



Earnings Release

Fourth Quarter 2023

February 5, 2024



btgpactual.com



Net New Money
(R\$)

205bn

2023
41bn 4Q 23

Total AuM/WuM
(R\$)

1.6tn

4Q 23
25% y-o-y growth

Adjusted Net Income
(R\$)

10.4bn

2023
25% y-o-y growth

Total Revenues
(R\$)

21.6bn

2023
25% y-o-y growth

Credit and SME
Portfolio (R\$)

172bn

19% y-o-y growth
SME: 21bn

Unsecured Funding
(R\$)

204bn

16% y-o-y growth

Basel Ratio

17.5%

4Q 23

ROAE Adj

22.7%

2023

Highlights

Banco BTG Pactual S.A. reported total revenues of R\$5,653.5 million and adjusted net income of R\$2,847.3 million for the quarter ended December 2023.

For the full year of 2023, total revenues were R\$21,558.9 million, and adjusted net income was R\$10,419.1 million.

BTG Pactual's adjusted net income per unit and annualized adjusted return on average shareholders' equity ("Annualized Adj. ROAE") were R\$0.75 and 23.4%, respectively, for the quarter, and R\$2.73 and 22.7%, respectively, for the year ended on such date.

As of December 31, 2023, total assets of BTG Pactual were R\$493.2 billion, a 0.6% decrease compared to September 30, 2023. Our BIS capital ratio was 17.5%.

Banco BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	4Q 2022	3Q 2023	4Q 2023	2022	2023
Total adjusted revenues	3,626	5,660	5,653	17,247	21,559
Accounting net income	1,644	2,623	2,728	7,842	9,925
Adjusted net income ⁽¹⁾	1,767	2,734	2,847	8,306	10,419
Adjusted net income per unit (R\$)	0.46	0.72	0.75	2.17	2.73
Annualized ROAE	16.7%	23.2%	23.4%	20.8%	22.7%
Adjusted cost to income ratio	45.8%	38.2%	36.0%	40.1%	38.2%
Adjusted shareholder's equity	42,372	47,772	49,382		
Total Number of Shares (# in '000)	11,476,120	11,433,761	11,433,761		
Number of Units (# in '000)	3,825,373	3,811,254	3,811,254		
Book Value per unit (R\$)	11.1	12.5	13.0		
BIS Capital Ratio	15.1%	17.4%	17.5%		
Total assets (in R\$ Billion)	450.6	496.4	493.2		
Total of WuM and AuM	1,253.8	1,473.4	1,569.0		

Note: Number of shares ex-treasury

BTG Pactual Performance

In a challenging year of high interest rates environment and tougher credit market conditions, we were able to deliver all-time high performance, with increased revenues and operational leverage, leading to a 22.7% ROAE. 2023 was also market by market share gains, especially in our client franchises, with accumulated net inflows of R\$204.7 billion totaling R\$1.6 trillion of AuM/WuM. Our high quality Corporate & SME Lending portfolio increased 19% during the year, while our funding base expanded 16% and our Basel Ratio ended the year at 17.5%. This results not only reflects our financial strength but also reinforces our ability to outperform in any given macroeconomic scenario.

4Q 2023 have also reflected an outstanding performance, when we delivered a 23.4% ROAE, with record net income of R\$2,847.3 million, revenues of R\$5,653.5 million and a cost-to-income of 36.0%.

During the quarter, we posted record revenues in most of our business areas – Corporate & SME Lending, Asset Management and Wealth Management & Consumer Banking, despite natural year-end seasonality. Investment Banking and Sales & Trading also posted very solid performances.

Corporate & SME Lending revenues were R\$1,353.2 million, up 2.4% in the quarter and well above 4Q 2022 when we had the negative impact of the non-recurring provision. Total portfolio continued to increase focused on high quality counterparties, reaching R\$171.6 billion, 6.8% above 3Q 2023 and SME book resumed growth, up 16.2% in the quarter.

Asset Management reached R\$508.5 million in revenues, 8.8% above 3Q 2023 and 18.5% compared to 4Q 2022, with NNM of R\$14.5 billion, outperforming the industry.

The Wealth Management & Consumer Banking business achieved the impressive mark of twenty consecutive quarters registering revenue growth, totaling R\$861.8 million, an increase of 8.9% q-o-q and 25.6% y-o-y. WuM grew 7.1% in the period supported by the strong NNM of R\$26.9 billion.

Investment Banking recorded solid revenues of R\$463.8 million, 21.4% decrease compared to a very strong 3Q23 when we had record DCM revenues. Market volumes continues to gain momentum as we increased the number of concluded transactions in the period.

Sales & Trading posted revenues of R\$1,406.7 million, 3.4% below last quarter and 24.1% above the same period last year, driven mostly by flow-based revenues as our VaR as a percentage of shareholders' equity reached 0.31%.

Principal Investments and Participations recorded revenues of R\$117.2 million and R\$49.5 million, respectively.

Full-year figures illustrates the same trend, with all-time high revenues of R\$21,558.9 million, 25.0% above 2022, increased operational leverage, record net income of R\$10,419.1 million, up 25.4% compared to last year, resulting in a 22.7% ROAE.

Except for Investment Banking, which was impacted by the more restricted capital markets environment, we recorded record revenues in all business lines.

Corporate & SME Lending revenues reached the all-time high of R\$5,144.4 million, due to the 18.9% portfolio expansion coupled with higher spreads and adequate level of provisions.

Sales & Trading also had its best year ever with R\$6,234.8 million revenues, 17.5% above a strong 2022. The above par performance was driven by continuous client base and product offering expansion, coupled with efficient market risk allocation.

Asset Management posted record revenues for the year, totaling R\$1,849.2 million, a 19.0% increase compared to 2022 due to the consistent AuM/AuA growth during the period. In 2023, we had net inflow of R\$80.4 billion, a strong figure considering AM industry outflows of R\$137.8 billion.

Wealth Management & Consumer Banking revenues reached R\$3,074.4 million, once again record levels and 21.4% above 2022. Total WuM grew 30.5%, reaching R\$713.2 billion, on the back of sequentially strong net inflows of R\$124.3 billion in 2023. In the last 5 years, revenues multiplied by 5x and WuM by 4.2x. Return on assets (ROAs) continue to expand as we gain market share in the high-income retail segment.

Finally, Investment Banking posted revenues of R\$1,619.6 million, a decrease of 12.2% compared to 2022. In light of the challenging scenario previously mentioned, we were able to deliver solid results while maintain our leadership position in all industry rankings.

Operating expenses were R\$2,251.1 million in 4Q 2023 (down 4.9% compared to 3Q 2023) and R\$9,127.0 million for the full year (a 17.7% growth compared to 2022). The increase in 2023 was mostly due to (i) higher bonus (following higher revenues), (ii) higher salaries and benefits expenses, due to the 3.1% headcount increase during the year as well as the annual process of promotions and salary adjustments, and (iii) higher administrative and other expenses. All in all, revenue base grew in a much faster pace than our costs, resulting in a 38.2% efficiency ratio, 1.9% below 2022.

Accounting net income was R\$2,727.5 million in 4Q 2023, 4.0% above 3Q 2023, our previous record, and a 65.9% increase compared to 4Q 2022. For the full year 2023, our accounting net income increased 26.6%, from R\$7,841.8 million in 2022 to R\$9,924.6 million in 2023. Our shareholders' equity ended the year at R\$49.4 billion, a 3.4% increase compared to last quarter and a 16.5% growth compared to 2022. This figure already considers the R\$1,445 million JCP distribution in 4Q 2023, totaling R\$2,975 million in the year.

Strengthening even further our capital ratios, we successfully issued 4 series of subordinated instruments in 2023, totaling R\$10.5 billion. We ended the year with a very liquid and well capitalized balance sheet, with 17.5% Basel Ratio and LCR of 172%.

Following our ESG & Impacting Investing agenda, during the quarter we (a) structured and distributed US\$2.6 billion in green and sustainable bonds, summing up US\$5.5 billion in the year, and (b) joined as an early adopter of the Task Force on Nature-Related Financial Disclosures, a reporting framework that identifies and assesses risks and opportunities associated with nature. We are also glad to announce that in January 2024, the Development Bank of Latin America and the Caribbean approved a US\$25 million investment in BTG Pactual's Reforestation Strategy that aims to protect and restore 150,000 hectares.

We are proud of what we have achieved so far, and we expect continued gains in operational leverage and ROAE expansion in 2024, as well as maintaining our client-centric culture.

Adjusted Net Income and ROAE (unaudited)

Adjusted Net Income and ROAE (unaudited)	4Q 2023 Accounting	Non Recurring Items & Goodwill	4Q 2023 Adjusted	12M 2023 Adjusted
Investment Banking	463.8		463.8	1,619.6
Corporate & SME Lending	1,353.2		1,353.2	5,144.4
Sales and Trading	1,406.7		1,406.7	6,234.8
Asset Management	508.5		508.5	1,849.2
Wealth Management & Consumer Banking	861.8		861.8	3,074.4
Principal Investments	117.2		117.2	290.7
Participations	49.5		49.5	34.3
Interest and Other	892.9		892.9	3,311.4
Total revenues	5,653.5	-	5,653.5	21,558.9
Bonus	(583.0)		(583.0)	(2,506.6)
Salaries and benefits	(548.1)		(548.1)	(2,152.8)
Administrative and other	(655.6)		(655.6)	(2,505.3)
Goodwill amortization	(217.7)	217.7	0.0	0.0
Tax charges, other than income tax	(246.8)		(246.8)	(1,063.2)
Total operating expenses	(2,251.1)	217.7	(2,033.4)	(8,227.8)
Income before taxes	3,402.4	217.7	3,620.1	13,331.1
Income tax and social contribution	(674.8)	(97.9)	(772.8)	(2,912.0)
Net Income	2,727.5	119.7	2,847.3	10,419.1
Annualized ROAE	22.5%		23.4%	22.7%

Note: Results excluding non-recurring items and goodwill provide a more meaningful information of the underlying profitability of our businesses

Non-Recurring Items & Goodwill

Goodwill: mainly attributable to acquisitions, such as Empiricus/Vitreo, Necton, BTG Pactual Advisors, Fator and Banco Pan

Income tax and social contribution: due to goodwill amortization

Consolidated Revenues

All-time high revenues in 2023 of R\$21,558.9 million, 25.0% above our 2022 previous record. 4Q 2023 revenues reached R\$5,653.5 million, a 55.9% year-over-year growth.

Throughout the year we posted strong performance across the board, especially in our client franchises. We were able to increase diversification and market share in most business lines despite the challenging macro scenario, which reinforces our all-weather business model.

Revenues (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			4Q 2023 % change to		Year to Date		2023 % change to
	4Q 2022	3Q 2023	4Q 2023	4Q 2022	3Q 2023	2022	2023	2022
Investment Banking	485	590	464	-4%	-21%	1,846	1,620	-12%
Corporate & SME Lending	105	1,322	1,353	1187%	2%	2,736	5,144	88%
Sales & Trading	1,134	1,456	1,407	24%	-3%	5,308	6,526	23%
Asset Management	429	467	509	18%	9%	1,554	1,849	19%
Wealth Management & Consumer Banking	686	792	862	26%	9%	2,533	3,074	21%
Principal Investments	53	48	117	121%	144%	360	291	-19%
Participations	7	109	50	619%	-55%	328	34	-90%
Interest & Others	728	876	893	23%	2%	2,582	3,311	28%
Total revenues	3,626	5,660	5,653	56%	0%	17,247	21,559	25%

Investment Banking

The tables below include details related to announced transactions in which BTG Pactual participated:

Transações Anunciadas do BTG Pactual (não auditado)	Número de transações ^{(1),(3)}			Valor ^{(2),(3)} (US\$ mm)		
	4T 2022	3T 2023	4T 2023	4T 2022	3T 2023	4T 2023
Financial Advisory (M&A) ⁽⁴⁾	6	11	21	1,837	2,240	4,646
Equity Underwriting (ECM)	3	9	3	194	573	227
Debt Underwriting (DCM)	32	25	49	2,802	3,256	3,276

Transações Anunciadas do BTG Pactual (não auditado)	Número de transações ^{(1),(3)}		Valor ^{(2),(3)} (US\$ mm)	
	2022	2023	2022	2023
Financial Advisory (M&A) ⁽⁴⁾	64	57	15,526	9,136
Equity Underwriting (ECM)	22	24	1,930	3,805
Debt Underwriting (DCM)	117	103	7,930	9,121

Source: Dealogic for ECM, M&A and International Brazilian DCM and ANBIMA for Local DCM

Notes:

- (1) Equity underwriting and debt underwriting represent closed transactions. Financial advisory represents announced M&A deals, which typically generate fees upon their subsequent closing.
- (2) Local DCM transactions were converted to U.S. Dollars using the end of quarter exchange rates reported by the Brazilian Central Bank.
- (3) Market data from previous quarters might vary in all products, due to potential inclusions and exclusions.
- (4) M&A market data for previous quarters may vary because: (i) deal inclusions might be delayed at any moment, (ii) canceled transactions will be withdrawn from the rankings, (iii) transaction value might be revised and (iv) transaction enterprise values might change due to debt inclusion, which usually occurs some weeks after the transaction is announced (mainly for non-listed targets).

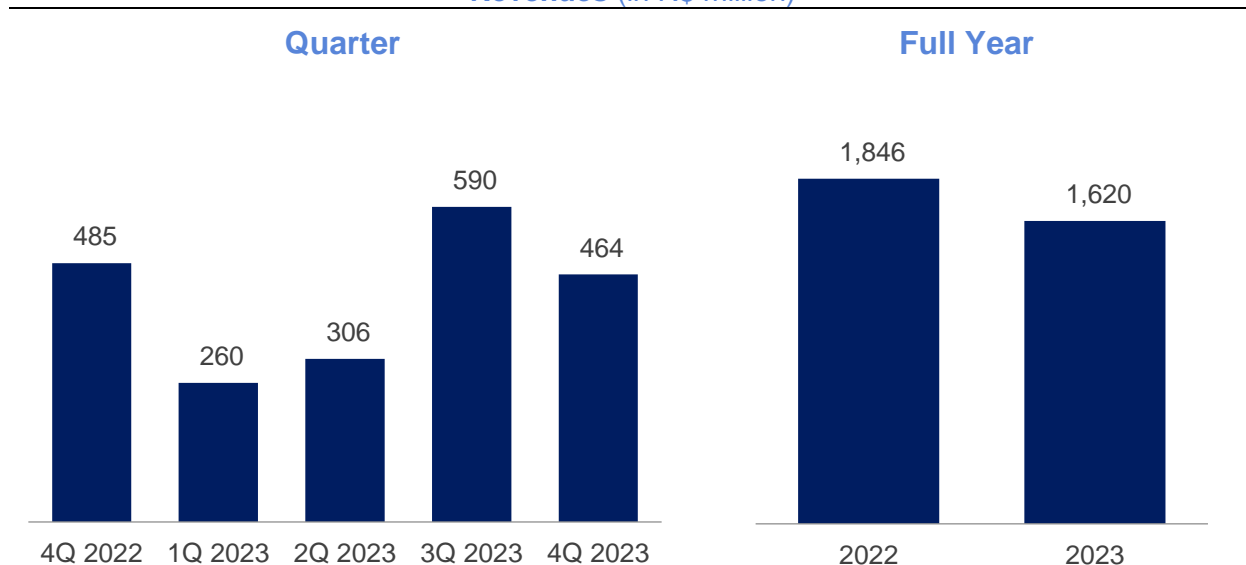
Investment Banking 4Q 2023 market share highlights

M&A: #1 in number and volume of transactions in both Brazil and LatAm

ECM: #2 in number of transactions in both Brazil and LatAm

DCM: #2 in volume of transactions in the local market

Revenues (in R\$ million)



4Q 2023 vs. 3Q 2023

Investment Banking revenues reached R\$463.8 million, a 21.4% decrease compared to a above par performance in 3Q23, where we had fewer but larger transactions. The solid performance during the quarter was mainly due to higher number of concluded transactions in both DCM and M&A. We expect capital markets to continue to gain momentum backed by our strong pipeline as interest rates continue to go down.

4Q 2023 vs. 4Q 2022

Investment Banking revenues slightly decreased 4.3% compared to R\$484.78 million in the 4Q 2022. The decrease in revenues was due to a better debt capital market activity in 2022, partially offset by greater M&A revenues this quarter.

2023 vs. 2022

Despite the more restrictive capital markets environment in 2023, our Investment Banking franchise delivered solid results of R\$1,619.6 million, only 12.2% below 2022. The performance this year was mainly attributable to M&A and DCM revenues, as market activity improved in the second half of the year. Once again, we ended the year leading the industry rankings in all segments.

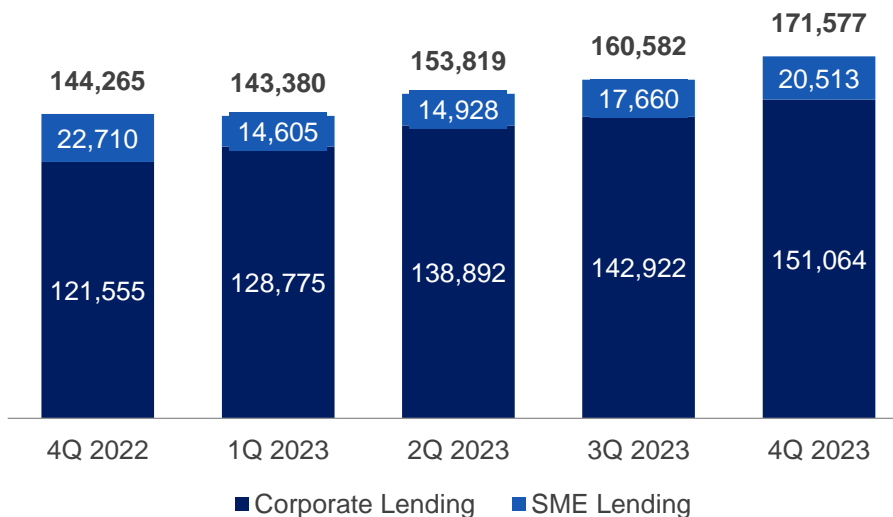
Corporate and SME Lending

During the quarter, our total Corporate and SME Lending portfolio grew 6.8%, reaching R\$171.6 billion, compared to R\$160.6 billion in 3Q 2023, while our SME Lending portfolio increased 16.2% q-o-q, reaching R\$20.5 billion. The continuous portfolio increase is supported by high grade counterparties - approx. 80% of our total exposure concentrated in AA and A ratings.

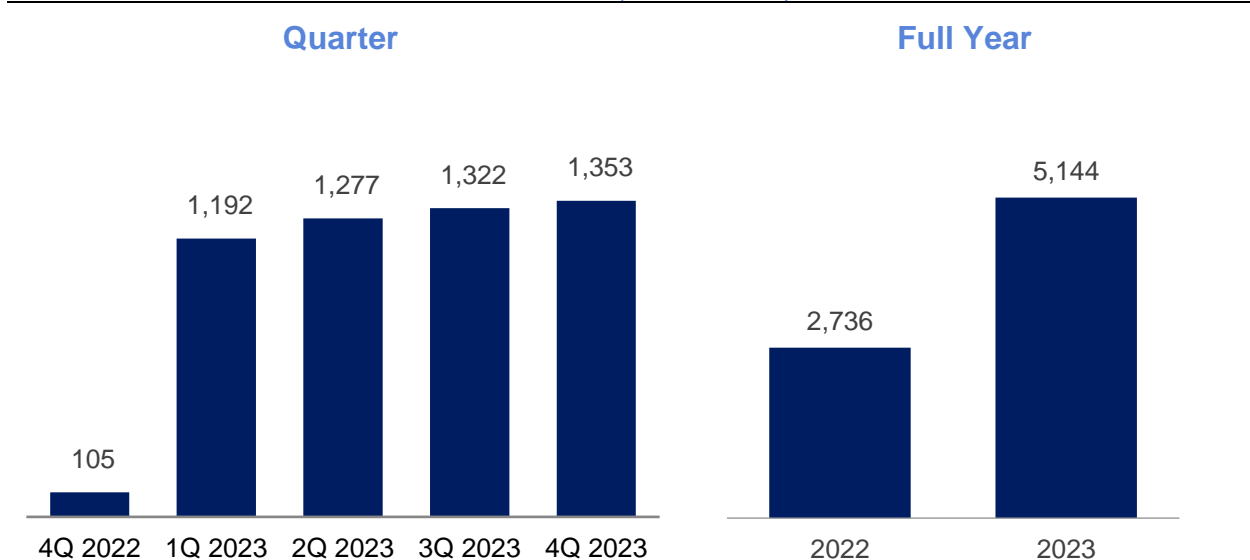
During 2023, despite the challenging conditions in the credit market, especially in the first half of the year, we were able to expand our credit book maintaining its high-quality and low delinquency ratios. We seized market opportunities and not only increased 18.9% the total portfolio, but also expand more than 30bps our average spreads, resulting in record breaking revenues for 2023.

The SME Lending portfolio decreased 9.7% y-o-y, based on our dynamic risk approach in the first quarter, when we strategically reduced our exposure in more than R\$8 billion. We have been growing gradually the SME book since then, and for 2024 we foresee growth opportunities in this segment as we intend to increase our product offering leveraged by our transactional bank.

Corporate and SME Lending Portfolio (in R\$ million)



Revenues (in R\$ million)



4Q 2023 vs. 3Q 2023

Corporate and SME Lending reported another quarter of record revenues, achieving R\$1,353.2 million, 2.4% above 3Q 2023. Corporate Lending book grew 6.8% maintaining its high asset quality, healthy spreads and adequate provisioning levels.

4Q 2023 vs. 4Q 2022

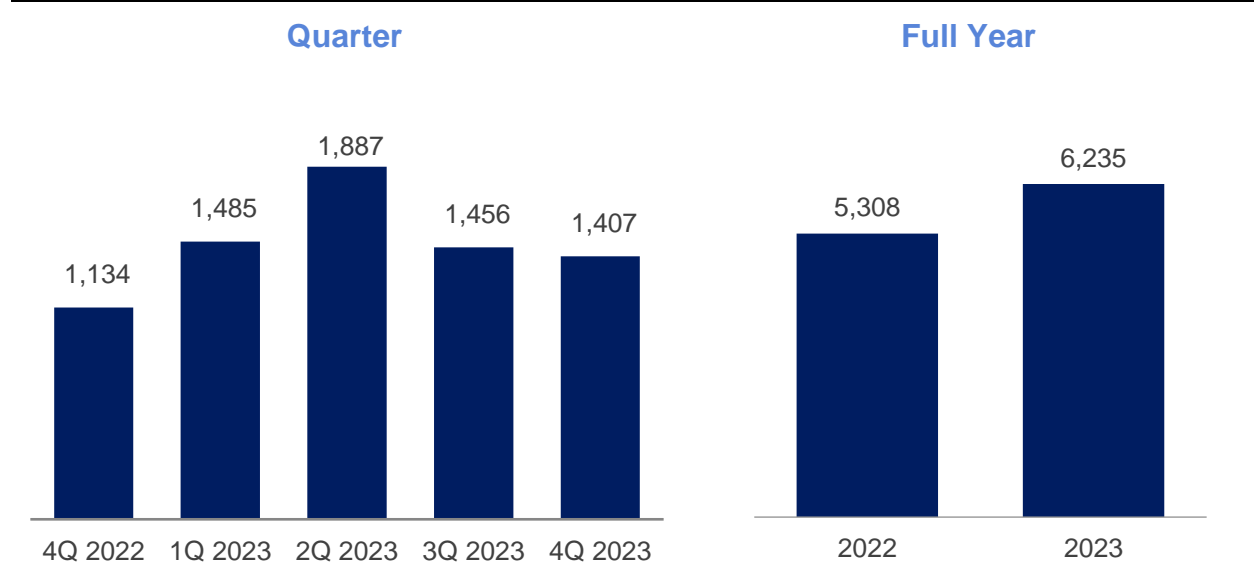
Year-over-year, quarterly revenues increased multiple times, as 4Q22 performance was impacted by a one-off provision. Adjusting for the extraordinary losses, revenues would have grown by 10.2% on a yearly basis.

2023 vs. 2022

Corporate and SME Lending also reported record revenues for the full year 2023, reaching R\$5,144.4 million, 88% above 2022, when we posted R\$2,736.2 million. Even adjusting for the one-off provision, we had in 2022, revenues would have increased 33% in a challenging credit environment that persisted throughout most of the year.

Sales & Trading

Revenues (in R\$ million)



4Q 2023 vs. 3Q 2023

Sales & Trading registered solid revenues of R\$1,406.7 million, a 3.4% decrease compared to 3Q 2023 when we had revenues of R\$1,455.6 million. Results consisted mostly of fee and flow-based revenues as our average VaR decreased to 0.31% of average shareholders' equity.

4Q 2023 vs. 4Q 2022

Sales & Trading revenues increased 24.1% y-o-y from R\$1,133.7 million to R\$1,406.7 million. Year-over-year growth was mainly due to higher contribution from our fee businesses as client franchises continue to grow (AuM/WuM grew 25.1% in the period).

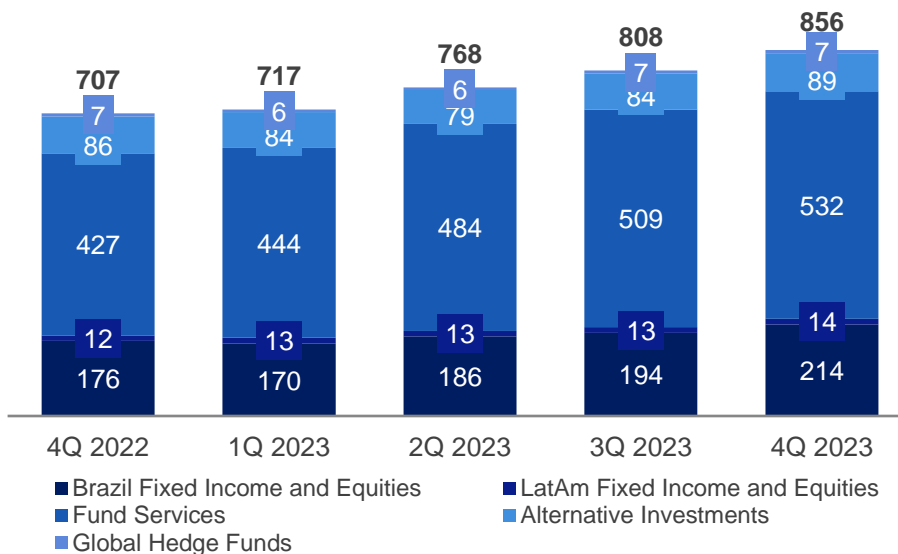
2023 vs. 2022

Sales & Trading posted record revenues for the second year in a row, totaling R\$6,234.8 million, 17.5% above 2022. The outstanding performance was attributable to the expansion of client base, increasing fee commissions and flow-based revenues, coupled with efficient market risk allocation - especially in the second quarter. Sales & Trading performance continues to benefit from the expansion of our client related businesses as we were able to increase revenues while maintain average VaR and market risk RWA in very low levels.

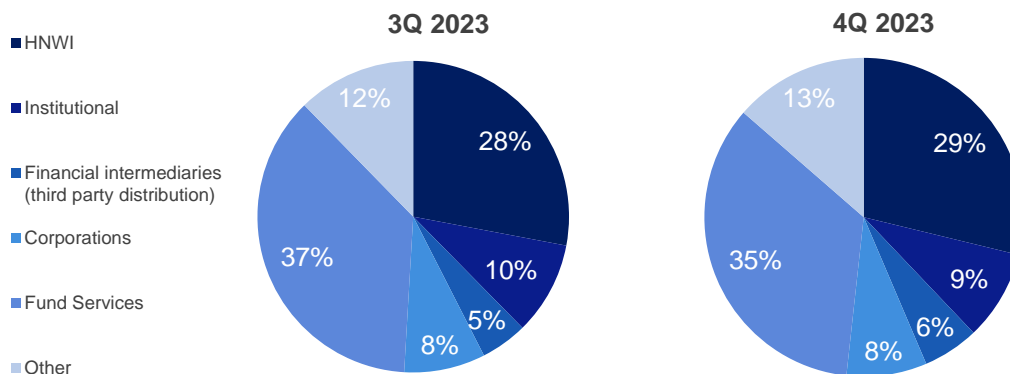
Asset Management

Total Assets under Management (AuM/AuA) increased 6.0% during the quarter and 21.0% on a yearly basis, achieving R\$855.8 billion in 2023, a strong result considering the macroeconomic headwinds that impacted the whole asset management industry. Net New Money (NNM) was R\$14.5 billion in the quarter, accumulating R\$80.4 billion in 2023, a solid number considering AM industry's outflows of R\$137.8 billion in the year. Net inflows were allocated specially in Brazil Fixed Income and Alternative strategies, while we continue to expand our market share in the Fund Services business.

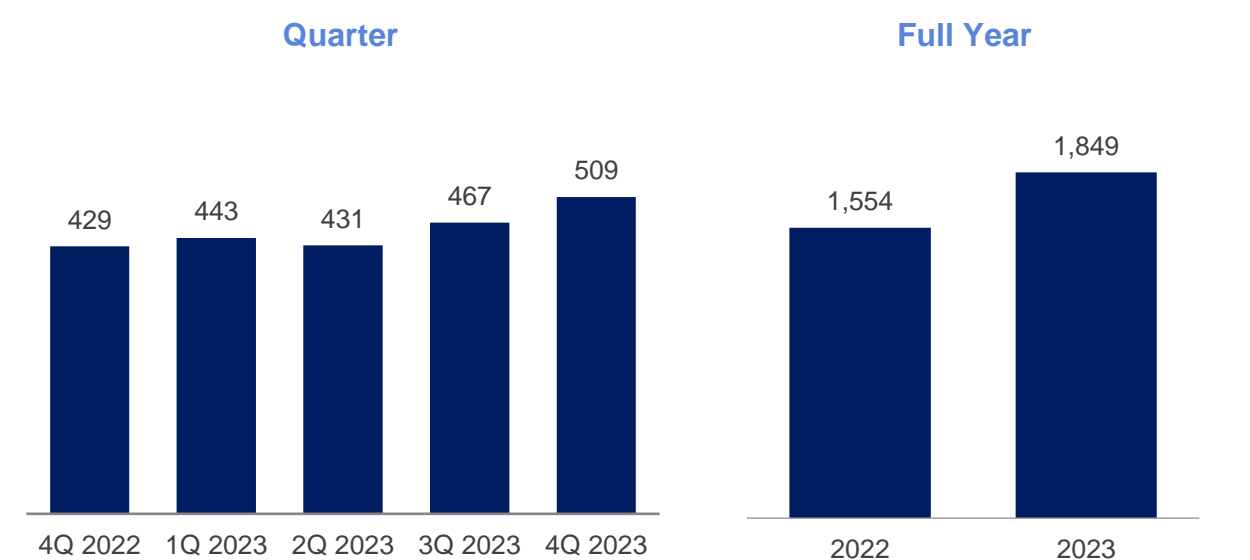
AuM & AuA by Asset Class (in R\$ billion)



AuM and AuA by Type of Client



Revenues (in R\$ million)



4Q 2023 vs. 3Q 2023

Asset Management posted record revenues of R\$508.5 million, 8.8% above 3Q 2023. The growth was mainly due to higher management fees, as well as the impact of performance fees recorded in December.

4Q 2023 vs. 4Q 2022

On an annual comparison, revenues grew 18.5%, compared to R\$429.2 million in the 4Q 2022. The increase was mainly attributable to higher management fees in line with the 15.2% growth of AuM and a 24.8% growth of AuA. ROAs by segment remained stable during the period.

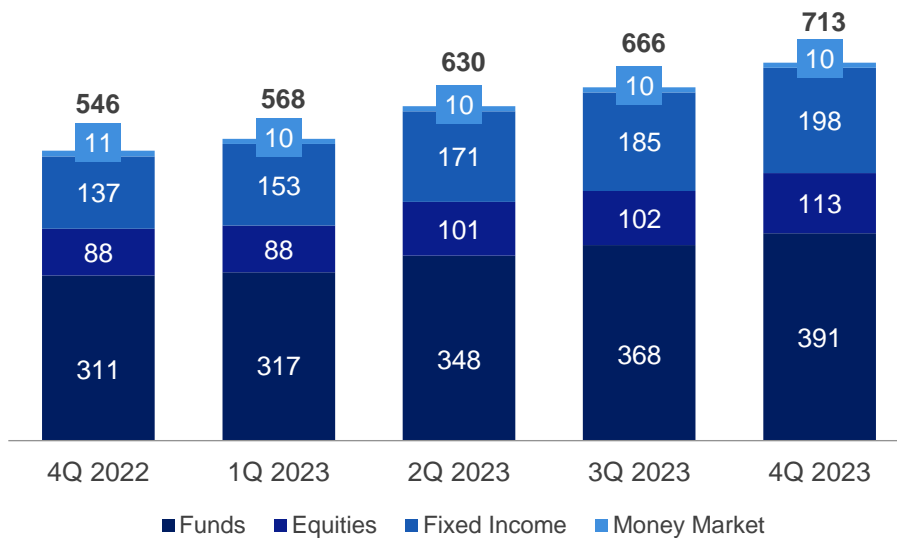
2023 vs. 2022

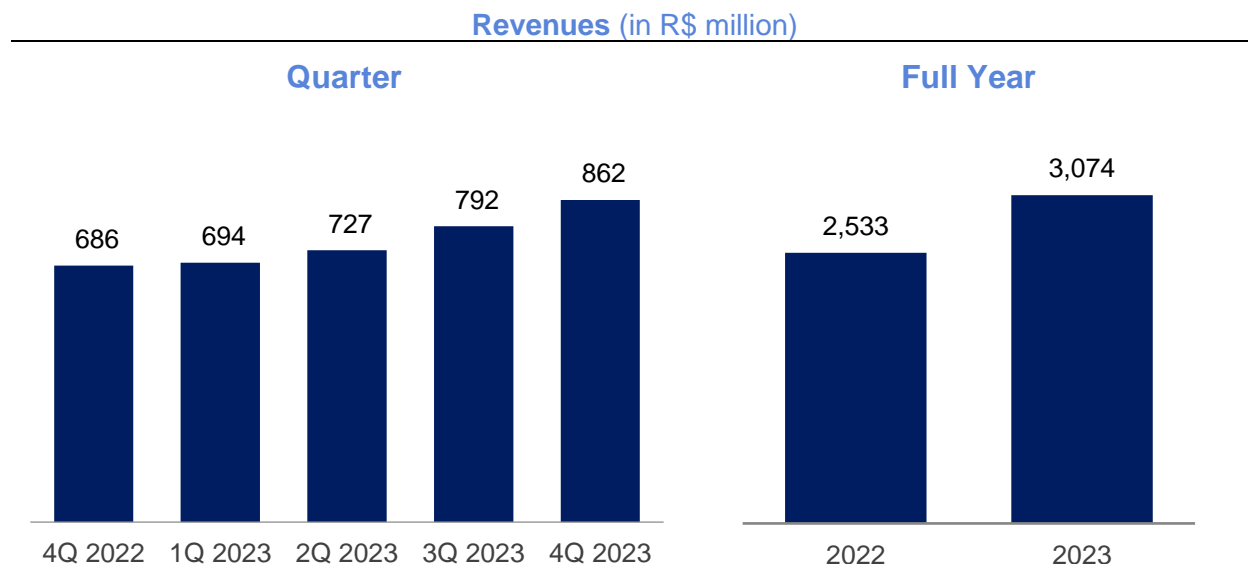
Asset Management posted, once again, record revenues of R\$1,849.2 million in 2023, a 19.0% increase compared to R\$1,554.1million in 2022. The better performance this year was due to higher management fees driven by the 21.0% expansion in total AuM/AuA and it was partially offset by smaller contribution from performance fees.

Wealth Management & Consumer Banking

Wealth under Management (WuM) achieved an impressive mark of R\$713.1 billion, a 30.5% year-over-year growth and up 7.1% during the quarter. Despite the challenging environment of high interest rates throughout the year, we delivered outstanding levels of net inflows totaling R\$124.3 billion in the period (R\$26.9 billion in 4Q 2023), leveraged by our sophisticated network, top-notch digital platform and long-term commitment to clients' investments.

WuM Breakdown (in R\$ billion)





4Q 2023 vs. 3Q 2023

Wealth Management & Consumer Banking registered the 20th quarter of record revenues. Revenues reached R\$861.8 million, increasing 8.9% compared to the R\$791.7 million in the last quarter, mainly due to the 7.1% increase in total WuM in the period.

4Q 2023 vs. 4Q 2022

Year-over-year, revenues in Wealth Management & Consumer Banking increased 25.6% compared to R\$686.1 million in 4Q 2022, while WuM grew 30.5%. Total assets grew more than revenues in the period impacted by lower capital markets activity and as net inflows continued to be allocated in fixed income products. This movement was partially offset by the expansion of our market share in high-income retail.

2023 vs. 2022

Wealth Management & Consumer Banking reported another year of record revenues totaling R\$3,074.4 million, a 21.4% growth compared to the R\$2,533.3 million in 2022. The increase was mainly due to the 30.5% WuM expansion as explained above. In the last 5 years, while WuM multiplied by 4.2x, revenues increased 5x as a result of market share gains in the high-income retail segment.

Principal Investments

4Q 2023 vs. 3Q 2023

Principal Investments revenues reached R\$117.2 million compared to R\$48.0 million in the previous quarter. The increase was mainly driven by better contribution from investments, especially in our energy strategy.

4Q 2023 vs. 4Q 2022

Principal Investments revenues increased 121.0% compared to 4Q 2022, when we posted gains of R\$53.0million. The increase was mainly driven by better contribution from investments this quarter as mentioned above.

2023 vs. 2022

Full-year Principal Investments' revenues decreased 19.2% to R\$290.7 million compared to R\$359.7 million in 2022. The decrease was mostly due to higher cost of funding and lower contribution from Global Markets' strategy.

Participations

4Q 2023 vs. 3Q 2023

Participations reported results of R\$49.5 million, a 54.5% decrease when compared to 3Q 2023. Results in 4Q 2023 consisted of (i) R\$128mn: equity pick up in Banco Pan, (ii) R\$55mn: gains from Too Seguros and Pan Corretora, (iii) R\$78mn: accrual of Banco Pan's credit portfolio acquired in the previous quarters; and (iv) -R\$210mn: accounting effects of Banco Pan's credit portfolio acquired during this quarter (elimination).

4Q 2023 vs.4Q 2022

Participations results were R\$49.5 million in 4Q 2023, compared to R\$6.9 million the same period one year ago. In 2023 we reallocated Banco Pan's goodwill from the "Participations" to "Goodwill" line.

2023 vs. 2022

In 2023, Participations posted gains of R\$34.3 million, an 89.6% decrease over 2022 results of R\$327.9 million. The decrease in revenues in 2023 was due to the acquisition of Banco Pan's credit portfolio and was partially offset by better contributions from our stakes in both Too Seguros and EFG.

Interest & Others

4Q 2023 vs. 3Q 2023

Revenues from Interest & Others were R\$892.9 million in 4Q 2023, compared to R\$876.1 million in 3Q 2023. The slight increase was mainly due the expansion of our tangible equity. Interest & Others' revenues correspond mainly to interest rates of the Central Bank of Brazil applied over our tangible equity (i.e. internal cost of funding).

4Q 2023 vs. 4Q 2022

Revenues from Interest & Others increased 22.7% y-o-y, mainly due to the 16.5% growth in shareholder's equity from R\$42.4 billion to R\$49.4 billion.

2023 vs. 2022

Revenues from Interest & Others increased 28.2% in the period, mainly due to slightly higher interest rates in 2023 as well as the 16.5% increase in average shareholder's equity, as explained above.

Operating Expenses

Operating Expenses (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			4Q 2023 % change to		Year to Date		2023 % change to
	4Q 2022	3Q 2023	4Q 2023	4Q 2022	3Q 2023	2022	2023	2022
Bonus	(347)	(718)	(583)	68%	-19%	(1,997)	(2,507)	26%
Salaries and benefits	(462)	(539)	(548)	19%	2%	(1,785)	(2,153)	21%
Administrative and other	(596)	(625)	(656)	10%	5%	(2,166)	(2,505)	16%
Goodwill amortization	(221.2)	(203.1)	(218)	-2%	7%	(839)	(899)	7%
Tax charges, other than income tax	(255)	(282)	(247)	-3%	-13%	(968)	(1,063)	10%
Total operating expenses	(1,882)	(2,368)	(2,251)	20%	-5%	(7,756)	(9,127)	18%
Adjusted cost to income ratio	46%	38%	36%	-21%	-6%	40%	38%	-5%
Compensation ratio	22%	22%	20%	-10%	-10%	22%	22%	-1%
Total number of employees	6,963	7,162	7,177	3%	0%	6,963	7,177	3%
Partners and associate partners	317	343	387	22%	13%	317	387	22%
Employees	6,646	6,819	6,790	2%	0%	6,646	6,790	2%

Bonus

In 4Q 2023, bonus expenses were R\$583.0 million, an 18.8% decrease compared to 3Q 2023, following the usual seasonality of year-end evaluation process. For the full year 2023, bonus expenses increased 25.5%, reaching R\$2,506.6 million due to higher revenues, especially in our client franchises. As revenues grew in a faster pace than expenses, compensation ratio remained stable y-o-y.

Bonuses are determined in accordance with our profit-sharing program and are calculated as a percentage of our operating revenues (which exclude Interest & Other and Participations revenues), reduced by our operating expenses.

Salaries and benefits

Staff costs increased 1.6% in the quarter and grew 18.5% compared to 4Q 2022. Expenses related to salaries and benefits were R\$548.1 million in 4Q 2023 and R\$539.3 million in 3Q 2023, compared to R\$462.3 million in 4Q 2022.

For the full year 2023, staff costs were R\$2,152.8 million, a 20.6%y-o-y increase. The growth was related to 214 additional headcounts during the period as well as the annual process of promotions and salary adjustments usually impacted in Q1. Total headcount from backoffice areas remained stable in 2023, following our strategy to gain operational leverage. From a comparative perspective, in 2022 we hired 1,752 employees, directly and through acquisitions.

Administrative and other

Total administrative and other expenses increased 4.8% during quarter, from R\$625.3 million in 3Q 2023 to R\$655.6 million in 4Q 2023, mostly related to year-end expenses. For the year, expenses were R\$2,505.3 million, compared to R\$2,166.1 million in 2022, a 15.7% increase.

Goodwill amortization

In 4Q 2023, we recorded goodwill amortization expenses of R\$217.7 million, 7.1% higher than the previous quarter and 1.6% below 4Q 2022. Goodwill amortizations consider our recent acquisitions, such as Empiricus/Vitreo, Necton, Fator and BTG Pactual Advisors, as well as Banco Pan.

Tax charges, other than income tax

Tax charges, other than income tax, were R\$246.8 million or 4.4% of total revenues compared to R\$282.1 million in 3Q 2023, or 5.0% of total revenues. For the full year of 2023, tax charges were R\$1,063.2 million, 4.9% of total revenues.

Income Taxes

Income Tax (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	4Q 2022	3Q 2023	4Q 2023	2022	2023
Income before taxes	1,745	3,292	3,402	9,491	12,432
Income tax and social contribution	(101)	(670)	(675)	(1,649)	(2,507)
Effective income tax rate	5.8%	20.3%	19.8%	17.4%	20.2%

Our effective income tax rate for the quarter was 19.8% (representing an income tax expense of R\$674.8 million), compared to a rate of 20.3% in 3Q 2023. Our effective income tax rate this quarter was mostly impacted by the JCP (interest on capital) distribution. For the full year of 2023, effective income tax rate was 20.2%, compared to 17.4% in 2022, which was impacted by the non-recurring provision we have made at the time.

Balance Sheet

Total assets decreased 0.6%, reaching R\$493.2 billion at the end of 4Q 2023, mainly due to a decrease of 11.5% in Assets Financed Through REPO from R\$93.5 billion in 3Q2023 to R\$82.7 billion in 4Q2023 and a decrease of 7.7% in Trading Portfolio Assets from R\$115.0 billion to R\$ 106.2 billion at the end of 4Q 2023. These movements were partially offset by an increase of 8.1% in Credit from R\$116.3 billion to R\$125.8 billion. Our leverage ratio decreased from 9.9x to 9.5x in the 4Q 2023.

On the liability side, our Unsecured Funding increased 5.5% while our Repo Financing and Secured Funding decreased 11.9% and 10.6% respectively, both in line with the movements in our assets.

Shareholders' equity increased from R\$47.8 billion at the end of 3Q2023 to R\$49.4 billion at the end of 4Q 2023, mostly impacted by the net income of R\$2,728 million in the quarter and the distribution of R\$1,445.0 million of interest on equity (JCP).

Risk and Capital Management

There were no significant changes in the risk and capital management framework in the quarter.

Market Risk – Value-at-risk

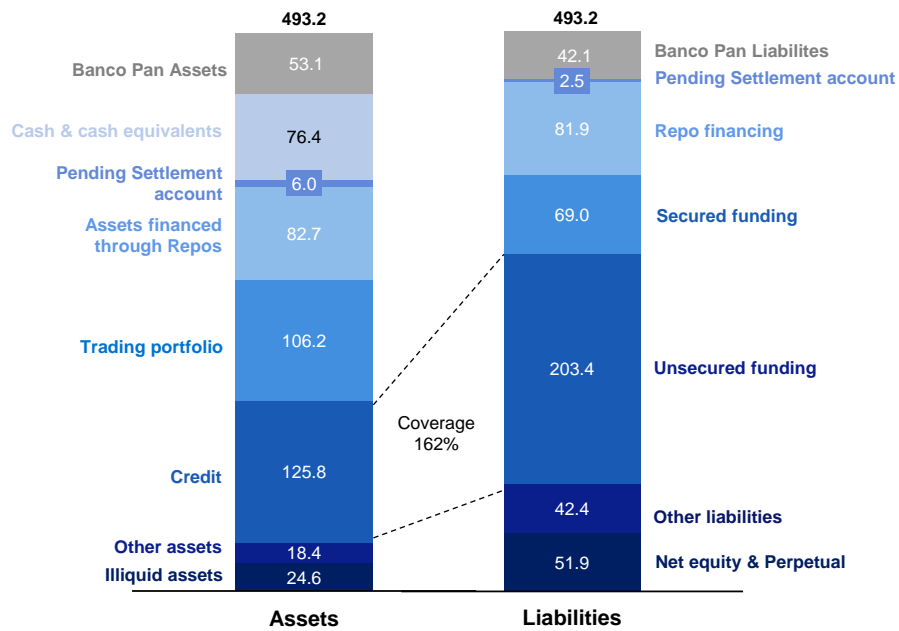
Value-at-risk (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter		
	4Q 2022	3Q 2023	4Q 2023
Total average daily VaR	115.6	157.5	149.6
Average daily VaR as a % of average equity	0.27%	0.33%	0.31%

Total average daily VaR decreased to 0.31% when compared to 0.33% in 3Q 2023 following our dynamic risk allocation approach. In the full year of 2023, as a percentage of average equity, our average daily VaR slightly increased to 0.35%, compared to 0.33% in 2022 and still below historical levels.

Liquidity Risk Analysis

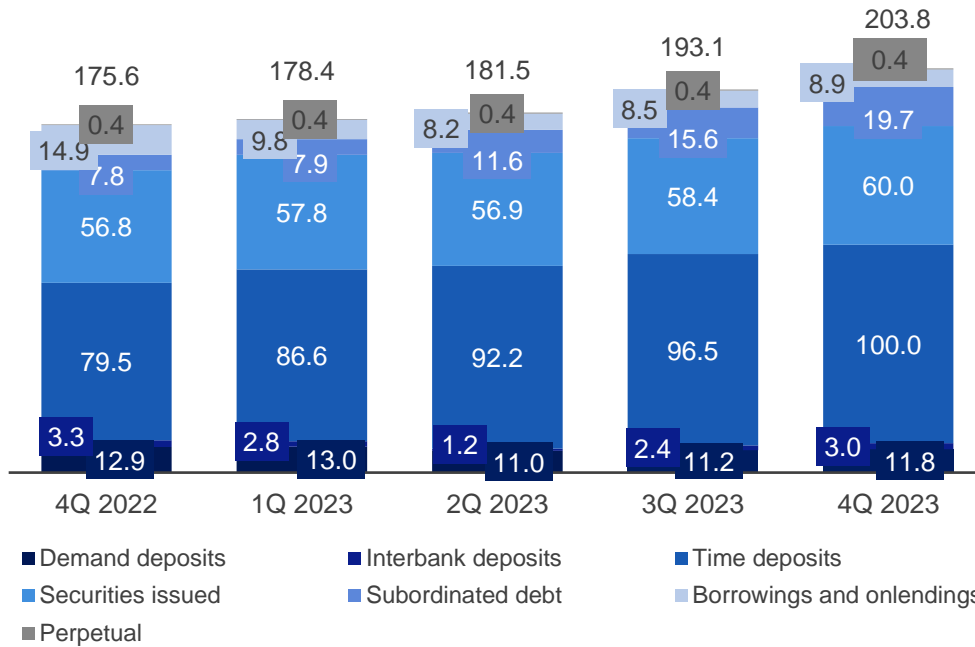
The chart below summarizes the composition of assets and liabilities as of December 31st, 2023:

Summarized Balance Sheet (unaudited) (in R\$ billion)



Unsecured Funding Analysis

The chart below summarizes the composition of our unsecured funding base evolution:



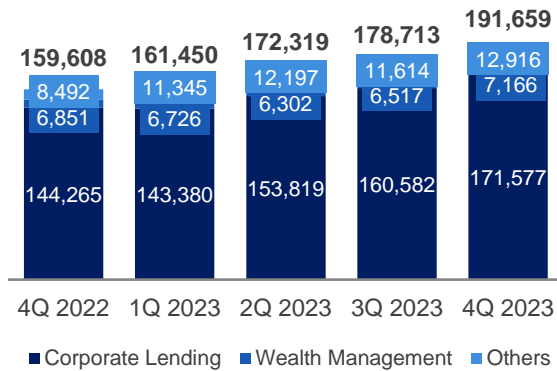
Total unsecured funding increased from R\$193.1 billion at the end of 3Q2023 to R\$203.8 billion at the end of 4Q2023, mainly due to the issuance of subordinated securities and an increase in time deposits. During the quarter we successfully issued two additional series of our 10yr CRA, totaling R\$3.5bn and summing up R\$10.5bn in the year.

BTG Pactual Broader Credit Portfolio

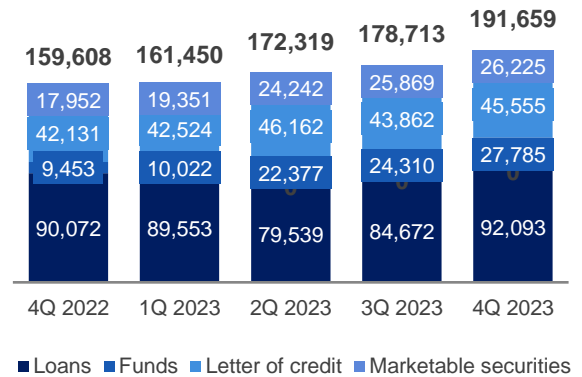
Our broader credit portfolio is comprised of loans, receivables, advances on foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

The balance of our broader credit portfolio increased 7.2% compared to the previous quarter, from R\$178.7 billion to R\$191.7billion, and 20.1% compared to 4Q 2022.

**Broader Credit Portfolio
Breakdown by Area** (in R\$ million)



**Broader Credit Portfolio
Breakdown by Product** (in R\$ million)

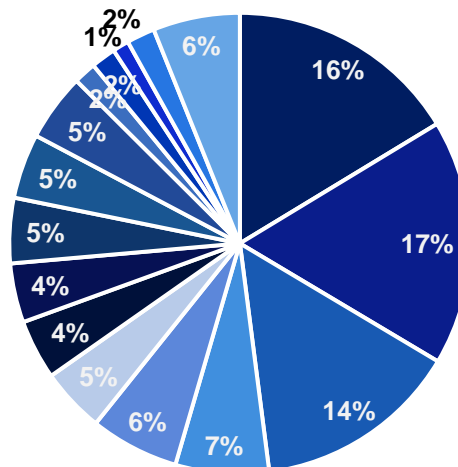


Notes:

Others: includes interbank deposits, Merchant Banking structured transactions and others
Management impacts WM results, others impact Sales & Trading and Merchant Banking results

Corporate Lending & Others Portfolio by Industry (% of total)

- Utilities
- WM, Payroll and Consumer
- Financial
- Agribusiness
- Retail
- Real Estate
- Oil & Gas
- Food & Beverage
- Metals & Mining
- Water & Sewage
- Infra-Structure
- Telecom
- Government
- Forest Products & Paper
- Auto-Parts
- Other



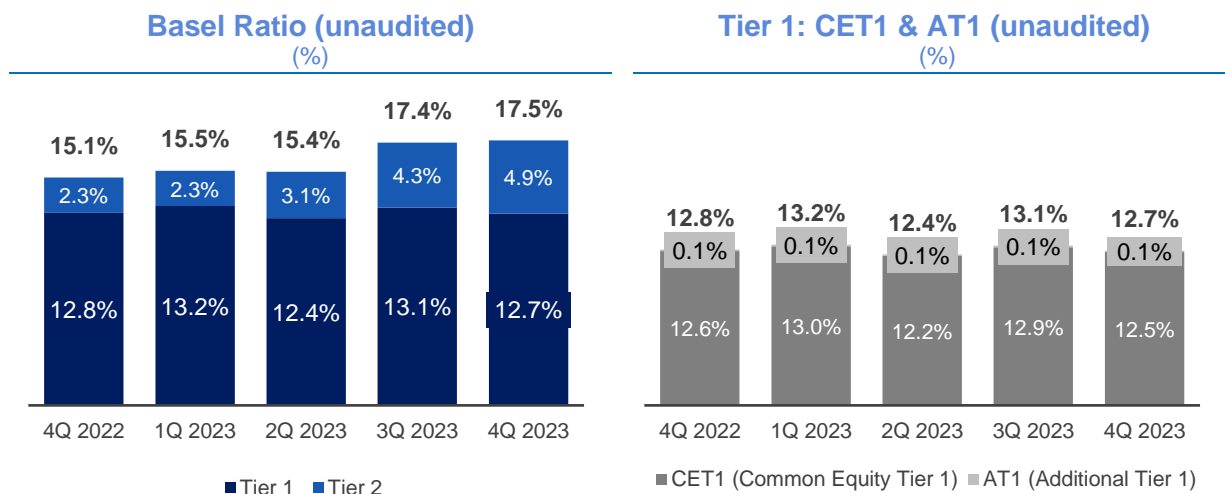
Credit Risk

The following table shows the distribution of our credit exposures as of December 31st, 2023, by credit rating. The ratings below reflect our internal assessment, consistently applied in accordance with the Brazilian Central Bank standard ratings scale:

Rating (unaudited) (in R\$ million)	4Q 2023
AA	98,214
A	57,422
B	27,425
C	2,289
D	2,928
E	115
F	2,440
G	429
H	395
Total	191,655

Capital Management

BTG Pactual complies with standards of capital requirements established by the Brazilian Central Bank that are consistent with those proposed by the Basel Committee on Banking Supervision, under the Basel Capital Accord. Our BIS capital ratios, calculated in accordance with the Brazilian Central Bank standards and regulations, are applicable only to BTG Pactual. The BIS capital ratio was 17.5% at the end of 4Q 2023. Our liquidity coverage ratio (LCR) ended the quarter at 172%.



Exhibits

Basis for Presentation

Except where otherwise noted, the information concerning our financial condition presented in this document is based on our Balance Sheet, which is prepared in accordance with Brazilian GAAP for Banco BTG Pactual S.A. and its subsidiaries. Except where otherwise noted, the information concerning our results of operations presented in this document is based on our Adjusted Income Statement, which represents a revenue breakdown by business unit net of funding costs and financial expenses allocated to such unit, and a reclassification of certain other expenses and costs.

Our Adjusted Income Statement is derived from the same accounting information used for preparing our Income Statement in accordance with Brazilian GAAP and IFRS. The classification of the line items in our Adjusted Income Statement is unaudited and materially differs from the classification and presentation of the corresponding line items in our Income Statement. As explained in the notes to the Financial Statements of BTG Pactual, our financial statements are presented with the exclusive purpose of providing, in a single set of financial statements and in one GAAP, information related to the operations of BTG Pactual and represents the consolidation of transactions of Banco BTG Pactual S.A. and its subsidiaries.

Key Performance Indicators (“KPIs”) and Ratios

The key performance indicators (“KPIs”) and ratios are monitored by BTG Pactual’s management and pursued to be achieved across financial periods. Consequently, key indicators calculated based on annual results across financial periods may be more meaningful than quarterly results and results of any specific date. KPIs are calculated annually and adjusted, when necessary, as part of the strategic planning process and to reflect regulatory environment or materially adverse market conditions.

This section contains the basis for presentation and the calculation of selected KPIs and ratios presented in this report.

KPIs and Ratios	Description
AuM and AuA	Assets under management and assets under administration consist of proprietary assets, third party assets, wealth management funds and/or joint investments managed or administrated among a variety of assets classes, including fixed income, equities, money market accounts, multi-market funds and private equity funds.
Cost to income ratio	It is computed by dividing the adjusted total operating expenses by adjusted total revenues.
Compensation ratio	It is computed by dividing the sum of adjusted bonus and salaries and benefits expenses by adjusted total revenues.
Effective income tax rate	It is computed by dividing the adjusted income tax and social contribution or (expense) by the adjusted income before taxes.
Net income per unit	Net income per unit presents the results of each pro-forma unit formed by 3 different classes of shares of Banco and it considers the outstanding units as of the date of this report. This item is a non-GAAP measurement and may not be comparable to similar non-GAAP measures used by other companies.
ROAE	Annualized ROE is computed by dividing annualized net income by the average shareholders' equity. We determine the average shareholders' equity based on the initial and final net equity for the quarter.
VaR	The VaR numbers reported are calculated on a one-day time horizon, a 95.0% confidence level and a one-year look-back window. A 95.0% confidence level means that there is a 1 in 20 chance that daily trading net revenues will fall below the VaR estimated. Thus, shortfalls from expected trading net revenues on a single trading day greater than the reported VaR would be anticipated to occur, on average, about once a month. Shortfalls on a single day can exceed reported VaR by significant amounts and they can also occur more frequently or accumulate over a longer time horizon, such as a number of consecutive trading days. Given its reliance on historical data, the accuracy of VaR is limited in its ability to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate predictions of future market risk. Different VaR methodologies and distributional assumptions can produce materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day. "Stress Test" modeling is used as a complement of VaR in the daily risk management activities.
WuM	Wealth under management consists of private wealth clients' assets that we manage across a variety of asset classes, including fixed income, money market, multi-asset funds and merchant banking funds. A portion of our WuM is also allocated to our AuM to the extent that our wealth management clients invest in our asset management products.
Leverage Ratio	Leverage Ratio is computed by dividing the total assets by the shareholders' equity.

Selected Financial Data

Balance Sheet (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			4Q 2023 % change to	
	4Q 2022	3Q 2023	4Q 2023	4Q 2022	3Q 2023
Assets					
Cash and bank deposits	3,069	2,283	2,439	-21%	7%
Interbank investments	74,114	72,736	73,564	-1%	1%
Marketable securities and derivatives	138,662	208,632	200,893	45%	-4%
Interbank transactions	23,787	25,155	23,712	0%	-6%
Loans	114,623	112,799	122,502	7%	9%
Other receivables	81,815	60,432	55,507	-32%	-8%
Other assets	1,752	1,874	2,512	43%	34%
Permanent assets	12,790	12,528	12,103	-5%	-3%
Total assets	450,612	496,439	493,233	9%	-1%
Liabilities					
Deposits	115,750	129,491	133,273	15%	3%
Open market funding	87,139	103,660	97,076	11%	-6%
Funds from securities issued and accepted	67,945	71,190	73,532	8%	3%
Interbank transactions	3,497	3,135	3,452	-1%	10%
Loans and onlendings	17,694	12,892	17,582	-1%	36%
Derivatives	13,760	38,669	25,488	85%	-34%
Subordinated liabilities	581	536	1,132	95%	111%
Other liabilities	97,633	85,170	88,162	-10%	4%
Deferred income	-	-	-	n.a.	n.a.
Shareholders' equity	42,372	47,772	49,382	17%	3%
Non-controlling interest	4,242	3,924	4,154	-2%	6%
Total liabilities	450,612	496,439	493,233	9%	-1%

Adjusted Income Statement (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			4Q 2023 % change to		Year to Date		2023 % change to
	4Q 2022	3Q 2023	4Q 2023	4Q 2022	3Q 2023	2022	2023	2022
Investment Banking	485	590	464	-4%	-21%	1,846	1,620	-12%
Corporate and SME Lending	105	1,322	1,353	1187%	2%	2,736	5,144	88%
Sales & Trading	1,134	1,456	1,407	24%	-3%	5,308	6,235	17%
Asset Management	429	467	509	18%	9%	1,554	1,849	19%
Wealth Management & Consumer Banking	686	792	862	26%	9%	2,533	3,074	21%
Principal Investments	53	48	117	121%	144%	360	291	-19%
Participations	7	109	50	619%	-55%	328	34	-90%
Interest & Others	728	876	893	23%	2%	2,582	3,311	28%
Total revenues	3,626	5,660	5,653	56%	0%	17,247	21,559	25%
Bonus	(347)	(718)	(583)	68%	-19%	(1,997)	(2,507)	26%
Salaries and benefits	(462)	(539)	(548)	19%	2%	(1,785)	(2,153)	21%
Administrative and other	(596)	(625)	(656)	10%	5%	(2,166)	(2,505)	16%
Goodwill amortization	(221)	(203)	(218)	-2%	7%	(839)	(899)	7%
Tax charges, other than income tax	(255)	(282)	(247)	-3%	-13%	(968)	(1,063.2)	10%
Total operating expenses	(1,882)	(2,368)	(2,251)	20%	-5%	(7,756)	(9,127)	18%
Income before taxes	1,745	3,292	3,402	95%	3%	9,491	12,432	31%
Income tax and social contribution	(101)	(670)	(675)	571%	1%	(1,649)	(2,507)	52%
Net Income	1,644	2,623	2,728	66%	4%	7,842	9,925	27%

Income Statement (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Banco BTG Pactual S.A.	
	3Q 2023	4Q 2023
Financial income	17,128	20,696
Financial expenses	(12,410)	(14,369)
Gross financial income	4,717	6,327
Other operating income (expenses)	(829)	(2,344)
Operating income (expenses)	3,889	3,983
Non-operating income/(expenses)	(57)	24
Income before taxes and profit sharing	3,831	4,007
Income and social contribution taxes	(434)	(506)
Statutory profit sharing	(747)	(607)
Non-controlling interest	(28)	(167)
Net income	2,623	2,728

Selected Presentation Differences

The table presents a summary of certain material differences between the Adjusted Income Statement and the Income Statement prepared in accordance to the BR GAAP:

	Adjusted Income Statement	Income Statement
Revenues	<ul style="list-style-type: none"> Revenues segregated by business unit, which is the functional view used by our management to monitor our performance Each transaction allocated to a business unit, and the associated revenue, net of transaction and funding costs (when applicable), is reported as generated by such business unit 	<ul style="list-style-type: none"> Revenues are presented in accordance with BRGAAP and standards established by COSIF and IFRS Segregation of revenues follows the contractual nature of the transactions and is aligned with the classification of the assets and liabilities - from which such revenues are derived Revenues are presented without deduction of corresponding financial or transaction costs
Expenses	<ul style="list-style-type: none"> Revenues are net of certain expenses, such as trading losses, as well as transaction costs and funding costs Revenues are net of cost of funding of our net equity (recorded at "interest & others") SG&A expenses incurred to support our operations are presented separately 	<ul style="list-style-type: none"> Breakdown of expenses in accordance with COSIF Financial expenses and trading losses presented as separate line items and not deducted from the financial revenues with which they are associated Transactions costs are capitalized as part of the acquisition cost of assets and liabilities in our inventory SG&A expenses incurred to support our operations are presented separately in our income statement
Principal Investments Revenues	<ul style="list-style-type: none"> Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations Revenues are reduced by associated transaction costs and by management and performance fees paid 	<ul style="list-style-type: none"> Revenues included in different revenue line items (marketable securities, derivative financial income and equity pick-up up from subsidiaries) Losses, including trading losses and derivative expenses, presented as financial expenses
Sales & Trading Revenues	<ul style="list-style-type: none"> Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations Revenues deducted from transaction costs 	<ul style="list-style-type: none"> Revenues included in numerous revenue line items (marketable securities, derivative financial income, foreign exchange and compulsory investments) Losses, including trading losses, derivative expenses and funding and borrowings costs, presented as financial expenses
Corporate Lending Revenues	<ul style="list-style-type: none"> Revenues net of funding costs (including cost of net equity) 	<ul style="list-style-type: none"> Revenues included in certain revenue line items (credit operations, marketable securities and derivative financial income) Losses, including derivative expenses, presented as financial expenses
Banco Pan Revenues	<ul style="list-style-type: none"> Revenues consist of the equity pick-up from our investment, presented net of funding costs (including cost of net equity) 	<ul style="list-style-type: none"> Revenues from equity pick-up recorded as equity pickup from subsidiaries
Salaries and Benefits	<ul style="list-style-type: none"> Salaries and benefits include compensation expenses and social security contributions 	<ul style="list-style-type: none"> Generally recorded as personnel expenses
Bonus	<ul style="list-style-type: none"> Bonus include cash profit-sharing plan expenses (% of our net revenues) 	<ul style="list-style-type: none"> Generally recorded as employees' statutory profit-sharing
Administrative and Other	<ul style="list-style-type: none"> Administrative and Others are consulting fees, offices, IT, travel and entertainment expenses, as well as other general expenses 	<ul style="list-style-type: none"> Generally recorded as other administrative expenses, and other operating expenses
Goodwill amortization	<ul style="list-style-type: none"> Goodwill amortization of investments in operating subsidiaries other than merchant banking investments 	<ul style="list-style-type: none"> Generally recorded as other operating expenses
Tax charges, other than income tax	<ul style="list-style-type: none"> Tax expenses are comprised of taxes applicable to our revenues not considered by us as transaction costs due to their nature (PIS, Cofins and ISS) 	<ul style="list-style-type: none"> Generally recorded as tax charges other than income taxes
Income tax and social contribution	<ul style="list-style-type: none"> Income tax and other taxes applicable to net profits 	<ul style="list-style-type: none"> Generally recorded as income tax and social contribution

The differences discussed above are not exhaustive and should not be construed as a reconciliation of the Adjusted income statement to the income statement or financial statements. The business units presented in the Adjusted income statement should not be presumed to be operating segments under IFRS because our management does not solely rely on such information for decision making purposes. Accordingly, the Adjusted Income Statement contains data about the business, operating and financial results that are not directly comparable to the income statement or the financial statements and should not be considered in isolation or as an alternative to such income statement or financial statements. In addition, although our management believes that the Adjusted Income Statement is useful for evaluating our performance; the Adjusted Income Statement is not based on Brazilian GAAP, IFRS, U.S. GAAP or any other generally recognized accounting principles.

Forward-looking statements

This document may contain estimates and forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements may appear throughout this document. These estimates and forward-looking statements are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, and results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made considering information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result, you should not make any investment decision on the basis of the forward-looking statements contained herein.

Rounding

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.

Glossary

Alternext	Alternext Amsterdam
BM&FBOVESPA	The São Paulo Stock Exchange (BM&FBOVESPA S.A. – <i>Bolsa de Valores, Mercadorias e Futuros</i>).
BR Properties	BR Properties S.A.
CMN	The Brazilian National Monetary Council (Conselho Monetário Nacional).
ECB LTRO	European central Bank Long-term repo operation.
ECM	Equity Capital Markets.
Euronext	NYSE Euronext Amsterdam
HNWI	High net worth individuals
IPCA	The inflation rate is the Consumer Price Index, as calculated by the IBGE.
M&A	Mergers and Acquisitions.
NNM	Net New Money
GDP	Gross Domestic Product.
Selic	The benchmark interest rate payable to holders of some securities issued by the Brazilian government.
SG&A	Selling, General & Administrative



Earnings Release – Fourth Quarter 2023

February 5th, 2024 (before trading hours)

English Conference Call (With simultaneous translation)

February 5th, 2024 (Monday)

9:00 AM (New York) / 11:00 AM (Brasília)

Webcast: <https://nucleodeimagem.com.br/btg/4q23.html>

Webcast: The conference calls audio will be live broadcasted, through a webcast system available on our website www.btgpactual.com/ir

Participants are requested to connect 15 minutes prior to the time set for the conference calls.

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