16,124	49,830	94,830	145,867	9,403	231,760
Securities – abroad	18,703,403	1,257,401	2,436,244	1,483,428	9,103,983	4,422,347	13,001,965
Medium term notes	12,186,485	-	2,354,797	1,444,276	7,985,655	401,757	8,312,534
Fixed rate notes and others	6,516,918	1,257,401	81,447	39,152	1,118,328	4,020,590	4,689,431
Total	49,174,085	4,064,597	21,908,831	7,941,712	10,161,054	5,097,891	42,314,111

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As at March 31, 2021, securities in Brazil were basically indexed o interest referenced rates (CDI) between 85% and 127% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.55% p.a. (December 31, 2020 – indexed to (CDI) between 60% and 127% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.55% p.a.).

On March 31, 2021, securities abroad have rates between 2.5% p.a. and 13.7% p.a. (December 31, 2020 – between 3.5% p.a. and 7.09% p.a.).

e. Loans and onlending

	31/03/2021						31/12/2020
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	2,770,873	1,424,148	57,116	119,742	368,873	800,994	2,801,087
Foreign currency	1,751,626	804,031	57,116	89,485	-	800,994	876,813
Loans abroad	1,019,247	620,117	-	30,257	368,873	-	1,924,274
Loans - Brazil	-	-	-	-	-	-	3,458
Loans	-	-	-	-	-	-	3,458
Borrowings in Brazil	4,040,187	13,475	27,372	149,237	844,197	3,005,906	3,838,662
FINAME/BNDES	4,040,187	13,475	27,372	149,237	844,197	3,005,906	3,838,662
Total	6,811,060	1,437,623	84,488	268,979	1,213,070	3,806,900	6,643,207

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

f. Subordinated debt and debt instrument eligible to capital

Type - original currency	Issued amount (original currency)	31/03/2021				31/12/2020
		Issued	Maturity	Total compensation a.a.	Net amount	Net amount
Financial bills - R\$ (i)	4,161,000	15/04/2011	04/06/2030	Inflation plus fixed rates	790,149	769,159
Subordinated debt - US\$	800,000	28/09/2012	15/09/2022	5.75%	2,306,030	2,122,542
Subordinated debt - CLP	391,410	01/01/2019	01/11/2028	2.40%	592,416	538,951
Subordinated debt eligible to equity - R\$	874,369	23/12/2014	15/04/2069	4.85% to 14.2%	888,679	897,482
Subordinated debt eligible to equity - US\$ (ii)	600,000	15/02/2019	15/02/2029	7.75%	3,365,208	3,128,422
Total					7,942,482	7,456,556

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

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16. Other obligations

a. Social and statutory

	<u>31/03/2021</u>	<u>31/12/2020</u>
Dividends and profit sharing payable	354,570	1,072,794
Employees' profit sharing	406,311	1,298,740
Total	<u>760,881</u>	<u>2,371,534</u>
Current	753,969	2,371,534
Long term	6,912	-

b. Tax and social security

	<u>31/03/2021</u>	<u>31/12/2020</u>
Tax and contributions to be collected	131,806	159,808
Tax and contribution payable	351,063	585,722
Total	<u>482,869</u>	<u>745,530</u>
Current	482,869	745,530
Long term	-	-

c. Sundry

	<u>31/03/2021</u>	<u>31/12/2020</u>
Payable for acquisition of assets and rights (i)	203,503	202,549
Accounts payable - personnel	440,087	360,294
Other creditors - Brazil	6,741,988	5,613,648
Other creditors - Abroad	109,232	122,151
Other	19,271	26,314
Total	<u>7,514,081</u>	<u>6,324,956</u>
Current	5,769,154	4,893,971
Long term	1,744,927	1,430,985

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

17. Contingent assets and liabilities and legal obligations

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

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a. Contingent assets

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

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

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

b. Contingent liabilities classified as probable losses and legal obligations

i. Labor provisions

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

ii. Civil provisions

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

iii. Tax and social security provisions

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

c. Breakdown and changes in provisions

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

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

	31/03/2021			Total	31/03/2020
	Tax (i)	Civil	Labor		Total
Balance at the beginning of the quarter	1,559,046	170,847	46,590	1,776,483	1,687,195
Recognition	8,088	3,928	576	12,592	12,836
Write-off	(392)	(8,190)	(4,685)	(13,267)	(36,467)
Balance at the end of the quarter	1,566,742	166,585	42,481	1,775,808	1,663,564

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

The nature of the main provision are described below:

i. Suspended payment taxes and other taxes liabilities

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

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

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

- Lawsuits relating to the payment of profit sharing, in which is questioned the levy and payment of social security contribution on these values and its deductibility on the income tax and social tax base. The amount claimed is R\$896 million. Part of this amount is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- Lawsuits regarding the demutualization and IPO of B3 S.A., in which is questioned the taxation of PIS and Cofins on revenues earned from the sale of shares of the company's previously mentioned. The amount claimed is R\$28 million and part of it is secure by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.
- On December 2015, the Bank received a tax assessment in the amount of R\$1,856 billion, referring to events occurred on 2010 and 2011, where they judged as undue our use of the goodwill originated in the acquisition of the Bank by UBS, held on 2006, as well as in the buyback of the Bank by BTG, on 2009. An appeal was filed against this tax assessment on the Administrative Council of Tax Appeals, which ruled partially favorable of reducing the amount of the assessment on R\$278 million. In opposition to the unfavorable piece, the Bank filed another appeal to the same institution in February 2019, it was deemed valid in relation to the use of the goodwill generated in the Bank's acquisition operations by UBS. In

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addition, on December 2017, the Bank received another tax assessment in the amount of R\$902 million, referring to 2012 events, where they believe happened the wrongfully use of goodwill originated from the Bank acquisition by UBS on 2006, also the goodwill from the repurchase by the Bank on 2009 and the goodwill originated in the private subscription of shares made by investors through the Copa Prince Company, in 2011. On October, 2019, the second administrative instance partially ruled as reasonable the cancelation of the goodwill generated on the private capital subscription made by investors through Copa Prince Company. An appeal was filed against the unfavorable piece. On December 2018, a tax assessment was received, in the amount of R\$452 million, related to the period of 2013. Against this assessment an appeal was filed, which is awaiting ruling of the second administrative instance. Lastly, on February 2019 a tax assessment was received, in the amount of R\$273 million, related to the period of 2014. Against this assessment an appeal was filed, which is awaiting ruling of the first administrative instance. As a result, the Bank does not expect to incur any losses (other than the costs of the appeal itself) related to this matter and have not established (and do not expect to) any related contingencies on its financial statements. Besides the reviews as to the legitimacy of these tax assessments, in case the Bank has to incur losses, it also believes is entitled to be reimbursed by its controller shareholder for a part of the losses. Thus, in no event the BTG Pactual expect to incur any material losses in connection with this matter.

- On December 2017, the Bank received a tax assessment which it is discussed insufficient tax collection of PIS and COFINS and imposes isolated fine, referring to the year of 2012, in the amount of R\$198 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2017, in the capacity of the Banco Pan S/A sponsor, the Bank received a tax assessment of allegedly due income tax on the sale of investment in Brazil by a foreign party, referring to the year of 2012, in the amount of R\$78 million. Against the assessment an administrative appeal was presented, which awaits trial in second administrative instance.
- On December 2017, the Bank received a tax assessment that seeks to collect income tax on the supposed capital gains on corporate incorporation - when One Properties was incorporated by BR Properties -, in the amount of R\$1,128 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2018, the Asset Manager received a tax assessment in total amount of R\$97 million for events that occurred in 2013 and 2014, regarding the amortized goodwill from the acquisition of BRFE in 2012. On September 2019 an unfavorable decision was ruled by the first instance court. Against this decision, and administrative appeal was presented on the second administrative instance.
- On December 2018, the Bank was made aware of the non-approval compensation of the negative balance of income tax, related to 2013, in the amount of R\$72 million. On June 2019 an unfavorable decision was ruled by the court on the first administrative instance. Against the decision, an appeal was presented, which awaits trial in second administrative instance. On March 2019, the Bank was made aware of the non-approval compensation of the negative balance of social contribution (CSLL), regarding the same year, in the amount of R\$67 million. On August 2019, an unfavorable decision was ruled to the Bank in the first administrative instance. Against this decision, and administrative appeal was presented on the second administrative instance.

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- On September 2019, in the capacity of Banco Sistema S/A's sponsor, the Bank received a tax assessment that seeks to collect income tax, social contribution, PIS and COFINS, in the total amount of R\$3.524 billion, regarding the acquisition of Banco Bamerindus do Brasil (current Banco Sistema) in 2014. On October 2019, an appeal was filed on the first administrative instance, of which awaits trial. Based on the prognosis disclosed by its legal team, the Bank didn't record any provision on its financial statements, furthermore the Administration doesn't expect to incur in any loss regarding this matter.
- On March 2020, the Bank received a tax assessment charging income tax, social contribution, PIS and COFINS related to the capital gain on the sale of Rede D'or's shares, in 2015, in the amount of R\$584 million. In April 2020, an appeal was filed at the first administrative level, which is waiting judgment.

ii. Provision for other contingent liabilities

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

18. Income tax and social contribution

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

	<u>31/03/2021</u>	<u>31/03/2020</u>
Income tax and social contribution		
Tax base	1,510,227	274,625
Income before taxes and profit sharing	1,934,873	183,649
Statutory profit sharing	(431,259)	(74,124)
Non-controlling interest	6,613	165,100
Total charge of income tax and social contribution at the current rates	(679,602)	(123,581)
Permanent (additions) / deductions in taxation calculation	372,079	(1,249,285)
Equity pick up in associated and jointly controlled companies in Brazil	191,815	56,554
Income/(loss) of foreign exchange on foreign investments	(105,597)	-
Interest on equity	253,350	243,450
Dividends	7,108	54,598
Fair value of securities and derivatives	81,939	(1,394,314)
Allowance for expected losses associated with credit risk	293,103	(33,270)
Other non-deductible expenses net of non-taxable income	(349,639)	(176,303)
Tax and social contribution expense	(307,523)	(1,372,866)
(Expenses) / Revenues from deferred taxes	(26,207)	1,866,164
Total revenues / (expenses)	<u>(333,730)</u>	<u>493,298</u>

Income tax and social contributions are calculated and recorded in accordance with the criteria established by Bacen Circular Letter 3,059/02, taking into account the period of realization.

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Changes in deferred tax assets are presented as follows:

Income tax and social contribution	31/12/2020	Recognition	Realization	31/03/2021
Tax loss	1,009,853	758,138	(37,457)	1,730,534
Interest on equity	253,350	125,333	(253,350)	125,333
Allowance for expected losses associated with credit risk	1,898,528	-	(306,716)	1,591,812
Fair value of securities and derivatives	2,840,159	-	(128,239)	2,711,920
Tax contingencies and provision for suspended-payment taxes	246,347	-	(629)	245,718
Other temporary differences	514,226	-	(148,070)	366,156
Total	6,762,463	883,471	(874,461)	6,771,473
Income tax and social contribution	31/12/2019	Recognition	Realization	31/03/2021
Tax loss carryforwards	1,339,748	866,535	-	2,206,283
Interest on equity	243,450	121,500	(243,450)	121,500
Allowance for expected losses associated with credit risk	923,160	33,201	-	956,361
Fair value of securities and derivatives	1,682,855	1,448,121	-	3,130,976
Tax contingencies and provision for suspended-payment taxes	239,944	-	(2,606)	237,338
Other temporary differences	452,430	-	(244,857)	207,573
Total	4,881,587	2,469,357	(490,913)	6,860,031

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

Description	Tax credits on temporary differences	Tax loss carry forwards	Total
2021	995,461	967,425	1,962,886
2022	899,744	94,656	994,400
2023	881,030	94,217	975,247
2024	1,151,279	96,021	1,247,300
2025 onwards	1,113,424	478,216	1,591,640
Total	5,040,938	1,730,535	6,771,473
Present value	3,970,982	1,489,509	5,460,491

The line of "deferred tax assets" also has PIS and COFINS deferred tax credits in the amount of R\$433,229 (December 31, 2020 - R\$451,295).

Deferred income tax and social contribution liabilities amounts to R\$60,076 (December 31, 2020 - R\$56,157).

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

On March 1, 2021, the Provisional Measure No. 1,034 was approved, by which new CSLL rates are effective. The social contribution rate was set at 20% until December 31, 2021, and 15% from January 1, 2022.

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19.Shareholders equity

a. Capital

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

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

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

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

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

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

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

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b. Treasury shares

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

c. Legal reserve

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

d. Statutory reserve

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

e. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

f. Profit distribution

The shareholders are entitled to minimum dividends of 1% on net income adjusted in accordance with Article 202 of Law 6,404/76.

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

g. Reconciliation of net income and shareholders equity

	Shareholders' equity		Net income	
	31/03/2021	31/12/2020	31/03/2021	31/03/2020
Banco BTG Pactual S.A.	30,414,347	26,680,655	673,587	(907,789)
Others (i)	-	-	502,910	1,675,712
Banco BTG Pactual S.A. Consolidated	30,414,347	26,680,655	1,176,497	767,923

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

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20. Income from services rendered

	<u>31/03/2021</u>	<u>31/03/2020</u>
Management and performance fee from investment funds and portfolios	357,459	261,716
Professional services	409,382	194,090
Brokerage	179,150	140,455
Guarantees	92,146	138,717
Commission over securities placement	277,786	127,721
Other services	4,808	2,831
Total	<u>1,320,731</u>	<u>865,530</u>

21. Other operating income

	<u>31/03/2021</u>	<u>31/03/2020</u>
Adjustment of amounts receivable for acquisition of investments	40,449	75,841
Foreign exchange rate gains	310,570	66,565
Reversal of provision	6,107	-
Monetary correction over judicial deposits	8,345	13,879
Recovery of charges and expenses	13,324	358
Insurance operation	56,194	109,579
Other operating income	8,745	20,341
Total	<u>443,734</u>	<u>286,563</u>

22. Other operating expenses

	<u>31/03/2021</u>	<u>31/03/2020</u>
Foreign exchange expenses	73,473	-
Adjustment of amounts payable for acquisition of investments	31,754	38,735
Goodwill amortization	8,116	4,437
Discounts granted in renegotiation	156	2,688
Payable commissions	14,983	-
Other	2,211	3,672
Total	<u>130,693</u>	<u>49,532</u>

23. Other administrative expenses

	<u>31/03/2021</u>	<u>31/03/2020</u>
Outsourced services and consulting	198,539	147,513
Telecommunications and data processing	163,069	96,666
Leases and condominiums	33,894	26,807
Expenses of the financial system	85,166	83,072
Advertising and public relations	27,437	29,117
Depreciation and amortization	16,030	14,039
Travel and lodging	2,298	12,036
Other	8,359	5,868
Total	<u>534,792</u>	<u>415,118</u>

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24. Related parties

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

	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020	31/03/2021	31/12/2020
Assets						
Interbank investments deposits	-	-	427,102	502,285	427,102	502,285
Derivative financial instruments	-	-	283,196	332,558	283,196	332,558
Loans and Receivables	4,552,087	4,296,749	398,922	-	4,951,009	4,296,749
Liabilities						
Time deposits	(41,297)	(135,247)	-	-	(41,297)	(135,247)
Derivative financial instruments	-	-	(100,678)	(181,944)	(100,678)	(181,944)
Open market funding	-	-	(25,413)	(1,432,661)	(25,413)	(1,432,661)
Funds from securities issued and accepted	(3,767,755)	(3,514,229)	(66,044)	(61,960)	(3,833,799)	(3,576,189)
Sundry	-	-	(77,857)	(71,016)	(77,857)	(71,016)
	Parent company		Subsidiaries and joint controlled entities		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Statements of income						
Financial income	-	-	2,546	7,069	2,546	7,069
Financial expenses	(127)	(2,223)	(5,467)	(377,154)	(5,594)	(379,377)
Other operating income / (expenses)	6,181	(36,404)	1,119	1,462	7,300	(34,942)

(i) Includes natural person.

Total compensation paid to key management personnel totaling this quarter R\$4,698 (December 31, 2020 – R\$18,808) which is considered short term benefit.

25. Earnings per share

	31/03/2021	31/03/2020
Net income for the quarter	1,176,497	767,923
Weighted average per thousand of common shares outstanding in the quarter	1,780,508	1,731,277
Weighted average per thousand of common shares held in treasury	-	7,445
Net income for the quarter per common share - basic	0.66	0.44
Net income for the quarter per common share - diluted	0.66	0.45
Weighted average per thousand of class A preferred shares outstanding in the quarter	655,065	456,603
Weighted average per thousand of class A preferred shares held in treasury	-	14,891
Net income for the quarter per class A preferred shares - basic	1.8	1.68
Net income for the quarter per class A preferred shares - diluted	1.8	1.74
Weighted average per thousand of class B preferred shares outstanding in the quarter	349,356	449,356
Net income for the quarter per class B preferred shares - basic and diluted	3.37	1.71
Weighted average per thousand of shares outstanding in the quarter	2,784,929	2,637,237
Weighted average per thousand of shares held in treasury	-	22,336
Net income per share - basic	0.42	0.29
Net income per share - diluted	0.42	0.29

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26. Other information

Cash and cash equivalents

Balances at beginning of the quarter	31/12/2020	31/12/2019
Cash and cash equivalents	1,794,059	1,333,793
Open market investments	40,175,098	18,651,392
Interbank deposits	2,437,242	1,533,506
Total	44,406,399	21,518,691
Balances of end of the quarter	31/03/2021	31/03/2020
Cash and cash equivalents	2,606,661	2,257,558
Open market investments	36,522,815	46,203,966
Interbank deposits	2,886,885	4,389,882
Total	42,016,361	52,851,406

Commitments and responsibilities

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

	31/03/2021	31/12/2020
Co-obligation and risks for guarantees granted	56,634,679	62,645,262
Responsibility for the management of futures and investment portfolio (i)	447,266,445	349,599,848
Securities	120,419,498	161,997,910
Securities under custody	1,298,136,035	1,249,696,343
Securities trading and brokerage	2,963,911,506	3,390,389,602
Loans contract to release	2,660,028	2,469,412
Commitments to be released	185,100	115,800

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

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

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

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

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

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

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Non-recurring Items

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

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

27.Subsequent events

Stock Split

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

Necton Investimentos S.A.

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

Banco Pan S.A.

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

EFG Sale

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