

FEDERAL RESERVE SYSTEM

BTG Pactual G7 Holding S.A.
Rio de Janeiro, Brazil

BTG Pactual Holding S.A.
São Paulo, Brazil

BTG Pactual Holding Financeira Ltda.
Rio de Janeiro, Brazil

Banco BTG Pactual S.A.
Rio de Janeiro, Brazil

BTG Pactual Bancorp, LLC
New York, New York

Order Approving the Acquisition of a Savings Association and Control of a Bank and
Determinations on Financial Holding Company Elections

Banco BTG Pactual S.A. (“Banco BTG”), Rio de Janeiro, Brazil, a foreign bank; Banco BTG’s parent companies, BTG Pactual G7 Holding S.A., Rio de Janeiro, Brazil, BTG Pactual Holding S.A., São Paulo, Brazil, and BTG Pactual Holding Financeira Ltda., Rio de Janeiro, Brazil (together, the “BTG Parent Companies”); and Banco BTG’s proposed subsidiary, BTG Pactual Bancorp, LLC, New York, New York (“BTG Bancorp,” and together with Banco BTG and the BTG Parent Companies, “Applicants”), have requested the Board’s approval to acquire M.Y. Safra Bank, FSB (“Safra Bank”), New York, New York, a federal savings bank, pursuant to section 10(e) of the Home Owners’ Loan Act (“HOLA”) and to become savings and loan holding companies briefly.¹ Immediately following the acquisition, Safra Bank would be a direct subsidiary of BTG Bancorp and would convert into a national bank and be renamed

¹ 12 U.S.C. § 1467a(e).

“BTG Pactual Bank, National Association” (“BTG Pactual Bank”). The Applicants have also requested the Board’s approval, pursuant to section 3 of the Bank Holding Company Act (“BHC Act”), to become and remain bank holding companies, following completion of the charter conversion.² In connection with this proposal, each of the Applicants has also filed with the Board an election to become a financial holding company, pursuant to section 4(k) and (l) of the BHC Act and section 225.82 of the Board’s Regulation Y.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (89 Federal Register 82243 (October 10, 2024)), in accordance with the Board’s Rules of Procedure.⁴ The time for submitting comments has expired, and the Board did not receive any comments. The Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act and section 10 of HOLA.

Banco BTG, with consolidated assets of approximately \$121.0 billion, is the 7th largest insured depository organization in Brazil.⁵ Banco BTG engages in retail and commercial banking and other financial activities throughout Brazil, South America, North America, and Europe, including investment banking, corporate lending, sales and trading, participations, asset management, and wealth management activities. Banco BTG operates bank subsidiaries in Colombia, Chile, and Luxembourg; broker-dealer subsidiaries in Mexico, Peru, Argentina, Colombia, Chile, Portugal, and Spain; and an asset management subsidiary in the United Kingdom. Banco BTG provides brokerage

² 12 U.S.C. § 1842. The conversion of Safra Bank into a national bank was approved by the Office of the Comptroller of the Currency (“OCC”) on September 11, 2025.

³ 12 U.S.C. § 1843(k) and (l); 12 CFR 225.82.

⁴ 12 CFR 262.3(b).

⁵ Consolidated asset and national ranking data are as of June 30, 2025, both provided by Applicants.

services, investment banking, and wealth management services in the United States through a licensed broker-dealer and two licensed investment adviser subsidiaries.⁶

The BTG Parent Companies together own, directly or indirectly, approximately 82 percent of the voting common shares of Banco BTG.⁷ The BTG Parent Companies are non-operating companies owned by five individuals,⁸ and the consolidated assets of Banco BTG constitute the vast majority of the consolidated assets of the BTG Parent Companies. Following consummation of the proposed transaction, each of Banco BTG and the BTG Parent Companies would meet the requirements for a qualifying foreign banking organization under the Board's Regulation K.⁹

Safra Bank, with consolidated assets of approximately \$400 million, is the 2,221st largest insured depository institution in the United States, controlling deposits of approximately \$293 million, which represent less than 1 percent of the total amount of deposits of insured depository institutions¹⁰ in the United States.¹¹ Safra Bank operates one deposit-taking office, which is located in New York. Safra Bank is the 122nd largest insured depository institution in New York, with approximately \$293 million in deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in that state.¹² On consummation of this proposal, Applicants' U.S.

⁶ In connection with the proposal, Applicants would move these U.S. entities under BTG Bancorp.

⁷ The remainder of Banco BTG's voting common shares are publicly traded, and none of those shareholders own 5 percent or more of Banco BTG's voting common shares. Ownership data are as of June 30, 2025, as provided by Applicants.

⁸ André Santos Esteves, Roberto Balls Sallouti, Renato Monteiro dos Santos, Antonio Carlos Canto Porto Filho, and Guilherme da Costa Paes each control more than 5 percent of Banco BTG's voting common shares.

⁹ 12 CFR 211.23(a).

¹⁰ In this context, insured depository institutions include commercial banks, savings banks, and savings associations.

¹¹ National asset and deposit data are as of June 30, 2025, unless otherwise noted.

¹² State deposit data are as of June 30, 2025.

operations would have assets that represent less than 1 percent of the total assets of insured depository institutions in the United States.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking in any relevant market.¹³ The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.¹⁴ Section 10(e) of HOLA includes similar prohibitions.¹⁵

Applicants do not currently control a commercial bank in the United States, and Applicants and Safra Bank do not compete directly in any retail banking market. The U.S. Department of Justice has conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

¹³ 12 U.S.C. § 1842(c)(1)(A).

¹⁴ 12 U.S.C. § 1842(c)(1)(B).

¹⁵ Section 10(e)(2) of HOLA prohibits the Board from approving a proposal that would result in a monopoly or that would be in furtherance of any attempt to monopolize the savings and loan business in any part of the United States. 12 U.S.C. § 1467a(e)(2)(A). HOLA also prohibits the Board from approving such a proposal with respect to any savings and loan market. 12 U.S.C. § 1467a(e)(2)(B).

Financial, Managerial, and Other Supervisory Considerations

In reviewing proposals under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.¹⁶ Similarly, in reviewing proposals under section 10(e) of HOLA, the Board considers the financial and managerial resources and the future prospects of the institutions involved.¹⁷ In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as any public comments on the proposal. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete the proposed integration of the operations of the institutions effectively. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

The capital levels of Applicants exceed the minimum levels that would be required under the Basel Capital Accord and are considered to be equivalent to the capital

¹⁶ 12 U.S.C. § 1842(c)(2), (5), and (6). The Board has analyzed the effectiveness of Applicants' anti-money-laundering efforts in connection with the Board's assessment of whether Applicants are subject to comprehensive supervision or regulation on a consolidated basis by appropriate authorities in their home country.

¹⁷ 12 U.S.C. § 1467a(e)(2).

levels that would be required of a U.S. banking organization.¹⁸ Applicants appear to have adequate resources to absorb the costs of the proposal and complete the integration of the institutions' operations. In addition, future prospects are consistent with approval.¹⁹

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records of Safra Bank, including assessments of its management, risk-management systems, and operations. In addition, the Board has considered information provided by Applicants; the Board's supervisory experiences and those of other relevant supervisory agencies with the organizations; and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws. The Board also has consulted with the Banco Central do Brasil ("BCB"), the agency with primary responsibility for the supervision of Brazilian banks and other financial institutions, including Banco BTG.

The Board also has considered Applicants' plans for implementing the proposal. Applicants have conducted comprehensive due diligence and are devoting sufficient financial and other resources to address all aspects of the post-acquisition integration process for this proposal. In addition, Applicants' management has the experience and resources to operate the resulting organization in a safe and sound manner.

The Board also has considered whether Applicants have provided the Board with adequate assurances that each will make available to the Board such information on their operations and activities, and those of their affiliates, that the Board deems

¹⁸ The Board considered the total risk-based capital ratio, tier 1 risk-based capital ratio, common equity tier 1 risk-based capital ratio, and the ratio of tier 1 capital to total assets of the BTG Parent Companies and Banco BTG, as well as the proposed capital levels of BTG Bancorp.

¹⁹ To effect the transaction, Applicants, through BTG Bancorp, will acquire all of the issued and outstanding shares of common stock of Safra Bank from its sole shareholder, Jacob M. Safra. Applicants have the financial resources to effect the proposed transaction.

appropriate to determine and enforce compliance with the BHC Act and other applicable federal laws. Banco BTG and the BTG Parent Companies have each committed to make such information available to the Board to the extent not prohibited by applicable law.²⁰

Based on all the facts of record, including Applicants' and Safra Bank's supervisory records, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the records of effectiveness of Applicants and Safra Bank in combatting money-laundering activities, are consistent with approval.

Supervision or Regulation on a Consolidated Basis

As required by section 3 of the BHC Act, the Board considers whether Banco BTG and BTG Parent Companies are subject to comprehensive supervision or regulation on a consolidated basis by appropriate authorities in their home country.²¹

²⁰ 12 U.S.C. 1842(c)(3)(A). See also 12 U.S.C. § 1467a(e)(2)(C). Applicants also have committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable each entity and its affiliates to make such information available to the Board. The Board has reviewed the restrictions on disclosure in the relevant jurisdictions in which the BTG Parent Companies and Banco BTG operate and has communicated with relevant government authorities concerning access to information. Based on all the facts of record, the Board determines that considerations related to access to information by the Board are consistent with approval.

²¹ 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign banking organization is subject to consolidated home country supervision under the standards set forth in Regulation K. See 12 CFR 225.13(a)(4). Regulation K provides that a foreign bank is subject to comprehensive, consolidated home country supervision if the foreign bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank (including the relationships of the bank to any affiliate) to assess the foreign bank's overall financial condition and compliance with law and regulation. 12 CFR 211.24(c)(1)(ii).

In assessing this standard, the Board considers, among other indicia of comprehensive, consolidated supervision, the extent to which the home country

Section 10(e) of HOLA imposes a similar requirement.²² The Board has long held that “the legal systems for supervision and regulation vary from country to country, and comprehensive supervision or regulation on a consolidated basis can be achieved in different ways.”²³ In addition, the Board makes case-by-case, institution-specific determinations under the comprehensive supervision standard.²⁴

Banco BTG

As noted, the BCB is the primary supervisor of Brazilian banks, including Banco BTG. Banco BTG is one of the largest and most systemically important financial institutions in Brazil and is subject to enhanced requirements. The Board previously has determined that other Brazilian banks were subject to comprehensive, consolidated supervision by the BCB, as their home country supervisor.²⁵ The Board finds that Banco

supervisors (i) ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide; (ii) obtain information on the condition of the bank and its subsidiaries and offices through regular reports of examination, audit reports, or otherwise; (iii) obtain information on the dealings and relationships between the bank and its affiliates, both foreign and domestic; (iv) receive from the bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the bank’s financial condition on a worldwide, consolidated basis; and (v) evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. *Id.* No single factor is essential, and other elements may inform the Board’s determination.

²² 12 U.S.C. § 1467a(e)(2)(D); *see also* 12 CFR 238.15(a)(4).

²³ *See, e.g.,* VersaBank, FRB Order No. 2024-03 (June 6, 2024) (“VersaBank Order”); Banco Bradesco S.A., FRB Order No. 2020-06 (October 7, 2020) (“Bradesco Order”); Banco de Credito e Inversiones S.A., FRB Order No. 2015-25 (September 21, 2015) (“BCI-EJY Order”); Industrial and Commercial Bank of China Limited, FRB Order No. 2012-4 (May 9, 2012) (“ICBC-CIC Order”); and China Investment Corporation, 96 Federal Reserve Bulletin B31 (2010).

²⁴ *See, e.g.,* VersaBank Order; Bradesco Order; BCI-EJY Order; and ICBC-CIC Order.

²⁵ *See, e.g.,* Bradesco Order (comprehensive consolidated supervision for Banco Bradesco); Banco do Brasil, S.A., 98 Federal Reserve Bulletin 1 (2012); and Banco do Estado do Rio Grande do Sul S.A., 98 Federal Reserve Bulletin 39 (2012); Board Letter to Douglas Landy, Esq., Shearman & Sterling LLP (January 30, 2004); Board Letter to Bradley K. Sabel, Esq., Shearman & Sterling LLP (February 8, 2002). *See also* Federal

BTG is supervised by the BCB in substantially the same manner as such other Brazilian banks, and in accordance with Banco BTG's complexity and systemic relevance. Based on this finding and all the facts of the record, the Board concludes that Banco BTG is subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The BTG Parent Companies

In evaluating this proposal, the Board also considered whether Banco BTG's nonbank parent companies, BTG Pactual G7 Holding S.A., BTG Pactual Holding S.A., and BTG Pactual Holding Financeira Ltda., are subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in their home country. In considering prior applications involving nonbank parent companies of foreign banks, the Board has stated that the system of comprehensive supervision or regulation may vary, depending on the nature of the acquiring company and the proposed investment.²⁶

The BTG Parent Companies are private, non-operating companies that hold investments for their shareholders, and their assets consist primarily of Banco BTG stock. The managers and board members of the BTG Parent Companies also are managers and directors of Banco BTG.

The BTG Parent Companies are subject to oversight by the BCB, with respect to risks that the BTG Parent Companies may pose to Banco BTG and its financial affiliates. Under Brazilian law, all transactions between Banco BTG and its affiliates, including the BTG Parent Companies, generally must be on arm's-length terms. In addition, the BCB receives and reviews financial information about the BTG Parent Companies in connection with the BCB's annual risk and controls assessment of Banco BTG and other supervised financial affiliates. The BCB has authority to obtain

Reserve Bank of Atlanta Letter to Timothy J. Byrne, Esq., Shearman & Sterling LLP (November 7, 2019) (comprehensive, consolidated supervision for Itaú Unibanco S.A.).

²⁶ See, e.g., VersaBank Order; Bradesco Order; BCI-EJY Order; and ICBC-CIC Order.

additional information from the BTG Parent Companies and has a variety of tools for addressing risks that the BTG Parent Companies may pose to the safety and soundness of Banco BTG.

The Board has taken into account that the BTG Parent Companies' proposed investment in Safra Bank would be indirect and through a foreign bank that is subject to consolidated supervision by the BCB. In addition, the Board has taken into account the structure and limited operations of the BTG Parent Companies, including that their equity holdings consist primarily of Banco BTG shares. Based on all the facts of record, the Board determines that the BTG Parent Companies are subject to comprehensive supervision on a consolidated basis by their home country supervisor.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act or section 10(e) of HOLA, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.²⁷ In evaluating whether the proposal satisfies the convenience and needs statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the combined organization. The Board reviews a variety of information to determine whether the relevant institutions' records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the combined institution's post-consummation plans and the expected impact of those plans on the communities served by the combined institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve and are providing access to banking products and services that meet the needs of customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the

²⁷ 12 U.S.C. § 1842(c)(2); 12 U.S.C. § 1467a(e)(2).

Community Reinvestment Act of 1977 (“CRA”).²⁸ The Board strongly encourages insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with the institutions’ safe and sound operation and their obligations under the CRA.²⁹

In addition, the Board considers the banks’ overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, gender, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the Applicants, and public comments on the proposal. The Board also may consider the acquiring institution’s business model and intended marketing and outreach, the combined organization’s plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of Safra Bank, the fair lending and compliance records of Safra Bank, the supervisory views of the OCC, confidential supervisory information, and information provided by Applicants.

Records of Performance under the CRA

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution’s most recent CRA evaluation and the supervisory views of relevant federal supervisors, which in this case is the OCC with respect to Safra Bank.³⁰ In addition, the Board considers information provided by the Applicants.

²⁸ 12 U.S.C. § 2901 et seq.

²⁹ See 12 U.S.C. § 2901(b).

³⁰ See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution's record of helping to meet the credit needs of its entire community, including LMI neighborhoods.³¹ An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test") to evaluate the performance of a small bank, such as Safra Bank, in helping to meet the credit needs of the communities it serves.³² The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under the Home Mortgage Disclosure Act of 1975 ("HMDA"), in addition to other reports generated by the institution, to assess an institution's lending activities with respect to borrowers and geographies of different income levels. The institution's lending performance is evaluated based on the institution's (1) loan-to-deposit ratio and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments; (2) percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment areas ("AAs"); (3) record of lending to, and, as appropriate, engaging in other lending-related activities for, borrowers of different income levels and businesses and farms of different sizes; (4) geographic distribution of loans; and (5) record of taking action, if warranted, in response to written complaints about the institution's performance in helping to meet credit needs in the bank's AAs.³³

³¹ 12 U.S.C. § 2906.

³² 12 CFR 228.26(a)–(b) (2023).

³³ See 12 CFR 228.26(b) (2023).

CRA Performance of Safra Bank

Safra Bank was assigned an overall rating of “Outstanding” at its most recent CRA performance evaluation by the OCC, as of June 23, 2025 (“Safra Bank Evaluation”).³⁴ The bank received a rating of “Outstanding” for the Lending Test.³⁵

Examiners found that Safra Bank demonstrated excellent lending performance. Examiners noted that Safra Bank’s distribution of home mortgage loans across geographies of different income levels was excellent. Examiners noted that Safra Bank’s loan-to-deposit ratio was reasonable given the bank’s performance context, and that the bank did not receive any CRA-related complaints during the evaluation period.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the OCC as the primary regulator of Safra Bank. The Board also considered the results of the most recent consumer compliance examination of Safra Bank, which included reviews of the bank’s compliance management program and its compliance with consumer protection laws and regulations, including fair lending.

The Board has taken this information, as well as the CRA performance record of Safra Bank, into account in evaluating the proposal, including in considering whether Applicants have the experience and resources to ensure that the resulting organization would help meet the credit needs of the communities to be served by the combined organization following consummation of the proposed transaction.

³⁴ The Safra Bank Evaluation was conducted using Small Institution CRA Examination Procedures. Examiners reviewed home mortgage loans and HMDA-reportable loan data from January 1, 2021, through December 31, 2023.

³⁵ The Safra Bank Evaluation involved a full-scope review of the bank’s activities in the bank’s sole AA, consisting of a portion of the New York–Newark–Jersey City, NY–NJ–PA Metropolitan Statistical Area (“MSA”) and a portion of the Poughkeepsie–Newburgh–Middletown, NY MSA, both of which are located in the New York–Newark, NY–NJ–CT–PA Combined Statistical Area.

Additional Convenience and Needs Considerations

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. This includes, for example, the combined organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization; any additional plans the combined organization has for meeting the needs of its community following consummation; and any other information the Board deems relevant.

Applicants note that Safra Bank has met the credit needs of the communities in which it operates. Further, Applicants have represented that converting Safra Bank into a national bank will allow the resulting BTG Pactual Bank to provide expanded banking services to the communities in which it operates. Applicants have also represented that they do not expect any material discontinuations in the products currently offered by Safra Bank after the acquisition. In addition, Applicants have represented that BTG Pactual Bank will enhance certain product offerings and expand into a greater variety of commercial and other nonmortgage asset classes, such as margin loans, corporate loans, and overdraft facilities. Applicants also have represented that BTG Pactual Bank's CRA assessment area and program administration will not differ from that of Safra Bank. Applicants have further represented they will leverage the CRA compliance strengths of Safra Bank to create a comprehensive combined compliance program to serve the needs of BTG Pactual Bank's communities.

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the record of Safra Bank under the CRA, the institution's record of compliance with fair lending and other consumer protection laws, supervisory information, information provided by Applicants, and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

Financial Stability Considerations

Section 3 of the BHC Act requires the Board to consider “the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.”³⁶

To assess the likely effect of a proposed transaction on the stability of the United States banking or financial system, the Board considers a variety of metrics that capture the systemic “footprint” of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size of the resulting firm, the availability of substitute providers for any critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border activities of the resulting firm.³⁷ These categories are not exhaustive, and additional categories could inform the Board’s decision.

In addition to these quantitative measures, the Board considers qualitative factors, such as the opacity and complexity of an institution’s internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.³⁸

The Board’s experience has shown that proposals involving an acquisition of less than \$10 billion in total assets, or that result in a firm with less than \$100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction

³⁶ 12 U.S.C. § 1842(c)(7).

³⁷ Many of the metrics considered by the Board measure an institution’s activities relative to the U.S. financial system.

³⁸ For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (February 14, 2012).

would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.³⁹

In this case, the Board has considered information relevant to risks to the stability of the U.S. banking or financial system. The proposal involves a target with less than \$10 billion in total assets. In the United States, Banco BTG currently offers brokerage services, investment banking, and wealth management services through a licensed broker-dealer and two licensed investment adviser subsidiaries. Upon consummation of the proposal, Applicants would have a small market share on a nationwide basis with respect to their products and services. The pro forma organization in the United States would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the U.S. banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

Effect of the Transaction on the Savings Association, and Insurance Risk to the Deposit Insurance Fund

In acting on a proposal under section 10(e) of HOLA, the Board considers the likely effect of the transaction on the target savings association and on the insurance risk to the Deposit Insurance Fund.⁴⁰ As discussed above, the financial and managerial

³⁹ See People's United Financial, Inc., FRB Order No. 2017-08, 25–26 (March 16, 2017). Notwithstanding this presumption, the Board has the authority to review the financial stability implications of any proposal. For example, an acquisition involving a global systemically important bank could warrant a financial stability review by the Board, regardless of the size of the acquisition.

⁴⁰ 12 U.S.C. § 1467a(e)(2).

resources and the future prospects of the combined organization are consistent with approval. The Board has considered the likely effect of the transaction on the resultant depository institution and believes that it is consistent with approval. In view of the current resources and capital of Applicants and Safra Bank, the future prospects of the combined organization, the significant financial and other resources being devoted to support the combined organization, the managerial resources of Applicants, and the likely effect of the transaction on the combined organization, the Board believes that the proposal would not appear likely to have a material impact on the insurance risk to the Deposit Insurance Fund.

Financial Holding Company Elections

As noted, each of the Applicants has elected to become a financial holding company in connection with the proposal. Each of the Applicants has certified that, upon consummation of the proposal, it would be well capitalized and well managed, and each has provided all of the information required under the Board's Regulation Y.⁴¹ Based on all the facts of record, the Board determines that Applicants' elections will become effective upon consummation of the proposal if, on that date, each of the Applicants is well capitalized and well managed and all depository institutions controlled by an applicant are well capitalized and well managed and have CRA ratings of at least "Satisfactory."

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the proposal should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under HOLA, the BHC Act, and other applicable statutes. The Board's approval is specifically conditioned on compliance by Applicants with all the conditions imposed in this order and on any commitments made to the Board in connection with the proposal. The Board's approval is also conditioned on receipt by Applicants of all required

⁴¹ 12 CFR part 225.

regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the 15th calendar day after the effective date of this order or later than three months thereafter, unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, acting under delegated authority.

By order of the Board of Governors,⁴² effective December 11, 2025.

(signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

⁴² Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, Governors Waller, Cook, Barr, and Miran.