

**RISK AND CAPITAL MANAGEMENT  
REPORT - PILLAR 3 - 4Q24**



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## Introduction and Objective

The Risk and Capital Management Report - Pilar III incentivizes market discipline and includes best practices for financial institutions through the disclosure of risk management information and capital calculation.

In accordance with the Central Bank of Brazil (Bacen) Resolution BCB nº 54/2020 and subsequent amendments, this report presents, in detail, the main procedures of XP's<sup>1</sup> risk and capital management.

The primary objective of this report is to ensure transparency and adequate disclosure of this institution's risk and capital management practices, in accordance with regulatory requirements. This document provides detailed information to regulators, investors, and other interested parties. We highlight the effectiveness of the processes adopted to manage the risks inherent to the institution's operations, as well as the adequacy of the capital available to mitigate these risks.

In addition, XP controls risks in an integrated and independent manner, preserving and valuing collective decision making. XP's control structure is compatible with the nature of its operations, the complexity of its products, services, activities, processes, systems, and the dimension of its risk exposure.

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<sup>1</sup> The information reported in this document is calculated in accordance with the XP Prudential Conglomerate ("XP"), which includes XP Investimentos CCTVM S.A., XP DTVM LTDA, Banco XP S.A., Banco Modal S.A. e Modal DTVM, which fall under the definition of CMN Resolution 4,950/21.

## Prudential Metrics and Risk Management

### KM1 - Key metrics at consolidated level

Prudential Regulation determines guidelines for financial institutions regarding Risk and Capital Management to address risks arising from the activities of these institutions. Below is information on XP Investimentos' prudential requirements, determined in accordance with CMN Resolution 4,955/21 and subsequent amendments.

R\$ thousand	12/31/2024	09/30/2024	06/30/2024	03/31/2024	12/31/2023
<b>Available Capital</b>					
Common Equity Tier I (CET1)	7.406.366	5.743.345	5.387.766	5.809.147	7.822.611
Tier I	9.381.322	7.648.233	6.830.905	6.620.219	7.822.611
Total Capital	10.212.052	8.504.011	7.660.974	7.476.234	8.653.115
Excess of capital committed to adjusted permanent assets	-	-	-	-	-
Total Capital detachments	-	-	-	-	-
<b>Risk-weighted assets</b>					
Total risk-weighted assets (RWA)	88.407.564	62.094.974	60.424.716	57.181.198	53.954.081
<b>Risk-based capital ratios as a percentage of RWA</b>					
Common Equity Tier I ratio (CET1) (%)	8,38%	9,25%	8,92%	10,16%	14,50%
Tier I ratio (%)	10,61%	12,32%	11,30%	11,58%	14,50%
Total capital ratio (%)	11,55%	13,70%	12,68%	13,07%	16,04%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
Capital conservation buffer requirements (%)	2,50%	2,50%	2,50%	2,50%	2,50%
Countercyclical capital buffer requirements (%)	-	-	-	-	-
Systemic capital buffer requirements (%)	-	-	-	-	-
Total of bank CET1 specific buffer requirements (%)	2,50%	2,50%	2,50%	2,50%	2,50%
CET1 available after meeting the bank's minimum capital requirements (%)	1,38%	2,25%	1,92%	3,16%	7,50%
<b>Leverage Ratio (LA)</b>					
Total exposure	225.420.670	213.729.537	197.352.725	190.683.697	193.606.630
LR ratio (%)	4,16%	3,58%	3,46%	3,47%	4,04%
<b>Liquidity Coverage Ratio (LCR)</b>					
Total high-quality liquid assets (HQLA)	NA	NA	NA	NA	NA
Total net cash outflow	NA	NA	NA	NA	NA
LCR ratio (%)	NA	NA	NA	NA	NA
<b>Net Stable Funding Ratio (NSFR)</b>					
Total available stable funding (ASF)	NA	NA	NA	NA	NA
Total required stable funding (RSF)	NA	NA	NA	NA	NA
NSFR ratio (%)	NA	NA	NA	NA	NA

The Basel Ratio reached 11.55% on December 31, 2024, reflecting a reduction of 2.15 percentage points compared to September 30, 2024. The variation in the ratio is predominantly attributed to the increase in exposure to RWADRC, and to a lesser extent to RCC. In addition, as a result of the corporate reorganization, in which XP Investimentos became directly controlled by Banco XP, two effects are observed: (i) a temporary reduction in capital during the reorganization process throughout 2024 and (ii) in the last quarter, the conclusion of this process partially contributed to the increase in Total RWA, however, this impact was offset by the increase in capital.

## OVA - Overview of Institution's Risk Management Approach

As of January/24, the Prudential XP Conglomerate became part of the S2 Segment of the Central Bank of Brazil. This transition involves adapting the guidelines and regulations established for this specific segment. As a result, the institution is now compliant with the required criteria, reflecting its commitment to best practices and standards stipulated by the regulator.

The structure of XP's Integrated Risk and Capital Management, in accordance with CMN Resolution 4,557/17, aims to ensure that there is an effective process for risk management throughout the organization.

This process provides adequate transparency and understanding of existing and emerging risk issues, ensuring a holistic view of XP's inherent and residual risks. Therefore, XP has adopted the three lines of defense approach, namely:

**First line** - which represents the business units and support areas. They are responsible for identifying, assessing, reporting and controlling the risks inherent in XP's activities;

**Second line** - which represents the control units. They are responsible for defining the strategy and structure of risk management, analysis and monitoring of operational limits of risks acting as a counterweight to the first line; and

**Third line** - which is an internal Audit – an independent assessment of the risk management structure, governance and internal controls.

These responsibilities are directly linked to the objectives of managers and teams.

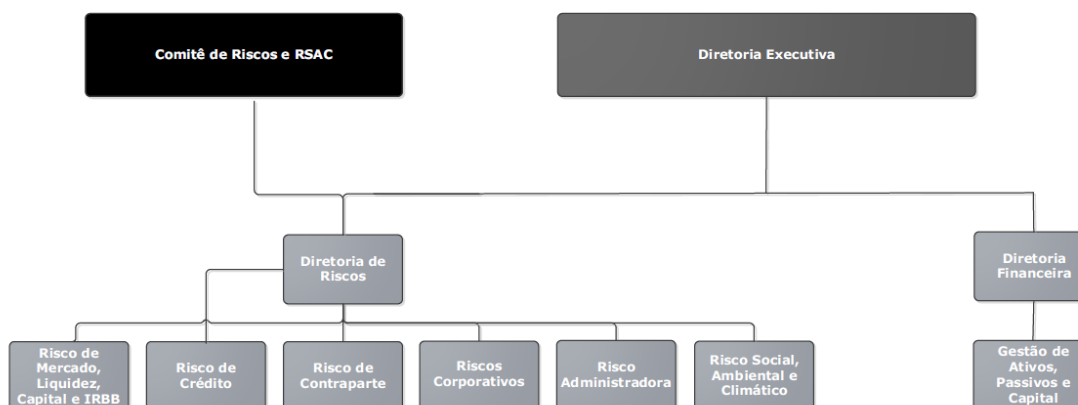
Therefore, the risk culture dissemination program is responsible for emphasizing the need for the timely analysis and management of XP's risks across all its processes, consequently enabling the effective functioning of the model.

The inherent risks of the Prudential XP Conglomerate are identified, assessed, and managed based on the level of criticality, with periodic assessments of products and processes, risks and controls, and capital levels.

The Risk Committee supervises the functions and responsibilities of the Risk Director, in addition to evaluating the results obtained, being supported by the Treasury, Credit Decision and Credit Product Distribution Committees and other committees, when applicable.

The risk management structures are under the responsibility of the Risk Director, who reports to the Executive Board and the Risk Committee and has the necessary independence to fulfill their functions. Internal Audit also operates independently and is responsible for overseeing the risk management structure.

### Organization diagram of XP's Risk Management Structure



The following is a brief outline of the main risks related to XP's business model:

#### Credit Risk:

Credit Risk is the potential that a borrower or counterparty will fail to meet its financial obligations as defined by their contract, value loss of credit agreements resulting from deterioration of the borrower's credit rating, reduction of profit or income, benefits ceded upon subsequent renegotiations and debt recovery costs.

Credit Risk also encompasses other risks, such as:

**Counterparty Credit Risk:** the risk arising from the potential failure by the counterparty to fulfill their obligations relating to the settlement of transactions involving the trading of financial assets, including those relating to the settlement of derivative financial instruments;

**Country Risk:** the risk arising from the potential failure by a borrower or counterparty located outside the country to fulfill their contractual obligations, as a result of actions taken by the government of the country where the borrower or counterparty is located, and Transfer Risk which can occur due to the exchange restrictions on amounts received;

**Concentration Risk:** exposures with the potential to produce losses large enough: to the same counterparty; to counterparties operating in the same sector, geographic region or segment of products and services; to counterparties whose revenues depend on the same type of commodity or activity; to financial instruments whose risk factors, including currencies and indices, are significantly related; associated with the same type of financial product or service; and whose risk is mitigated by the same type of instrument.

### **Market Risk and IRRBB:**

Market risk is the possibility of losses resulting from fluctuations in the market values of active and passive positions held by a financial institution, including the risk of variations in interest rates, share prices, exchange rates and commodity prices.

Interest rate risk in the Banking Portfolio (IRRBB) refers to the current or potential risk of the impact of adverse movements in interest rates for instruments classified in the banking portfolio.

### **Operational Risk:**

Operational Risk is the risk of loss arising from failure, deficiency or inadequacy of internal processes, people or systems or from external events.

The operational risk management structure of the XP Prudential Conglomerate has in place risk identification, assessment, classification, monitoring and reporting processes aligned with regulatory expectations and best practices in the market, in order to provide the Board of Directors, in a timely manner, of an overview of identified risks, degree of exposure, the quality of their controls, as well as supervision of mitigation mechanisms and implementation of controls.

### **Liquidity Risk:**

Liquidity Risk is the likelihood of the institution not being able to effectively honor its expected and unexpected obligations, both current and future, including those arising from guarantee commitments, without affecting daily operations and incurring significant losses; and the potential failure of the institution not being able to execute a trade or liquidate a position, due to the size of the position in relation to the volume normally traded or because of some discontinuity in the market.

### **Social, Environmental and Climate Risk:**

The Prudential XP Conglomerate acts with social, environmental and climate responsibility, directing efforts to collaborate with the economic and social development of the Brazilian market and seeking to contribute positively to the transition to a low-carbon economy and to mitigating the impacts caused by climate change, considering the specific needs of each business, the complexity of products and services offered, as well as the applicable legal and regulatory aspects.

XP is guided by the principles and guidelines of its Social, Environmental and Climate Responsibility Policy and Social, Environmental and Climate Risk Policy, considering the principles of relevance, through the identification of the most material social, environmental and climate issues applicable to its activities and business model, and proportionality, with measures and guidelines appropriate to its structure and market positioning. In addition to these principles, it seeks to observe an ethical and transparent

stance in relations with the community in which it operates, respecting human rights and practicing sustainable development.

### **Regulatory and Compliance Risk:**

Regulatory and Compliance Risk refers to potential litigation, investigations and regulatory processes inherent in the organization's activities, resulting in the possible risk of legal or regulatory sanctions, fines or penalties, financial loss or reputational damage resulting from non-compliance with laws, regulations, rules or regulatory requirements.

### **Business Continuity Management**

Business Continuity Management is a comprehensive management process that identifies potential threats to an organization and their potential impact on business operations, should these threats materialize. This process provides a framework for developing an organizational resilience that is able to respond effectively and safeguard the interests of the organization's stakeholders, reputation, brand and value-added activities.

XP has an ongoing process that aims to continuously build and improve organizational resilience and it is divided into five macro-stages: Identify, Analyze, Define, Execute, and Monitor.

These items are addressed in internal Business Continuity Management regulations that cover managerial and operational actions aimed at ensuring business continuity. They formalize the methodology, definition of concepts, establishment of responsibilities as well as other related procedures in line with good practices, regulations and recommendations from supervisory and supervisory bodies linked to the principles, strategies and complexity of XP.

### **Risk Governance**

XP has a governance structure suited to the characteristics of the business and the different bodies continuously work together, in accordance with company processes, making them more agile and effective. Below are the Risk Management governance bodies along with their respective responsibilities:

#### **Board of Directors**

- Understand, in a comprehensive and integrated manner, the risks that may impact the institution's capital and liquidity;
- Establish the institution's risk appetite levels in the RAS and review them, with the assistance of the risk committee and RSAC, the board of directors and the CRO;
- Approve and review, at least annually the risk management policies, strategies and limits:

- Capital management policies and strategies
  - The stress testing program
  - Business continuity management policies
  - The liquidity contingency plan
  - The capital plan
  - The capital contingency plan
  - The information disclosure policy
  - The policies that determine which instruments will be included in the trading portfolio;
- Ensure the institution's adherence to risk management policies, strategies and limits;
  - Ensure the timely correction of deficiencies in the risk management structure and the capital management structure;
  - Approve significant changes resulting from the risks addressed by a) new products and services; b) relevant modifications to existing products or services; c) significant changes to the institution's processes, systems, operations and business model; d) hedging strategies and risk-taking initiatives; e) significant corporate reorganizations; and f) changes to the institution's macroeconomic outlook, policies and strategies, as well as its systems, routines and procedures;
  - Authorize, when necessary, exceptions to the policies, procedures, limits and risk appetite levels set out in the RAS.
  - Promote the dissemination of a risk management culture within the institution;
  - Ensure adequate and sufficient resources to carry out risk management and capital management activities independently, objectively and effectively;
  - Establish the organization and duties of the risk committee and RSAC, in compliance with the provisions of this Resolution;
  - Ensure that the remuneration structure adopted by the institution does not encourage behaviors that are incompatible with the risk appetite levels set out in the RAS;
  - Ensure that the institution maintains adequate and sufficient levels of capital and liquidity;
  - Conduct, in accordance with clearly documented risk management policies and strategies, which establish limits and procedures designed to maintain risk exposure in accordance with the levels set out in the RAS;
  - Approve proposals for reclassifying instruments between the trading and banking portfolios;

- Request authorization to set up a dedicated trading desk and forward it to the Board of Directors, where applicable;
- Understand the limitations of the information contained in the reports referred to in Articles 7, item X, and 40, item VII, and in the reports related to risk management and capital management; and
- Other attributions established by Resolution 4,557/17 and subsequent ones that replace it.

### **Risks and Social, Environmental and Climate Responsibility Committee (“Risks Committee and RSAC”)**

I - Propose, at least once a year, recommendations to the Board of Directors on:

- Policies, strategies and limits for risk and capital management;
- The stress testing program and capital plan; • Policies for business continuity management;
- The liquidity and capital contingency plan; and
- Establishment and review of the Social, Environmental and Climate Responsibility Policy (PRSAC);
- The matters dealt with in art. 48, item II, of Resolution 4,557 of the National Monetary Council; II – Assess the levels of risk appetite defined in the RAS and its management; III – Supervise the activities and performance of the CRO; IV – Monitor the degree of adherence of the risk management structure processes to the established policies and the actions implemented related to the Social, Environmental and Climate Responsibility Policy (PRSAC); V – Keep a record of its deliberations and recommendations.
- Exchange information with other committees, internal and external audit, in order to promote the necessary adjustments to the risk governance structure and the effective treatment of risks.
- Evaluate the documentation of the process, and its results, of the Icaap, in accordance with Normative Instruction No. 322, art. 4, of the Central Bank of Brazil.
- The composition of the committee members, minimum quorum and details of roles and responsibilities are described in the “Terms of Reference of the Committee on Risks and Social, Environmental and Climate Responsibility”. The committee is composed mainly of independent members.

## Audit Committee

- Establish operational rules for the operation of the audit committee itself and submit them for approval by the Board of Directors;
- Recommend to the Board of Directors the entity to be contracted to provide Independent Audit services, as well as the replacement of the provider of these services, if deemed necessary;
- Review, prior to publication, the financial statements, including explanatory notes, management reports and the independent auditor's report on the financial statements;
- Evaluate the effectiveness of internal control systems, with emphasis on compliance with the provisions of Resolution No. 4,968, of November 25, 2021, of the CMN;
- Evaluate the effectiveness of independent and internal audits, including with regard to independence, verification of compliance with the legal and regulatory provisions applicable to XP, in addition to regulations and guidelines/internal codes;
- Evaluate Management's compliance with the recommendations made by independent and internal auditors;
- Establish and disclose procedures for receiving and processing information about non-compliance with legal and regulatory provisions, as well as internal regulations and codes, including specific procedures for protecting the service provider, such as anonymity and ensuring confidentiality of information;
- Ensure that the Committee members are qualified and have received adequate training;
- Recommend to the Board of Directors the correction or improvement of policies, practices and procedures identified within the scope of their duties;
- Meet at least quarterly with the Management of the Prudential XP Conglomerate, with the independent auditors and with the internal auditors to verify compliance with their recommendations or inquiries, including with regard to the planning of the respective audit work, formalizing the contents of such meetings in minutes; and verify, at the scheduled meetings, compliance with their recommendations by the Management;
- Periodically verify compliance with their recommendations or clarification of inquiries;
- Prior to submitting the Internal Audit reports and plans for approval by the Board of Directors, proposals for changes to the duties and regulations governing the operation of the Internal Audit;

- Formally notify the Central Bank of Brazil, within a maximum period of 3 (three) business days from the date of identification, of the occurrence of the following situations:
- Failure to comply with legal and regulatory standards that jeopardize continuity;
- Fraud of any value committed by the Management;
- Significant fraud committed by employees or third parties;
- Errors that result in significant inaccuracies in the financial statements.
- Prior to submitting the reports to the Board of Directors, assess (i) the quantitative and qualitative report on the performance of the Ombudsman's Office, and (ii) the half-yearly report on the activities of the Ombudsman's Office on the base dates of June 30 and December 31, and whenever a significant occurrence is identified;
- To assess, prior to submission for approval by the Board of Directors, proposals for structural changes to meet Basel requirements, as well as reports on risk management and internal controls;
- To approve the main accounting practices and policies, and to assess the treatment and preparation of accounting estimates periodically; and
- To fulfill other duties determined by the Board of Directors and BACEN.
- The committee is composed mainly of independent members.

### Other relevant committees

The committees below have First and Second Line members, who perform their roles as set out in the rules of the committees themselves.

### Treasury Committee

- Define strategies for managing assets and liabilities;
- Define guidelines and parameters for XP's fundraising about terms, maximum rates and amounts, as well as the target audience and the relationship market;
- Ensure effective management of market, liquidity, credit and capital management risks
- Ensure that risk control parameters, including policies, controls, exposure limits and other forms of mitigation, are adequate and effective in order to maintain exposure to market, liquidity and credit risks within XP's risk profile;
- Observe the limits set forth in the RAS;

- Evaluate periodic management reports on the adequacy of Capital and Management of Market, Liquidity and Credit Risks;
- Define the strategies to be adopted to meet the RAS limits and mitigate the relevant risks incurred;
- Define strategies for managing hedges;
- Decide on the activation of Capital and Liquidity Contingency Plans.
- The composition of the committee members, minimum quorum and details of roles and responsibilities are described in the “Treasury Committee Terms of Reference”.

#### **Credit Decision Committee**

- Approve limits and operations;
- Approve, monitor and review, if necessary, the repayment capacity of companies eligible for credit operations;
- Deliberate on a shorter credit review period in relation to the current Credit Policy, if the Committee deems it necessary;
- Observe and deliberate on changes in either client credit risk quality or specific operations;
- Ensure the identification and measurement of credit risk, through a fundamental analysis of credit risk takers, as well as the assessment of their guarantee structures and/or repayment sources;

#### **Credit and Policy Monitoring Committee**

- Ensure participants are aware of the performance of the credit portfolio by way of portfolio indicators; and
- Deliberate on the creation or alteration of policies in relation to credit, credit risk and collection, and models for both individuals and business entities.

#### **Corporate Initiatives Committee**

- Analyze and deliberate on the request for implementation of new strategic projects to be carried out within the XP Group, including, but not limited to, inclusion of new products and services, decision to create new business, platforms, channels and experiences, observing the following aspects: (i) legal; (ii) regulatory; (iii) compliance; (iv) risks; (v) economic and commercial viability; (vi) accounting and tax; (vii) operational viability); and (viii) technological feasibility.

- Ensure that all products, services, business, experiences, channels and platforms in operation in the XP Group are aligned with the Group's values;
- Ensure the compatibility of approved strategic projects with XP's risk profile;
- Analyze and deliberate on the potential risks identified for new XP Group strategic projects, including potential image and compliance risks, regulatory risks, information security and technology infrastructure risks;
- Analyze and deliberate on the concentration risk of counterparties operating in the same product or business segment or associated with the same type of financial service;
- Ensure that all services, products, channels, experiences and platforms that are part of the XP Group portfolio meet the internal rules of the XP Group, and meet all legal and regulatory requirements;
- Analyze and deliberate on the economic and commercial viability of new products, services, channels, experiences or platforms, mapping the costs involved, distribution potential, revenue and profit margin; and
- Revise this Terms of Reference whenever changes occur in the composition of its members or when it is deemed necessary.

#### Credit Products Distribution Committee

- Ensure the effectiveness of credit risk assessment and monitoring for the selection and subsequent monitoring of securities eligible for allocation by XP Investimentos' client base through fundamental analysis of private securities issuers, as well as the assessment of their guarantee structures and/or repayment sources.
- Assign risk classification (XP rating) to issuers and issues, in addition to possible eligibility for exemption from the Credit Guarantee Fund term; and
- Ensure that counterparty credit analysis materials comply with XP's internal rules and all legal and regulatory requirements.
- Ensure the identification and measurement of credit risk, through fundamental analysis of private securities issuers, as well as the assessment of their guarantee structures and/or payment sources, in addition to possible exemption from the Credit Guarantee Fund ("FGC") term.
- Establish the time for the next credit review of the issuer/issuance/waiver of FGC term, with the maximum validity period of the analysis being 1 (one) year and the annual review of the analysis being mandatory or within a shorter period, when decided by this Committee.

- Review the credit risks allocated by XP Investimentos' client base within the stipulated review periods, through fundamental analysis carried out by the Credit Area.

## CRO

- Supervise the development, implementation and performance of the risk management structure, including its improvement;
- Responsible for the adequacy, in accordance with the RAS and XP's strategic objectives, of the policies, processes, reports, systems and models used in risk management;
- Ensure adequate training of the members of the specific unit, regarding the policies, processes, reports, systems and models of the risk management structure, even if developed by third parties;
- Provide support and participation in the strategic decision-making process related to risk management and, when applicable, capital management, assisting the Board of Directors;
- Perform their duties independently and report, directly and without the presence of the members of the Board of Directors, to the Risk Committee and RSAC and to XP's main executive.
- Other duties established by Resolution 4,557/17 and subsequent resolutions that replace it.

## Risk and Capital Management (Market Risk, Credit, Liquidity and Capital)

- Perform the necessary procedures for managing market, IRBB, liquidity and capital risks.
- Point out any non-compliance with XP's risk limits to the Board of Directors and monitor the reclassification of exposures;
- Prepare and propose stress scenarios for approval by the Board of Directors;
- Pre-evaluate the market, liquidity and capital risks of new products/services or significant changes to products/services or changes to XP's business model;
- Disclose reports to assist in decision-making specific to market, liquidity and capital risks;
- Determine and monitor the Basel index to ensure that it is maintained within the regulatory limits and limits defined by the RAS;
- Evaluate and monitor protection strategies (hedge) and risk-taking initiatives;

- Disseminate the culture of market and liquidity risk management and capital management;
- Prepare and disclose the Risk Management report – Pillar III; and
- Develop and maintain updated Policies, Procedures and Manuals related to Market, Credit and Liquidity Risks and Capital Management.

### Counterparty Risk

- Measure, monitor and control the risk of XP brokerage operations;
- Define governance and all counterparty risk policies, including failure handling, exception procedures and default management;
- Define and manage pre-trading limits and post-trading intraday risk;
- Prepare B3's periodic regulatory tests, including market and liquidity stress tests;
- Define the risk methodology for XP products.

### Non-Financial Risks

- Perform the necessary procedures for the effective management of non-financial risks, which include identifying, measuring, evaluating, monitoring and reporting;
- Guide XP areas regarding strategies for managing non-financial risks;
- Carry out periodic assessment of the internal control environment – design and operational effectiveness of controls – through process mapping, periodic tests of control effectiveness for a sample of events and/or in their entirety.
- Previously assess non-financial risks regarding new products, relevant changes to XP's processes, systems or business model;
- Define decision criteria regarding the outsourcing of services and the selection of their providers, including the minimum contractual conditions necessary to mitigate non-financial risks;
- Establish a consistent and comprehensive process to: a) timely collect relevant information for the operational risk database; b) classify and aggregate the relevant operational losses identified; and c) carry out, in a timely manner, an analysis of the root cause of each relevant operational loss;
- Periodically carry out scenario analyzes with the aim of estimating XP's exposure to rare and highly severe operational risk events;

- Report to governance bodies on key risks and the alignment of residual risks within XP's risk appetite;
- Monitor the implementation of action plans and corrective measures aimed at reducing and/or mitigating non-financial risks;
- Disseminate the risk culture, with the aim of ensuring the engagement of everyone involved in the process.

### **Administrator Risk**

The Risk Management area of the Administrator is responsible for implementing controls and generating reports that are used in the risk management and supervision processes, defining the methodologies used in the identification, assessment and monitoring of market, liquidity, capital, credit and counterparty risk of the funds under XP's management.

The Risk Management team has hierarchical independence in relation to the securities portfolio management area, to fully exercise its activities.

This team is responsible for, including, but not limited to:

- Develop and review, when necessary, the risk management methodology;
- Using its own methodology, calculate the liquidity of funds under XP's administration on a daily basis;
- Carry out market, liquidity, capital and credit risk supervision procedures;
- Report to the Risk Committee on risk indicators and possible extrapolations of limits;
- Inform any extrapolation of risk limits and notify the respective Investment Fund manager, so that he/she can confirm and justify such an occurrence, and inform the action plan and regularization period, with the Administrator's Risk Management area being responsible for monitoring this extrapolation until the effective solution;
  - In case of extrapolations occurring due to methodology deficiency or unforeseen situations that have a formal and plausible justification presented by the Manager, submit the approval of these exceptions to validation by the Risk Committee. These exceptional cases will no longer be notified to the manager and must be reviewed periodically;

- Supervise the process of sending reports to regulators, as well as the processes carried out by controllership and custody service providers, when related to risk monitoring; And
- Maintain evidence of relevant controls carried out by the area.

### **Social, Environmental and Climate Risk**

- Maintain attention to XP's social, environmental and climate risk and responsibility policies and manuals;
- Identify critical sectors based on social, environmental and climate criteria, applying restrictions when relevant;
- Identify, classify, evaluate, monitor, mitigate and control the social, environmental and climate risk present in credit activities and operations;
- Continuously improve the guidelines of this Policy according to the evolution of the topic along with market standards, including voluntary commitments adhered to, market indices and other ESG standards;
- Develop social, environmental and climate risk assessment methodologies in fixed income assets;
- Incorporate social, environmental and climate criteria in the management and decision-making of investments in assets over which XP has operational or corporate control;
- Observe social, environmental and climate issues when structuring capital market operations; And
- Establish and apply social, environmental and climate risk and ESG criteria in the development of new businesses and financial products.

### **Compliance**

- Promote an organizational culture that encourages ethical conduct and XP's commitment to compliance with current regulations and laws;
- Carry out an in-depth analysis of customers, partners and suppliers, ensuring compliance with prevention of money laundering regulations, sanctions and Socio-economic Risk;
- Provide support, guidance and supervision based on risks to XP's network of investment advisors, correspondents, brokers and internal advisors;

- Assess, together with the Public and Institutional Relations area, the image risk and, together with the Legal department, the regulatory risk, regarding new products/services, relevant changes in XP's processes, systems or business model;
- Report and deliberate on highly critical cases and/or methodological changes to the PLDFTP Committee;
- Report all relevant compliance decisions to the Audit Committee.

### Legal

- The Legal Department is responsible for defining the planning, structure, guidelines and processes for the adequate management of legal and compliance risks within XP, in line with the limits established in XP's policies.
- Ensure the inclusion of risk mitigation in operating and service provision contracts with suppliers, when applicable;
- Manage legal, administrative or regulatory processes related to Socio-Environmental Risk, involving customers, suppliers, employees and other partners;
- Ensure risk analysis in cases of significant corporate reorganizations.

### Financial Directorate

The Directorate is responsible for the execution, supervision, guidance, coordination, control and management of XP's resources, in line with XP's corporate policies and Risk Appetite (RAS). Responsible for conducting all activities related to budget execution, projection of results and cash flows, accounting, management and regulatory reporting, in addition to analyzing documents related to payments and receipts concerning XP's finances.

### Asset, Liability and Capital Management Area

- Control the capital held by XP;
- Plan goals and assess capital needs, considering strategic objectives and risks incurred;
- Prepare the ICAAP, the Capital Plan and the Capital Contingency Plan in accordance with conditions established by regulatory agencies.

### Risk Appetite

XP establishes, through the Risk Appetite Statement (RAS), the level of the institution's Risk Appetite for all risk categories in a discretionary manner.

Aligned with XP's mission, the risk management structure focuses mainly on the following pillars:

- 1- Guarantee the highest ethical standards of conduct of all employees;
- 2- Ensure compliance with existing regulatory obligations;

- 3- Safeguard XP's financial resilience;
- 4- Maintain a robust and efficient internal control environment; and
- 5- Preserve XP's image and reputation.

Risk appetite guidelines are defined by XP's Board of Directors, which performs its responsibilities with the support of the Risk Committee; Treasury Committee; Corporate Initiatives Committee; Credit Product Distribution Committee; Credit Decision Committee; and Credit Monitoring and Policies Committee. The Committees define the objectives, goals and limits for the risk management business units, whose functions include ensuring that their operations and activities comply with the guidelines of this RAS. The capital control and management units, in turn, support management through the processes of identifying, monitoring and analyzing potential non-conformities.

### **Dissemination of risk culture**

The risk culture is transmitted through different channels within XP. The main sources of disclosure are the policies and risk manuals available on the XP intranet and training for employees and outsourced workers.

These training courses are mandatory for employees and are available on an internal platform. For third-party workers, XP has an open platform for the general public.

The main objective of this program is to ensure that all employees have a clear understanding of the entire scope of business risks.

### **Stress Testing Program**

The Stress Testing Program is the coordinated set of processes and routines for preparing and approving scenarios, modeling, calculation, reporting and use of the results obtained.

The ultimate goal of the Stress Testing Program is to provide support for strategic decisions, assessment of capital and liquidity levels, in the preparation of the respective contingency plans, proposal for reviews of risk appetite levels, review, if necessary, of policies and strategies and testing of the limits established for the purposes of integrated risk management and capital management.

As provided for in Resolution 4,557/2017, article 7, the Stress Testing Program is developed by the Market Risk, IRRBB, Liquidity and Capital areas, with support from the Macroeconomics, Risks, Legal, Treasury, Financial Planning, Controllership and business areas.

The Market Risk, IRRBB, Liquidity and Capital areas use the methodology of adverse macroeconomic scenarios in the stress test program, which are idiosyncratic and systemic, and the guidelines to be followed and the results are discussed and approved by the Board of Directors.

The methodology, assumptions and parameters are duly detailed and described in specific documents, under the responsibility of the Market Risk, IRRBB, Liquidity and Capital areas. After approval of the report with the results obtained by the Stress Test Program, the Asset, Liability and Capital Management area assesses the impacts on capital resulting from the Stress Test Program, as provided for in Resolution 4,557/2017, article 40.

### **Reporting and Mitigation Process**

Once the risks and causes have been measured, those which have a residual equal to or greater than a high level, at the very least should have action plans established to reduce the risk to an acceptable level, with actions that include reducing, mitigating, accepting or transferring the risks in accordance with the assessment of the effect, costs and benefits.

The action plans contain the measures for control, the individual responsible, and the deadlines for carrying out the strategies adopted, in accordance with the level of risk identified.

### **Capital Management**

XP's Capital Risk Management is carried out in order to maintain an adequate level of capital in order to provide conditions for achieving strategic objectives. This is done through management compatible and consistent with liquidity, credit, market, operational and other relevant risks, as well as your budgetary targets. To ensure the effective management of XP's capital, the structure will consist of the following elements:

- Internal Policies and Procedures;
- Areas responsible for monitoring, controlling, assessing capital needs and planning goals;
- Capital Management Activities carried out by specific and segregated area;
- Risk and Treasury Committees as decision-making body;
- Superior authority for making strategic decisions.

In this way, it is established that the Market Risk, IRRBB, Liquidity and Capital area is additionally responsible for capital management, allowing the segregation of functions and adapting management to the complexity and characteristics of XP's operations.

## OV1 - Overview of Risk-Weighted Assets (RWA)

The risks covered by Total Capital are monitored and represented by risk-weighted assets (RWA) and the Risk of Variation in Interest Rates on Instruments classified in the Banking Book (IRRBB).

Risk-Weighted Assets<sup>2</sup> are calculated by adding the exposures of Credit ( $RWA_{CPAD}$ ), Market ( $RWA_{MPAD}$ ) and Operational ( $RWA_{OPAD}$  – basic indicator approach) risk.

The total minimum capital requirement is 8% of the indicative values of the RWA exposures as of December 31, 2024. These values are reported in accordance with CMN Resolution 4,958/21, represented in the following table:

R\$ thousand	RWA		Requerimento mínimo de PR
	12/31/2024	9/30/2024	12/31/2024
<b>Credit Risk: standardized approach</b>	<b>35.914.871</b>	<b>23.513.809</b>	<b>2.873.190</b>
Of which: determined using the standardized approach	35.914.871	23.513.809	2.873.190
Of which: determined using the basic IRB approach	-	-	-
Of which: determined through the advanced IRB approach	-	-	-
<b>Counterparty credit risk (CCR)</b>	<b>8.594.253</b>	<b>5.382.326</b>	<b>687.540</b>
Of which: standardized approach for counterparty credit risk (SA-CCR)	-	-	-
Of which: Current Exposure Method approach (CEM)	7.419.521	4.733.233	593.562
Of which: other CCR	1.174.732	649.093	93.979
<b>Equity investments in funds - look-through approach</b>	<b>937.143</b>	<b>770.656</b>	<b>74.971</b>
<b>Equity investments in funds - mandate-based approach</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity investments in funds - fall-back approach</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Securitisation exposures - standardized approach</b>	<b>2.904.939</b>	<b>3.641.173</b>	<b>232.395</b>
<b>Market risk</b>	<b>21.586.348</b>	<b>10.794.136</b>	<b>1.726.908</b>
Of which: standardized approach ( $RWAMPAD$ )	21.586.348	10.794.136	1.726.908
Of which: internal models approach (IMA) ( $RWAMINT$ )	-	-	-
<b>Operational risk</b>	<b>16.382.817</b>	<b>16.382.817</b>	<b>1.310.625</b>
<b>Payment services risk (<math>RWAsp</math>)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Amounts for exposures not deducted from Total Capital calculation</b>	<b>2.087.192</b>	<b>1.610.057</b>	<b>166.975</b>
<b>Total</b>	<b>88.407.564</b>	<b>62.094.974</b>	<b>7.072.605</b>

In the last quarter, there was an increase of R\$26.3 billion in  $RWATotal$ , with approximately R\$11 billion in  $RWAMPAD$  and R\$15.5 billion in  $RWACPAD$ , mainly due to the increase in the portfolio and the corporate reorganization, respectively.

<sup>2</sup> The credit risk ( $RWA_{CPAD}$ ) and Operational Risk ( $RWA_{OPAD}$ ) are calculated according to BACEN Resolution No 229/22 and 3,640/13 and subsequent changes, respectively.

## Comparison between accounting and prudential information

### LIA - Explanation of the differences between amounts recorded in the financial statements and amounts of exposures subject to prudential treatment

The main difference between the amounts recorded in the published financial statements and the amounts of exposures subject to prudential treatment refers to the companies covered by the reports. The information reported in this document is calculated according to the XP Prudential Conglomerate ("XP"), composed of the following financial institutions: XP Investimentos CCTVM S.A., XP DTVM LTDA., Banco XP S.A., Banco Modal S.A. and Modal DTVM, which fall within the definition of CMN Resolution 4,950/21. The published financial statements refer to the XP INC consolidated group, which includes the financial institutions present in the prudential conglomerate and non-financial companies.

### LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

In R\$ thousand	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital	12/31/2024
<b>Assets</b>								
Cash and balances at central banks	5.610.548	2.625.940	2.625.940	-	-	74.482	-	-
Financial instruments	321.697.974	232.472.359	173.088.859	52.286.052	5.723.370	20.437.331	1.374.078	-
Deferred tax assets	2.887.935	30.948.497	1.137.477	-	-	-	29.811.020	-
Investments in shares in associated and controlled companies	3.518.779	5.136.724	5.136.724	-	-	-	-	-
Premises and equipment	449.956	273.276	273.276	-	-	-	-	-
Intangible and agio	2.634.449	1.908.232	-	-	-	-	1.908.232	-
Others	10.657.119	4.080.011	1.244.440	-	-	-	2.835.572	-
<b>Total assets</b>	<b>347.456.760</b>	<b>277.445.039</b>	<b>183.506.716</b>	<b>52.286.052</b>	<b>5.723.370</b>	<b>20.511.813</b>	<b>35.928.901</b>	
<b>Liabilities</b>								
Deposits and other financial instruments	257.965.004	239.576.453	281.334	-	-	197.300	-	-
Deferred tax liabilities	265.290	28.340.906	-	-	-	-	28.340.906	-
Others	69.179.229	1.567.641	-	-	-	-	-	-
<b>Total liabilities</b>	<b>327.409.523</b>	<b>269.485.000</b>	<b>281.334</b>	<b>-</b>	<b>-</b>	<b>197.300</b>	<b>28.340.906</b>	

### LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

In R\$ thousand	Total	Carrying values of items				Market risk framework	12/31/2024
		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework		
Asset carrying value amount under scope of regulatory consolidation	241.516.138	183.506.716	52.286.052	5.723.370	20.511.813	-	-
Liabilities carrying value amount under regulatory scope of consolidation	281.334	281.334	-	-	-	197.300	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>241.234.804</b>	<b>183.225.382</b>	<b>52.286.052</b>	<b>5.723.370</b>	<b>20.314.513</b>		
Off-balance sheet amounts	1.883.037	1.883.037	-	-	-	-	-
Differences in valuations	-	-	-	-	-	-	-
Other differences	-	-	-	-	-	-	-
<b>Exposure amounts considered for regulatory purposes</b>	<b>243.117.841</b>	<b>185.108.419</b>	<b>52.286.052</b>	<b>5.723.370</b>	<b>20.314.513</b>		

### Prudential Adjustments (PVA)

On the reference date of this document, no need for adjustments resulting from the pricing process was identified. Prudential adjustments are assessed based on their impact on the prices of financial instruments and derivatives at the time of their calculation, and are considered to the extent that they meet the criteria of relevance and materiality, in accordance with Resolution No. 4,277 of October 3, 2013.

## Composition of Capital

### CCA - Main features of regulatory capital instruments

The CCA table - Main features of regulatory capital instruments, is available at <https://www.xpi.com.br/compliance/>, in the section “Risk and Capital Management”, “Pilar 3 Management of Risk and Capital 4Q24”.

## CC1 - Composition of regulatory capital

	12/31/2024	
	Amount (R\$ thousand)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier I: instruments and reserves</b>		
1 Instruments Eligible to Common Equity Tier I	10.113.269	(a)
2 Profit reserve	1.489.246	(b)
3 Other revenue and other reserves	(817.803)	(c)
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) (1)	-	
<b>6 Common Equity Tier 1 capital before regulatory adjustments</b>	<b>10.784.712</b>	
<b>Common Equity Tier I: prudential adjustments</b>		
7 Prudent valuation adjustments	-	
8 Goodwill paid in the acquisition of investments based on prospects of future returns	1.228.676	
9 Intangible assets	679.556	
10 Tax credits from fiscal losses and negative base of Social Contribution on Net Income and those originated from this contribution related to periods ended until December 31, 1998	527.711	
11 Adjustments related to the market value of derivative financial instruments used to hedge protected cash flow items which do not have their market-to-market adjustments booked in the accounting records (Cash flow hedge reserve)	-	
15 Actuarial assets related to defined benefit pension funds	-	
16 Investments in own Common Equity Tier 1 instruments	-	
17 Reciprocal cross-holdings in common equity	-	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19 Significant investments in the common stock of banking, financial and insurance	-	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	942.403	
22 Amount exceeding the 15% threshold	-	
23 Of which: significant investments in the common stock of financials	-	
25 of which: from tax credits due to temporary differences that depend on the generation of profits or future taxable revenues for their realization	-	
26 National specific regulatory adjustments	-	
26.a Deferred permanent assets	-	
26.b Investments in facilities, controlled financial institution abroad or non-financial institution which belongs to the conglomerate, to which the Brazilian Central Bank did not have access to information, data and documents	-	
26.d Unauthorized capital stock increase	-	
26.e Amount exceeding the adjusted amount of the Common Equity Tier I	-	
26.f Deposit to meet capital deficiency	-	
26.g Amount of intangible assets Circular Letter 3,678, of October 31, 2013 constituted before the effectiveness of Resolution 4,192, of 2013	-	
26.h Excess funds invested in Permanent Assets	-	
26.i Capital highlights, as established on Resolution nº 4,589/17	-	
26.j Other residual differences related to the methodology to calculate Common Equity Tier I for regulatory purposes	-	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
<b>28 Total regulatory adjustments to Common Equity Tier 1</b>	<b>3.378.346</b>	
<b>29 Common Equity Tier 1 capital (CET1)</b>	<b>7.406.366</b>	
<b>Additional Tier 1 capital: instruments</b>		
30 Instruments eligible to be part of the additional Tier 1 Capital	1.974.956	
31 Of which: classified as equity under applicable accounting standards	-	
32 Of which: classified as liabilities under applicable accounting standards	1.974.956	
34 Additional Tier 1 instruments issued by subsidiaries of the conglomerate and held by third parties	-	
36 Additional Tier 1 capital before regulatory adjustments	1.974.956	
<b>Capital Complementar: antes das deduções regulatórias</b>		
37 Investments in own additional Tier 1 instruments	-	
38 Reciprocal cross-holdings in additional Tier 1 instruments	-	
39 Non-significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
41 National specific regulatory adjustments	-	
41.b Interest of non-controlling shareholders in the additional Tier I	-	
41.c Other residual differences related to the methodology to calculate additional Tier I for regulatory purposes	-	
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
<b>43 Total regulatory adjustments to additional Tier 1 capital</b>	<b>-</b>	
<b>44 Additional Tier 1 capital (AT1)</b>	<b>1.974.956</b>	
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>9.381.322</b>	
<b>Tier II: instruments</b>		
46 Instruments eligible to Tier II	830.730	
48 Interest of non-controlling shareholders in subsidiaries of the conglomerate, not deductible from Tier II	-	
<b>51 Tier II before the regulatory deductions</b>	<b>830.730</b>	
<b>Tier 2 capital: regulatory adjustments</b>		
52 Investments in own Tier 2 instruments	-	
53 Reciprocal cross-holdings in Tier 2 instruments	-	
54 Non-significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56 National specific regulatory adjustments	-	
56.b Interest of non-controlling shareholders in Tier II	-	
56.c Other residual differences related to the methodology to calculate Tier II for regulatory purposes	-	
<b>57 Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
<b>58 Tier 2 capital (T2)</b>	<b>830.730</b>	
<b>59 Total regulatory capital (TC = T1 + T2)</b>	<b>10.212.052</b>	
<b>60 Total risk-weighted assets</b>	<b>88.407.564</b>	

Capital ratios and buffers	
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	8,38%
62 Tier 1 (as a percentage of risk-weighted assets)	10,61%
63 Total capital (as a percentage of risk-weighted assets)	11,55%
64 Total of bank CET1 specific buffer requirements	2,50%
65 Of which: capital conservation buffer requirement	2,50%
66 Of which: bank-specific countercyclical buffer requirement	0,00%
67 Of which: systemic capital buffer requirement	0,00%
68 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	1,38%
Amounts below the thresholds for deduction (before risk weighting)	
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	249.148
73 Significant investments in the common stock of financial entities	-
75 Deferred tax assets arising from temporary differences (net of related tax liability)	834.877

## CC2 - Reconciliation of regulatory capital to balance sheet

In R\$ thousand	12/31/2024		
	Balance sheet as in published financial statements (1)	Under regulatory scope of consolidation (2)	Reference
<b>Consolidated Statement of Financial Position</b>			
<b>Assets</b>			
Cash and cash equivalent	5.611	2.626	
Financial instruments	321.698	232.472	
Deferred tax assets	2.888	30.948	
Investimentos em participações em coligadas e controladas	3.519	5.137	
Premises and equipment	450	273	
Intangible and Ágio assets	2.634	1.908	
Others assets	10.657	4.080	
<b>Total assets</b>	<b>347.457</b>	<b>277.445</b>	
<b>Liabilities</b>			
Deposits and other financial instruments	257.965	239.576	
Deferred tax liabilities	265	28.341	
Othhers	69.179	1.568	
<b>Total liabilities</b>	<b>327.410</b>	<b>269.485</b>	
<b>Shareholders' equity</b>			
Capital	0	10.113	
Profit reserves	20.940	1.489	(b)
Other comprehensive income	674	818	(c)
Profit and loss accumulated	-	-	
Treasury shares	222	-	
Non-controlling interest	4	50	
<b>Total equity</b>	<b>20.047</b>	<b>10.834</b>	

(1) Consolidation of the Balance Sheet of XP INC.

(2) Consolidation of the XP Prudential Balance Sheet – Composed of the following financial institutions: XP Investimentos CCTVM S.A., XP DTVM LTDA., Banco XP S.A., Banco Modal S.A. and Modal DTVM which fall within the definition of CMN Resolution 4,950/21.

## Macroprudential supervisory measures

### CCyB1 – Geographical distribution of credit exposures used in the countercyclical buffer

R\$ thousand 12/31/2024

Geographical breakdown	Countercyclical Capital Buffer Rate	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
		Exposure values	RWA		
Brasil	0%	351.840.324	46.371.949		
México	0%	3.899.317	641.122		
<b>Subtotal</b>		<b>351.840.324</b>	<b>46.371.949</b>		
<b>Total</b>		<b>355.739.641</b>	<b>47.013.072</b>	-	-

## Liquidity Risk Management

### LIQA - Qualitative Liquidity Risk Management Information

The Liquidity Risk Management structure aims to identify, measure, assess, monitor and control the risks associated with each individual institution and with XP, ensuring that the level of Liquidity Risk is within the risk appetite and established operating limits.

The Liquidity Management implemented is aligned with XP's strategy and business model, and is compatible with the nature of its operations, the complexity of the institution's products, the relevance of risk exposure, and the systemic importance of XP.

XP's Liquidity Risk Management structure provides for:

- Liquidity Risk Management policies and strategies that establish parameters and limits to ensure liquidity levels are considered acceptable by XP;
- Stress Tests that identify the need to reassess liquidity policies and contingency plans, observing minimum liquidity limits;
- Liquidity Contingency Plan, to face liquidity stress situations;
- Liquidity Risk Management Activities, allocated to the Risk and Capital Management area, which acts independently in proposing risk management policies and standards.

XP always maintains an adequate level of liquidity working with a minimum cash limit. This is done through management that is compatible and consistent with the ability to obtain resources in the market and with budget targets for the growth in the volume of assets.

### Communication and Risk Information

Daily, management reports with cash information, control of internal and customer resources, and asset liquidity ratios are available for business units and members of the Treasury Committee.

### Liquidity Contingency Plan

In the event of a lack of liquidity in the financial markets, or the identification of an internal risk that results in a violation of the minimum liquidity limit, the Prudential Conglomerate's Liquidity Contingency Plan will be triggered.

XP's Liquidity Contingency Plan provides for a sequence of actions that must be taken if there is a stressful situation. The positive effects on liquidity generated by the execution of the Contingency Plan should be sufficient to bring cash back within the required minimum liquidity limits.

The implementation of alternatives may vary due to market timing or because of the profile of XP's asset and liability portfolios.

## Leverage Ratio

### LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

In R\$ thousand	12/31/2024	06/30/2024
Total consolidated assets as per published financial statements	347.456.760	297.140.899
Adjustment that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-124.532.868	-122.965.137
Ativo total do balanço patrimonial individual ou do conglomerado prudencial, no caso de apuração da RA em bases consolidadas	222.923.892	174.175.762
Adjustments for derivative financial instruments	25.107.751	30.533.130
Adjustment relating to the method for determining the value of repo transactions and asset lending	12.372.004	12.727.377
Adjustment for off-balance sheet items	- 3.263.724	905.380
Other adjustments	- 31.719.252	- 20.988.924
<b>Leverage ratio exposure measure</b>	<b>225.420.670</b>	<b>197.352.725</b>

### LR2 – Leverage ratio common disclosure

	12/31/2024	09/30/2024
<b>On-balance sheet exposures</b>		
On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	222.923.891,55	194.155.224,36
(Asset amounts deducted in determining Basel III Tier 1 capital)	- 31.719.252,03	- 23.633.747,40
<b>Total on-balance sheet exposures</b>	<b>191.204.639,52</b>	<b>170.521.476,96</b>
<b>Derivative exposures</b>		
Replacement cost associated with all derivatives transactions	22.578.106,07	28.378.431,51
Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	2.529.644,93	2.146.174,17
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Exempted central counterparty, or CCP, leg of client-cleared trade exposures)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
<b>Total derivative exposures</b>	<b>25.107.751,00</b>	<b>30.524.605,68</b>
<b>Securities financing transaction exposures</b>		
Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	11.091.841,00	10.175.783,42
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	1.280.163,22	810.066,29
Agent transaction exposures	-	-
<b>Total securities financing transaction exposures</b>	<b>12.372.004,22</b>	<b>10.985.849,71</b>
<b>Other off-balance sheet exposures</b>		
Off-balance sheet exposure at gross notional amount	6.543.882,40	6.684.999,29
(Adjustments for conversion to credit equivalent amounts)	- 9.807.606,89	- 4.987.394,90
<b>Off-balance sheet items</b>	<b>- 3.263.724,49</b>	<b>1.697.604,40</b>
<b>Capital and total exposures</b>		
Tier 1 capital	9.381.321,76	7.648.232,62
Total exposures	225.420.670,25	213.729.536,74
<b>Leverage ratio</b>		
Leverage Ratio	4,16%	3,58%

## Credit Risk Management

### CRA - Qualitative information on credit risk management

Credit Risk Management, pursuant to CMN Resolution 4,557/17, aims to maintain the quality of the credit portfolio at levels consistent with XP's Credit Risk Appetite and operational limits.

The Credit Management structure is compatible with the nature of the operations, the complexity of its products, the relevance of risk exposure, and the systemic importance of XP.

XP manages its Credit Risk exposure throughout the entire credit cycle, from granting and monitoring, to collection and recovery activities. This structure allows for the identification, assessment, monitoring and control of exposure to credit risk and is composed of the following elements:

- Internal Policies and Procedures;
- Processes for granting, maintaining, and recovering credit, in addition to monitoring credit risk;
- Committees as decision-making bodies.

XP has defined and approved policies for the processes of granting, maintaining and recovering credit, aiming to provide greater transparency and cohesion to internal guidelines and procedures.

### CR1 – Credit quality of assets

R\$ thousand	Gross values:					12/31/2024
	Defaulted exposures (a)	Non- defaulted exposures (b)	Allowances, advances and unearned income (c)	Allowances, advances and unearned income (d) of which: RWAcpad	Allowances, advances and unearned income (f) of which: RWAirb	Net Values (a+b-c)
<b>Loans</b>	290.555	70.188.236	373.942	373.942	-	70.104.849
<b>Debt Securities</b>	-	80.859.177	-	-	-	80.859.177
of which: national sovereign bonds	-	54.132.640	-	-	-	54.132.640
of which: other debts	-	26.726.537	-	-	-	26.726.537
<b>Off-balance sheet exposures</b>	-	7.877.651	6.173	6.173	-	7.871.479
<b>Total</b>	<b>290.555</b>	<b>158.925.063</b>	<b>380.114</b>	<b>380.114</b>	<b>-</b>	<b>158.835.504</b>

### CR2 – Changes in stock of defaulted loans and debt securities

R\$ thousand	Total	Data
<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>334.814</b>	<b>06/30/2024</b>
Loans and debt securities that have defaulted since the last reporting period	153.756	
Amount returned to non-defaulted status	- 1.716	
Amount written off	- 196.298	
Other adjustments	-	
<b>Defaulted loans and debt securities at end of the reporting period (12/31/2022)</b>	<b>290.555</b>	<b>12/31/2024</b>

## CRB – Breakdown of exposures by geographical areas, industry and residual maturity

CRB e - Breakdown of exposures by geographical areas, industry and residual maturity					
12/31/2024	Total Exposure	Contracts with Remaining Maturity			
In R\$ thousand		Up to 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Above 5 years
<b>Geographic Region</b>	<b>158.835.504</b>	<b>55.716.883</b>	<b>42.700.487</b>	<b>47.783.575</b>	<b>12.634.559</b>
Southeast	71.363.535	22.564.020	24.875.809	19.577.507	4.346.198
South	4.702.118	262.207	4.105.708	269.218	64.986
Midwest	10.608.562	934.123	4.027.127	61.491	5.585.820
North	877.254	48.590	799.470	23.197	5.998
North East	1.854.715	102.110	1.349.167	378.489	24.949
National (TPF)	66.974.651	29.351.164	7.543.205	27.473.673	2.606.608
<b>Offshore</b>	<b>2.454.669</b>	<b>2.454.669</b>	-	-	-
<b>Economic Sector</b>	<b>158.835.504</b>	<b>34.464.335</b>	<b>28.059.625</b>	<b>10.597.689</b>	<b>2.746.208</b>
<b>Pessoa Física</b>	<b>33.029.508</b>	<b>1.751.462</b>	<b>26.394.024</b>	<b>3.450.851</b>	<b>1.433.170</b>
<b>Pessoa Jurídica</b>	<b>125.805.997</b>	<b>32.712.873</b>	<b>1.665.602</b>	<b>7.146.837</b>	<b>1.313.038</b>
<b>Public sector</b>	<b>56.587.308</b>	<b>18.963.821</b>	<b>7.543.205</b>	<b>27.473.673</b>	<b>2.606.608</b>
<b>Private sector</b>	<b>69.218.688</b>	<b>32.712.873</b>	<b>1.665.602</b>	<b>7.146.837</b>	<b>1.313.038</b>
Financial	64.590.115	34.986.709	6.636.600	14.652.486	8.314.321
Industry	35.932	-	-	9.884	26.048
Services	1.522.702	159	4.858	1.486.771	30.914
Oil and Energy	378.191	7.461	10.578	280.559	79.593
Agroindustry	51.274	11	-	47.740	3.522
Others	2.640.475	7.259	2.111.222	381.611	140.382

CRB f - Total defaulted loans operations segregated by geographical areas and industry			
12/31/2024	Defaulted Loans		
In R\$ thousand	Total	Provision	Write-offs
<b>Geographic Region</b>	<b>290.555</b>	<b>290.555</b>	<b>-</b>
Southeast	290.555	290.555	-
South	-	-	-
Midwest	-	-	-
North	-	-	-
North East	-	-	-
<b>Offshore</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Economic Sector</b>	<b>290.555</b>	<b>290.555</b>	<b>-</b>
<b>Pessoa Física</b>	<b>241.625</b>	<b>241.625</b>	<b>-</b>
<b>Pessoa Jurídica</b>	<b>48.929</b>	<b>48.929</b>	<b>-</b>
Public sector	-	-	-
Private sector	-	-	-
Financial	-	-	-
Industry	-	-	-
Services	-	-	-
Oil and Energy	-	-	-
Others	48.929	48.929	-

**CRB g - Total past due loans exposures segmented by past due loans band**

	12/31/2024
in R\$ thousand	Past due operations
Less than 30 days	85.366
Past due 31 to 90 days	47.318
Past due 91 to 180 days	57.594
Past due 181 to 365 days	124.889
Past due more than 365 days	461
<b>Total</b>	<b>315.628</b>

**CRB h - Segregation of total restructured exposures**

	12/31/2024	
In R\$ thousand	Defaulted Loans	Others
Total Restructured Exposures	96.633	2.929.100

**CRB i - Percentage of the ten and one hundred largest exposures**

	12/31/2024	
In R\$ thousand	Exposures	% of Portfolio <sup>1</sup>
10 largest Exposures	11.973.922	28,63%
100 largest Exposures	31.212.272	74,63%

<sup>1</sup> Percentage in relation to the total Non- defaulted exposures of table CR1.

**CRC – Information on credit risk mitigation instruments** Potential credit losses can be mitigated by using various types of collateral, formalized through legal instruments.

The Credit Risk area is responsible for managing collateral, which aims to identify, evaluate and monitor assets provided as collateral for contracting credit operations with Banco XP. A discount is defined for each of the financial assets provided as collateral for credit operations to guarantee the credit quality of the mitigating instrument. The discount model for collateral, which uses credit, liquidity and market risk variables, is the responsibility of the Credit Risk area. The guidelines and procedures for evaluating and monitoring collateral are duly detailed and described in specific documents.

**CR3 – Credit risk mitigation techniques – overview**

In R\$ thousand	12/31/2024				
	Exposures unsecured	Exposures secured by collateral	Of which: exposures secured by financial guarantees	Of which: Portion covered by personal guarantees	Of which: exposures secured by credit derivatives
Loans	49.482.909	20.621.940	20.621.940	-	-
Debt securities	75.946.855	4.912.322	4.912.322	-	-
Off-balance sheet exposures	5.091.601	2.786.050	2.786.050	-	-
Other operations	32.264.711	61.577	61.577	-	-
<b>Total</b>	<b>162.786.075</b>	<b>28.381.890</b>	<b>28.381.890</b>	-	-
of which: defaulted exposures	290.555	-	-	-	-

## CR4 – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

In R\$ thousand						12/31/2024
Asset Classes	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density [e/(c+d)]
Sovereigns and their central banks	107.308.223	-	104.691.150	-	641.122	0,6%
Non-central government public sector entities	-	-	-	-	-	0%
Multilateral development banks	-	-	-	-	-	0%
Banks	35.875.615	774.702	5.169.267	387.351	1.741.360	33%
Covered Bonds	-	-	-	-	-	0%
Non-financial legal entities	164.868.745	34.638	7.961.928	25.014	6.119.911	95%
Of which: specialized lending	-	-	-	-	-	0%
Of which: others	164.868.745	34.638	7.961.928	25.014	6.119.911	95%
Equity interests and subordinated debt instruments	5.136.724	-	5.136.724	-	14.939.718	291%
Regulatory retail portfolios	19.245.722	5.779.058	5.355.591	313.468	3.478.844	61%
Exposures guaranteed by real estate	86.343	-	24.766	-	4.953	20%
Of which: secured by residential properties, in which compliance with the financial obligations associated with the exposures is not dependent on the cash flows generated by the properties	24.766	-	24.766	-	4.953	20%
Of which: secured by residential properties, in which compliance with the financial obligations associated with the exposures is dependent on the cash flows generated by the properties	61.577	-	-	-	-	0%
Of which: secured by non-residential properties, in which compliance with the financial obligations associated with the exposures is not dependent on the cash flows generated by the properties	-	-	-	-	-	0%
Of which: secured by non-residential properties in which compliance with the financial obligations associated with the exposures is dependent on the cash flows generated by the properties	-	-	-	-	-	0%
Of which: relating to real estate developments	-	-	-	-	-	0%
Default exposures	7	-	7	-	3	50%
Other assets	417.418.811	1.289.253	8.182.661	1.157.205	8.988.959	96%
<b>Total</b>	<b>749.940.189</b>	<b>7.877.651</b>	<b>136.522.094</b>	<b>1.883.037</b>	<b>35.914.871</b>	<b>26%</b>

## CR5 – Standardised approach – exposures by asset classes and risk weights

In R\$ thousand		Risk weight (RW)														12/31/2024						
Asset Class	0%	20%	50%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)															
1 Sovereigns and their central banks		103.408.906		1.282.244				104.691.150														
2 Non-central government public sector entities (PSEs)	20%		50%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)															
3 Multilateral development banks (MDBs)	0%		20%	30%	50%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)													
4 Banks	20%		30%	40%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)												
5 Covered Bonds	10%		15%	20%	25%	35%	50%	100%	Others	Total credit exposures amount (post CCF and post-CRM)												
I Non-financial legal entities - of which: specialized lending	20%	50%	65%	75%	80%	85%	100%	130%	150%	Others	Total credit exposures amount (post CCF and post-CRM)											
II Non-financial legal entities - of which: others			3.439.963			4.420.287	126.692					7.986.941										
7 Equity interests and subordinated debt instruments	100%	150%	250%	400%	Others	Total credit exposures amount (post CCF and post-CRM)																
8 Regulatory retail portfolios		2.576.501	3.092.558					5.669.059														
9 Exposures guaranteed by real estate	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Others	Total credit exposures amount (post CCF and post-CRM)		
Of which: secured by residential properties, in which compliance with the financial obligations associated with the exposures is not dependent on the cash flows generated by the properties.		24.766																			24.766	
Of which: calculated directly from the values of loans and financing without interference and use of weighted average RW, each of them obtained from the combination of the RW associated with the property given as collateral and the RW of the borrower.																						
Of which: others		24.766																			24.766	
Of which: secured by residential properties, in which compliance with the financial obligations associated with the exposures is dependent on the cash flows generated by the properties.																						
Of which: secured by non-residential properties, in which compliance with the financial obligations associated with the exposures is not dependent on the cash flows generated by the properties.																						
Of which: calculated directly from the values of loans and financing without interference and use of weighted average RW, each of them obtained from the combination of the RW associated with the property given as collateral and the RW of the borrower.																						
Of which: others																						
Of which: secured by non-residential properties in which compliance with the financial obligations associated with the exposures is dependent on the cash flows generated by the properties.																						
Of which: relating to real estate developments																						

Asset Class	50%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)	
10 Default exposures	290.555	-	-	-		290.555
Asset Class	0%	20%	100%	1250%	Others	Total credit exposures amount (post CCF and post-CRM)
11 Other assets	4.424	-	8.300.481	-	1.034.961	9.339.866

In R\$ thousand

12/31/2024

**Exposures and CCF applied to off-balance sheet exposures**

Risk weight (RW)	Exposures accounted for in the balance sheet	Exposure not accounted for in the balance sheet (before CCF)	CCF average* (weighted by FPR)	Total credit exposures amount (post CCF and post- CRM)
Less than 40%	108.772.550	-	0,0%	108.772.550
40-70%	8.199.817	3.141.775	20,6%	8.846.387
75%	3.013.296	792.621	10,0%	3.092.558
80-85%	4.420.287	-	0,0%	4.420.287
90-100%	7.269.968	1.157.205	100,0%	8.427.173
105-130%	4.176.594	-	0,0%	4.176.594
150%	-	-	0,0%	-
250%	249.148	-	0,0%	249.148
400%	-	-	0,0%	-
1250%	710.982	-	0,0%	710.982
<b>Total Exposure</b>	<b>136.812.642</b>	<b>5.091.601</b>	<b>37,0%</b>	<b>138.695.679</b>

\*The weights are exposures not accounted for in the balance sheet, before the application of the respective CCF.

## Counterparty Credit Risk

### CCRA – Qualitative information on counterparty credit risk management (CCR)

Counterparty credit risk is the possibility of non-compliance by a given counterparty with obligations related to the settlement of transactions involving the trading of financial assets, including those related to the settlement of derivative financial instruments.

At the XP Prudential Conglomerate, the Credit Analysis, Credit Risk and Market Risk, IRRBB, Liquidity and Capital areas are additionally responsible for maintaining counterparty credit risk within the strategy and risk appetite of the TVM portfolio.

The Credit Analysis area is responsible for assessing the credit risk of issuers and issues with which XP Conglomerate companies maintain or are considering maintaining credit relationships. Credit analysis assesses the asset and the issuer. In addition, the process includes an assessment by the Legal Department, from a legal perspective of the structure, and an assessment by Compliance, from a perspective of Prevention of Money Laundering and Terrorism Financing (PLDFT) and possible negative publicity of the asset and issuer.

The credit analysis includes the following parameters:

- Analysis of the retrospective performance of the debtor(s) supported by Financial Statements;
- Analysis of the prospective performance of the debtor: projections of future economic and financial performance are made for, at least, the period of validity of the expected credit risk for the operation;
- Qualitative analysis of the debtor(s), which will include, among others, the assessment of the management capacity of the main executives, including calls and visits;
- Sector analysis: assessment of the debtor from the perspective of the performance of its peers.
- Analysis of the structure of the operation: In relation to the guarantees, the execution capacity and its realizable value (forced sale value) will be observed; Credit reinforcements, such as financial covenants, clauses for change of share control, among others, will also be considered in the risk assessment of the operation.
- Structured Transaction: the credit risk of the final debtor, other credit risks inherent to the transaction (e.g. fungibility risk), as well as operational security and whether failures of this nature may affect the payment capacity of the transaction must be identified and assessed by the analyst.
- Analysis of documents related to the issuances will be the responsibility of XP's Legal Department. As a result of the credit analysis, the counterparties are classified into risk

levels (“rating”). The risk classification is duly detailed and described in specific documents. The analyses performed are presented to the Credit Products Distribution Committee or Credit Committee, which is responsible for determining whether the assessed credits are eligible as counterparty risk for XP.

### CCR1 – Analysis of counterparty credit risk (CCR) exposure by approach

In R\$ thousand		12/31/2024			
	Replacement cost	Potencial future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR Approach	-	-	1.4	-	-
CEM Approach	32.783.579	-	-	10.043.650	7.322.018
Simple Approach - CCR mitigation (repo transactions and asset lending)	-	-	-	-	-
Comprehensive Approach - CCR mitigation (repo and asset lending operations)	-	-	-	1.280.163	1.174.732
<b>Total</b>					<b>8.496.750</b>

### CCR3 – Standardised approach of CCR exposures by regulatory portfolio and risk weights

Regulatory portfolio	Risk weight (RW)									12/31/2024	
	0%	10%	20%	50%	65%	85%	100%	150%	Outros	Total	
Sovereigns	34.597	-	-	-	-	-	-	-	-	34.597	
Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-	-	
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-	
Financial institutions and others authorized by the Central Bank of Brazil	-	-	29.171	-	-	-	-	-	1.273.754	1.302.925	
Non-financial legal entity	-	-	-	-	5.709.072	255	-	-	-	5.709.327	
Other assets	-	-	-	-	-	-	4.276.964	-	-	4.276.964	
<b>Total</b>	<b>34.597</b>	<b>-</b>	<b>29.171</b>	<b>-</b>	<b>5.709.072</b>	<b>255</b>	<b>4.276.964</b>	<b>-</b>	<b>1.273.754</b>	<b>11.323.813</b>	

### CCR5 – Composition of collateral for CCR exposure

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	361.086	-	-	-	84.282.527	23.774.201
Cash - other currency	-	-	-	-	-	-
Domestic sovereign debt	2.956.852	-	7.470.512	-	16.557.915	35.296.108
Government agency debt	-	-	-	-	-	-
Corporate bonds	4.695.886	-	129.948	-	6.111.926	5.783.491
Equity securities	3.155.407	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>11.169.231</b>	<b>-</b>	<b>7.600.460</b>	<b>-</b>	<b>106.952.367</b>	<b>64.853.801</b>

### CCR6 – Credit derivatives exposures

The Prudential XP Conglomerate does not have, in the reference semester, information to be reported in table CCR6.

## CCR8 – Exposures to central counterparties

In R\$ thousand

12/31/2024

	EAD (post-CRM)	RWA
<b>Exposures to QCCPs (total)</b>		<b>104.690</b>
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4.875.139	97.503
(i) OTC derivatives	-	-
(ii) Exchange-traded derivatives	4.875.139	97.503
(iii) Securities financing transactions	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	-
Non-segregated initial margin	-	-
Pre-funded default fund contributions	77.147	7.187
Unfunded default fund contributions	-	-
<b>Exposures to non-QCCPs (total)</b>		<b>-</b>
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
(i) OTC derivatives	-	-
(ii) Exchange-traded derivatives	-	-
(iii) Securities financing transactions	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	-
Non-segregated initial margin	-	-
Pre-funded default fund contributions	-	-
Unfunded default fund contributions	-	-

## Securitisation

### SECA - Qualitative disclosure requirements related to securitisation exposures

XP has a portfolio of bonds and securities (TVM) arising from a securitisation process. This portfolio comprises Real Estate Receivables Certificates (CRI), Credit Rights Investment Funds (FIDC) and Agribusiness Receivables Certificates (CRA).

The Institution's objectives when carrying out operations of this nature are related to XP's business. Coordination of product distribution is one of the main businesses, which acts as a market maker and facilitator of investment options in fixed income for the organization's client network. All of these exposures are also subject to XP's governance rules.

XP's proprietary portfolio has CRIs and CRAs that are intended for trading. The bonds are updated daily in the accounting system, calculated on a daily pro rata basis, based on the negotiated interest rate and maturity date. On balance sheet closing dates, securities are marked to market based on an internal asset pricing methodology.

### SEC1 – Securitisation exposures in the banking book

In R\$ thousand 12/31/2024

	Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
<b>Retail (total) - of which</b>	-	-	-	-	-	-	1.456.404	-	1.456.404
Residential mortgage	-	-	-	-	-	-	209.900	-	209.900
Credit card	-	-	-	-	-	-	-	-	-
Other retail exposures	-	-	-	-	-	-	1.246.504	-	1.246.504
Re-securitisation	-	-	-	-	-	-	-	-	-
<b>Wholesale (total) - of which</b>	-	-	-	-	-	-	4.266.966	-	4.266.966
Loans to corporates	-	-	-	-	-	-	-	-	-
Commercial mortgage	-	-	-	-	-	-	25.853	-	25.853
Lease and receivables	-	-	-	-	-	-	-	-	-
Other wholesale	-	-	-	-	-	-	4.241.113	-	4.241.113
Re-securitisation	-	-	-	-	-	-	-	-	-

### SEC2 – Securitisation exposures in the trading book

There are no exposures in the securitization portfolio of the Prudential XP Conglomerate to be reported in table SEC2.

### SEC3 – Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

There are no exposures in the securitization portfolio of the Prudential XP Conglomerate to be reported in table SEC3.

## SEC4 – Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

In R\$ thousand

12/31/2024

	Exposure values (by RWA bands)				Exposure values (by regulatory approach)		RWA		Capital charge after cap		
	≤20%	20% < FPR ≤ 50%	50% < FPR ≤ 100%	100% < FPR < 1.250%	1250%	Standardized approach	1250%	Standardized approach	1250%	Standardized approach	
<b>Total exposures</b>	-	<b>1.172.345</b>	<b>4.295.734</b>	<b>138.082</b>	<b>117.209</b>	<b>5.606.161</b>	<b>117.209</b>	<b>2.727.243</b>	<b>177.697</b>	<b>218.179</b>	<b>14.216</b>
<b>Traditional securitisation</b>	-	<b>1.172.345</b>	<b>4.295.734</b>	<b>138.082</b>	<b>117.209</b>	<b>5.606.161</b>	<b>117.209</b>	<b>2.727.243</b>	<b>177.697</b>	<b>218.179</b>	<b>14.216</b>
<b>Of which securitisation</b>	-	1.172.345	4.295.734	138.082	117.209	5.606.161	117.209	2.727.243	177.697	218.179	14.216
Retail underlying	-	1.146.492	54.621	138.082	117.209	1.339.195	117.209	437.208	177.697	34.977	14.216
Wholesale	-	25.853	4.241.113	-	-	4.266.966	-	2.290.035	-	183.203	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-
<b>Synthetic securitisation</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Of which securitisation</b>	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-

## Market Risk Management

### MRA - Qualitative disclosure requirements related to market risk

The Market Risk Management process complies with CMN Resolution 4,557/17 and includes identification, analysis, evaluation, treatment, monitoring and communication.

The Trading Book consists of all transactions with financial instruments and commodities, including derivatives, acquired with the intent to trade or to hedge other elements of the trading book, and which are not subject to the limitation of trading.

Market Risk monitoring uses historical and statistical data to predict the behavior of the economy and possible scenarios that may eventually affect the assets of an investment portfolio.

The controls for measuring the market risk exposure used by XP are reputable and widely used in the market, and include:

- Parametric Value at Risk (VAR): this is the value of a portfolio at risk and can be defined as an estimate of maximum loss under normal market conditions, given a confidence level of 95% and a time horizon of 1 day; and
- Stress test: this is a method for measuring potential losses arising from extreme market events, through projections of critical and low probability scenarios. It is a mechanism that requires an analysis of future scenarios and understanding of the vulnerability of portfolios under unlikely conditions, which helps in reviewing the internal risk exposure limits.
- DV01: this is a market risk metric that represents sensitivity to a given yield curve against an increase of 1 basis point;
- Exposure limits by risk factor and instrument.

## MR1 - Market risk under standardized approach

The table below shows the values of assets weighted by market risk ( $RWAMPAD$ ) in accordance with Bacen 3,634/13 to 3,646/13 and subsequent changes.

<b>Risk factors (In R\$ thousand)</b>	<b>12/31/2024</b>
<b>Interest Rates</b>	<b>3.230.243</b>
Prefixed interest rates in Brazilian Real (RWAJUR1)	247.500
Foreign exchange coupon rates (RWAJUR2)	962.845
Price index coupon rates (RWAJUR3)	2.019.898
Interest rate coupon rates (RWAJUR4)	-
<b>Stock prices (RWAACS)</b>	<b>295.679</b>
<b>Exchange rates (RWACAM)</b>	<b>167.366</b>
<b>Commodity prices (RWACOM)</b>	<b>5.775</b>
<b>RWADRC</b>	<b>10.663.632</b>
<b>RWACVA</b>	<b>7.223.653</b>
<b>Total*</b>	<b>21.586.348</b>

As of December 31, 2024,  $RWAMPAD$  totaled R\$21.6 billion. Compared to September 2024, there was an increase of approximately R\$11 billion, mainly attributed to  $RWADrc$ .

## Exposure associated with derivative instruments

The tables below show the exposure values, as of December 31, 2024, of Derivative Financial Instruments owned by the company by market risk factor. Long and short positions are segregated and subdivided into positions held in Brazil and abroad.

<b>12/31/2024</b>		
<b>Onshore - with Central Counterparty (In R\$ thousand)</b>		
<b>Risk Factors</b>	<b>Long position</b>	<b>Short position</b>
Interest Rates	88.807.500 -	37.868.245
Exchange Rates	4.384.240 -	26.826.165
Stock Prices	3.080.444 -	51.062
Commodities	-	-
<b>Total</b>	<b>96.272.184 -</b>	<b>64.745.472</b>
<b>Onshore - without Central Counterparty (In R\$ thousand)</b>		
<b>Risk Factors</b>	<b>Long position</b>	<b>Short position</b>
Interest Rates	183.536.480 -	178.322.280
Exchange Rates	22.489.236 -	2.443.419
Stock Prices	-	-
Commodities	2.009 -	3.906
<b>Total</b>	<b>206.027.726 -</b>	<b>180.769.605</b>
<b>Offshore - with Central Counterparty (In R\$ thousand)</b>		
<b>Risk Factors</b>	<b>Long position</b>	<b>Short position</b>
Interest Rates	-	-
Exchange Rates	-	-
Stock Prices	-	-
Commodities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Offshore - without Central Counterparty (In R\$ thousand)</b>		
<b>Risk Factors</b>	<b>Long position</b>	<b>Short position</b>
Interest Rates	-	-
Exchange Rates	-	-
Stock Prices	-	-
Commodities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## IRRBB - Interest rate risk from instruments held in the banking book

### IRRBBA - Risk Management Objectives and Policies

The risk of exchange rate variation in instruments held in the Banking Book refers to the potential impact on capital due to adverse interest rate movements affecting the positions of the Banking Book. XP calculates the IRRBB in accordance with Bacen Circular 3,876/18, which comprises methodologies for evaluating the Total Capital in the face of such risks.

As a result, it aims to estimate whether the organization has sufficient capital when mismatches between assets and liabilities arise (from the perspective of interest rate variation). The risks generated by these mismatches are controlled by two metrics: (i) the impact of the variation in interest rates on the economic value of the instrument ( $\Delta$ EVE) and: (ii) the impact of the variation in interest rates on the organization's results ( $\Delta$ NII).

The ultimate goal of managing the Banking Book is to minimize the oscillations of Banking Instruments and maximize the potential return of the portfolio. In addition, XP has risk appetite metrics that establish levels that the organization considers to be appropriate for the IRRBB.

The Treasury unit is responsible for the management of bank assets and liabilities and acts in the execution of IRRBB's hedging operations. To mitigate accounting mismatch, OTC derivative products are used, as well as government bonds. Additionally, risk measurement criteria and internal manuals are used to guide the management of the IRRBB.

The periodicity of calculation of the IRRBB measures occurs through daily reports for the Treasury team, which are also presented monthly to the Treasury Committee and bimonthly to the Risk Committee.

### IRRBB1 - Qualitative information about IRRBB

In R\$ thousand Scenarios <sup>1</sup>	12/31/2024		12/31/2023	
	$\Delta$ EVE	$\Delta$ NII	$\Delta$ EVE	$\Delta$ NII
Parallel Up	210.188	13.314	950.075	103.161
Parallel Down	1.573	211.372	-	0
Short rate Up	143.361		NA	
Short rate Down	2.305		NA	
Steeper	1.472		NA	
Flattener	67.066		NA	
<b>Maximum</b>	<b>210.188</b>	<b>211.372</b>	<b>950.075</b>	<b>103.161</b>
<b>Tier I</b>		<b>9.381.322</b>		<b>7.822.611</b>

<sup>1</sup>Losses in variation measurements are shown as positive values, as per Art. 13 §3º of Circular 3,876.

## REMA – Compensation Policy

- General Guidelines

The XP Prudential Conglomerate's Compensation Policy was established based on the size of its member institutions, their history of operations and their alignment with their corporate principles and values, and is implemented based on transparent criteria that prevent any form of discrimination, particularly those based on sex, sexual orientation, gender identity, ethnicity, race, color, age or religion, among others.

The XP Prudential Conglomerate's Compensation Policy is compatible with the Risk Management Policy and goals, and is aligned with the guidelines established in the National Monetary Council Resolution No. 5,177/2024, BCB Resolution No. 432/24 and the Corporate Governance Rule for Regulated Entities, as well as their updates, and is based on the principle of developing sustainable practices that seek to enhance the organization's value, not encouraging behaviors that increase risk exposure above levels considered prudent in short, medium and long-term strategies.

Specifically regarding the remuneration of managers in the internal control and risk management areas, those responsible for activities related to the compliance function and members of the internal audit team, performance measures take into account the objectives of their own functions, regardless of the performance of the business areas, so as not to generate conflicts of interest.

The Board of Directors of the respective company of the Prudential XP Conglomerate is responsible for this Remuneration Policy and must supervise the planning, operation, control and review of said policy.

The Personnel & Management Officer, a member of the XP Prudential Conglomerate's Compensation Committee, must prepare, on an annual basis, within 90 (ninety) days from December 31, the document called "Compensation Report", containing at least the information, in relation to the fiscal year ended on December 31 of the previous year, regarding the description of the decision-making process adopted to establish the compensation policy, the criteria used to measure performance and risk adjustment, the relationship between compensation and performance, the compensation deferral policy, the parameters used to determine the percentage of compensation in kind and other forms of compensation. Said Compensation Report must be made available to the Central Bank of Brazil for a minimum period of 5 (five) years.

- Compensation and Benefits

The overall compensation of Key Personnel may consist of the following components:

- i. fixed compensation;
- ii. post-contractual benefits; and
- iii. others that the Board of Directors of the respective company of the Prudential XP Conglomerate may approve.

The Board of Directors of the respective company of the Prudential XP Conglomerate, with the assistance of the Compensation Committee (“Responsible for Compensation”), shall determine the proportion of each component of the compensation of the Key Personnel, among those listed above.

- Fixed compensation

The fixed compensation of the Key Personnel shall be based on the responsibilities of the position and individual experience. In order to define such compensation, the Remuneration Responsible may request the assistance of a specialized company. The fixed compensation shall be paid monthly and may be reviewed annually, at the discretion of the Remuneration Responsible, in order to be in line with market practices or monetarily updated. In addition to the fixed compensation, the Key Personnel shall receive reimbursement for travel and accommodation expenses necessary for the performance of their duties. Post-contractual benefits. Key Personnel may be granted, at the discretion of those responsible for remuneration, post-contractual benefits, represented, for example, by retirement benefits.

- Disclosure

In order to ensure transparency in the remuneration of Key Personnel to partners, investors and the market in general, this Remuneration Policy may be disclosed by the companies of the XP Prudential Conglomerate under the terms and in the manner required by applicable rules and laws. The Remuneration Committee will periodically monitor any updates and/or new rules regarding the remuneration of Key Personnel.

#### REM1 – Remuneration granted during the reference year

In R\$ thousand	12/31/2024	
	Senior management	Other material risk-takers
<b>Fixed remuneration</b>		
Number of employees	10	-
<b>Total fixed remuneration</b>	<b>22.052</b>	-
Of which: cash-based	22.052	-
Of which: shares or other share-linked instruments	-	-
Of which: other forms	-	-
<b>Variable remuneration</b>		
Number of employees	-	-
<b>Total variable remuneration</b>	-	-
Of which: cash-based	-	-
of which: deferred	-	-
Of which: shares or other share-linked instruments	-	-
of which: deferred	-	-
Of which: other forms	-	-
of which: deferred	-	-
<b>Total remuneration</b>	<b>22.052</b>	-

The table above shows the remuneration granted in the reference year of 2024, within the scope of the Prudencial XP Conglomerate, composed of the companies: XP Investimentos CCTVM S.A., XP DTVM LTDA., Banco XP S.A., Banco Modal S.A. and Modal DTVM.

For this same conglomerate, there is no record of extraordinary payments and deferred remuneration in the period, for this reason tables REM2 and REM3, which respectively correspond to this information, are not presented.

## Glossary of Acronyms

ACP – Additional Buffer Requirements

ACP Conservation – Capital Conservation Buffer Requirement

ACP Countercyclical – Countercyclical Buffer Requirement

ACP Systemically Important Bank – G-SIB and/or D-SIB Additional Requirement

ASF – Available Stable Funding

BACEN – Central Bank of Brazil

CCR – Counterparty Credit Risk

CEM – Current Exposure Method

CEO – Chief Executive Officer

CRA – Certificate of Agribusiness Receivables

CRI – Certificate of Real Estate Receivables

CRO – Chief Risk Officer

CVA – Credit Valuation Adjustment

DV01 – Amount at risk for a given interest rate movement

FIDC – Credit Rights Investment Fund

CET 1 – Common Equity Tier 1

IRRBB – Interest Rate Risk in the Banking Book

HQLA – High Quality Liquid Assets

LCR – Liquidity Coverage Ratio

NSFR – Net Stable Funding Ratio

OTC – Over the Counter

LR – Leverage Ratio

RAS – Risk Appetite Statement

RSF – Required Stable Funding

RWA – Risk-Weighted Assets

$RWA_{CPAD}$  – Portion relating to exposures to credit risk

$RWA_{MINT}$  – Portion relating to exposures to market risk, using internal approach

$RWA_{MPAD}$  – Portion relating to exposures to market risk, using standard approach

$RWA_{JUR1}$  –  $RWA_{MPAD}$  portion of prefixed interest rates

$RWA_{JUR2}$  –  $RWA_{MPAD}$  portion of foreign currency coupons

$RWA_{JUR3}$  –  $RWA_{MPAD}$  portion of price index coupons

$RWA_{JUR4}$  –  $RWA_{MPAD}$  portion of interest rates

$RWA_{ACS}$  –  $RWA_{MPAD}$  portion of stock prices

$RWA_{CAM}$  –  $RWA_{MPAD}$  portion of exchange rate

$RWA_{COM}$  –  $RWA_{MPAD}$  portion of commodities

$RWA_{OPAD}$  – Assets Weighted by Operational Risk

SA - CCR – Standardized Approach for Counterparty Credit Risk

TVM – Securities

VaR – Value at Risk

## **Glossary of Regulations**

BACEN Circular No. 3,634 of March 4, 2013

BACEN Circular No. 3,646 of March 4, 2013

BACEN Circular No. 3,640 of March 4, 2013

BACEN Circular No. 3,748 of February 27, 2015

CMN Resolution No. 4,557 of February 23, 2017

BACEN Circular No. 3,876 of January 31, 2018

BACEN Resolution No. 54 of December 16, 2020

CMN Resolution No. 4,950 of September 30, 2021

CMN Resolution No. 4,955 of October 30, 2021

CMN Resolution No. 4,958 of October 30, 2021

BACEN Resolution No. 229 of March 30, 2022

