

Standalone financial statements

Banco BTG Pactual S.A.

September 30, 2020

with independent auditors' review report.

BANCO BTG PACTUAL S.A.

Standalone financial statements

September 30, 2020

Contents

Independent auditors' review report.....	1
Balance sheets.....	4
Statements of income.....	6
Statements of comprehensive income.....	7
Statements of changes in shareholders' equity.....	8
Statements of cash flows.....	9
Statements of value added.....	10
Notes to the standalone financial statements.....	11

A free translation from Portuguese into English of report on review of interim financial information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

REPORT ON REVIEW OF INDIVIDUAL INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Banco BTG Pactual S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual interim financial information, contained in the Quarterly Information Form (ITR) of Banco BTG Pactual S.A. (the “Bank”) for the three-month period ended September 30, 2020, which comprise the statement of financial position as of September 30, 2020, the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 International Standards on Auditing and, consequently, does 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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and with NBC TG 21 applicable to the preparation of Quarterly Information (ITR).

Emphasis of matter

Equity pickup of foreign subsidiary

As mentioned in Note 13 to the interim financial information, the Bank holds indirect investments in EFG International (“EFG” or “subsidiary”) but has no timely access to the financial information of this subsidiary before such financial information is released. As such, equity pickup is recognized after the period allowed by the rules of the Central Bank of Brazil, and any adjustments recorded by EFG will only be considered in a later period by the Bank. Our conclusion is not qualified in respect of this matter.

Tax credits recorded in jointly controlled subsidiary

As mentioned in Note 13 to the interim financial information, at September 30, 2020, jointly-controlled subsidiary Banco PAN S.A. recorded income and social contribution tax credits totaling R\$ 3.5 billion, substantially recognized based on study of the current and future scenarios approved by the Board of Directors. The key assumptions used in such study were macroeconomic indicators disclosed in the market. Realization of such tax credits depends on materialization of such projections and of the business plan, as approved by the management bodies of Banco PAN S.A. Our conclusion is not qualified in respect of this matter.

Restatement of corresponding figures

We draw attention to Note 3 to the interim financial information, which describes that, due to the correction of an error related to the realization of foreign exchange differences on investments abroad and the result of interests in subsidiaries, the amounts corresponding to December 31, 2019, presented for comparison purposes, have been adjusted and are restated as provided in NBC TG 23, or CPC 23 (Accounting Practices, Changes in Estimates and Correction of Errors). Our conclusion is not qualified in respect of this matter.



Other matters

Statement of value added

The above-mentioned quarterly information include the individual statement of value added (SVA), for the nine-month period ended September 30, 2020, prepared under the responsibility of Bank management, and presented as supplementary information under the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil. This statement has been subject to review procedures performed in conjunction with review of quarterly financial information, for the purposes of forming our conclusion on whether this statement was reconciled with the interim financial information and accounting records, as applicable, and whether their layout and content were presented in accordance with Accounting Pronouncement NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that this statement of value added was not prepared fairly, in all material respects, in accordance with the criteria set forth in these standards and consistently with the overall interim financial information.

São Paulo, November 09, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP034519/O-6

A handwritten signature in blue ink, reading 'Renata Zanotta Calçada', written in a cursive style.

Renata Zanotta Calçada
Accountant CRC-1RS062793/O-8

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

BANCO BTG PACTUAL S.A.

Balance sheets

As at September 30, 2020 and December 31, 2019

(In thousands of reais)

	Note	30/09/2020	31/12/2019 (Restated)
Assets			
Current assets		193,329,244	132,382,974
Cash at banks	6	49,696,043	20,404,149
Financial instruments		99,942,514	69,700,819
Interbank investments	7	16,561,310	10,274,763
Securities	8	56,458,388	44,335,744
Derivative financial instruments	9	7,944,769	4,124,449
Interbank transactions		3,661,996	1,004,946
Loans	10	15,667,988	10,113,431
Allowance for expected losses associated with credit risk	10	(351,937)	(152,514)
Other receivables		43,445,249	42,144,118
Credits by honored endorsements and sureties		218,397	252,285
Foreign exchange portfolio	11	37,375,993	37,791,139
Income receivable	12	1,015,300	783,755
Securities trading and brokerage	11	4,672,731	2,870,372
Sundry	12	344,812	638,980
Allowance for impairment of assets		(181,984)	(192,413)
Other assets		245,438	133,888
Other assets		44,016	94,195
Prepaid expenses		210,371	101,384
Provision for losses on other assets		(8,949)	(61,691)
Non-current assets		62,283,041	29,355,849
Financial instruments		53,201,622	23,296,762
Interbank investments	7	2,258,098	658,125
Securities	8	4,281,501	811,379
Derivative financial instruments	9	24,410,950	8,100,922
Interbank transactions		131,684	131,470
Loans	10	23,338,024	14,518,415
Allowance for expected losses associated with credit risk	10	(1,218,635)	(923,549)
Other receivables		9,025,965	6,045,756
Foreign exchange portfolio	11	26,937	86,484
Income receivable	12	90,301	9,583
Securities trading and brokerage	11	74	-
Deferred tax assets	18	7,178,370	4,518,227
Sundry	12	1,754,726	1,431,462
Allowance for impairment of assets		(24,443)	-
Other assets		55,454	13,331
Prepaid expenses		55,454	13,331
Permanent assets		16,947,553	14,290,111
Investments		16,762,896	14,181,521
Investments in subsidiaries, associates and jointly controlled entities - in Brazil	13	14,300,407	12,384,739
Investments in subsidiaries, associates and jointly controlled entities - abroad	13	2,461,124	1,795,417
Other investments		4,232	4,232
Allowance for losses in investments		(2,867)	(2,867)
Property and equipment in use		77,843	41,571
Property in use		2,731	-
Other property and equipment in use		260,415	156,800
Accumulated depreciation		(185,303)	(115,229)
Intangible assets	14	106,814	67,019
Other intangible assets		224,160	230,286
Accumulated amortization		(117,346)	(163,267)
Total assets		272,559,838	176,028,934

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

BANCO BTG PACTUAL S.A.

Balance sheets

As at September 30, 2020 and December 31, 2019

(In thousands of reais)

	Note	30/09/2020	31/12/2019 (Restated)
Liabilities			
Current liabilities		177,532,282	113,518,693
Deposits and other financial instruments		135,212,626	72,579,984
Deposits	15	48,561,957	22,229,660
Open market funding	15	56,278,228	36,676,030
Funds from securities issued and accepted	15	21,521,612	5,323,907
Loans and borrowings	15	994,981	1,014,539
Derivative financial instruments	9	6,373,988	5,901,619
Subordinated debt	15	1,481,860	1,434,229
Interbank transactions		9,589	155
Unsettled receipts and payments		9,589	155
Interdependencies transactions		66,270	40,349
Unsettled third party assets		66,270	40,349
Other liabilities		42,243,797	40,898,205
Collection and payments of tax and similar charges		3,832	20,573
Foreign exchange portfolio	11	37,743,798	37,457,455
Social and statutory	16	1,148,211	1,053,000
Tax and social security	16	107,578	135,636
Securities trading and brokerage	11	2,314,153	2,133,681
Sundry	16	926,225	97,860
Non-current liabilities		68,751,027	41,055,898
Deposits and other financial instruments		66,923,640	39,522,285
Deposits	15	2,369,859	2,281,986
Open market funding	15	1,702,870	567,013
Funds from securities issued and accepted	15	17,643,912	16,510,769
Loans and onlending	15	3,670,856	2,875,518
Derivative financial instruments	9	34,970,417	11,574,053
Subordinated debt	15	2,325,728	2,372,191
Debt instrument eligible to equity	15	4,239,998	3,340,755
Provisions		1,273,523	1,221,142
Provision for contingent liabilities	17	1,114,886	1,103,864
Allowance for guarantees		158,637	117,278
Other liabilities		553,864	312,471
Foreign exchange portfolio	11	26,890	87,121
Deferred liabilities	18	1,495	4,048
Sundry	16	525,479	221,302
Deferred income		282,150	137,605
Shareholders' equity	19	25,994,379	21,316,738
Capital stock		10,013,243	7,392,092
Capital Reserve		652,515	652,515
Other comprehensive income		2,356,878	1,068,143
Income reserves		12,129,481	12,369,772
Treasury shares		-	(165,784)
Retained earnings		842,262	-
Total liabilities and shareholders' equity		272,559,838	176,028,934

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

BANCO BTG PACTUAL S.A.

Statements of income

Nine-month period and quarters ended September 30

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

	Note	Quarter ended:		Nine-month period ended:	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
Financial income		3,353,472	3,398,090	10,852,525	8,658,123
Loans		659,170	334,561	1,579,301	890,398
Securities		2,680,235	2,988,028	9,243,622	7,366,363
Derivative financial instruments		-	49,463	-	335,408
Mandatory investments		14,067	26,038	29,602	65,954
Financial expenses		(2,865,862)	(3,333,978)	(13,856,190)	(7,034,938)
Funding operations		(1,536,114)	(1,452,059)	(3,641,496)	(4,625,167)
Derivative financial instruments		(502,399)	-	(2,221,321)	-
Foreign exchange		(257,556)	(677,748)	(4,484,221)	(639,456)
Borrowings		(551,548)	(1,153,216)	(3,377,129)	(1,447,839)
Allowance for loan losses and other receivables	10	(18,245)	(50,955)	(132,023)	(322,476)
Net financial income		487,610	64,112	(3,003,665)	1,623,185
Other operating income / (expenses)		568,391	484,388	2,005,518	1,139,883
Equity pick up in subsidiaries, associates and jointly controlled entities	13	527,981	453,349	1,742,413	1,129,755
Income from services rendered	20	605,467	430,442	1,454,086	1,009,527
Other operating income	21	23,131	19,684	40,998	61,742
Other operating expenses	22	(140,410)	(38,655)	(241,028)	(112,790)
Personnel expenses		(105,628)	(75,192)	(305,014)	(218,656)
Other administrative expenses	23	(266,962)	(239,194)	(698,654)	(519,873)
Tax charges	24	(75,188)	(66,046)	12,717	(209,822)
Provision expenses		4,578	23,469	(45,051)	26,014
Allowance for contingent liabilities		5,680	(17,607)	(11,021)	(41,285)
Guarantees		(1,102)	41,076	(34,030)	67,299
Operating income		1,060,579	571,969	(1,043,198)	2,789,082
Non-operating income	25	163,883	(35)	653,667	39,937
Income / (loss) before taxation and profit sharing		1,224,462	571,934	(389,531)	2,829,019
Income tax and social contribution	18	98,589	188,731	2,395,125	(82,258)
Deferred income tax and social contribution		98,589	188,731	2,395,125	(82,258)
Statutory profit sharing		(293,658)	(139,528)	(612,127)	(454,297)
Net income for the quarter / period		1,029,393	621,137	1,393,467	2,292,464
Net income per share - basic	27	0.38	0.24	0.53	0.87
Net income per share - diluted	27	0.38	0.24	0.53	0.88

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

BANCO BTG PACTUAL S.A.

Statements of comprehensive income

Nine-month period and quarters ended September 30

(In thousands of reais)

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Net income for the quarter / period	1,029,393	621,137	1,393,467	2,292,464
Changes in fair value of assets available for sale	(52,794)	(8,812)	(171,580)	48,367
Deferred taxes on fair value of assets available for sale	26,925	3,771	81,493	(20,709)
Changes in fair value of associates and jointly controlled	(135,180)	(73,581)	(19,160)	(64,738)
Exchange variation of investments	85,872	372,880	1,397,982	345,885
Total comprehensive income for the quarter / period	954,216	915,395	2,682,202	2,601,269

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

BANCO BTG PACTUAL S.A.

Statements of changes in shareholders' equity

Nine-month period ended September 30

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

	Note	Income reserves						Total	Other comprehensive income	Treasury shares	Retained earnings	Total
		Capital	Capital reserve	Special earnings reserve	Legal	Unrealized	Statutory					
Balances as at December 31, 2018		7,392,092	652,515	-	1,245,452	2,672,781	5,457,160	9,375,393	1,499,011	(128,544)	-	18,790,467
Restatements adjustments		-	-	-	-	222,138	-	222,138	(222,138)	-	-	-
Balances as at January 1, 2019		7,392,092	652,515	-	1,245,452	2,894,919	5,457,160	9,597,531	1,276,873	(128,544)	-	18,790,467
Own shares acquired	19	-	-	-	-	-	-	-	-	(10,730)	-	(10,730)
Changes in fair value of associates and jointly controlled	13	-	-	-	-	-	-	-	(64,738)	-	-	(64,738)
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	27,658	-	-	27,658
Exchange variation of investments		-	-	-	-	-	-	-	345,885	-	-	345,885
Intermediate interest on equity (R\$0.23 per share)		-	-	275,000	-	-	(275,000)	-	-	-	-	-
Adjustments by previous years		-	-	-	-	-	9,624	9,624	-	-	-	9,624
Net income for the period		-	-	-	-	-	-	-	-	-	-	-
Net income allocation		-	-	-	-	-	-	-	-	-	2,292,464	2,292,464
Income reserve		-	-	-	83,567	-	-	83,567	-	-	(83,567)	-
Intermediate interest on equity (R\$0.24 per share)	19	-	-	-	-	-	-	-	-	-	(624,000)	(624,000)
Balances as at September 30, 2019 (Restated)		<u>7,392,092</u>	<u>652,515</u>	<u>275,000</u>	<u>1,329,019</u>	<u>2,894,919</u>	<u>5,191,784</u>	<u>9,690,722</u>	<u>1,585,678</u>	<u>(139,274)</u>	<u>1,584,897</u>	<u>20,766,630</u>
Balances as at December 31, 2019 (Restated)		7,392,092	652,515	-	1,433,056	2,222,989	8,713,727	12,369,772	1,068,143	(165,784)	-	21,316,738
Capital increase	19	2,650,500	-	-	-	-	-	-	-	-	-	2,650,500
Offering costs		(29,349)	-	-	-	-	-	-	-	-	-	(29,349)
Own shares acquired	19	-	-	-	-	-	-	-	-	(92,712)	-	(92,712)
Cancelation of treasury shares	19	-	-	-	-	-	(258,496)	(258,496)	-	258,496	-	-
Changes in fair value of assets available for sale		-	-	-	-	-	-	-	(90,087)	-	-	(90,087)
Changes in fair value of associates and jointly controlled		-	-	-	-	-	-	-	(19,160)	-	-	(19,160)
Exchange variation of investments		-	-	-	-	-	-	-	1,397,982	-	-	1,397,982
Intermediate interest on equity (R\$0.10 per share)		-	-	266,500	-	-	(266,500)	-	-	-	-	-
Net income for the period		-	-	-	-	-	-	-	-	-	1,393,467	1,393,467
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	18,205	-	-	18,205	-	-	(18,205)	-
Intermediate interest on equity (R\$0.20 per share)	19	-	-	-	-	-	-	-	-	-	(533,000)	(533,000)
Balances as at September 30, 2020		<u>10,013,243</u>	<u>652,515</u>	<u>266,500</u>	<u>1,451,261</u>	<u>2,222,989</u>	<u>8,188,731</u>	<u>12,129,481</u>	<u>2,356,878</u>	<u>-</u>	<u>842,262</u>	<u>25,994,379</u>

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

BANCO BTG PACTUAL S.A.

Statements of cash flows

Nine-month period ended September 30

(In thousands of reais)

	<u>Note</u>	<u>30/09/2020</u>	<u>30/09/2019</u>
Operating activities			
Net income for the period		1,393,467	2,292,464
Adjustments to net income		<u>(3,009,938)</u>	<u>467,522</u>
Equity pick up in subsidiaries, associates and jointly controlled entities	13	(1,766,259)	(1,170,527)
Interest expense with subordinated debt and debt instrument eligible to equity		934,567	1,088,432
Allowance for loan losses and other receivables	10	132,023	322,476
Guarantees		34,030	67,299
Allowance for contingent liabilities	17	11,021	41,285
Permanent assets exchange variation		(682)	(415)
Reversal of allowances	21	(517)	(26,532)
Goodwill amortization	13	23,846	40,772
Deferred income tax and social contribution	18	(2,395,125)	82,258
Depreciation and amortization	23	17,158	22,474
Adjusted (loss) / net income for the period		<u>(1,616,471)</u>	<u>2,759,986</u>
Operational activities			
Short-term interbank investments		(7,886,521)	9,310,897
Securities and derivative financial instruments		(11,995,534)	(13,204,432)
Loans		(15,242,242)	(4,161,819)
Other receivables and other assets		(803,880)	(23,564,005)
Interbank transactions		(2,647,830)	393,301
Interdependencies transactions		25,921	140,598
Other liabilities		1,597,386	22,853,154
Deferred income		144,545	33,108
Deposits		26,420,170	1,320,060
Open market funding		20,738,054	(3,266,098)
Loans and borrowings		775,780	(986,376)
Cash provided by / (used in) operating activities		<u>9,509,378</u>	<u>(8,371,626)</u>
Investing activities			
(Acquisition) / sale of investments and capital increase	13	(452,266)	548,285
(Acquisition) / of property and equipment in use		(46,154)	(17,825)
(Acquisition) / sale of intangible assets	14	(46,388)	(28,471)
Dividends and interest on equity received	13	1,043,193	1,022,768
Cash provided by investing activities		<u>498,385</u>	<u>1,524,757</u>
Financing activities			
Acquisition of treasury shares	19	(92,712)	(10,730)
Funds from securities issued and accepted		17,330,848	6,653,931
Subordinated debt and debt instrument eligible to equity		(34,156)	(2,053,450)
Interest on equity	19	(541,000)	(1,228,500)
Offering costs		(29,349)	-
Capital increase	2	2,650,500	-
Cash provided by financing activities		<u>19,284,131</u>	<u>3,361,251</u>
Increase / (decrease) in cash and cash equivalents	6	<u>29,291,894</u>	<u>(3,485,618)</u>
Balance of cash and cash equivalents			
At the beginning of the period		20,404,149	26,006,088
At the end of the period		49,696,043	22,520,470
Increase / (decrease) in cash and cash equivalents		<u>29,291,894</u>	<u>(3,485,618)</u>
Noncash transactions		<u>(90,087)</u>	<u>27,658</u>
Changes in fair value of assets available for sale		(90,087)	27,658
Cancelation of treasury shares	19	258,496	-

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

BANCO BTG PACTUAL S.A.

Statements of value added

Nine-month period ended September 30

(In thousands of reais)

	Note	30/09/2020	30/09/2019
Income		12,715,197	9,682,834
Financial income		10,852,525	8,658,123
Services rendered	20	1,454,086	1,009,527
Other		408,586	15,184
Expenses		(13,856,190)	(7,034,938)
Financial brokerage		(13,724,167)	(6,712,462)
Allowance for loan losses and other receivables	10	(132,023)	(322,476)
Inputs acquired from third parties		(643,592)	(466,946)
Materials, energy and other		(21,045)	6,710
Outsourced services		(622,547)	(473,656)
Gross value added		(1,784,585)	2,180,950
Depreciation and amortization	23	(17,158)	(22,474)
Net value added produced by the entity		(1,801,743)	2,158,476
Value added received through transfer		1,742,413	1,129,755
Equity pick up in subsidiaries, associates and jointly controlled entities	13	1,742,413	1,129,755
Value added to be distributed		(59,330)	3,288,231
Distribution of value added		(59,330)	3,288,231
Personnel		917,141	672,953
Direct compensation		810,884	597,766
Benefits		92,086	65,396
FGTS – government severance pay fund		14,171	9,791
Taxes, fees and contributions		(2,407,842)	292,080
Federal		(2,476,591)	244,988
Municipal		68,749	47,092
Remuneration of third party capital		37,904	30,734
Rent		37,904	30,734
Remuneration of shareholders		1,393,467	2,292,464
Retained earnings		860,467	1,668,464
Interest on equity	19	533,000	624,000

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

1. Operations

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

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

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

Application for Level 2 Adherence:

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

Covid-19 Pandemic | Context, Initiatives and Impacts

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

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

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(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 – in the last two months we have faced almost 2x higher volumes compared to the same period a year ago - keeping our operational platform available and working intensely in cooperation with our market counterparts;

Using technology, we are keeping ourselves close and available to clients in all segments, bringing quality information and specialized advice on a daily basis, to support them in their business needs or in the management of their portfolios;

New units program

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

2. Corporate restructuring and acquisitions

- **Corporate reorganizations**

Public offering

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 corresponds to the Bank's Capital increase.

Novaportfolio Participações S.A.

On December 20, 2019, the Bank held a Board of Directors' meeting, in which approved the Novaportfolio Participações S.A.'s ("Novaportfolio") incorporation. The merger aims to simplify the current BTG Pactual's organizational structure through the consolidation of certain activities, therefore bringing an overall reduction in its financial and operational costs. On April 17, 2020, the Novaportfolio incorporation was approved by BACEN.

Admission of Mr. André Santos Esteves

On December 18, 2019, the Bank BTG Pactual received the Central Bank of Brazil's approval to admission Mr. André Santos Esteves as a member of the company's controlling group, pending only the conclusion of the analysis from the competent regulatory authorities abroad.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

Global Medium Term Notes Issue

On December 4, 2019, the Bank, through its Cayman Island's branch, issued Global Medium Term Notes, in the total amount of US\$500 million at a fixed coupon rate of 4.5% p.a., with maturity date on January 10, 2025, and semi-annually coupon payments.

Equity Linked Note Issue

On September 30, 2019, the Bank issued, through its Cayman Islands branch, an Equity Linked Note to BTG Pactual Holding S.A., current its indirect controlling shareholder, with a 10 year maturity in the amount of CHF599 million, equivalent to approximately 25% of the share capital of the EFG International ("EFG"). The Equity Linked Note refers exclusively to the Bank transferring its EFG economic rights, including proceeds such as dividends. The Bank and the Holding intend to transfer approximately 25% of the common equity of EFG, currently held by the Bank to Holding. After this transaction, the Bank will hold approximately 5% of EFG's common equity. The transaction for the actual transfer of the participation on EFG to the Holding is being analyzed by applicable regulators.

Secondary public offering

On June 4, 2019, BTG Pactual issued a secondary public offering of 55.2 million book-entry, non-par registered share deposit certificates of 1 common share and 2 class A preferred shares issued by the Bank and held by Holding. On June 2019, the Bookbuilding procedure was concluded, with the establishment of a unit price of R\$46.00, resulting in a total restricted offer amount of R\$2,5 billion (including green shoe).

On June 17, 2019, the Holding held operations in Units representing shares issued by the Bank : (i) 34,598,868 common shares issued by the Bank, corresponding to 2% of the Bank's common shares; and (ii) 69,197,736 Bank Class A preferred shares corresponding to 12.43% of the Bank Class A preferred shares and corresponding to 7.64% of the Bank preferred shares. Holding interest represents approximately 3.94% of the total shares issued by the Bank. On the same date, Holding Financeira, carried out transactions in shares issued by the Bank, a position equivalent to: (i) 89.93% of the Bank's common shares: and (ii) 100% of the Bank Class B preferred shares and 38.56% of the preferred shares issued by the Bank. Holding Financeira represents approximately 68.34% of total shares issued by the bank.

Banco Pan S.A.

On March 13, 2019, Caixapar notified the exercise of the right to acquire 50% of the shares subscribed by the Bank on November 2017, so that the total capital stock of the Company will be: (i) 41.7% for CAIXAPAR; (ii) 41.7% for BTG Pactual and (iii) 16.6% for minority shareholders. On September 30, 2020, the Bank has 44,85% of interest in Banco Pan, due to primary and secondary public offering of shares and acquisitions in free float.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

- **Acquisitions and disposals**

EQI Investimentos

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

CredPago Serviços de Cobrança S.A.

During the period ended September 30, 2020, the Group, through fund Seedling FIP, held on to 49% of CredPago Serviços de Cobrança S.A., subject to obtaining the applicable regulatory approval, acquired in two tranches: (i) acquisition of 26.25% on January 31, 2020, in the amount of R\$60 million, and (ii) acquisition of and additional portion of 22.75% on July 27, 2020, in the amount of R\$114 million. This enterprise happened in the normal course of business, complementing the current strategy in the insurance and digital retail business, as disclosed to the market.

Neoport Participações S.A.

On September 30, 2019, the Bank and the Holding signed an equity purchase and sale agreement, in order to transfer the equity stake held by the Bank of Neoport Participações S.A. (“Neoport”), in the approximate amount of R\$73,2 million. Neoport is a holding company that owns a few assets and liabilities such as: (i) the indirect investment held by the Bank on the Engelhart CTP Group S.A., in the context of keeping its trading commodities activity separated from the BTG Pactual operational structure; (ii) certain credit-nature assets; and (iii) the transfer, by the Bank, of a portion in the amount about of R\$874 million of its payment obligations due to Fundo Garantidor de Crédito regarding the Banco Pan S.A. acquisition, in which the bank remain jointly liable debtor in the payment of the acquisition price related to Banco Pan S.A.

BTG Pactual Chile S.A. Compañia de Seguros de Vida

On September 3, 2019, the BTG Pactual Chile SpA. signed an equity purchase and sale agreement with DT Rigel S.A. and Vitacura Dos S.A. in order to sell your equity stake on BTG Pactual Chile S.A. Compañia de Seguros de Vida in the amount of UF1,8 million. On January 17, 2020, the sale of BTG Pactual Chile SpA was approved.

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 foreshes the Bank's option to purchase the remainder of Ourinvest shares until 2021, 10% in December 2020 and 10% in December 2021. On March 31, 2020, Bacen approved the acquisition.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

3. Presentation of the standalone financial statements

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

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

The standalone financial statements were approved by Bank's Management on November 9, 2020, and they contain a true and fair view of the development and results of the Bank. Management evaluated the Bank and its subsidiaries' capacity to continue operating as usual and has concluded that the Bank and its subsidiaries have funds to continue their operations in the future. Additionally, Management is not aware of any material uncertainty that may create significant doubts on its ability to continue operating. Therefore, the standalone financial statements were prepared based on this principle.

Functional currency

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

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

Restatement

During the period ended September 30, 2020, the Bank made adjustments on its comparative financial, due to the rectifying of numbers regarding exchange variation of foreign investments and Investments in subsidiaries. Such adjustments were applied retrospectively, reflecting upon the numbers on the Balance Sheet and the Statement of changes in shareholders' equity, as shown below:

	01/01/2019	Adjustments	01/01/2019
Shareholders' equity	18,790,467	-	18,790,467
Capital stock	7,392,092	-	7,392,092
Capital reserve	652,515	-	652,515
Other comprehensive income	1,499,011	(222,138)	1,276,873
Income reserves	9,375,398	222,138	9,597,531
Trasury shares	(128,544)	-	(128,544)
Total liabilities and shareholders' equity	160,744,461	-	160,744,461

	31/12/2019 Original	Adjustments	31/12/2019 Restated
Assets			
Permanent assets	14,305,543	(15,432)	14,290,111
Investments	14,196,953	(15,432)	14,181,521
Investments in subsidiaries, associates and jointly controlled entities - in Brazil	12,400,171	(15,432)	12,384,739
Investments in subsidiaries, associates and jointly controlled entities - abroad	1,795,417	-	1,795,417
Others investments	4,232	-	4,232
Allowance for losses in investments	(2,867)	-	(2,867)
Property and equipment in use and Intangible assets	108,590	-	108,590
Total assets	176,044,366	(15,432)	176,028,934
Shareholders' equity	21,332,170	(15,432)	21,316,738
Capital stock	7,392,092	-	7,392,092
Capital reserve	652,515	-	652,515
Other comprehensive income	1,481,250	(413,107)	1,068,143
Income reserves	11,972,097	397,675	12,369,772
Trasury shares	(165,784)	-	(165,784)
Total liabilities and shareholders' equity	176,044,366	(15,432)	176,028,934

- Exchange variation adjustments of foreign investments' liquidation

The Bank identified adjustments as a result of the exchange variation on its foreign investments, previously listed as changes in fair value, which - due to its liquidation - were recycled and recognized in Income Reserves with an increase in the amount of R\$413,107, of which, R\$222,138 referring to the 2018 financial year.

- Equity pickup adjustments of subsidiaries

Deferred tax obligations were identified in subsidiaries, therefore resulting in a reduction of our investment and Income Reserves in the amount of R\$15,432.

4. Significant accounting practices

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

a. Cash and cash equivalents

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

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

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

c. Securities

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

i. Trading securities

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

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

ii. Available for sale securities

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

iii. Held to maturity securities

These are securities that the Bank has intention and ability to hold to maturity. They are stated at cost, plus income earned, with a corresponding entry to the statements of income. Decreases in the fair value of available for sale and held to maturity securities below their respective restated costs, related to non-temporary reasons, will be recorded in statements of income as realized losses.

d. Determining fair value

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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

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

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

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

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

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

e. Derivative financial instruments

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

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

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

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

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

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

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

g. Financial instruments – net presentation

Financial assets and liabilities are presented as net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the amounts recorded and if there is an intention to simultaneously realize the asset and settle the liability.

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

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

i. Loans and other receivables (transactions with loan characteristics)

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

j. Allowance for loan losses

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

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

k. Investments

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

l. Foreign currency translation

See note 3.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

m. Goodwill or negative goodwill

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

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

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

n. Property and equipment in use

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

o. Intangible assets

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

p. Impairment

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

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

q. 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.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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.

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

Recognized according to the criteria described below:

i. Contingent assets

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

ii. Contingent liabilities

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

iii. Legal obligation – tax and social security

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

s. Earnings per share

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

t. Revenue recognition

Revenues and expenses are recorded on the accrual basis.

5. Risk management

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

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

The Bank monitors and controls risk exposure through several and different supplemental internal systems, including credit, financial, operational, compliance, tax and legal systems. The Bank believes that the involvement of the Committees/areas (including their subcommittees) with management and continuous risk control promotes a strict risk control culture in the organization 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.

a. Operating limits

	<u>30/09/2020</u>	<u>31/12/2019</u>
Reference Shareholders' Equity	25,994,379	21,332,170
Tier I	21,905,700	17,819,468
Common Equity	21,529,285	17,431,374
Complementary equity	376,415	388,094
Tier II	4,729,898	4,047,788
Reference Shareholders' Equity (PR) - (a)	<u>26,635,598</u>	<u>21,867,256</u>
Required Reference Shareholders' Equity (PRE)	12,199,429	11,707,521
Total exposure risk-weighted - (b)	152,492,869	146,344,007
Credit risk	110,386,603	70,166,108
Operational risk	7,025,255	5,938,507
Market risk	35,081,011	70,239,392
Basel ratio - (a/b)	17.5%	14.9%
Tier I capital	14.4%	12.1%
Tier II capital	3.1%	2.8%
Fixed assets ratio	68.0%	86.0%
Fixed assets to equity capital ratio	13,277,025	10,926,576
Status for fixed assets to equity capital ratio	9,011,262	9,397,233
Amount of margin or insufficient	4,265,763	1,529,343

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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

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

As at the period ended september 30, 2020 and year ended December 31, 2019, the Bank was in compliance with all operating limits.

b. Market risk

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

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

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

In millions of R\$	September 2020	December 2019	September 2019
Daily average VaR	157.4	135.7	147.6

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

c. Credit risk

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

d. Liquidity risk

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

e. Operating risk

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

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

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

f. Socio-environmental Risk (ESG)

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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

6. Cash and cash equivalents

	<u>31/12/2019</u>	<u>31/12/2018</u>
Balances as at beginning of period		
Cash at banks	640,048	354,764
Open market investments	18,508,555	23,479,214
Interbank deposits	1,255,546	2,172,110
Total	<u>20,404,149</u>	<u>26,006,088</u>
	<u>30/09/2020</u>	<u>30/09/2019</u>
Balances as at end of period		
Cash at banks	607,179	403,048
Open market investments	47,141,633	20,959,213
Interbank deposits	1,947,231	1,158,209
Total	<u>49,696,043</u>	<u>22,520,470</u>

7. Interbank investments

	<u>30/09/2020</u>					<u>31/12/2019</u>
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	<u>18,434,483</u>	<u>8,207,121</u>	<u>8,099,768</u>	<u>436,811</u>	<u>1,690,783</u>	<u>10,891,370</u>
Own portfolio	<u>6,061,858</u>	<u>2,805,039</u>	<u>3,139,384</u>	<u>-</u>	<u>117,435</u>	<u>799,265</u>
Federal government bonds	6,057,370	2,800,551	3,139,384	-	117,435	649,051
Corporate bonds	4,488	4,488	-	-	-	103,943
Foreign government bonds	-	-	-	-	-	46,271
Third-party portfolio	<u>3,068,019</u>	<u>1,009,610</u>	<u>1,500,503</u>	<u>430,910</u>	<u>126,996</u>	<u>5,885,153</u>
Federal government bonds	3,062,372	1,003,963	1,500,503	430,910	126,996	5,869,007
Corporate bonds	5,647	5,647	-	-	-	16,146
Short position	<u>9,304,606</u>	<u>4,392,472</u>	<u>3,459,881</u>	<u>5,901</u>	<u>1,446,352</u>	<u>4,206,952</u>
Federal government bonds	9,304,606	4,392,472	3,459,881	5,901	1,446,352	4,206,952
Interbank investments	<u>384,925</u>	<u>2,646</u>	<u>251,775</u>	<u>50,875</u>	<u>79,629</u>	<u>41,518</u>
Interbank deposit certificates	384,925	2,646	251,775	50,875	79,629	41,518
Total	<u>18,819,408</u>	<u>8,209,767</u>	<u>8,351,543</u>	<u>487,686</u>	<u>1,770,412</u>	<u>10,932,888</u>

As at September 30, 2020 the collateral received in repurchase agreements amounts to R\$18,462,624 (December 31, 2019- R\$31,071,010), whereas the collateral granted amounts to R\$59,603,728 (December 31, 2019 – R\$37,012,573).

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

8. Securities

a. Summary by type of portfolio

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

	30/09/2020							31/12/2019
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	41,509,061	44,888,544	23,609,710	9,872,095	4,013,855	2,167,385	5,225,499	34,712,328
Federal government bonds	11,860,024	11,713,421	10,960	8,805,531	2,594,096	84,220	218,614	10,103,415
Debentures	3,424,317	3,346,169	2,050	587,403	633,617	1,557,682	565,417	2,329,344
Certificate of real estate receivables	74,053	73,575	-	6,443	52,911	2,569	11,652	29,163
Investment fund quotes								
Multimarket	19,482,085	19,499,190	19,281,440	-	-	-	217,750	13,977,640
Shares	118,537	145,140	120,571	-	-	-	24,569	327,838
FIDC - Credit rights	1,888,924	2,253,611	420,102	100,000	2,094	-	1,731,415	1,873,057
Equity investment fund	1,124,840	2,270,700	-	-	27,160	-	2,243,540	876,971
Real estate	39,184	12,181	2,507	-	-	-	9,674	162,736
Shares	1,551,828	3,613,216	3,472,030	-	141,186	-	-	3,778,535
Agribusiness receivables certificates	1,014,199	1,011,532	906	66,251	417,477	463,519	63,379	172,749
Promissory notes	135,356	134,790	-	82,389	52,401	-	-	506,841
Letter of credit	249,190	248,413	-	188,089	60,324	-	-	-
Others	12,714	12,281	430	892	10,361	431	167	208,782
Foreign private securities	529,363	546,507	291,945	35,097	22,228	58,964	138,273	307,192
Foreign government bonds	4,447	7,818	6,769	-	-	-	1,049	58,065
Unrestricted portfolio	29,697	29,248	-	11,826	4,319	-	13,103	442,381
Federal government bonds	29,697	29,248	-	11,826	4,319	-	13,103	442,381
Subject to repurchase agreements	3,081,711	2,919,029	-	1,846,054	445,890	46,657	580,428	7,821,946
Federal government bonds	1,798,041	1,771,688	-	1,735,270	3,194	33,224	-	6,377,186
Debentures	893,627	758,909	-	110,784	242,875	214	405,036	1,408,375
Certificate of real estate receivables	38,263	38,263	-	-	38,263	-	-	-
Agribusiness receivables certificates	193,628	191,954	-	-	3,343	13,219	175,392	21,949
Letter of credit	158,152	158,215	-	-	158,215	-	-	-
Foreign private securities	-	-	-	-	-	-	-	14,436
Subject to guarantees	13,005,381	12,903,068	35,240	426,142	4,861,969	4,201,165	3,378,552	2,170,468
Federal government bonds	2,061,770	2,002,882	-	346,089	1,613,652	43,141	-	1,760,217
Investment fund quotes								
Multimarket	30,322	34,812	34,812	-	-	-	-	34,192
Certificate of real estate receivables	353,033	296,944	-	-	-	-	296,944	330,714
Debentures	10,559,798	10,568,002	-	80,053	3,248,317	4,158,024	3,081,608	-
Shares	458	428	428	-	-	-	-	45,345
Trading securities	52,468,094	55,573,418	23,610,138	11,305,959	7,340,176	5,054,400	8,262,745	44,301,552
Available for sale securities	5,157,756	5,166,471	34,812	850,158	1,985,857	1,360,807	934,837	845,571
Total	57,625,850	60,739,889	23,644,950	12,156,117	9,326,033	6,415,207	9,197,582	45,147,123

(i) Substantially securities issued by Brazilian companies.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

b. Trading securities

	30/09/2020							31/12/2019
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	39,344,374	42,546,031	23,609,710	9,202,702	3,175,869	1,803,694	4,754,056	34,267,430
Federal government bonds	11,860,024	11,713,421	10,960	8,805,531	2,594,096	84,220	218,614	10,103,415
Debentures	2,107,957	2,106,497	2,050	2,279	312,579	1,244,462	545,127	2,329,344
Certificate of real estate receivables	71,055	71,391	-	4,563	52,607	2,569	11,652	29,163
Investment fund quotes								
Multimarket	19,482,085	19,499,190	19,281,440	-	-	-	217,750	13,977,640
Shares	118,537	145,140	120,571	-	-	-	24,569	327,838
FIDC - Credit rights	1,888,924	2,253,611	420,102	100,000	2,094	-	1,731,415	1,873,057
Equity investment fund	956,109	1,843,367	-	-	27,160	-	1,816,207	708,316
Real estate	39,184	12,181	2,507	-	-	-	9,674	162,736
Shares	1,442,313	3,503,701	3,472,030	-	31,671	-	-	3,711,075
Agribusiness receivables certificates	557,542	557,005	906	66,251	13,421	413,048	63,379	172,749
Promissory notes	51,823	52,401	-	-	52,401	-	-	506,841
Letter of credit	246,117	245,340	-	188,089	57,251	-	-	-
Others	12,714	12,281	430	892	10,361	431	167	208,523
Foreign private securities	505,543	522,687	291,945	35,097	22,228	58,964	114,453	98,668
Foreign government bonds	4,447	7,818	6,769	-	-	-	1,049	58,065
Unrestricted portfolio	29,697	29,248	-	11,826	4,319	-	13,103	442,381
Federal government bonds	29,697	29,248	-	11,826	4,319	-	13,103	442,381
Subject to repurchase agreements	2,561,773	2,535,858	-	1,745,342	208,897	46,657	534,962	7,786,179
Federal government bonds	1,798,041	1,771,688	-	1,735,270	3,194	33,224	-	6,377,186
Debentures	502,807	504,856	-	10,072	135,000	214	359,570	1,372,608
Certificate of real estate receivables	38,263	38,263	-	-	38,263	-	-	-
Letter of credit	193,628	191,954	-	-	3,343	13,219	175,392	21,949
Foreign private securities	29,034	29,097	-	-	29,097	-	-	-
Subject to guarantees	-	-	-	-	-	-	-	14,436
Federal government bonds	10,532,250	10,462,281	428	346,089	3,951,091	3,204,049	2,960,624	1,805,562
Debentures	2,061,770	2,002,882	-	346,089	1,613,652	43,141	-	1,760,217
Shares	8,470,022	8,458,971	-	-	2,337,439	3,160,908	2,960,624	-
Others	458	428	428	-	-	-	-	45,345
Total	52,468,094	55,573,418	23,610,138	11,305,959	7,340,176	5,054,400	8,262,745	44,301,552

c. Available-for-sale securities

	30/09/2020							31/12/2019
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	2,164,687	2,342,513	-	669,393	837,986	363,691	471,443	444,898
Certificate of real estate receivables	2,998	2,184	-	1,880	304	-	-	-
Foreign private securities	23,820	23,820	-	-	-	-	23,820	208,524
Other	-	-	-	-	-	-	-	259
Investment fund quotes								
Equity investment fund	168,731	427,333	-	-	-	-	427,333	168,655
Debentures (*)	1,316,360	1,239,672	-	585,124	321,038	313,220	20,290	-
Agribusiness receivables certificates	456,657	454,527	-	-	404,056	50,471	-	-
Promissory notes	83,533	82,389	-	82,389	-	-	-	-
Letter of credit	3,073	3,073	-	-	3,073	-	-	-
Shares	109,515	109,515	-	-	109,515	-	-	67,460
Subject to repurchase agreements	519,938	383,171	-	100,712	236,993	-	45,466	35,767
Debentures (*)	390,820	254,053	-	100,712	107,875	-	45,466	35,767
Letter of credit	129,118	129,118	-	-	129,118	-	-	-
Subject to guarantees	2,473,131	2,440,787	34,812	80,053	910,878	997,116	417,928	364,906
Investment fund quotes								
Multimarket	30,322	34,812	34,812	-	-	-	-	34,192
Debentures (*)	2,089,776	2,109,031	-	80,053	910,878	997,116	120,984	-
Certificate of real estate receivables	353,033	296,944	-	-	-	-	296,944	330,714
Total	5,157,756	5,166,471	34,812	850,158	1,985,857	1,360,807	934,837	845,571

(*) On September 30, 2020, debentures were reclassified to the item of available-for-sale securities, which had previously been classified as securities for trading. The reclassification occurred due to the feature of the transactions and the liquidity of the assets.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

d. Reclassification of securities

In order to reflect the current strategy, in the first quarter of 2020, the Bank changed the classification of securities from Available for Sale Securities to Trading Securities in the amount of R\$167,963 and net income in the amount of R\$49,810, net of tax effects. No reclassifications or changes in intention occurred during the year ended on ended December 31, 2019.

9. Derivative financial instruments

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

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

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

a. Recognized in memorandum and balance sheet accounts

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

	30/09/2020			31/12/2019	
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	11,404,050	21,464,320	2,777,525	35,645,895	169,793,212
Currency	239,637	-	92,338	331,975	78,834
Interest rate	11,131,308	21,464,320	2,002,594	34,598,222	168,668,913
Index	33,105	-	682,593	715,698	1,045,465
Short position	9,650,488	4,627,921	7,905,043	22,183,452	28,711,866
Currency	3,411,582	-	-	3,411,582	13,589,580
Interest rate	6,238,906	4,617,713	7,882,784	18,739,403	14,020,098
Index	-	10,208	22,259	32,467	1,102,188
Swap					

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

	30/09/2020				31/12/2019
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Long position	28,500,710	6,775,621	434,627,948	469,904,279	276,290,616
Currency	12,440,717	1,372,450	206,907,389	220,720,556	404,172
Interest rate	15,070,528	5,002,219	227,328,378	247,401,125	274,990,321
Commodities	36,598	2,796	2,470	41,864	25,203
Index	62,683	30,000	207,861	300,544	308,822
Equities	609,115	315,965	181,850	1,106,930	309,409
Other	281,069	52,191	-	333,260	252,689
Short position	28,500,710	6,775,621	434,627,948	469,904,279	276,290,616
Currency	12,812,108	11,989	185,155,775	197,979,872	1,326,027
Interest rate	14,014,391	6,109,303	247,454,947	267,578,641	269,794,363
Index	112,057	-	983,134	1,095,191	3,557,906
Commodities	580,592	2,796	2,470	585,858	19,191
Equities	878,188	634,145	681,489	2,193,822	1,126,779
Other	103,374	17,388	350,133	470,895	466,350
Credit derivatives					
Long position	20,024	-	249,747	269,771	403,837
Sovereign	20,024	-	15,004	35,028	25,031
Corporate	-	-	234,743	234,743	378,806
Short position	20,024	-	559,985	580,009	176,202
Sovereign	20,024	-	15,004	35,028	-
Corporate	-	-	544,981	544,981	176,202
Non-deliverable forward - NDF					
Long position	58,299,320	7,357,204	5,582,735	71,239,259	94,668,855
Currency	55,857,895	6,160,674	2,375,150	64,393,719	89,331,282
Commodities	2,441,425	1,196,530	3,207,585	6,845,540	5,337,573
Short position	58,299,320	7,357,204	5,582,735	71,239,259	94,668,855
Currency	55,857,895	6,160,674	2,375,150	64,393,719	89,331,282
Commodities	2,441,425	1,196,530	3,207,585	6,845,540	5,337,573
Security forwards					
Long position	4,077,729	-	-	4,077,729	319,533
Interest rate	2,823,804	-	-	2,823,804	271,754
Government bonds	1,253,925	-	-	1,253,925	47,779
Short position	4,077,729	-	-	4,077,729	319,533
Interest rate	1,253,925	-	-	1,253,925	47,779
Government bonds	2,823,804	-	-	2,823,804	271,754
Options					
Long position					
Call option	9,693,382	928,949	679,378	11,301,709	62,992,747
Equities	51,469	98,494	171,377	321,340	310,686
Commodities	139,419	4,478	765	144,662	15,544,354
Index	314	-	-	314	2,088,948
Currency	9,502,180	825,977	507,236	10,835,393	45,048,759
Put option	75,037,831	59,747,332	55,449	134,840,612	148,581,157
Equities	5,786,974	-	-	5,786,974	5,284,796
Commodities	17,126,575	-	-	17,126,575	407,101
Index	46,225,160	57,970,000	-	104,195,160	56,086,097
Currency	5,899,122	1,777,332	55,449	7,731,903	86,803,163
Short position					
Call option	8,150,993	110,656	52,746	8,314,395	97,630,790
Equities	51,264	-	-	51,264	227,131
Commodities	129,364	15,150	525	145,039	15,632,834
Currency	7,970,365	95,506	52,221	8,118,092	81,770,825
Put option	68,829,284	58,671,495	75,395	127,576,174	101,107,289
Equities	163,530	2,428	-	165,958	325,700
Commodities	17,148,292	-	-	17,148,292	388,963
Index	5,253,270	699,067	75,395	6,027,732	56,145,502
Currency	46,264,192	57,970,000	-	104,234,192	44,247,124

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

b. By cost and market value

	30/09/2020					31/12/2019
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Swaps						
Long position	1,383,940	24,070,702	312,176	143,502	23,615,024	3,833,833
Short position	2,715,706	35,192,180	260,459	160,037	34,771,684	5,626,646
Credit derivatives						
Long position	-	13,465	26	-	13,439	19,757
Short position	19,002	13,698	3,278	-	10,420	4,620
Non-deliverable forward - NDF						
Long position	2,902,889	2,857,408	1,879,422	428,688	549,298	3,336,445
Short position	1,623,218	1,622,774	1,282,667	181,502	158,605	3,434,873
Forward transaction						
Long position	4,077,633	4,077,785	4,077,785	-	-	159,950
Short position	4,077,516	4,077,471	4,077,471	-	-	159,834
Options market						
Long position	1,300,993	1,336,359	850,459	252,711	233,189	4,875,386
Short position	499,554	438,282	389,777	18,797	29,708	8,249,699
Long position	9,665,455	32,355,719	7,119,868	824,901	24,410,950	12,225,371
Short position	8,934,996	41,344,405	6,013,652	360,336	34,970,417	17,475,672

c. Notional value by counterparty

	30/09/2020					31/12/2019
	Clearing houses / stock exchange	Financial Institutions (i)	Companies	Individuals	Total	Total
Futures market						
Long position	35,461,481	184,414	-	-	35,645,895	169,793,212
Short position	22,154,198	29,254	-	-	22,183,452	28,711,866
Swap						
Long position	14,976,373	450,642,955	3,973,493	311,458	469,904,279	276,290,616
Short position	14,976,373	450,642,955	3,973,493	311,458	469,904,279	276,290,616
Credit derivatives						
Long position	-	269,771	-	-	269,771	403,837
Short position	-	580,009	-	-	580,009	176,202
Non-deliverable forward - NDF						
Long position	-	51,521,548	19,603,355	114,356	71,239,259	94,668,855
Short position	-	51,521,548	19,603,355	114,356	71,239,259	94,668,855
Forward transactions						
Long position	-	4,077,492	-	237	4,077,729	319,533
Short position	-	4,077,492	-	237	4,077,729	319,533
Options market						
Long position	-	145,781,300	96,640	264,381	146,142,321	211,573,904
Short position	-	135,667,309	116,888	106,372	135,890,569	198,738,079
Long position	50,437,854	652,477,480	23,673,488	690,432	727,279,254	753,049,957
Short position	37,130,571	642,518,567	23,693,736	532,423	703,875,297	598,905,151

(i) Includes investments funds.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

d. Credit derivatives

	<u>30/09/2020</u>	<u>31/12/2019</u>
Credit swap		
Transferred risk		
Sovereign	35,029	25,031
Corporate	234,743	378,805
Risk received		
Sovereign	(35,029)	-
Corporate	(544,981)	(176,202)
	<u>(310,238)</u>	<u>227,634</u>

During the period ended September 30, 2020 and year ended December 31, 2019, there was no credit events related to triggering facts provided for in agreements.

According to CMN's resolutions, the effect on the calculation of the required reference shareholders' equity (PRE) as at September 30, 2020 is R\$44,168 (December 31, 2019 – R\$39,040).

e. Guarantee margin

Guarantee margin in transactions traded on B3 S.A. and other stock exchanges with derivatives comprises federal government bonds and others, totaling R\$333,620 (December 31, 2019 – R\$1,023,015), and equities in the amount of R\$226 (December 31, 2019 – R\$45.345).

f. Fair value of financial instruments

The fair values of financial instruments are calculated as follows:

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

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

10.Loans

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

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

Loans and other operations with loan characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	30/09/2020		31/12/2019	
	Balance	Allowance	Balance	Allowance
Loans	29,776,157	(1,412,347)	15,726,076	(956,819)
Financing	3,381,090	(105,792)	4,774,515	(78,318)
FINAME/BNDES	3,796,012	(28,797)	2,871,239	(13,694)
Other receivables with loans characteristics and transferred loan (ii)	48,564	(13,833)	52,562	(13,834)
Advances in foreign exchange contracts (ii)	2,001,411	(9,803)	1,205,230	(13,398)
Transferred loans with co-obligations (i)	2,778	-	2,224	-
Total	<u>39,006,012</u>	<u>(1,570,572)</u>	<u>24,631,846</u>	<u>(1,076,063)</u>

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

(ii) On september 30, 2020, the amounts once classified as foreign exchange contracts advancements and other receivables - with loans characteristics were reclassified to "loans" group.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

ii. By risk level and maturity

Risk level	30/09/2020				31/12/2019			
	Overdue	Maturity			Total	Allowance	Total	Allowance
		Up to 6 months	6 to 12 months	Over 12 months				
AA	19,755	6,117,610	2,336,423	8,769,442	17,243,230	-	9,795,721	-
A	13,096	2,212,928	1,269,745	6,076,148	9,571,917	(47,554)	7,487,477	(38,805)
B	7,656	988,328	1,567,879	5,821,179	8,385,042	(83,786)	4,087,925	(40,831)
C	1,799	147,503	110,332	366,333	625,967	(39,111)	1,112,726	(34,517)
D	5,064	460,116	12,116	903,970	1,381,266	(193,632)	710,360	(160,083)
E	63,504	8,440	35,412	358,616	465,972	(163,974)	393,790	(140,825)
F	-	61	117,911	148,731	266,703	(146,865)	882,604	(514,725)
G	3,475	41	-	724,263	727,779	(557,514)	66,213	(51,247)
H	149,172	5,814	13,808	169,342	338,136	(338,136)	95,030	(95,030)
Total	263,521	9,940,841	5,463,626	23,338,024	39,006,012	(1,570,572)	24,631,846	(1,076,063)

iii. By activity sector

Sector	30/09/2020	31/12/2019
Commerce	83,194	101,821
Industry	12,138,433	4,921,784
Services	25,042,449	17,618,639
Rural	389,691	1,747,237
Individuals	1,352,245	242,365
Total	39,006,012	24,631,846

b. Credit concentration

	30/09/2020	%	31/12/2019	%
Largest debtors				
10 largest debtors	12,287,148	31%	10,637,555	43%
20 following largest debtors	7,817,254	20%	5,001,292	20%
50 following largest debtors	7,644,578	20%	3,618,375	15%
100 following largest debtors	6,020,982	15%	3,277,527	13%
200 following largest debtors	3,813,941	10%	1,853,526	8%
500 following largest debtors	1,399,212	4%	243,571	1%
Above 500 following largest debtors	22,897	0%	-	0%
Total	39,006,012	100%	24,631,846	100%

c. Allowance for expected losses associated with credit risk

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

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Opening balance for the quarter / period	(1,522,366)	(995,703)	(1,076,063)	(599,260)
Reversal/(recording) of allowance	(18,245)	(50,955)	(132,023)	(322,476)
Portfolio transfer (i)	-	(18,027)	(316,551)	(94,093)
Other	(29,961)	43,392	(45,935)	(5,464)
Closing balances for the quarter/ period	(1,570,572)	(1,021,293)	(1,570,572)	(1,021,293)
Breakdown of closing balances				
Allowance for loan losses	(1,570,572)	(1,021,293)	(1,570,572)	(1,021,293)

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

d. Renegotiation/recovery of credits written off to loss

As at September 30, 2020, the amount of R\$2,336,077 were due to credit renegotiation (December 31, 2019 – R\$1,015,342). Also in the period ended September 30, 2020 there were R\$13,151 written off loans recovered (December 31, 2019 – R\$29,122).

11. Other receivables/obligations

a. Foreign exchange portfolio

	30/09/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange contracts	12,121,336	24,487,979	12,685,285	23,729,236
Rights on foreign exchange sales	25,282,953	-	25,193,993	-
(-) Advances in local currency received	(1,113)	-	(1,655)	-
Liability for foreign exchange purchase	(246)	13,282,709	-	13,815,340
Total	<u>37,402,930</u>	<u>37,770,688</u>	<u>37,877,623</u>	<u>37,544,576</u>
Current	37,375,993	37,743,798	37,791,139	37,457,455
Non-current	26,937	26,890	86,484	87,121

Guarantees for foreign exchange transactions carried out through B3 S.A., are represented by federal government bonds in the amount of R\$1,480,256 (December 31, 2019 - R\$1,102,108).

b. Securities trading and brokerage

	30/09/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	334,816	83,347	261,767	181,108
Commissions and brokerage payable	-	55,256	-	22,117
Pending settlement	4,284,455	1,356,431	2,506,156	982,025
Unsettled third-party interbank investments	-	84,533	-	18,631
Creditors for stock loans	-	319,277	-	18,585
Securities trading and brokerage	53,534	415,309	102,449	911,215
Total	<u>4,672,805</u>	<u>2,314,153</u>	<u>2,870,372</u>	<u>2,133,681</u>
Current	4,672,731	2,314,153	2,870,372	2,133,681
Non-current	74	-	-	-

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

12. Other receivables

a. Income receivable

	<u>30/09/2020</u>	<u>31/12/2019</u>
Dividends and profit sharing	887,512	519,956
Receivables from services rendered	19,982	34,961
Rights on energy sales	118,947	198,669
Management and performance fees from investment funds and portfolios	15,053	12,073
Distribution fees	6,759	7,085
Commissions on guarantees	57,348	20,594
Total	<u>1,105,601</u>	<u>793,338</u>
Current	1,015,300	783,755
Non-current	90,301	9,583

b. Sundry

	<u>30/09/2020</u>	<u>31/12/2019</u>
Sundry - Brazil	142,443	67,791
Amounts receivable from arbitration proceedings(i)	132,131	-
Judicial deposits	1,101,729	1,095,859
Taxes to offset	181,027	203,273
Securities and credits receivable		
Without loan characteristics	470,773	692,500
Other	71,435	11,019
Total	<u>2,099,538</u>	<u>2,070,442</u>
Current	344,812	638,980
Non-current	1,754,726	1,431,462

(i) See note 17a.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

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

	Subsidiaries, associates and jointly controlled entities					
	Shareholders Equity		Net income (loss)		Equity interest	
	30/09/2020	31/12/2019	30/09/2020	30/09/2019	30/09/2020	31/12/2019
In Brazil						
BTG Pactual Asset Management S.A. DTVM	257,947	318,893	77,947	61,964	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	496,572	401,804	144,768	76,846	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	79,882	87,809	41,408	22,605	99.99%	99.99%
BTG Pactual Holding Participações S.A.	13,536	11,059	773	469	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	9,412,959	7,802,725	1,250,961	707,154	99.99%	99.99%
BW Properties S.A.	478,927	460,354	18,766	1,003	42.72%	42.72%
BTG Pactual Holding de Seguros Ltda.	712,958	717,603	56,947	48,536	99.99%	99.99%
Pan Corretora S.A.	34,832	55,432	25,431	33,735	51.00%	51.00%
Banco Sistema S.A.	731,242	1,038,249	52,708	50,715	99.91%	99.91%
BTGP Corretora de Seguros S.A.	21,260	4,373	16,887	9,967	99.99%	99.99%
BTG Pactual Corretora de Resseguros Ltda	20,494	5,738	14,756	14,217	99.99%	99.99%
Jointly-controlled entities - In Brazil						
Banco Pan S.A. (ii)	5,221,418	4,926,168	484,828	348,366	44.85%	39.50%
Abroad						
BTG Pactual Internacional Holding Ltd.	12,302	8,909	(370)	1,492	99.99%	99.99%
BSI Limited (i)	2,010,703	1,469,002	(103,502)	(117,043)	100.00%	100.00%

(i) Refers to investment vehicle used by the Bank, to invest in EFG. The equity accounting result related to the investment in EFG recognized during the period ended September 30, 2020 comprises the income generated by the investee for the first half of 2020, as a result of the late disclosure of its financial information.

(ii) Banco PAN has a tax credit balance of R\$3,6 billion, substantially recognized based on a study of the current and future scenario approved by its Management.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

	Changes in investments							30/09/2020	Equity pick up in 30/09/2019
	30/09/2019	Aquisition / Increase / Transfer / (Sales)	Dividends paid	Equity pick up	Changes in accounting practices of associates	Foreign exchange	Fair value adjustments		
Subsidiaries and associates - In Brazil									
BTG Pactual Asset Management S.A. DTVM	318,891	-	(138,893)	77,947	-	-	-	257,945	61,964
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	401,805	-	(50,000)	144,768	-	-	-	496,573	76,846
BTG Pactual Serviços Financeiros S.A. DTVM	87,810	-	(49,335)	41,408	-	-	-	79,883	22,605
BTG Pactual Holding Participações S.A.	11,058	-	-	773	-	-	-	13,535	469
BTG Pactual Holding Internacional S.A.	7,802,724	-	(280,000)	1,250,961	-	1,813	(109)	9,412,958	707,154
BW Properties S.A.	196,668	-	(83)	8,017	-	585,443	53,830	204,602	428
Goodwill - BW Properties S.A.	2,322	-	-	-	-	-	-	2,322	-
Warehouse 1 Empreendimentos Imobiliários S.A.	-	-	-	-	-	-	-	-	321
BTG Pactual Holding de Seguros Ltda.	717,602	-	(56,711)	56,947	-	-	(4,881)	712,957	39,207
BTGP Corretora de Seguros S.A.	4,372	-	-	16,887	-	-	-	21,259	9,966
Pan Corretora S.A.	28,270	-	(23,476)	12,970	-	-	-	17,764	17,205
Banco Sistema S.A.	1,037,572	-	(359,667)	52,659	-	-	-	730,564	50,668
BTG Pactual Corretora de Resseguros Ltda	5,738	-	-	14,756	-	-	-	20,494	14,217
Other	54,093	11	-	(8,788)	15	-	-	45,331	3,183
	10,668,925	11	(958,165)	1,669,305	15	587,256	48,840	12,016,187	1,004,233
Jointly-controlled entities - In Brazil									
Banco Pan S.A. (i)	1,855,329	370,473	(85,028)	200,826	-	-	353	2,341,953	267,611
Negative goodwill - Pan S.A.	(139,515)	81,782	-	-	-	-	-	(57,733)	-
	1,715,814	452,255	(85,028)	200,826	-	-	353	2,284,220	267,611
Total	12,384,739	452,266	(1,043,193)	1,870,131	15	587,256	49,193	14,300,407	1,271,844
Abroad									
Pactual Overseas Corporation (ii)	-	-	-	-	-	-	-	-	216
BTG Pactual Internacional Holding Ltd. (ii)	8,910	-	-	(370)	-	3,762	-	12,302	1,493
Banco BTG Pactual Luxembourg S.A.	-	-	-	-	-	-	-	-	5,888
BSI Limited (ii)	1,469,002	-	-	(103,502)	-	715,822	(70,619)	2,010,703	(117,043)
Goodwill - BSI Limited (ii)	317,505	-	-	(23,846)	-	144,460	-	438,119	(32,643)
	1,795,417	-	-	(127,718)	-	864,044	(70,619)	2,461,124	(142,089)
Total	14,180,156	452,266	(1,043,193)	1,742,413	15	1,451,300	(21,426)	16,761,531	1,129,755

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

- (i) See note 2.
- (ii) The difference between equity pick up in subsidiaries and net income of subsidiaries refers to exchange variation.

14. Intangible asset

	Changes in intangible assets				30/09/2020
	31/12/2019	Acquisitions / transfer	Amortization expenses	Exchange variation	
Intangible assets					
Softwares	230,286	(11,514)	-	5,388	224,160
Amortization	(163,267)	57,902	(7,275)	(4,706)	(117,346)
Total	67,019	46,388	(7,275)	682	106,814

The intangible asset amortization period is 5 years.

15. Fund raising and loans borrowings

a. Summary

	30/09/2020					31/12/2019
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Deposits	50,931,816	24,132,708	24,429,249	2,195,180	174,679	-
Open market funding	57,981,098	52,502,595	3,775,633	202,875	-	1,499,995
Funds from securities issued and accepted	39,165,524	1,891,946	19,629,666	8,364,745	5,426,726	3,852,441
Loans and borrowings	4,665,837	797,414	197,567	169,565	845,498	2,655,793
Subordinated debts and subordinated debt eligible to equity	8,047,586	741,035	740,825	2,315,631	257,266	3,992,829
Total	160,791,861	80,065,698	48,772,940	13,247,996	6,704,169	12,001,058

b. Deposits

	30/09/2020					31/12/2019
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years
Demand deposits	1,892,739	1,892,739	-	-	-	-
Interbank deposits	1,539,885	430,387	959,821	-	149,677	-
Time deposits	47,499,192	21,809,582	23,469,428	2,195,180	25,002	-
Total	50,931,816	24,132,708	24,429,249	2,195,180	174,679	-

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

c. Open market funding

Open market funding has collateral on the following securities:

	30/09/2020					31/12/2019	
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Own portfolio	2,931,669	2,610,558	321,104	7	-	-	7,784,727
Federal government bonds	1,766,367	1,766,065	302	-	-	-	6,346,110
Corporate bonds	1,165,302	844,493	320,802	7	-	-	1,438,617
Third-party portfolio	45,079,624	45,052,926	26,698	-	-	-	22,985,715
Federal government bonds	45,074,690	45,047,992	26,698	-	-	-	22,963,463
Corporate bonds	4,934	4,934	-	-	-	-	22,252
Unrestricted portfolio (i)	9,969,805	4,839,111	3,427,831	202,868	-	1,499,995	6,472,601
Federal government bonds	9,969,805	4,839,111	3,427,831	202,868	-	1,499,995	6,472,601
Total	57,981,098	52,502,595	3,775,633	202,875	-	1,499,995	37,243,043

(i) From the unrestricted portfolio, R\$9,301,420 (December 31, 2019 – R\$4,789,390) refers to short position and R\$668,385 (December 31, 2019 – R\$1,683,211) to third-party portfolio.

d. Fund from securities issued and accepted

	30/09/2020					31/12/2019	
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	27,653,084	1,809,637	19,530,830	5,854,532	446,643	11,442	13,316,231
Financial bills	22,540,164	738,027	17,487,621	3,935,466	371,040	8,010	8,992,294
Mortgage bonds/letters of credit for agrobusiness	4,869,983	1,057,535	1,990,327	1,794,080	27,207	834	4,147,533
Structured transactions	242,937	14,075	52,882	124,986	48,396	2,598	176,404
Securities – abroad	11,512,440	82,309	98,836	2,510,213	4,980,083	3,840,999	8,518,445
Medium term notes (i)	6,592,556	-	-	2,465,239	4,127,317	-	5,112,462
Fixed rate notes and others	4,919,884	82,309	98,836	44,974	852,766	3,840,999	3,405,983
Total	39,165,524	1,891,946	19,629,666	8,364,745	5,426,726	3,852,441	21,834,676

As at September 30, 2020, securities in Brazil were basically indexed to 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, 2019 – indexed to (CDI) between 85% and 105% or inflation indexes (IPCA and IGPM) plus 1.6% p.a. to 7.55% p.a.).

On September 30, 2020, securities abroad have rates between 4.40% p.a. and 13.70% p.a. (December 31, 2019 – between 3.25% p.a. and 7.09% p.a.).

e. Loans and borrowings

	30/09/2020					31/12/2019	
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	1,052,208	757,552	197,567	97,089	-	-	1,175,418
Foreign currency	995,304	700,648	197,567	97,089	-	-	1,158,459
Loans abroad	56,904	56,904	-	-	-	-	16,959
Borrowings in Brazil – official institution	3,613,629	39,862	-	72,476	845,498	2,655,793	2,714,639
FINAME/BNDES	3,613,629	39,862	-	72,476	845,498	2,655,793	2,714,639
Total	4,665,837	797,414	197,567	169,565	845,498	2,655,793	3,890,057

On September 30, 2020, securities abroad have rates between 1.35% p.a. and 8.0% p.a. (December 31, 2019 – between 1.69% p.a. and 9.23% p.a.).

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

f. Subordinated debt and debt instrument eligible to equity

Type - original currency	30/09/2020				31/12/2019	
	Issued amount (original currency)	Issued	Maturity	Total compensation a.a.	Net amount	Net amount
Financial bills - R\$ (i)	4,161,000	15/04/2011	15/04/2069	Inflation plus fixed rates	1,533,765	2,189,581
Subordinated debt - US\$	800,000	28/09/2012	15/09/2022	5.75%	2,273,823	1,616,839
Subordinated debt eligible to equity - R\$	15,253	23/12/2014	09/03/2022	IPCA + 7.9%	908,222	914,267
Subordinated debt eligible to equity - US\$ (ii)	600,000	15/02/2019	15/02/2029	7.75%	3,331,776	2,426,488
Total					8,047,586	7,147,175

- (i) Financial bills have different maturities and have interests and principal generally amortized every six months beginning as at 2016.
(ii) On February 12, 2019, the Bank reported its shareholders and the market, the issuance of Subordinated Notes, issued through Cayman Islands branch, in the amount of US\$600,000 at a fixed coupon of 7.750% per year, with a maturity date of February 15, 2019, and callable in five years.

16. Other obligations

a. Social and statutory

	30/09/2020	31/12/2019
Dividends and profit sharing payable	504,211	541,000
Employees' profit sharing	644,000	512,000
Total	1,148,211	1,053,000
Current	1,148,211	1,053,000
Non-current	-	-

b. Tax and social security

	30/09/2020	31/12/2019
Tax and contributions to be collected	51,618	44,282
Tax and contribution payable	55,960	91,354
Total	107,578	135,636
Current	107,578	135,636
Non-current	-	-

c. Sundry

	30/09/2020	31/12/2019
Payable for acquisition of assets and rights (i)	201,383	196,439
Amounts payable to related companies (ii)	1,164,556	-
Allowance for accounts payable	64,791	40,354
Payable - subject to loans operations	6,318	6,318
Other creditors - Brazil	11,287	72,450
Other	3,369	3,601
Total	1,451,704	319,162
Current	926,225	97,860
Non-current	525,479	221,302

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

17. Contingent assets and liabilities and legal obligations

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

a. Contingent assets

As at September 30, 2020 and December 31, 2019, the Bank did not record contingent assets.

The Bank recorded a gain of R\$216.5 millions as a result of a definitive agreement celebrated in an arbitration process, duly probated by the respective arbitration court. Both arbitration and settlement agreement are subject to an confidentiality obligation. As at December 31, 2019, the Bank did not record contingent assets.

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

b. Contingent liabilities classified as probable losses and legal obligations

i. Labor provisions

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

ii. Civil provisions

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

iii. Tax and social security provisions

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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 September 30, 2020 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the period ended September 30:

	30/09/2020				30/09/2019
	Tax	legal	Labor	Total	Total
Balance at the beginning of the period	1,050,692	7,177	45,996	1,103,865	1,056,418
Recognition	19,370	7	1,769	21,146	45,676
Write-off	(2,594)	(6,937)	(594)	(10,125)	(2,311)
Balance at the end of the period	1,067,468	247	47,171	1,114,886	1,099,783

The natures of the main provisions are presented 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 a probable loss by the internal and external counsel is fully recorded in provision. The main legal disputes are the following:

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

As at September 30, 2020, 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\$892 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\$27 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.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

- On December 2015, the Bank received a tax assessment in the amount of R\$1,846 million, referring to events occurred on 2010 and 2011, where they judged as undue our use of the goodwill originated in the acquisition of the Bank by UBS, held on 2006, as well as in the buyback of the Bank by BTG, on 2009. An appeal was filed against this tax assessment on the Administrative Council of Tax Appeals, which ruled partially favorable of reducing the amount of the assessment on R\$278 million. In opposition to the unfavorable piece, the Bank filed another appeal to the same institution. In addition, on December 2017, the Bank received another tax assessment in the amount of R\$897 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\$449 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\$271 million, related to the period of 2014. Against this assessment an appeal was filed, which is awaiting ruling of the first administrative instance. As a result, the Bank does not expect to incur any losses (other than the costs of the appeal itself) related to this matter and have not established (and do not expect to) any related contingencies on its standalone financial statements. Besides the reviews as to the legitimacy of these tax assessments, in case the Bank has to incur losses, it also believes is entitled to be reimbursed by its controller shareholder for a part of the losses. Thus, in no event the BTG Pactual expect to incur any material losses in connection with this matter.
- On December 2017, the Bank received a tax assessment which it is discussed insufficient tax collection of PIS and COFINS and imposes isolated fine, referring to the year of 2012, in the amount of R\$197 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\$77 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\$1,121 million. Against the assessment, an appeal was presented, which awaits trial in second administrative instance.
- On December 2018, the Bank was made aware of the non-approval compensation of the negative balance of income tax, related to 2013, in the amount of R\$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.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements

September 30, 2020

(In thousands of reais, except otherwise indicated)

- 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\$3,498 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 standalone financial statements, furthermore the Administration doesn't expect to incur in any loss regarding this matter.
- In March 2020, the Bank received a tax assessment charging income tax, social contribution, PIS and COFINS related to the capital gain on the sale of Rede D'or's shares, in 2015, in the amount of R\$581 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 period ended September 30, 2020, and year ended December 31, 2019, 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:

	Quarter ended:		Nine-month period ended:	
	30/09/2019	30/09/2020	30/09/2020	30/09/2019
Tax base	930,804	432,406	(1,001,658)	2,374,722
Income before taxes and profit sharing	1,224,462	571,934	(389,531)	2,829,019
Statutory profit sharing	(293,658)	(139,528)	(612,127)	(454,297)
Total charge of income tax and social contribution at the current rates	(418,862)	(172,962)	450,746	(949,889)
Permanent (additions) / deductions in taxation calculation	418,862	113,653	(450,746)	949,889
Equity pick up in subsidiaries and associates and jointly controlled companies in Brazil	290,192	120,835	1,156,162	409,395
Allowance for loan losses	(10,929)	(72,035)	(77,916)	(175,444)
Dividends	2,136	5,897	54,066	23,001
Fair value of securities and derivatives	(72,595)	58,956	(1,671,648)	695,019
Other non-deductible expenses net of non-taxable income	210,058	59,309	88,590	(2,082)
	-	-	-	-
Tax and social contribution expense	-	-	-	-
(Expenses) / revenues from deferred taxes assets	98,589	188,731	2,395,125	(82,258)
Offset of tax losses carry forward - Brazil	98,589	188,731	2,395,125	(82,258)

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

Changes in deferred tax assets are as follows:

Income tax and social contribution	31/12/2019	Recognition	Realization (i)	30/09/2020
Tax loss	960,284	-	(169,460)	790,824
Interest on equity	243,450	323,291	(483,300)	83,441
Allowance for loan losses	899,018	969,466	-	1,868,484
Marked-to-market valuation of securities and derivatives	1,681,637	1,749,295	-	3,430,932
Tax contingencies and provision for suspended-payment taxes	233,236	6,020	-	239,256
Other temporary differences	318,359	-	79,209	397,568
Total	4,335,984	3,048,072	(573,551)	6,810,505
Income tax and social contribution	31/12/2018	Recognition	Realization (i)	30/09/2019
Tax loss carryforward	1,068,272	500,170	-	1,568,442
Interest on equity	241,800	350,000	(481,800)	110,000
Allowance for loan losses	648,374	133,118	-	781,492
Marked-to-market valuation of securities and derivatives	2,489,416	-	(704,779)	1,784,637
Goodwill on the acquisition of investment	207,139	3,768	-	210,907
Tax contingencies and provision for suspended-payment taxes	133,143	91,169	-	224,312
Total	4,788,144	1,078,225	(1,186,579)	4,679,790

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
2020	86,998	340,478	427,476
2021	1,355,880	54,813	1,410,693
2022	1,050,096	58,539	1,108,635
2023	1,132,968	62,680	1,195,648
2024 onwards	2,393,738	274,315	2,668,053
Total	6,019,680	790,825	6,810,505
Present value	4,726,134	675,035	5,401,169

The line of "deferred tax assets" also has PIS and COFINS deferred tax credits in the amount of R\$367,865 (December 31, 2019 - R\$303,508).

The Bank has deferred tax obligations in the amount of R\$1,495 (December 31, 2019 - R\$4.048) according to Note 16(b).

On May 21, 2015, Provisional Measure nº 675 (MP 675/15) was published which increased the rate of the Social Contribution on Net Profit of the financial and insurance sectors from 15% to 20% of taxable profit, from September, 2015. On October 6, 2015, Law 13.169 was published which decrease the rate of the Social Contribution on Net Profit from 20% to 15% from 2019.

On November 12, 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.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

19.Shareholders' equity

a. Capital

As at September 30, 2020, fully subscribed and paid in capital consists of 2,712,706,972 shares (December 31, 2019 – 2,637,236,572), of which 1,756,433,722 are common shares (December 31, 2019 – 1,731,276,922), 606,916,910 are class A preferred shares (December 31, 2019 – 556,603,310), 349,356,340 are class B preferred shares (December 31, 2018 – 349,356,340), registered shares without par value.

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.

On July 5, 2019, a change in the Bank's share capital occurred, due to a conversion request made by BTG Pactual Holding Financeira Ltda. of 100,000,000 class B preferred shares issued by the Bank into 100,000,000 class A preferred shares.

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

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

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

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

b. Treasury shares

During the period ended september 30, 2020, the Bank bought its own units, in the amount of R\$92,712, equivalent to 3,378,900 units. (December 31, 2019 - R\$37,240, equivalent to 730,500 units). On the period ended september 30, 2020 there were an amount of R\$258.496 units cancelled, equivalent to 10,468,200 units. (December 31, 2019 the were no units cancelled). On september 30, 2020, the Bank has no treasury shares.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

c. Legal reserve

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

d. Statutory reserve

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

e. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

f. Profit distribution

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

On July 17, 2020, the Bank provisioned R\$533,000, relating to interest on equity, equivalent to R\$0.20 per share, which generated R\$239,850 in tax benefits. The Board of Directors has approved, on this date, to postpone the payment of the interest on equity, as resolved on the Board of Directors' Meeting held on July 17, 2020, due to additional clarifications provided to the Company related to the Resolution CMN No. 4.797/2020 and Resolution CMN No. 4.820/2020, enacted by the Conselho Monetário Nacional.

As at December 27, 2019 the Bank has accrued R\$541,000, relating to interest on equity, equivalent to R\$0.21 per share, which generated R\$216,400 of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on December 27, 2019, and the payment occurred on February 17, 2020

As at August 5, 2019 the Bank has accrued R\$624.000, relating to interest on equity, equivalent to R\$0.24 per share, which generated R\$249.600 of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on August 5, 2019, and the payment occurred on August 15, 2019.

20. Income from services rendered

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Management and performance fee from investment funds and portfolios	67,657	10,604	183,229	88,936
Technical services	97,365	224,503	271,446	480,993
Commission on the placement of securities	340,955	108,021	647,701	208,995
Guarantees granted	83,191	76,802	307,232	205,383
Other services	16,299	10,512	44,478	25,220
Total	605,467	430,442	1,454,086	1,009,527

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

21. Other operating income

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Adjustment to inflation of judicial deposits	6,089	10,909	15,428	30,911
Reversal of allowances	-	5,862	517	26,532
Exchange rate variation	15,203	350	22,902	706
Adjustments of receivables from sale	-	-	-	537
Other operating income	1,839	2,563	2,151	3,056
Total	23,131	19,684	40,998	61,742

22. Other operating expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Exchange rate variation	114,930	92	199,890	521
Monetary restatement expense	1,131	17,856	4,944	52,250
Allowance for other receivables without loan characteristics	18,422	13,113	18,422	38,123
Payable adjustment for the acquisition of assets	-	4,347	-	10,808
Fee	1,634	-	2,237	-
Others	4,293	3,247	15,535	11,088
Total	140,410	38,655	241,028	112,790

23. Other administrative expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Outsourced services and consulting	103,490	108,569	269,423	186,733
Telecommunications and data processing	82,568	50,857	217,224	131,675
Leases and condominiums	17,886	15,158	51,050	43,771
Expenses of the financial system	25,952	21,893	70,904	59,122
Advertising and public relations	21,226	20,549	50,857	50,345
Depreciation/amortization	5,665	7,728	17,158	22,474
Others	10,175	14,440	22,038	25,753
Total	266,962	239,194	698,654	519,873

24. Tax charges

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
PIS/COFINS	47,664	30,284	(94,371)	134,247
ISS	27,755	19,020	63,155	43,330
IOF	231	78	470	256
ICMS	2,591	7,135	12,905	20,265
Others	(3,053)	9,529	5,124	11,724
Total	75,188	66,046	(12,717)	209,822

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

25. Non-operating income

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Arbitration process	-	-	204,607	-
Exchange rate on investment abroad	226,659	-	514,044	-
Changes in equity interest	-	-	-	39,972
IOF	(52,742)	-	(52,742)	-
Others	(10,034)	(35)	(12,242)	(35)
Total	163,883	(35)	653,667	39,937

26. Related parties

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

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

	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019	30/09/2020	31/12/2019
Assets						
Interbank investments	-	-	3,292,125	2,572,242	3,292,125	2,572,242
Securities	-	-	-	222,020	-	222,020
Derivative financial instruments	-	-	23,591,021	13,711,528	23,591,021	13,711,528
Loans and Receivables	4,272,256	3,319,030	1,326,149	902,405	5,598,405	4,221,435
Foreign exchange portfolio	-	-	69,774	222,020	69,774	222,020
Income Receivable	-	-	806,893	8,978	806,893	8,978
Securities trading and brokerage	-	-	123,345	568,917	123,345	568,917
Sundry	-	-	214,828	1,340	214,828	1,340
Liabilities						
Deposits	(62,296)	(94,681)	(5,583,353)	(5,921,689)	(5,645,649)	(6,016,370)
Open market funding	-	-	(2,818,818)	(5,147,196)	(2,818,818)	(5,147,196)
Funds from securities issued and accepted	(3,654,174)	(2,468,477)	-	-	(3,654,174)	(2,468,477)
Derivative financial instruments	-	-	(33,446,858)	(9,199,146)	(33,446,858)	(9,199,146)
Foreign exchange portfolio	-	-	(68,578)	(879,130)	(68,578)	(879,130)
Securities trading and brokerage	-	-	(642,050)	(147,492)	(642,050)	(147,492)
Sundry	-	-	(1,166,019)	(282,498)	(1,166,019)	(282,498)
	Parent company	Parent company	Subsidiaries and joint controlled entities	Subsidiaries and joint controlled entities	Total	Total
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Statements of income						
Financial income	-	-	115,828	14,332,213	115,828	14,332,213
Financial expenses	(3,037)	(12,960)	(520,352)	(13,645,101)	(523,389)	(13,658,061)
Other operating income	34,383	-	5,377	(58,096)	39,760	(58,096)

(i) Includes natural person.

Total compensation paid in the period to key management personnel totaling R\$12,137 (September 30, 2019 – R\$10,620) is considered a short-term benefit.

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

27. Earnings per share

	Quarter ended:		Nine-month period ended:	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Net income for the quarter / period	1,029,393	621,137	1,393,467	2,292,464
Weighted average per thousand of common shares outstanding in the quarter / period	1,756,434	1,731,277	1,736,584	1,731,277
Weighted average per thousand of common shares held in treasury	0	6,409	2,549	6,376
Net income for the period per common share - basic	0.59	0.36	0.80	1.32
Net income for the period per common share - diluted	0.59	0.36	0.80	1.33
Weighted average per thousand of class A preferred shares outstanding in the quarter / period	606,917	456,603	567,216	456,603
Weighted average per thousand of class A preferred shares held in treasury	0	12,818	5,098	12,751
Net income for the period per class A preferred shares - basic	1.70	1.36	2.46	5.02
Net income for the period per class A preferred shares - diluted	1.70	1.40	2.48	5.16
Weighted average per thousand of class B preferred shares outstanding in the quarter / period	349,356	449,356	349,356	449,356
Net income for the period per class B preferred shares - basic and diluted	2.95	1.38	3.99	5.10
Weighted average per thousand of shares outstanding in the quarter / period	2,712,707	2,637,237	2,653,156	2,637,237
Weighted average per thousand of shares held in treasury	0	19,226	7,647	19,127
Net income per share - basic	0.38	0.24	0.53	0.87
Net income per share - diluted	0.38	0.24	0.53	0.88

28. Other information

Commitments and responsibilities

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

	30/09/2020	31/12/2019
Co-obligation and risks for guarantees granted	58,863,402	39,528,558
Responsibility for the management of funds and investment portfolio	23,814,308	17,257,664
Securities under custody	361,589,299	253,166,634
Securities trading and brokerage	2,666,647,377	5,103,916,918
Loans contracted to release	3,080,292	1,786,924
Commitments to be released	115,800	15,400

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

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

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

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

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

BANCO BTG PACTUAL S.A.

Notes to the standalone financial statements
September 30, 2020
(In thousands of reais, except otherwise indicated)

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

29.Subsequent events

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 Mobiliarios 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.