



Complete financial statements

Banco BTG Pactual S.A. and subsidiaries

June 2023



(A free translation of the original in Portuguese)

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Banco BTG Pactual S.A. ("Institution"), which comprise the balance sheet as at June 30, 2023 and the statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco BTG Pactual S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

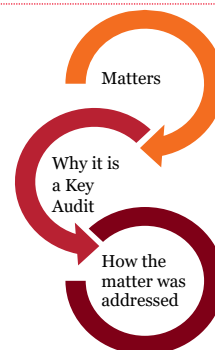
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco BTG Pactual S.A. and of Banco BTG Pactual S.A. and its subsidiaries as at June 30, 2023, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Institution and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current semester. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Banco BTG Pactual S.A.

Why it is a Key Audit Matter

How the matter was addressed in the audit

Fair value measurement of complex or illiquids financial instruments

As disclosed in Notes 4(d), 4(e), 4(f), 8 and 9, the fair value measurement of complex or illiquids financial instruments is an area that includes subjectivity, as it depends on valuation techniques performed based on internal models and involving Management's assumptions for valuation of instruments and/or observable data.

We continue to consider this a focus area in our audit as the use of different valuation techniques and assumptions may produce significantly different fair value estimates and due to the materiality of the financial instruments in the context of the financial statements.

Our main audit procedures considered, among others, our understanding of the main processes involving the fair value measurement of financial instruments related to: (i) recording and confirmation of transaction data; (ii) criteria for fair value measurement; and (iii) reconciliation of accounting balances with analytical reports for balance sheet and income statement balances.

We also (i) tested the completeness and integrity of the data extracted from the underlying systems that serve as a basis for fair value measurement; and (ii) independently re-performed, on a sample basis, the calculations for measurement of financial instruments with the support of our specialists in the pricing of financial instruments in accordance with the requirements provided for by the Brazilian Central Bank's (BACEN) standards.

We believe that the criteria adopted by management in the fair value measurement of these financial instruments are consistent with the information analyzed in our audit.

Measurement of the provision for expected losses associated with credit risk

As disclosed in Notes 4(j) and 10, the provision for expected losses associated with credit risk is estimated based on the analysis of the loan operations and specific risks presented in each portfolio, considering the customer's risk rating, depending on a periodic analysis of the quality of the customer and the sectors of activity, in accordance with the criteria established by CMN Resolution 2,682/99.

We continue to consider this area as a focus of our audit, as the application of different criteria and judgment in measuring the provision for expected losses associated with credit risk could result in significant variations in the estimate of this provision.

Our procedures considered, among others, our understanding of the main processes related to: (i) granting of credit; (ii) renegotiated operations; (iii) attribution of risk level; and (iv) reconciliation of account balances with auxiliary reports.

We also performed (i) analysis, on a sample basis, of the criteria described in the policy and their consistency with those used by management to determine the credit risk of the operations; (ii) recalculation of provisions based on the risk classification and delay in operations; and (iii) test of the completeness and integrity of the data extracted from the underlying systems that serve as a basis for calculating the provision.

We believe that the criteria adopted by management to measure and record the provision for expected losses associated with credit risk



Banco BTG Pactual S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
	are consistent with the information analyzed in our audit.

Deferred tax assets in consolidated subsidiary

As disclosed in Notes 4(r) and 18, Banco Pan S.A. and its subsidiaries ("Bank"), an indirect subsidiary of the Institution, whose total interest is approximately 74% and included in the consolidation process in the consolidated financial statements, has deferred tax assets totaling R\$ 3.4 billion, arising from temporary additions in the calculation bases of Corporate Income Tax and Social Contribution on Net Income and income tax and social contribution losses, recognized based on the projection of taxable income for the realization of these deferred tax assets. This projection, prepared based on a study of the current and future scenario by the Bank's management, involves subjective judgments and assumptions.

We continue to consider this an area of audit focus, as the use of different assumptions in the projection of taxable income could significantly modify the terms and amounts expected for the realization of deferred tax assets, with a consequent accounting impact, and could fail to meet the requirements of the National Monetary Council and Brazilian Central Bank regarding the initial recognition and maintenance of these assets in the financial statements.

Our key audit procedures considered the understanding of the calculation and recording processes and their consistency with tax and accounting standards related to deferred tax assets, including specific requirements of the National Monetary Council and the Brazilian Central Bank, as well as an understanding of the more significant assumptions used by management to project future taxable profit for purposes of estimating the realization of deferred tax assets.

We compared the main assumptions used by Banco Pan S.A. and its subsidiaries to project taxable profits with the budget projections approved by its Board of Directors and with the macroeconomic projections disclosed in the market and analyzed historical data to corroborate the consistency of these realization estimates.

We believe that the assumptions and criteria adopted by management are consistent in relation to the initial recognition, maintenance and realization of the deferred tax assets and are aligned with information approved by those charged with governance.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year then ended June 30, 2023, prepared under the responsibility of the Institution's management and presented as supplementary information for purposes of the Brazilian Central Bank, were submitted to audit procedures performed in conjunction with the audit of the Institution's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.



Banco BTG Pactual S.A.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Institution and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institution and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.



Banco BTG Pactual S.A.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current semester and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, August 9, 2023

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

A handwritten signature in black ink, appearing to read 'Edison Arisa Pereira', written over a light blue horizontal line.

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

Complete financial statements

Banco BTG Pactual S.A.



Balance sheet

(In thousands of reais)

Assets	Note	Bank		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Cash	6	2,068,504	1,084,210	3,813,399	3,068,946
Financial instruments		306,685,161	269,602,092	388,491,469	351,186,195
Interbank deposits and securities purchased under agreements to resell	7	66,693,410	75,635,337	60,410,954	74,114,273
Securities	8	156,080,929	104,742,199	170,272,521	124,374,033
Derivative financial instruments	9	18,288,195	9,562,657	27,597,632	14,288,216
Interbank relations		14,688,983	14,739,812	22,279,713	23,786,655
Credit operations	10	53,245,700	67,456,322	113,097,039	120,109,049
Expected loss allowances associated with credit risk	10	(2,312,056)	(2,534,235)	(5,166,390)	(5,486,031)
Other receivables		45,440,085	65,743,022	67,474,943	81,814,724
Credits for sureties and guarantees honored		182,076	195,924	182,419	196,267
Foreign exchange portfolio	11	26,221,929	47,294,145	26,389,563	47,101,490
Income receivable	12	1,108,111	584,140	2,423,410	1,574,936
Others	12	14,770,669	13,695,446	30,908,266	24,707,399
Deferred tax assets	18	3,523,487	4,440,686	8,131,642	8,707,089
Provision for impairment of assets		(366,187)	(467,319)	(560,357)	(472,457)
Other assets		1,242,219	1,179,415	1,857,417	1,751,908
Prepaid expenses		1,031,115	1,129,930	1,402,168	1,416,685
Other		211,104	49,485	455,249	335,223
Permanent		34,564,340	31,979,451	12,914,920	12,790,315
Investments		33,800,535	31,165,911	7,940,814	7,578,310
Interest in subsidiaries, affiliates and jointly-controlled companies	13	33,799,305	31,164,681	7,758,758	7,394,235
Other investments		1,230	1,230	182,056	184,075
Fixed assets for use	14	214,050	209,114	501,320	508,618
Property for use		3,089	3,089	8,122	8,904
Other fixed assets for use		474,547	451,707	1,042,651	993,763
Accumulated depreciation		(263,586)	(245,682)	(549,453)	(494,049)
Intangible assets	14	549,755	604,426	4,472,786	4,703,387
Intangible assets		1,042,064	939,321	6,195,574	6,036,529
Accumulated amortizations		(492,309)	(334,895)	(1,722,788)	(1,333,142)
Total assets		390,000,309	369,588,190	474,552,148	450,612,088

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Balance sheet

(In thousands of reais)

Liabilities	Note	Bank		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Financial instruments		303,874,722	267,762,954	344,750,768	310,508,050
Deposits	15	114,999,956	101,544,487	124,030,275	115,749,672
Securities sold under repurchase agreements	15	98,603,254	78,555,680	98,021,212	87,139,332
Funds from acceptances and issuance of securities	15	47,782,045	51,220,628	68,167,246	67,944,679
Borrowings and onlendings	15	11,632,339	14,727,150	12,659,707	17,693,933
Derivative financial instruments	9	19,329,558	14,049,057	29,784,946	13,760,429
Subordinated debts and debt instruments eligible to capital	15	11,527,570	7,665,952	12,087,382	8,220,005
Interbank relations		999,469	984,378	2,835,783	3,258,247
Interbranch accounts		814,651	239,173	814,651	239,173
Other liabilities		36,075,693	56,784,966	69,446,821	84,667,563
Collection and levy of taxes and alike		15,837	23,955	33,415	42,294
Foreign exchange portfolio	11	26,310,572	47,330,252	26,324,733	46,948,415
Social and statutory	16	958,558	2,471,380	1,805,404	3,569,719
Tax and social security	16	475,802	418,085	1,997,305	1,484,157
Deferred tax liabilities	18	3,569	2,528	624,378	694,187
Others	16	8,311,355	6,538,766	38,661,586	31,949,091
Provision		1,527,300	1,444,952	5,264,549	5,325,744
Provision for loss on financial guarantees	10	229,293	210,756	249,026	234,298
Provision for contingent liabilities	17	1,298,007	1,234,196	5,015,523	5,091,446
Equity	19	46,708,474	42,371,767	51,439,576	46,613,311
Capital		15,760,364	15,760,364	15,760,364	15,760,364
Capital reserves		652,515	652,515	652,515	652,515
Other comprehensive income		1,537,151	1,473,736	(263,133)	(326,548)
Revenue reserves		24,945,127	24,716,404	26,745,411	26,516,688
Treasury shares		(532,428)	(231,252)	(532,428)	(231,252)
Retained earnings		4,345,745	-	4,345,745	-
Total equity of controlling shareholders		46,708,474	42,371,767	46,708,474	42,371,767
Non-controlling interest		-	-	4,731,102	4,241,544
Total liabilities and equity		390,000,309	369,588,190	474,552,148	450,612,088

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Statement of income

Semesters ended June 30

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

	Note	Bank		Consolidated	
		06/30/2023	06/30/2022	06/30/2023	06/30/2022
Financial intermediation income		21,808,229	28,474,584	34,933,470	39,766,279
Credit operations		4,229,242	3,678,296	15,604,470	13,221,645
Income (loss) from securities and derivative financial instruments		15,756,189	23,406,097	17,366,025	25,079,108
Compulsory investments income (loss)		724,446	521,053	891,233	690,060
Foreign exchange income		1,098,352	869,138	1,071,742	775,466
Expenses from financial intermediation		(16,436,563)	(23,571,811)	(23,953,796)	(29,789,367)
Repurchase agreements		(15,882,651)	(15,822,391)	(18,342,902)	(17,984,179)
Borrowings and onlending operations		(543,665)	(7,379,094)	(4,508,174)	(10,165,205)
Expected loss allowances associated with credit risk	10	(10,247)	(370,326)	(1,102,720)	(1,639,983)
Gross income from financial operations		5,371,666	4,902,773	10,979,674	9,976,912
Other operating income / (expenses)		393,551	536,884	(4,144,147)	(3,432,583)
Revenues from rendering of services	20	1,506,109	1,539,901	3,964,591	3,855,298
Personnel expenses		(598,459)	(453,892)	(1,596,804)	(1,391,608)
Other administrative expenses	22	(1,917,137)	(1,525,354)	(4,766,230)	(4,109,232)
Tax expenses	23	(460,762)	(408,733)	(944,154)	(789,871)
Income from interest in subsidiaries, affiliates and jointly-controlled subsidiaries	13	1,589,182	1,523,608	667,470	408,736
Other operating income (loss)	21	274,618	(138,646)	(1,469,020)	(1,405,906)
Provision expenses		(60,533)	(44,709)	(193,636)	(159,378)
Provision for contingent liabilities	17	(68,099)	(34,567)	(198,241)	(143,882)
Guarantees granted		7,566	(10,142)	4,605	(15,496)
Operating income (loss)		5,704,684	5,394,948	6,641,891	6,384,951
Non-operating profit (loss)		(20,626)	27,462	10,953	57,032
Income (loss) before income tax and profit sharing		5,684,058	5,422,410	6,652,844	6,441,983
Income tax and social contribution	18	(468,863)	(768,264)	(650,055)	(1,202,085)
Provision for income tax		184,993	(22,086)	(470,426)	(370,954)
Provision for social contribution		125,935	1,749	(362,095)	(204,695)
Deferred tax assets		(779,791)	(747,927)	182,466	(626,436)
Statutory profit sharing		(640,727)	(644,262)	(1,221,036)	(1,092,422)
Non-controlling interest		-	-	(207,285)	(137,592)
Net income for the semester		4,574,468	4,009,884	4,574,468	4,009,884
Net income per share - Basic	25	0.40	0.35		
Net income per share - Diluted		0.40	0.35		

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Statement of comprehensive income

Period ended June 30

(In thousands of reais)

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Net income for the semester	4,574,468	4,009,884	4,574,468	4,009,884
Change in equity evaluation adjustment of financial assets available for sale	24,827	233	24,827	233
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-controlled subsidiary	16,017	55,288	16,017	55,288
Accumulated conversion adjustments	(3,282)	(13,751)	(3,282)	(13,751)
Foreign exchange variation on investments	(1,033,771)	(1,235,888)	(1,033,771)	(1,235,888)
Hedge from investments abroad	1,047,309	1,236,468	1,047,309	1,236,468
Other	12,315	-	12,315	-
Total comprehensive income	4,637,883	4,052,234	4,637,883	4,052,234

Items presented in the statement of comprehensive income may be subsequently reclassified to income (loss).

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Statement of changes in equity

Semesters ended June 30

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

Bank	Note	Income reserves						Total	Other comprehensive income	Treasury shares	Retained earnings	Total
		Capital	Capital reserves	Special profit reserves	Legal	Unrealized	Statutory					
Balances at December 31, 2021		15,760,364	652,515	-	1,911,786	1,980,484	15,503,141	19,395,411	1,571,456	-	-	37,379,746
Acquisition of treasury shares		-	-	-	-	-	-	-	-	(67,400)	-	(67,400)
Change in equity evaluation adjustment of financial assets available for sale		-	-	-	-	-	-	-	233	-	-	233
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary	19	-	-	-	-	-	(5,844)	(5,844)	55,288	-	-	49,444
Accumulated conversion adjustments		-	-	-	-	-	-	-	-	-	-	-
Foreign exchange variation on investments		-	-	-	-	-	-	-	(1,235,888)	-	-	(1,235,888)
Hedge from investments abroad		-	-	-	-	-	-	-	1,236,468	-	-	1,236,468
Interim interest on equity (BRL 0.06 per share)		-	-	540,000	-	-	(540,000)	-	-	-	-	-
Net income for the semester		-	-	-	-	-	-	-	-	-	4,009,884	4,009,884
Use of net income		-	-	0	0	0	0	-	-	-	-	-
Income reserve		-	-	-	200,494	-	-	200,494	-	-	(200,494)	-
Balances at June 30, 2022		15,760,364	652,515	540,000	2,112,280	1,980,484	14,957,297	19,590,061	1,613,806	(67,400)	3,809,390	41,358,736
Balances at December 31, 2022		15,760,364	652,515	-	2,303,878	1,980,484	20,432,042	24,716,404	1,473,736	(231,252)	-	42,371,767
Acquisition of treasury shares	19	-	-	-	-	-	-	-	-	(301,176)	-	(301,176)
Change in equity evaluation adjustment of financial assets available for sale		-	-	-	-	-	-	-	-	-	-	-
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	-	-	24,827	-	-	24,827
Accumulated conversion adjustments		-	-	-	-	-	-	-	16,017	-	-	16,017
Foreign exchange variation on investments		-	-	-	-	-	-	-	(3,282)	-	-	(3,282)
Hedge from investments abroad		-	-	-	-	-	-	-	(1,033,771)	-	-	(1,033,771)
Interim interest on equity (BRL 0.07 per share)		-	-	861,000	-	-	(861,000)	-	1,047,309	-	-	1,047,309
Goodwill/negative goodwill in acquisition of interest in subsidiaries		-	-	-	-	-	-	-	-	-	-	-
Net income for the semester		-	-	-	-	-	-	-	12,315	-	-	12,315
Use of net income		-	-	-	-	-	-	-	-	-	4,574,468	4,574,468
Revenue reserve		-	-	-	228,723	-	-	228,723	-	-	(228,723)	-
Balances at June 30, 2023		15,760,364	652,515	861,000	2,532,601	1,980,484	19,571,042	24,945,127	1,537,151	(532,428)	4,345,745	46,708,474

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Consolidated	Income reserves													
	Note	Capital	Capital reserves	Special profit reserves	Legal	Unrealized	Statutory	Total	Other comprehensive income	Treasury shares	Retained earnings	Statutory profit sharing	Non-controlling shareholders	Total
Balances at December 31, 2021		15,760,364	652,515	-	1,948,983	1,980,478	17,266,233	21,195,694	(228,826)	-	-	37,379,747	3,135,096	40,514,843
Acquisition of treasury shares	19	-	-	-	-	-	-	-	-	(67,400)	-	-	-	(67,400)
Change in equity evaluation adjustment of financial assets available for sale		-	-	-	-	-	-	-	233	-	-	233	-	233
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary	19	-	-	-	-	-	(5,843)	(5,843)	55,288	-	-	49,445	-	49,445
Foreign exchange variation on investments		-	-	-	-	-	-	-	(1,235,888)	-	-	(1,235,888)	-	(1,235,888)
Accumulated conversion adjustments		-	-	-	-	-	-	-	(13,751)	-	-	(13,751)	-	(13,751)
Hedge from investments abroad		-	-	-	-	-	-	-	1,236,468	-	-	1,236,468	-	1,236,468
Interim interest on equity (BRL 0.06 per share)		-	-	540,000	-	-	(540,000)	-	-	-	-	-	-	-
Net income for the semester		-	-	-	-	-	-	-	-	-	4,009,884	4,009,884	59,600	4,069,484
Allocations of net income		-	-	-	-	-	-	-	-	-	(200,494)	-	-	-
Income reserve		-	-	-	200,494	-	-	200,494	-	-	-	-	-	-
Addition/(Decrease) in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	1,079,530	1,079,530
Balances at June 30, 2022		15,760,364	652,515	540,000	2,149,477	1,980,478	16,720,390	21,390,345	(186,476)	(67,400)	3,809,390	41,358,738	4,274,226	45,632,964
Balances at December 31, 2022		15,760,364	652,515	-	2,341,075	1,980,478	22,195,135	26,516,688	(326,548)	(231,252)	-	42,371,767	4,241,544	46,613,311
Acquisition of treasury shares		-	-	-	-	-	-	-	-	(301,176)	-	-	-	(301,176)
Change in equity evaluation adjustment of financial assets available for sale		-	-	-	-	-	-	-	24,827	-	-	24,827	-	24,827
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	-	-	16,017	-	-	16,017	-	16,017
Foreign exchange variation on investments		-	-	-	-	-	-	-	(1,033,771)	-	-	(1,033,771)	-	(1,033,771)
Accumulated conversion adjustments		-	-	-	-	-	-	-	(3,282)	-	-	(3,282)	-	(3,282)
Hedge from investments abroad		-	-	-	-	-	-	-	1,047,309	-	-	1,047,309	-	1,047,309
Goodwill/negative goodwill in acquisition of interest in subsidiaries		-	-	-	-	-	-	-	12,315	-	-	12,315	-	12,315
Net income for the semester		-	-	-	-	-	-	-	-	-	4,574,468	4,574,468	207,285	4,781,753
Allocations of net income		-	-	-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	228,723	-	-	228,723	-	-	-	-	-	-
Interim interest on equity (BRL 0.07 per share)		-	-	861,000	-	-	(861,000)	-	-	-	(228,723)	-	-	-
Addition/(Decrease) in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	282,273	282,273
Balances at June 30, 2023		15,760,364	652,515	861,000	2,569,798	1,980,478	21,334,135	26,745,411	(263,133)	(532,428)	4,345,745	46,708,474	4,731,102	51,439,576

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Statement of cash flows

Semesters ended June 30

(In thousands of reais)

	Note	Bank		Consolidated	
		06/30/2023	06/30/2022	06/30/2023	06/30/2022
Operating activities					
Net income for the semester		4,574,468	4,009,884	4,574,468	4,009,884
Adjustments to net income		55,639	515,564	1,592,140	3,066,549
Income from interest in subsidiaries, affiliates and jointly-controlled subsidiaries	13	(1,589,182)	(1,523,608)	(667,470)	(408,736)
Interest expenses with subordinated debts and debt instruments eligible to capital		520,883	406,154	551,112	431,561
Expected loss allowances associated with credit risk	10c	10,247	370,326	1,102,720	1,639,983
Provision for loss on financial guarantees		10,971	199,480	10,123	218,009
Provision for contingent liabilities		68,099	31,014	198,241	145,994
Foreign exchange variation of permanent		-	17	-	32,292
Exchange-rate change on cash		55,771	46,090	55,771	46,090
Deferred tax assets	18	779,791	747,927	(182,466)	626,436
Depreciation and amortization	22	199,059	238,164	524,109	334,920
Adjusted net income for the semester		4,630,107	4,525,448	6,166,608	7,076,433
Operating activities					
Interbank deposits and securities purchased under agreements to resell		(3,177,076)	4,395,221	(1,382,256)	7,224,119
Securities and derivative financial instruments		(54,783,767)	(35,581,748)	(43,183,387)	(43,279,182)
Loan operations		13,988,443	(7,765,206)	6,692,369	(8,097,538)
Other assets		20,654,073	(41,828,944)	14,327,735	(43,905,736)
Interbank accounts/relations		65,920	(2,631,956)	1,084,478	(3,137,555)
Interbranch accounts		575,478	(390,246)	575,478	(390,266)
Other liabilities		(20,536,070)	45,045,831	(15,151,600)	48,048,280
Deposits		13,455,469	7,050,027	8,280,603	3,049,239
Securities sold under repurchase agreements		20,047,574	24,382,024	10,881,880	29,177,396
Borrowings and onlendings		(3,094,811)	5,422,089	(5,034,226)	5,292,448
Cash (used) / from operating activities		(8,174,660)	2,622,540	(16,742,318)	1,057,638
Investing activities					
(Acquisition) / disposal of investments and capital increase	13	(1,846,768)	(5,461,799)	(147,298)	(2,453,519)
(Acquisition)/disposal of other investments		-	673	-	1,778
(Acquisition) / disposal of fixed assets and deferred	14	(20,698)	(34,446)	68,467	(162,617)
(Acquisition) / disposal of intangible assets	14	(93,023)	(252,721)	(217,380)	(896,275)
Dividends and interest on equity received	13	249,352	287,383	279,410	1,343,802
Cash (used) / from investing activities		(1,711,137)	(5,460,910)	(16,801)	(2,166,831)
Financing activities					
Acquisition of treasury shares	19b	(301,176)	(67,400)	(301,176)	(67,400)
Funds from acceptances and issuance of securities	15d	(3,438,583)	5,423,299	222,567	8,344,098
Subordinated debt and debt instruments eligible to capital	15f	3,861,618	(641,125)	3,867,377	(666,532)
Interest on equity		(1,315,000)	(825,000)	(1,315,000)	(825,000)
Cash flows from financing activities		(1,193,141)	3,889,774	2,473,768	6,785,166
(Decrease)/ increase in cash and cash equivalents		(11,078,938)	1,051,404	(14,285,351)	5,675,973
Balances of cash					
At the beginning of the semester	26	70,021,933	49,467,732	76,556,439	47,434,579
Exchange-rate change on cash		(55,771)	(46,090)	(55,771)	(46,090)
At the end of the semester	26	58,887,224	50,473,046	62,215,317	53,064,462
(Decrease)/ increase in cash and cash equivalents		(11,078,938)	1,051,404	(14,285,351)	5,675,973

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.



Statement of value added

Semesters ended June 30

(In thousands of reais)

	Note	Bank		Consolidated	
		06/30/2023	06/30/2022	06/30/2023	06/30/2022
Revenue		23,507,798	30,014,485	38,895,570	42,657,337
Financial intermediation		21,808,229	28,474,584	34,930,979	38,802,039
Rendering of services	20	1,506,109	1,539,901	3,964,591	3,855,298
Other		193,459	-	-	-
Expenses		(16,436,562)	(23,682,997)	(25,519,764)	(30,340,644)
Financial intermediation		(16,426,316)	(23,201,485)	(22,851,076)	(27,185,146)
Provision for loans and other credits	10	(10,247)	(370,326)	(1,102,720)	(1,639,983)
Other		-	(111,186)	(1,565,969)	(1,515,515)
Inputs acquired from third parties		(1,703,563)	(1,271,615)	(4,212,015)	(3,615,959)
Materials, energy and others		(12,186)	(13,273)	(53,624)	(17,903)
Outsourced services		(1,691,377)	(1,258,342)	(4,158,391)	(3,598,056)
Gross added value		5,367,672	5,059,873	9,163,790	8,700,734
Depreciation and amortization	22	(163,455)	(215,022)	(524,109)	(334,920)
Net added value produced by the Entity		5,204,217	4,844,851	8,639,681	8,365,814
Value added received through transfer		1,589,182	1,523,608	669,962	408,736
Income from interest in subsidiaries, affiliates and shared control	13	1,589,182	1,523,608	669,962	408,736
Added value payable		6,793,399	6,368,459	9,309,643	8,774,550
Distribution of added value		6,793,399	6,368,459	9,309,643	8,774,550
Personnel		1,239,187	1,098,153	2,838,238	2,484,030
Salaries		1,021,159	934,257	2,331,507	2,040,451
Benefits		95,458	73,545	228,221	216,243
FGTS		122,570	90,351	278,510	227,336
Taxes, fees and contributions		929,625	1,176,998	1,575,900	1,991,956
Federal		811,709	1,060,404	1,282,442	1,763,379
Other		117,916	116,594	293,458	228,577
Third-party capital remuneration		50,118	38,717	113,751	151,090
Rentals		50,118	38,717	113,751	151,090
Remuneration of own capital		4,574,469	4,054,591	4,781,754	4,147,474
Interest on equity		861,000	540,000	861,000	540,000
Retained earnings		3,713,469	3,514,591	3,713,469	3,469,882
Non-controlling interest		-	-	207,285	137,592

The accompanying notes are an integral part of these financial statements.

Complete financial statements

Banco BTG Pactual S.A.

(In thousands of reais, unless otherwise stated)

1. Operating context

Banco BTG Pactual S.A. (“Bank” or “BTG Pactual”), is organized in the form of a multiple bank, acts together with its subsidiaries (“BTG Pactual Group”), offering financial products and services regarding commercial, investments, credit, financing, capital lease, insurance, foreign exchange portfolios, among others, in the country and in several locations abroad. The head office of the Bank is located at Praia de Botafogo, 501 – 5º andar – Torre Corcovado, in the City and State of Rio de Janeiro. Its principal place of business is the office located on Av. Brigadeiro Faria Lima, 3477 – 14º andar (parte), in the City and State of São Paulo.

The transactions are carried out in the context of a group of companies that operate in an integrated manner in the financial market and some transactions are intermediated by other companies belonging to the BTG Pactual Group. The Bank’s parent company is BTG Pactual Holding Financeira Ltda. (“Financial Holding”), which is controlled by BTG Pactual G7 Holding S.A. through BTG Pactual Holding S.A. (“Holding”).

BTG Pactual has units listed on B3 S.A. in São Paulo. Each unit corresponds to 1 common share and 2 class A preferred shares.

2. Corporate reorganizations and acquisitions

Acquisitions and sales

Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A.

On July 19, 2019, the Bank, through its investee BTG Pactual Asset Management S.A. DTVM, acquired 80% interest in Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A. (“Ourinvest”), and the latter maintained its administrative and operational independence, despite being a member of BTG Pactual Conglomerate. The purchase and sale agreement also provided for the purchase option of the remaining shares of Ourinvest until 2022 in two tranches of 10% each (the option related to the first tranche was exercised in March 2021 and the second tranche in March 2022). On November 16, 2022, the transaction was concluded after satisfaction of all conditions precedent, including regulatory approvals.

On January 20, 2023, the company’s name was changed from Ourinvest Distribuidora de Títulos e Valores Mobiliários S.A. to BTG Pactual Advisors Distribuidora de Títulos e Valores Mobiliários S.A.

Acquisition of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.

On January 24, 2022, the Bank communicated to shareholders and the market in general that it had signed, jointly with Santander Corretora de Seguros, Investimentos e Serviços S.A. and CBOE III, LLC, binding contracts for the acquisition of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A. (“CSD BR”).

On May 26, 2022, the Bank confirmed, in view of the satisfaction of the applicable conditions precedent, the formalization of the operation related to the subscription of minority interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.

Acquisition of Elite Corretora de Câmbio e Valores Mobiliários Ltda.

On February 1, 2022, the Bank communicated to shareholders and the market in general the signing of definitive documents related to the acquisition of 100% (one hundred percent) of the capital of Elite Corretora de Câmbio e Valores Mobiliários Ltda.

This acquisition is part of the expansion strategy of BTG Pactual Digital in the investment advisory segment.

On October 21, 2022, the transaction was concluded, after satisfaction of all conditions precedent, including regulatory approvals.

Merger of shares of Mosaico Tecnologia ao Consumidor by Banco PAN S.A. (Controlled by BTG Pactual)

At October 03, 2021, Banco PAN S.A. (B3: BPAN4) signed an Agreement of Association and Other Covenants (“Association Agreement”) for the merger of all shares issued by Mosaico Tecnologia ao Consumidor S.A. (“Mosaico”) (B3: MOSI3), a native digital company that brings together the brands Zoom, Buscapé and Bondfaro, and which owns the largest platform of content and sales origination for e-commerce in Brazil (“Operação Mosaico”).

On March 11, 2022, the Board of Directors of Banco PAN confirmed the satisfaction of suspensive conditions regarding the effectiveness of Mosaico Operation, according to the Protocol and Justification of the Merger of Shares

Complete financial statements

Banco BTG Pactual S.A.



entered into between Banco PAN and Mosaico on October 26, 2021 and, therefore, stated that the resolutions of the Extraordinary General Meeting of Banco PAN held on December 1, 2021, including the merger of shares, became valid and effective, for all legal purposes and effects.

Acquisition of Banco BESA S.A.

On March 30, 2022, BTG Pactual agreed to acquire the share control of Banco BESA S.A. ("BESA"), as well as its subsidiaries. As communicated to the market on October 7, 2022, the transaction was concluded after regulatory approvals. The transaction complements the strategy of BTG Pactual, focused on the acquisition and recovery of defaulted loan portfolios and purchase of alternative financial assets.

The purchase price allocation report ("PPA") is being prepared by an independent company specialized in asset valuation, in compliance with the relevant regulatory deadlines.

FIS Privatbank S.A.

On March 23, 2023, Banco BTG Pactual S.A. communicated to shareholders and the market in general that one of its subsidiaries signed definitive documents referring to the acquisition of 100% (one hundred percent) of the capital of a financial institution headquartered in Luxembourg, FIS Privatbank S.A., for EUR 21.3 million. Completion of the transaction is subject to the verification of certain conditions precedent, including obtaining all necessary regulatory approvals.

Offers

Subordinated Financial Notes

On June 30, 2023, the Bank issued Subordinated Financial Notes that served as guarantee for Funding via Agribusiness Receivables Certificates issued by Opea Securitizadora S.A., totaling an offer amount of BRL 3,500,100 (three billion, five hundred million and one hundred thousand reais), divided into four series. Said Notes will mature on July 15, 2033, with principal balances being fully amortized on the maturity date and semi-annual interest payments.

Approval of share repurchase program

On January 11, 2022, the Bank communicated to shareholders and the market in general that the Bank's Board of Directors, at a meeting held on January 10, 2022, approved the share repurchase program, under the following conditions ("Repurchase Program"):

- Repurchase with the aim of providing better conditions to carry out the efficient investment of available cash resources in order to maximize the allocation of the Bank's capital;
- Acquisition of up to BRL 1,000,000,000.00, observing in every case the limits set forth in CVM Instruction 567;
- Non-existence, at BTG Pactual, of BPAC11 units or treasury shares;
- Maintenance, in treasury, of BPAC11 units acquired under the Program;
- Definition of a period of up to 18 months for the acquisitions, being the Executive Board responsible for deciding the best time to make the acquisitions; and
- Intermediation of BTG Pactual CTVM S.A. and operations conducted in accordance with the current regulation.

The Bank will keep regulators and the market in general informed about the Repurchase Program.

3. Presentation of individual and consolidated financial statements

The individual and consolidated financial statements of the Bank and its subsidiaries were prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN), and as well as in accordance with the standards and instructions of the National Monetary Council (CMN), of Bacen, and when it's not conflicted, of the Brazilian Securities and Exchange Commission (CVM) and Corporate Law. Technical Pronouncements from the Accounting Pronouncements Committee (CPC) are also applied in the Financial Statements as long as they have been accepted by CMN and Bacen.

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

Preparation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil requires that Management use its judgment in determining and recording accounting estimates. The assets and liabilities subject to these estimates and assumptions refer basically to goodwill for expected future profitability, deferred income tax assets and liabilities, to the provision for expected losses associated with credit risk, provision for taxes and contributions with suspended enforceability, to the provision for contingent liabilities, the measurement of fair value of financial instruments. The settlement of transactions involving these

Complete financial statements

Banco BTG Pactual S.A.



estimates may result in significantly different amounts due to the lack of precision inherent to the process of their determination. The Bank and its subsidiaries periodically review these estimates and assumptions.

CMN°Resolution°4818/2020 and BCB°Resolution°2/2020 establish general criteria and procedures for the preparation and disclosure of individual and consolidated financial statements.

Pursuant to BACEN Resolution 2/2020, the Balance Sheet accounts are presented in order of liquidity and liability, with the segregation between current and non-current presented in an explanatory note.

BACEN Normative Instruction 319/2022 revoked, as of January 1, 2023, Circular Letter 3429/2010, which established rules for the accounting record of tax obligations under judicial discussion. The aforementioned Circular Letter indicated that the Financial Institutions must recognize in their liabilities, regardless of the assessment of the likelihood of outflow of funds, all tax obligations subject to judicial discussion on the constitutionality of laws. However, it is worth highlighting that the amounts provisioned by the Bank were in compliance with both the requirements of CPC 25 - Provisions, Contingent Liabilities and Contingent Assets (adopted in CMN n° 3.823 Resolution), and the standards established in Circular Letter mentioned. Thus, after the Circular Letter was revoked, it was not necessary to make any adjustments or adaptations to the Bank's accounting records.

The individual and consolidated financial statements were approved by Management on August 7, 2023 and provide a true and fair view of the Bank's financial evolution, assets and liabilities and consolidated results. Management assessed the ability and capacity of the Bank and its subsidiaries to continue as a going concern and is convinced that the Bank and its subsidiaries have the operating conditions and resources to continue as such in the future. Additionally, Management is not aware of any material uncertainty that may generate doubts about its ability to continue as a going concern.

The individual and consolidated financial statements were prepared based on these principles and assumptions.

Consolidated financial statements

In the consolidation process of the financial statements, interests, balances of assets and liabilities, income, expenses and unrealized profits among companies were eliminated, as well as portions of net income and equity related to non-controlling interest were emphasized.

The main consolidated entities, whose sum, considering the amounts referring to Banco BTG Pactual S.A., represents more than 95% of the total consolidated assets, as well as the Bank's interest in their capital, are as follows:

	Country	Total equity participation - %	
		06/30/2023	12/31/2022
Subsidiaries			
BTG Pactual Cayman Branch	Cayman	100.00%	100.00%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Brazil	99.99%	99.99%
Banco Sistema S.A.	Brazil	99.97%	99.97%
Banco Pan S.A.	Brazil	74.17%	73.95%
Banco BESA S.A.	Brazil	100.00%	96.50%
ECTP Brasil S.A. (i)	Brazil	100.00%	-
Indirect subsidiaries			
BTG Pactual Resseguradora S.A.	Brazil	100.00%	100.00%
BTG Pactual Vida e Previdência S.A.	Brazil	100.00%	100.00%
Banco BTG Pactual Chile S.A.	Chile	100.00%	100.00%
BTG Pactual Chile Capital S.A. Stockbrokers	Chile	100.00%	100.00%
BTG Pactual Holding Participações S.A	Brazil	100.00%	100.00%
BTG Pactual Oil & Gas S.A.R.L.	Luxembourg	100.00%	100.00%
BTG Pactual COMM. (CH) S.A.	Switzerland	100.00%	100.00%
ECTP Brasil S.A. (i)	Brazil	-	100.00%
BTG Pactual AM US, LLC	USA	100.00%	100.00%
Investment funds			
BTG Pactual Absolute Return Master Fund	Cayman	100.00%	100.00%
FIDC FGTS	Brazil	100.00%	100.00%
Fundo de Investimento Multimercado CP LS Investimento no Exterior	Brazil	100.00%	100.00%
FIDC NP Alternative Assets I	Brazil	100.00%	100.00%
Warehouse FIP	Brazil	100.00%	100.00%
Clave Alpha Macro Participações FIC FIM	Brazil	79.64%	90.52%
Clave Total Return Master FIM	Brazil	80.55%	70.65%
BTGP Consignados FIDC (ii)	Brazil	100.00%	-
FIDC NP Alternative Assets III	Brazil	100.00%	100.00%

(i) In June 2023, ECTP Brasil S.A. became the Bank's direct investment.

(ii) Fund established during the first semester of 2023.

Functional and presentation currency

The individual and consolidated financial statements are presented in reais (BRL), which is the Bank's functional currency since this is the main economic environment in which the Bank operates.

4. Significant accounting policies

The most relevant accounting policies adopted by the Bank are as follows:

a. Cash

For the purposes of statement of cash flow, cash, bank deposits, highly liquid short-term investments that are promptly convertible into a known sum of cash, which are subject to an insignificant risk of change in value, with maturity which is usually three months as of the acquisition date.

b. Interbank funds applied, interest-bearing deposits at Bacen, interest-bearing deposits, securities sold under repurchase agreements, funds from acceptance and issue of securities, obligations for loans and onlendings, subordinated debts and other asset and liability operations

Operations with a monetary/exchange restatement clause and operations with fixed charges are recorded at present value, net of transaction costs incurred, calculated *pro-rata die* based on the effective rate of operations.

c. Securities

They are evaluated and classified according to the criteria established by Circular Letter 3068/2001 of the Central Bank of Brazil, in the following categories:

(i) Trading securities

Acquired for the purpose of being actively and frequently negotiated. Recorded at cost of acquisition, plus income accrued and adjusted to market value with the corresponding entry to income (loss) for the period.

According to BACEN Circular Letter 3068/2001, securities classified as trading securities are considered short-term, regardless of their maturity dates.

(ii) Securities available for sale

Those not classified as trading securities or held to maturity. Recorded at cost of acquisition, plus income accrued in contra-entry to income (loss) and subsequently valued at market value with the contra-entry to a specific account in the equity, net of tax effects, which will be recognized in income (loss) accounts only upon effective realization.

(iii) Held-to-maturity securities

Acquired with the intention and financial capacity to hold them in the portfolio to maturity. Recorded at cost of acquisition, plus income accrued in contra account to income for the period.

Decreases in the market value of securities available for sale and held to maturity, below their respective restated costs, related to reasons considered as non-temporary, are reflected in income (loss) as incurred losses.

d. Determination of fair value

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

- Level 1: Price quotes observed in active markets for the same financial instrument;
- Level 2: Price quotes observable in active markets for financial instruments with similar characteristics or based upon pricing models for which significant parameters are based on observable factors in active markets; and
- Level 3: Pricing models for which current market transactions or observable data is not available and which require a high level of judgment and estimates. Instruments in this category were priced using techniques for which at least one input, which could have a significant effect on the price, is not based on observation of market data. Inputs are used when they can be observed from market data without excessive costs and efforts. Otherwise, the Bank determines an appropriate level for the input. Financial instruments basically include interest in private equity funds, unlisted shares arising from our Merchant Banking activities, some debt securities of closely-held companies and energy derivatives, whose pricing depends on unobservable inputs. No gain or loss is considered on initial recognition of a financial instrument priced using techniques that consider unobservable inputs.

Assumptions of Level 3 evaluation

Assets	Pricing technique	Main assumptions
Private equity funds (investments not quoted)	Price of recent investments; models based on discounted cash flow or gains, multiples of market transactions (M&A).	Revenue and market growth, expected leverage and profitability, discount rates, macroeconomic assumptions such as inflation and exchange rates, risks and premiums, including market, size and country risk premium.
Debt securities	Standard models and price comparison	Probability of default, material losses and yield declines, prepayment and recovery rate.
Energy derivatives	Data system based models (Decomp and Newwave)	GDP, level of water reserves and rainfall forecast.

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

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

The fair values of financial instruments are determined as follows:

- **Swaps:** its cash flows are discounted to present values based on profitability curves that reflect the appropriate risk factors. These profitability curves can be traced mainly based on prices observed in negotiations at B3 S.A. for Brazilian government bonds traded on the secondary market or for derivatives and securities traded overseas. These profitability curves can be used to obtain the fair values of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock exchange indexes, etc.).
- **Futures and terms:** fair value determined based on stock exchange quotations or using criteria identical to those described above for swaps.
- **Options:** the fair values of these instruments are determined based on mathematical models (such as Black & Scholes) that are fed with data on implicit volatility, profitability curve for interest rates and fair values of the underlying assets. All of this data is obtained from different sources (usually brokers and brokerage firms' prices, Bloomberg, Reuters).
- **Credit derivatives:** the fair values of these instruments are determined based on well-established mathematical market models that are fed with issuer's credit spread data and profitability curve for interest rates. This data is obtained from different sources (usually market prices, Bloomberg, Reuters).
- **Securities and unsecured sale:** the fair values of public securities are determined based on the prices disclosed by ANBIMA. The fair values of corporate debt securities are calculated based on secondary market prices, on the price of similar assets and on the market visibility by the Bank's commercial areas. Shares are calculated based on the prices published by B3 S.A. Fund quotas are measured considering the prices of quotas published by Management.

Financial assets valued at fair value in profit or loss: we estimate the fair values of financial instruments by applying the discount of cash flows at present value based on profitability curves that reflect the appropriate risk factors consistently with prior periods.

e. Derivative financial instruments

They are classified, according to the Management's intention, on the date of contracting the transaction, considering whether their purpose is to hedge against risks or not.

Operations that utilize financial instruments carried out, on the bank's own initiative, or that do not fulfill the protection criteria (especially derivatives utilized to manage global risk exposure), are recorded at fair value, with realized and unrealized gains and losses, recorded directly in the income (loss) for the period.

Derivative financial instruments used to mitigate the risks from exposures to changes in market value of financial assets and liabilities and that are highly correlated to alterations in their market value in relation to the market value of the item that is being protected, both at the beginning and throughout the life of the contract and considered effective in the reduction of risk associated with the exposure to be protected, are considered as hedge instruments and are classified according to their nature:

- Market risk hedge: the financial instruments classified into this category, as well as its related financial assets and liabilities, hedged item, are measured at fair value and have their gains and losses, realized or unrealized, recorded in the profit or loss;
- Cash flow hedge: the instruments classified into this category are measured at fair value, and the effective the portion of gains or losses recorded, net of tax effects, in a separate account in the equity. The non-effective portion of the respective hedge is directly recognized in the profit or loss; and
- Net investment hedge in operations abroad it is accounted for similarly to cash flow hedge, that is, the portion of gain or loss on the hedging instrument that is determined as an effective hedge is recognized in the equity, and reclassified to profit (loss) for the period in case of disposal of the operation abroad. The non-effective portion is recognized in profit or loss for the period.

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

Fair value of securities, derivative financial instruments, and other rights and obligations is calculated, when applicable, based on market prices, pricing models, or price determined for other financial instruments with similar characteristics. Accordingly, upon financial settlement of these transactions, results may differ from estimates. Daily adjustments in operations carried out in the futures market are recorded as effective revenue or expense when earned or incurred. Premiums paid or received from transactions in the stock options market, and other financial assets and goods are recognized in respective balance sheet accounts at paid or received amounts, adjusted to market prices as a contra-entry to income (loss).

Transactions carried out in the forward market for financial assets and commodities are recorded at the final contracted value, minus the difference between such value and the price of the asset or right adjusted to market prices, in the appropriate asset or liability account. Revenues and expenses are recognized according to the length of the contracts.

Assets and liabilities arising from currency swap and forward operations – forward contracts without physical delivery (NDF) – are recorded in balance sheet accounts at book value and adjusted to market value, with a contra entry to income (loss).

The notional value of contracts is recorded in memorandum accounts.

g. Financial instruments - net presentation

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current legal and enforceable right to offset the recognized amounts and if the intention of offsetting, or realizing the asset and settling the liability simultaneously, in accordance with the CMN Resolution 3263/05.

h. Sales or transfers operations of financial assets with substantial retaining of the risks and rewards

Financial assets remain on the balance sheet of the entity that transferred its assets when it retains the risks and rewards related to that asset. In such case, a financial liability is recognized.

i. Credit operations and other credit (operations with credit granting characteristics)

The provisions contained in CMN Resolution 2682/1999 are adopted. Consequently, operations are recorded at present value, calculated *pro-rata die* based on the index change and the agreed interest rate, being updated up to the 59th day of delay, according to the expectation of receipt. As of the 61st day, recognition in income (loss) occurs when the debt is actually amortized. Renegotiated operations are maintained at least at the same level at which they were classified prior to renegotiation and, if they have already been written-off against the provision, they are classified as Level H. Gains are recognized in revenue upon actual receipt.

j. Provisions for expected losses associated with credit risk

Formed based on the analysis of credit realization risks, considering the client's risk and the nature and conditions of the transaction, in an amount considered sufficient to cover possible losses, in compliance with the provisions of CMN Resolution 2682/1999, among which the following stand out:

- The provisions are recorded as of the credit granting, considering the classification of the client, under the terms of this Resolution, and the conditions of the operation, due to the periodic analysis of the client risk level, the guarantees of the operation and the sectors of activity, and not just upon default;
- Considering exclusively default, write-offs of loan operations against loss are carried out after 360 days of the maturity date of the credit or after 540 days of the maturity date for operations with a period of more than 36 months to elapse; and
- The allowance for doubtful accounts and other receivables is estimated based on the analysis of operations and the specific risks presented in each portfolio, pursuant to the criteria established by CMN Resolution 2682/1999.

k. Investment property

In compliance with the CVM Resolution 4967/2018, investment properties held by the Bank's subsidiaries, which are mainly focused on the real estate sector, are initially measured at their cost, including transaction costs. After initial recognition, investment properties are stated at fair value, reflecting market conditions at each balance sheet date. Fair value adjustments are recognized in income (loss) and calculated considering the fair value of the property less costs attributed to them.

The fair value of investment properties is calculated at least annually, or when deemed necessary by Management, which may be carried out by duly qualified independent appraisers.

Investment properties are written off when they are sold or when the investment property is no longer permanently used and it is not expected any future economic benefit of its sale.

l. Investments

Interest in subsidiaries, jointly-controlled subsidiaries and affiliates are valued under the equity method. CMN Resolution 4817/2020, which defines criteria for accounting measurement and recognition of investments in affiliates, subsidiaries and jointly-owned subsidiaries, became effective as of January 2022, with no material impacts from this change, considering its prospective application.

m. Foreign currency translation

CMN Resolution 4924/2021, effective as of January 2022, allowed the use of an alternative rate to the spot exchange rate for translating transactions and statements in foreign currency into local currency. The Bank maintained its translation process using the PTAX, which is the closing rate calculated by the Central Bank of Brazil.

Assets and liabilities of subsidiaries and branches abroad are translated using the PTAX on the balance sheet date. Income and expenses are translated at the average monthly exchange rate. Equity in the earnings of subsidiaries abroad are recognized as follows: for those with a functional currency equal to the real in income (loss) for the period, and for those with a functional currency different from the real: a) income (loss) for the period - portion referring to the effective result of the subsidiary; and b) Equity - portion related to exchange rate change adjustments resulting from the conversion process, net of tax effects.

n. Goodwill or negative goodwill

According to Resolution 4817/20, goodwill or negative goodwill is defined as the difference between the amount paid for the acquisition of a company and the fair value of the acquired entity's assets and liabilities. The goodwill resulting from the acquisition of an interest (in which no control was previously held) is accounted for in assets, while the negative goodwill is recorded as income in the statement of income. On the other hand, in additional acquisitions of already controlled entities, the goodwill or negative goodwill must be recorded in equity.

Amortization of goodwill is a systematic process that must be carried out based on projections of future profitability in the statement of income.

o. Property for use

Recorded at the cost of acquisition. Depreciation is calculated using the linear method based on the assets economic life.

p. Intangible assets

Corresponds to the rights that refer to incorporeal personal property intended for the maintenance of the Company or exercised with this purpose, pursuant to CMN Resolution 4534. It comprises (i) the goodwill paid on the acquisition of companies, transferred to intangible assets due to the merger of the acquirer's net assets by the acquiree or the consolidation of the Bank, and (ii) intangible assets identified in business combinations between independent parties and by rights in the acquisition of asset management contracts and (iii) software and improvements. Amortization is calculated by the linear method based on the period that the rights generate benefits.

q. Impairment of non-financial assets

It is recognized as a loss in income (loss) for the period whenever there is clear evidence that the assets are assessed at a non-recoverable amount. This procedure is performed at least at the end of each year.

Assets subject to impairment assessment are deducted, when applicable, from a provision for impairment, which is calculated according to the value in use and fair value less cost to sell the assets, whichever is lower. The main estimates used in determining the provision are as follows: expected future cash flows; discount rates; and illiquidity, among others.

r. Income tax and social contribution

Provision for income tax and social contribution, when due, are recognized based on accounting profit, adjusted by the additions and exclusions under the tax legislation. The deferred income tax and social contribution are calculated based on temporary differences whenever the realization of these amounts is considered probable. For the income tax (IRPJ), the rate used is 15%, plus additional 10% on the annual taxable profit exceeding BRL 240, and 20% for the social security contribution on the net income (CSLL) to banking institutions. For the other financial institutions, the nominal CSLL rate is 15% and 9% for non-financial institutions.

The deferred component, represented by tax credits and deferred tax liabilities, is obtained from the differences between the accounting and tax bases of assets and liabilities. Tax credits are only recognized when it is probable that future taxable profit will be available to offset them.

s. Provision, contingent liabilities and contingent assets

They are recognized in the balance sheet and/or disclosed in the financial statements according to the probability estimate for each of the items indicated below. These estimates are made by management based on the interpretations of external legal advisors.

i. Provision

A provision is a liability of uncertain timing or amount and must be recognized in the Balance sheet only when:

- has a present obligation (legal or non-formalized);
- Management understands that an outflow of funds to settle the obligation is probable; and
- the amount can be reliably estimated.

ii. Contingent liabilities

A contingent liability is:

- a possible obligation whose existence can be confirmed only on the occurrence of uncertain future events; or
- a present obligation for which it is not probable that an outflow of funds will be required to settle the obligation or whose amounts cannot be reliably measured.

Contingent liabilities are not recognized in the Balance Sheet, but, when relevant, are disclosed in the Bank's financial statements, unless the likelihood of an outflow of funds is remote.

Contingent liabilities are periodically reassessed to determine if an outflow of funds becomes probable. If this happens, the provision must be recognized in the financial statements for the period in which the change in the probability estimate occurs.

iii. Contingent assets

A contingent asset is a likely asset whose existence of which will be confirmed only on the occurrence of one or more uncertain future events.

Contingent assets are not recognized in the Balance Sheet, but, when relevant, are disclosed in the Bank's financial statements when it is probable that economic benefits will flow to the entity.

t. Earnings per share

It is calculated based on the weighted average of shares during the periods, segregated between basic and diluted shares, as required by accounting practices for publicly-held companies.

u. Recognition of revenue/expense

Income (loss) from operations is calculated under the accrual basis.

v. Recurring and non-recurring income (loss)

As provided in BACEN Resolution 2/2020, BTG Pactual discloses the non-recurring income (loss) in an explanatory note, presenting non-recurring events that occurred and contributed to the result, which are not related (or are incidentally related) with the typical activities of the Bank.

5. Risk management

Banco BTG Pactual manages risk with the involvement of all levels of management and control of the Institution. The Bank's Board of Directors, pursuant to CMN Resolution 4557/2017, is responsible for setting the levels of risk appetite, approving and reviewing the policies, strategies and risk limits, capital management strategies and policies, the stress testing program, the management of the going concern policy, among other activities. The Executive Board is in charge of formulating policies, defining risk guidelines, and supervising risk management and control processes. Next, there is a set of risk committees and of areas, in charge of risk management and control activities.

The main committees/areas involved in risk management activities are the following: (i) Meeting of the Executive Board, which formulates policies, proposes global limits and is the highest court responsible for managing our risks; (ii) Capital and Risk Committee, made up of a majority of independent members who assess the results of risk management and of the strategies; (iii) New Products Committee, which assesses the feasibility and supervises the implementation of proposed new businesses and products; (iv) Credit Risk Area, which is responsible for approving new credit operations in accordance with the guidelines established by the Chief Risk Officer (CRO); (v) Market Risk area, which is responsible for monitoring market risk, including the use of risk limits (*VaR*), and for approving exceptions as provided for in internal rules; (vi) Operating Risk area, which assesses the key operational risks against the internal policies and the regulatory limits; (vii) The Compliance Committee, which is responsible for establishing Anti-Money Laundering ("AML") rules and for reporting potential problems involving money laundering; (viii) CRO, which is responsible for Monitoring the liquidity risk, including a cash position and management of structure of capital; (ix) Audit Committee which is responsible for the independent assessment of the adequacy of the internal controls, the assessments regarding the maintenance of accounting records, and the quality and integrity of the financial statements;

(x) Social and Environmental Risk area, which assesses the social, environmental, and climate risks, in accordance with the principles of relevance and proportionality, and manages and mitigates adverse social, environmental, and climate impacts resulting from our operations and activities; and (xi) ESG Committee, responsible for supervising e managing the implementation of ESG policies and procedures, regarding social, environmental and climatic risks, in order to guarantee that the Bank is compliant with these guidelines.

The Bank monitors and controls risk exposure through a variety of separate but complementary internal credit, financial and non-financial, operational, compliance, tax, and legal systems. We believe that the involvement of committees and areas (including their subcommittees) with ongoing risk management and control promotes a culture of rigorous and effective risk control throughout the BTG Pactual Group. The Bank's committees are composed of senior members of the business units and of senior members of the control departments, who are segregated and independent of the business areas. Further details on risk management can be found at <https://ri.btgpactual.com/> in the Corporate Governance / Risk Management section.

a. Operational limits

	06/30/2023	12/31/2022
Consolidated equity	46,708,474	42,371,767
Level I	42,722,742	39,349,820
Core capital	42,284,457	38,920,976
Supplementary Capital	438,285	428,844
Level II	10,589,000	7,090,539
Reference Equity (PR) (a)	53,311,742	46,440,359
Required Reference Equity (RRE)	27,642,806	24,672,681
Total risk-weighted exposure – (b)	345,535,076	308,408,513
Credit risk	240,847,099	236,523,528
Operating risk	25,615,023	23,527,597
Market risk	79,072,955	48,357,389
Basilea Ratio- (a/b)	15.4%	15.1%
Tier I Capital	12.4%	12.8%
Tier II Capital	3.1%	2.3%
Non-current asset consumption index	50.4%	56.5%
Noncurrent asset threshold (NAT)	26,655,871	23,220,179
Noncurrent asset threshold situation	13,432,692	13,126,907
Margin or deficit value	13,223,179	10,093,272

CMN Resolutions No. 4.955 and 4.958 of 2021 were observed, which came into force in January 2022, and provide for the criteria of calculating installments and capital requirements, including the minimum requirements for Reference Equity (PR), Tier I Capital, and Core Capital, and the Additional of Core Capital. For the calculation of risk shares, the procedures provided for in Circular Letters Nos. 3644, 3652, 3679, of 2013, and 3696, of 2014, for credit risk, were observed in Circular Letters Nos. 3634, 3635, 3636, 3637, 3638, 3639, 3641 and 3645, all of 2013, and Circular Letter No. 3498, of 2011, for the risk of market, and in Circular Letters Nos. 3640 and 3675, of 2013, for operational risk, all from Bacen.

The Bank elected to basic indicator approach to measure the Operating Risk.

In the semester ended June 30, 2023 and in the year ended December 31, 2022, all prudential and operating limits are fully complied with.

b. Market risk

Sensitivity analysis

Value at Risk (VaR) is a sensitivity measurement of the potential loss in financial instruments due to adverse changes in the market within a determined period scenario, with a specific confidence level. The VaR, together with the stress testing, is used to measure the exposure and sensitivity of our financial instruments to market risk. BTG Pactual applies the historic simulation with full remeasurement of the instruments to calculate VaR, preserving the actual distributions and the correlation between the assets, disregarding Greek approximations and of normal distributions. Our VaR may be measured and indicated according to different periods, historical data and confidence levels. The accuracy of the market risk methodology is tested through daily back testing, which compare adherence between VaR estimates and realized earnings and losses incurred.

The VaR presented below was calculated for a one-day period, 95% confidence level and one year of historical data. A 95% confidence level means that there is a possibility, in twenty occurrences, that the net revenues from trading will be below the estimated VaR. Thus, deficits in trading net revenues on a single trading day greater than the VaR presented are expected to occur, on average, about once a month.

Shortfalls on a single day can exceed the VaR by significant amounts; and they can also occur more frequently or accumulate over a longer period, such as several consecutive trading days. As it depends on historical data, VaR accuracy has limited capacity to forecast unprecedented changes in the market, likewise historical distributions in the market risk factors, which cannot produce accurate future market risk estimates. Different VaR methodologies and statistical distribution may produce a substantially different VaR. In addition, the VaR calculated for a one-day period does not capture the market risk of the positions that cannot be settled or cleared by hedges within a one-day period. As previously mentioned, we use models in the stress testing as a supplement to VaR in our daily activities with risk exposure.

The following table contains the daily average VaR of the Bank for the semesters ended on:

In BRL million	June 2023	December 2022
VaR daily average	167.35	132.7

c. Credit risk

All counterparties of the Bank and its subsidiaries are subjected to rigorous credit analysis process, the main focus of which is the assessment of the borrower's capacity to pay, based on cash flow simulations, leverage and debt schedule, asset quality, interest coverage and working capital. Qualitative aspects, such as strategic guidance, business sector, areas of specialization, efficiency, regulatory environment, and market participation, are systematically evaluated and complement the credit analysis process. The counterparties' credit limits are established and regularly reviewed by the credit risk area, and, as applicable reviewed and authorized by the Senior Management, accordingly with assessed exposures. Measurement and follow-up of exposure to credit risk includes all financial instruments able to generate counterparty risk, such as private securities, derivatives, guarantees provided, and possible operations with settlement risks, among others.

d. Liquidity risk

The Bank and its subsidiaries manage the liquidity risk by concentrating its portfolio on high credit-quality and high-liquidity assets, using resources obtained through top-tier counterparties at competitive rates. The Bank and its subsidiaries maintain a strong capital structure and a low degree of leverage. Possible mismatches between assets and liabilities are monitored, considering the impact of extreme market conditions, in order to assess their ability to carry out assets or to decrease leverage. The guarantees in the transactions are also monitored on a timely basis.

e. Operating risk

In line with the guidelines of Bacen and the concepts of the Basel Committee, the Bank established operating risk management policy applicable to the Bank and its subsidiaries in Brazil and abroad.

The policy consists of a set of principles, procedures, and instruments that provide for the permanent adequacy of risk management to the size, nature, and complexity of the Bank's products, services, activities, processes, and systems.

The Bank and its subsidiaries have a strong operational risk management culture, which is based on risk assessment, monitoring, simulation, and validation, and is based on consistent internal controls. There is a constant improvement in operational risk management and control mechanisms, aiming at complying with normative requirements and regulatory agencies' guidelines, rapid adaptation to changes, and anticipation of trends, among which we can highlight the new Basel revision proposals.

f. Social, environmental and climatic risk

BTG Pactual understands social, environmental and climatic risk as: financial losses or damage to the bank's image and / or reputation, as a result of social and / or environmental damage. This also includes the possibility of losses for the institution directly or not caused by events associated to the low carbon economy transition process, in which greenhouse gas emissions are either reduced or compensated; and losses associated with extreme environmental conditions that may be related to climate changing patterns.

BTG Pactual, while conducting its business, activities and operating processes based on responsible and sustainable business practices, is committed to balancing economic, financial, regulatory, environmental, social and climatic aspects in its operations. We believe the solid commercial practices and company responsibility are long term values that should be applied daily to generate value for shareholders and clients through sustainable growth.

For updated information regarding the aforementioned risks and ESG, see our annual reports published in IR webpage, as well as our ESG page.

6. Cash

The balance of this financial item refers basically to bank deposits abroad.

7. Interbank deposits and securities purchased under agreements to resell

Bank	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Securities purchased under agreements to resell	50,171,569	48,383,059	84,204	-	-	1,704,306	64,196,188
Own portfolio	9,613,167	9,417,448	84,204	-	-	111,515	10,527,721
Brazilian government bonds	9,583,222	9,387,503	84,204	-	-	111,515	9,912,351
Foreign private securities	2,552	2,552	-	-	-	-	43,980
Corporate securities	5,284	5,284	-	-	-	-	571,390
Bonds issued by governments of other countries	22,109	22,109	-	-	-	-	-
Financed Operations	39,547,425	38,681,212	-	-	-	866,213	48,554,428
Short position	1,010,977	284,399	-	-	-	726,578	5,114,039
Interbank deposits	16,521,841	10,719,559	748,594	5,053,688	-	-	11,439,149
Interbank Deposit Certificate	14,303,191	8,500,909	748,594	5,053,688	-	-	5,154,005
Foreign currency investments - overnight	2,218,650	2,218,650	-	-	-	-	6,285,144
Total	66,693,410	59,102,618	832,798	5,053,688	-	1,704,306	75,635,337

On June 30, 2023, the collateral received in repurchase and resale agreements totaled BRL 51,045,328 (December 31, 2022 - BRL 64,797,549).

Consolidated	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Securities purchased under agreements to resell	46,972,848	46,888,644	84,204	-	-	-	65,365,726
Own portfolio	9,405,805	9,321,601	84,204	-	-	-	10,329,313
Brazilian government bonds	7,035,862	6,951,658	84,204	-	-	-	10,037,380
Bonds issued by governments of other countries	426,671	426,671	-	-	-	-	466
Foreign private securities	2,552	2,552	-	-	-	-	80,169
Corporate securities	1,940,720	1,940,720	-	-	-	-	211,298
Financed Operations	35,264,165	35,264,165	-	-	-	-	46,136,586
Short position	2,302,878	2,302,878	-	-	-	-	8,899,827
Interbank deposits	13,438,106	13,337,309	97,478	3,319	-	-	8,748,547
Interbank Deposit Certificate	8,609,858	8,509,061	97,478	3,319	-	-	729,352
Foreign currency investments - overnight	4,828,248	4,828,248	-	-	-	-	8,019,195
Total	60,410,954	60,225,953	181,682	3,319	-	-	74,114,273

On June 30, 2023, the collateral received in repurchase and resale agreements totaled BRL 47,730,738 (December 31, 2022 - BRL 65,978,043).

8. Securities

a. Summary by type of portfolio

We present below the composition by type of security, by contractual maturity and by type of securities portfolio:

	Bank				Consolidated			
	06/30/2023		12/31/2022		06/30/2023		12/31/2022	
	Cost	Market	Book value	Book value	Cost	Market	Book value	Book value
Trading securities	127,738,543	127,972,774	127,972,774	84,594,158	131,568,633	131,330,507	131,330,507	92,488,585
Government bonds	65,085,734	65,874,470	65,874,470	33,975,042	71,239,386	71,342,425	71,342,425	38,899,387
Private securities	62,652,809	62,098,304	62,098,304	50,619,116	60,329,247	59,988,082	59,988,082	53,589,198
Securities available for sale	26,806,252	26,656,053	26,656,053	20,148,041	31,578,653	31,434,014	31,434,014	23,069,393
Government bonds	1,732,398	1,726,688	1,726,688	-	2,063,321	2,058,088	2,058,088	859,910
Private securities	25,073,854	24,929,365	24,929,365	20,148,041	29,515,332	29,375,926	29,375,926	22,209,483
Securities held to maturity	1,452,102	1,440,296	1,452,102	-	7,508,000	7,312,513	7,508,000	8,816,005
Government bonds	1,452,102	1,440,296	1,452,102	-	7,507,950	7,312,463	7,507,950	8,816,005
Private securities	-	-	-	-	50	50	50	50
Total securities	155,996,897	156,069,123	156,080,929	104,742,199	170,655,286	170,077,034	170,272,521	124,374,033

b. Trading securities

Bank	06/30/2023							12/31/2022
	Cost	Market / Book value	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market / Book value
Government bonds	65,085,734	65,874,470	-	13,859,164	6,712,712	26,769,439	18,533,155	33,975,042
Financial Treasury Notes	20,218,466	20,218,717	-	12,250,026	6,463,373	1,283,785	221,533	9,314,795
National Treasury Bills (LTN)	33,412,813	33,878,100	-	20,964	198,097	21,440,698	12,218,341	5,844,627
National Treasury Notes	9,792,395	10,103,721	-	-	-	4,044,328	6,059,393	17,537,368
Foreign governments' bonds	1,662,060	1,673,932	-	1,588,174	51,242	628	33,888	1,278,252
Private securities	62,652,809	62,098,304	44,891,645	2,161,873	1,698,770	1,364,512	11,981,504	50,619,116
Stocks	7,676,915	7,676,915	7,676,915	-	-	-	-	7,082,661
Certificates of agribusiness receivables	1,207,374	1,197,230	-	307,197	1,100	7,277	881,656	2,822,310
Real estate receivables certificate	1,417,239	1,381,112	-	4	423	1,285	1,379,400	1,531,674
Corporate bond	715,569	524,648	-	-	172,665	114,157	237,826	768,994
Investment fund shares	37,214,730	37,214,730	37,214,730	-	-	-	-	26,532,685
Debentures	10,879,604	10,567,725	-	2,125	17,834	1,180,649	9,367,117	10,159,066
Promissory notes	3,511,504	3,506,389	-	1,823,606	1,506,287	60,994	115,502	1,721,726
Other	29,874	29,555	-	28,941	461	150	3	-
Total	127,738,543	127,972,774	44,891,645	16,021,037	8,411,482	28,133,951	30,514,659	84,594,158

Consolidated	06/30/2023							12/31/2022
	Cost	Market / Book value	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market / Book value
Government bonds	71,239,386	71,342,425	-	14,175,997	7,147,209	27,564,106	22,455,113	38,899,387
Financial Treasury Notes	22,064,703	22,052,643	-	12,283,716	6,827,596	2,362,573	578,758	10,186,375
National Treasury Bills (LTN)	33,563,163	34,004,178	-	20,964	198,097	21,566,776	12,218,341	6,062,614
National Treasury Notes	11,548,734	11,209,480	-	-	-	3,479,130	7,730,350	19,154,334
Foreign governments' securities	4,062,786	4,076,124	-	1,871,317	121,516	155,627	1,927,664	3,496,064
Private securities	60,329,247	59,988,082	39,129,809	3,590,000	1,815,111	1,691,408	13,762,114	53,589,198
Stocks	13,407,902	13,407,902	13,407,902	-	-	-	-	10,006,567
Certificates of Agribusiness receivables	1,145,208	1,135,055	-	245,022	1,100	7,277	881,656	2,822,310
Certificate of real estate receivables (CRI)	1,518,587	1,482,077	-	66,990	423	1,285	1,413,379	1,570,193
Corporate bond	1,908,482	1,926,864	-	1,679	231,232	161,320	1,532,633	2,277,366
Investment fund shares	25,721,907	25,721,907	25,721,907	-	-	-	-	22,729,246
Debentures	12,818,502	12,510,434	-	1,271,825	53,423	1,389,900	9,795,286	12,231,020
Promissory notes	3,511,504	3,506,389	-	1,823,606	1,506,287	60,994	115,502	1,721,726
Other	297,155	297,454	-	180,878	22,646	70,272	23,658	230,770
Total	131,568,633	131,330,507	39,129,809	17,765,997	8,962,320	29,255,154	36,217,227	92,488,585

c. Securities available for sale

Bank	06/30/2023							12/31/2022
	Cost	Market / Book value	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market / Book value
Government bonds	1,732,398	1,726,688	-	-	-	1,556,762	169,926	-
National Treasury Notes	1,559,638	1,556,762	-	-	-	1,556,762	-	-
Brazilian Foreign Debt Securities	172,760	169,926	-	-	-	-	169,926	-
Private securities	25,073,854	24,929,365	1,293,853	2,167,536	4,073,574	9,486,383	7,908,019	20,148,041
Stocks	1,249,816	1,249,816	1,249,816	-	-	-	-	1,242,738
Rural Product Note	8,745,207	8,692,651	-	37,192	932,912	4,677,386	3,045,161	6,612,834
Corporate bond	2,161,339	2,160,793	-	-	4,815	208,133	1,947,845	1,871,596
Investment fund shares	44,037	44,037	44,037	-	-	-	-	146,465
Debentures	6,468,041	6,417,252	-	918,288	1,588,259	1,984,835	1,925,870	6,495,010
Promissory notes	6,382,927	6,342,607	-	1,210,977	1,547,511	2,615,930	968,189	3,520,241
Other	22,487	22,209	-	1,079	77	99	20,954	259,157
Total	26,806,252	26,656,053	1,293,853	2,167,536	4,073,574	11,043,145	8,077,945	20,148,041

Consolidated	06/30/2023							12/31/2022
	Cost	Market / Book value	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market / Book value
Government bonds	2,063,321	2,058,088	-	67	10,660	1,562,017	485,344	859,910
Financial Treasury Notes	330,923	331,400	-	67	10,660	5,255	315,418	72,294
National Treasury Notes	1,559,638	1,556,762	-	-	-	1,556,762	-	-
Brazilian Foreign Debt Securities	172,760	169,926	-	-	-	-	169,926	787,616
Private securities	29,515,332	29,375,926	2,836,118	3,298,818	4,463,106	10,206,133	8,571,751	22,209,483
Stocks	2,772,921	2,772,921	2,772,921	-	-	-	-	2,373,916
Rural Product Note	8,745,207	8,692,651	-	37,192	932,912	4,677,386	3,045,161	6,612,834
Real estate receivables certificate	201,936	215,942	-	1,079	811	886	213,166	211,245
Corporate bond	3,325,591	3,297,587	-	76,633	223,768	716,914	2,280,272	2,710,234
Debentures	6,783,545	6,730,579	-	918,288	1,646,725	2,116,459	2,049,107	6,632,630
Promissory notes	6,382,927	6,342,607	-	1,210,977	1,547,511	2,615,930	968,189	3,520,241
Other	1,303,205	1,323,639	63,197	1,054,649	111,379	78,558	15,856	148,383
Total	31,578,653	31,434,014	2,836,118	3,298,885	4,473,766	11,768,150	9,057,095	23,069,393

d. Securities held to maturity

Bank	06/30/2023						12/31/2022	
	Cost / Book value	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market	Cost / Book value	Market
Government bonds	1,452,102	-	-	-	1,452,102	1,440,296	-	-
National Treasury Notes	1,452,102	-	-	-	1,452,102	1,440,296	-	-

Consolidated	06/30/2023						12/31/2022	
	Cost / Book value	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market	Cost / Book value	Market
Government bonds	7,507,900	-	-	3,710,463	3,797,437	7,312,463	8,816,005	8,558,728
National Treasury Notes	7,507,900	-	-	3,710,463	3,797,437	7,312,463	8,816,005	8,558,728
Private securities	50	-	50	-	-	50	50	50
Other	50	-	50	-	-	50	50	50
Total	7,507,950	-	50	3,710,463	3,797,437	7,312,513	8,816,055	8,558,778

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

e. Reclassification of securities

In the semester ended June 30, 2023, there were no reclassifications of categories for securities by Management. In the year ended December 31, 2022, securities categories were reclassified in the amount of BRL 393,168 from the “trading” to the “available-for-sale” category. The category reclassifications were carried out in line with Management’s intention to manage securities, which considers the characteristics of securities.

9. Derivative financial instruments

The Bank and its subsidiaries actively participate in risk intermediation operations involving derivative financial instruments, meeting their own needs and those of their customers, in order to reduce exposure to the market, currency and interest rate risks. A few derivative financial instruments may be associated with transactions with bonds and securities or, even with rights and obligations.

The management of the risks involved in these operations is carried out through strict control policies, establishment of strategies, determination of limits, among other monitoring techniques. The risk exposure limits are approved by the Board of Directors, based on the policies mentioned above.

Transactions in Brazil are traded, and registered or held in custody at B3 S.A., when carried out abroad, in top-tier brokerages. The BTG Pactual Conglomerate uses different financial instruments for economic hedge, such as option, forward, future and swap with periodic adjustments. The use of these instruments is intended to hedge treasury positions in markets, in order to adjust the existing risk level in the portfolio to the exposure limits set forth, whenever the risk management and monitoring Committees/areas deem it necessary.

• Net investment hedge in operations abroad

In the semester ended June 30, 2023, and the year ended December 31, 2022, the Bank’s net investment abroad hedge strategy consists in contracting hedge of exposure in foreign currency, arising from the functional currency of the operation abroad in relation to the Bank’s functional currency (Real).

For protection regarding changes in future cash flows in result of foreign exchange variation on the net investments, in operations abroad, the Bank uses future contracts, financial assets and forward agreements of NDF (Non-Deliverable Forward) contracts contracted by our subsidiaries abroad.

Bank and Consolidated	06/30/2023			Foreign exchange variation on investments (i)
	Hedge Instrument			
	Nominal value	Fair value changes (i)		
Hedge of net investment in foreign operations	17,513,338	1,047,309		(1,033,771)

Bank and Consolidated	12/31/2022			Foreign exchange variation on investments
	Hedge Instrument			
	Nominal value	Fair value changes (i)		
Hedge of net investment in foreign operations	17,833,471	1,090,005		(1,088,823)

(i) Recorded in comprehensive income for the year/period.

Complete financial statements

Banco BTG Pactual S.A.



- **Fair value hedge**

The Bank adopts the fair value hedge strategy, which consists of accounting for the desired economic protection effects. The fixed rate exposure comes from the Financing and Structured Credit activity that the Bank operates with its customers through the Corporate Lending area, and due to the characteristics and practice of the Brazilian market.

In addition, to fund all of Banco BTG Pactual's business lines, funding is carried out through debt instruments indexed mainly to the CDI and IPCA percentage, consequently with intrinsic exposure to the fixed rate. The main objects protected through this strategy are Bank Deposit Certificates - CDB, Financial Notes - LF, Agribusiness Credit Bills - LCA and Real Estate Credit Bills - LCI.

The instruments designated for the hedging relationship, in turn, are DI and IPCA (DAP) futures and Swaps.

Bank and Consolidated	06/30/2023		
	Hedge Instrument		Hedge Object
	Nominal value	Market	
Fair value hedge	(26,606,429)	(570,737)	631,335
12/31/2022			
	Hedge Instrument		Hedge Object
	Nominal value	Market	
Fair value hedge	(14,403,135)	(770,541)	877,576

During the semester ended June 30, 2023, a portion of the Hedge strategies was revoked, whose effective portion was BRL 155,021 and which will be deferred in income (loss) according to the terms of the Hedged items.

a. Notional values

The notional amounts of transactions with financial instruments are recorded in memorandum accounts and adjustments/premiums in balance sheet accounts. In the positions assumed resulting from operations with derivative financial instruments, as shown below, the provisions of BACEN Circular Letter 3641/2013 were considered, which provides for the exclusion of contracts in currency, gold and other assets linked to the exchange exposure, maturing in the first business day subsequent to the date of calculation of the foreign exchange exposure. Receivables and payables are presented separately for Swap, Non-Deliverable Forward (NDF) and Deliverable Forward (DF) derivatives in the table below.

Complete financial statements

Banco BTG Pactual S.A.



Bank	6/30/23				12/31/2022
	Up to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Future market					
Long position	16,208,773	50,236,730	13,739,235	80,184,738	61,654,129
Currency	1,003,518	5,009	-	1,008,527	4,325
Interest rate	14,223,128	50,213,519	8,023,745	72,460,392	43,670,938
Commodities	303,307	18,202	7,064	328,573	1,541,009
Indexes	678,820	-	5,708,426	6,387,246	16,437,857
Short position	128,741,384	10,943,520	45,773,107	185,458,011	36,593,181
Currency	31,571,798	-	-	31,571,798	4,957,410
Interest rate	96,077,936	6,979,137	43,013,455	146,070,528	25,600,336
Commodities	40,814	6,240	8,984	56,038	1,305,590
Indexes	1,050,836	3,958,143	2,750,668	7,759,647	4,729,845
Swap					
Asset position	115,569,029	151,821,729	522,994,480	790,385,238	849,893,950
Currency	26,955,068	65,748,658	231,300,497	324,004,223	298,678,615
Interest rate	83,059,043	84,783,190	288,132,973	455,975,206	545,998,743
Commodities	1,620,221	1,021,743	1,372,052	4,014,016	3,137,048
Stocks	3,934,697	268,138	2,188,958	6,391,793	2,079,544
Liabilities position	115,611,372	151,224,420	523,056,202	789,891,994	849,893,950
Currency	27,153,716	67,371,766	253,707,720	348,233,202	298,678,615
Interest rate	82,012,419	82,445,614	265,552,052	430,010,085	545,998,743
Commodities	1,853,698	1,140,569	1,448,472	4,442,739	3,137,048
Stocks	4,591,539	266,471	2,347,958	7,205,968	2,079,544
Credit derivatives					
Asset position	-	195,853	4,740,957	4,936,810	1,348,213
Sovereign	-	7,157	62,650	69,807	33,837
Corporate	-	188,696	4,678,307	4,867,003	1,314,376
Liabilities position	-	177,443	5,903,831	6,081,274	5,198,876
Sovereign	-	1,205	86,746	87,951	33,837
Corporate	-	176,238	5,817,085	5,993,323	5,165,039
Forward contracts - NDF					
Asset position	123,788,400	15,561,555	26,246,110	165,596,065	133,491,438
Currency	121,931,320	12,129,299	3,707,897	137,768,516	106,562,866
Commodities	1,857,080	3,432,256	22,538,213	27,827,549	26,928,572
Liabilities position	125,884,915	15,412,430	26,457,298	167,754,643	133,491,438
Currency	122,109,188	12,329,549	3,966,164	138,404,901	106,562,866
Commodities	3,775,727	3,082,881	22,491,134	29,349,742	26,928,572
Forward transactions					
Asset position	7,314,399	-	-	7,314,399	7,142
Interest rate	3,811,100	-	-	3,811,100	-
Government bonds	3,503,299	-	-	3,503,299	7,142
Liabilities position	7,313,509	-	-	7,313,509	7,142
Interest rate	3,808,589	-	-	3,808,589	-
Government bonds	3,504,920	-	-	3,504,920	7,142
Options					
Purchase of call option	101,960,693	5,105,592	1,317,405	108,383,690	67,619,638
Stocks	3,853,511	590,999	129,061	4,573,571	3,184,071
Commodities	3,289,989	92,069	17,081	3,399,139	1,407,593
Currency	14,616,942	4,412,524	592,338	19,621,804	53,043,152
Interest rate	80,200,251	10,000	578,925	80,789,176	9,984,822
Purchase of put options	19,739,741	3,723,504	392,627	23,855,872	145,169,392
Stocks	5,690,181	770,178	113,370	6,573,729	957,842
Commodities	1,347,053	559,027	-	1,906,080	439,962
Currency	10,468,329	2,393,515	279,257	13,141,101	130,147,260
Interest rate	2,234,178	783	-	2,234,961	8,660,991
Others	-	-	-	-	4,963,337
Liabilities position					
Sale of call option	18,713,693	3,728,105	1,693,061	24,134,859	64,042,231
Stocks	3,334,613	595,120	1,529,276	5,459,009	56,234,012
Commodities	5,403,748	118,576	14,616	5,536,940	1,356,016
Currency	9,319,855	3,014,409	149,169	12,483,433	6,452,203
Interest rate	655,477	-	-	655,477	-
Sale of put option	102,331,286	3,706,576	530,657	106,568,519	144,193,801
Stocks	5,791,868	759,655	93,313	6,644,836	131,016,808
Commodities	2,351,193	510,835	-	2,862,028	821,323
Currency	6,968,503	2,436,086	437,344	9,841,933	7,392,333
Interest rate	87,219,722	-	-	87,219,722	4,963,337

Complete financial statements

Banco BTG Pactual S.A.



Consolidated	6/30/23				12/31/2022
	Up to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Future market					
Long position	33,569,520	55,149,664	20,955,649	109,674,833	63,524,718
Currency	1,749,140	5,124	-	1,754,264	326,896
Interest rate	29,132,014	54,988,299	15,203,622	99,323,935	43,903,695
Commodities	361,622	156,241	43,601	561,464	2,843,478
Indexes	2,326,744	-	5,708,426	8,035,170	16,450,649
Short position	189,319,088	17,750,796	55,564,789	262,634,673	57,514,170
Currency	36,480,755	-	-	36,480,755	5,270,756
Interest rate	150,514,834	13,231,126	52,805,137	216,551,097	43,324,813
Commodities	1,116,243	561,527	8,984	1,686,754	4,188,836
Indexes	1,207,256	3,958,143	2,750,668	7,916,067	4,729,765
Swap					
Asset position	111,866,200	49,114,977	49,774,805	210,755,982	204,628,644
Currency	26,955,068	10,370,533	5,326,416	42,652,017	24,270,800
Interest rate	81,068,337	37,692,495	40,929,525	159,690,357	177,024,152
Commodities	1,339,720	793,385	1,145,865	3,278,970	1,275,154
Stocks	2,503,075	258,564	2,372,999	5,134,638	2,058,538
Liabilities position	111,859,425	48,837,637	51,297,224	211,994,286	204,628,564
Currency	27,153,716	10,602,563	6,566,281	44,322,560	24,270,800
Interest rate	79,994,320	37,256,410	41,146,921	158,397,651	177,024,152
Indexes	1,339,053	721,767	872,924	2,933,744	1,275,154
Stocks	3,372,336	256,897	2,711,098	6,340,331	2,058,458
Credit derivatives					
Asset position	-	195,853	4,678,307	4,874,160	1,348,213
Sovereign	-	7,157	43,373	50,530	33,837
Corporate	-	188,696	4,634,934	4,823,630	1,314,376
Liabilities position	-	177,443	5,841,181	6,018,624	5,131,045
Sovereign	-	1,205	67,469	68,674	12,966
Corporate	-	176,238	5,773,712	5,949,950	5,118,079
Forward contracts - NDF					
Asset position	69,764,526	13,659,422	25,367,450	108,791,398	110,483,208
Currency	67,907,446	10,227,166	2,829,237	80,963,849	83,554,636
Commodities	1,857,080	3,432,256	22,538,213	27,827,549	26,928,572
Liabilities position	71,077,347	13,624,688	25,592,748	110,294,783	110,483,208
Currency	67,301,620	10,541,807	3,101,614	80,945,041	83,554,636
Commodities	3,775,727	3,082,881	22,491,134	29,349,742	26,928,572
Forward transactions					
Asset position	8,019,924	99,641	5,890,265	14,009,830	18,273,566
Interest rate	3,840,023	-	140	3,840,163	464,376
Commodities	816,148	72,081	43,643	931,872	17,205,768
Government bonds	3,162,503	1,856	5,844,041	9,008,400	465,818
Stocks	199,956	25,704	2,441	228,101	-
Currency	1,294	-	-	1,294	137,604
Liabilities position	7,914,279	136,286	5,879,162	13,929,727	17,809,190
Interest rate	3,837,790	-	140	3,837,930	-
Commodities	721,358	109,651	32,581	863,590	17,205,768
Government bonds	3,164,036	1,856	5,844,042	9,009,934	465,818
Stocks	191,095	24,779	2,399	218,273	137,604
Currency	1,208	-	-	1,208	-
Options					
Asset position					
Purchase of call option	100,880,742	3,446,932	1,296,665	105,624,339	65,211,784
Stocks	4,750,632	747,322	198,672	5,696,626	56,591,804
Commodities	3,316,688	98,936	17,081	3,432,705	1,433,412
Currency	12,512,676	2,590,674	501,987	15,605,337	7,186,568
Interest rate	80,300,746	10,000	578,925	80,889,671	-
Purchase of put option	48,025,148	3,383,173	392,873	51,801,194	150,801,181
Stocks	13,622,756	864,441	113,616	14,600,813	136,738,219
Commodities	1,360,050	637,460	-	1,997,510	471,918
Currency	30,808,164	1,880,488	279,257	32,967,909	8,627,707
Interest rate	2,234,178	783	-	2,234,961	4,963,337
Liabilities position					
Sale of call option	18,543,996	3,440,054	1,666,124	23,650,174	68,721,674
Stocks	4,025,154	872,432	1,560,331	6,457,917	56,630,074
Commodities	5,415,705	118,576	14,616	5,548,897	1,402,701
Currency	8,346,660	2,449,046	91,177	10,886,883	6,266,135
Interest rate	756,477	-	-	756,477	4,422,764
Sale of put option	121,755,198	2,802,759	1,003,351	125,561,308	138,182,446
Stocks	6,877,744	761,339	114,763	7,753,846	126,862,542
Commodities	2,357,753	510,835	-	2,868,588	845,943
Indexes	25,878,904	1,530,585	309,663	27,719,152	5,510,624
Interest rate	86,640,797	-	578,925	87,219,722	4,963,337

Complete financial statements

Banco BTG Pactual S.A.



b. Notional value by counterparty

Bank	06/30/2023					12/31/2022
	Clearance / stock exchange	Financial institutions and Funds	Companies	Individuals	Total	Total
Future market						
Long position	79,102,308	1,082,430	-	-	80,184,738	61,654,130
Short position	184,238,025	1,219,986	-	-	185,458,011	36,593,181
Swap						
Asset position	36,811,286	736,244,712	17,051,079	278,161	790,385,238	849,893,950
Liability position	37,045,109	734,640,599	17,915,574	290,712	789,891,994	849,893,950
Credit derivatives						
Asset position	-	4,936,810	-	-	4,936,810	1,348,213
Liability position	-	6,081,274	-	-	6,081,274	5,198,875
Forward contracts - NDF						
Asset position	-	101,786,974	63,640,074	169,017	165,596,065	133,491,439
Liability position	-	101,671,916	65,937,149	145,578	167,754,643	133,491,439
Forward operations						
Asset position	-	7,299,526	-	14,873	7,314,399	7,142
Liability position	-	7,298,727	-	14,782	7,313,509	7,142
Options market						
Asset position	-	130,241,311	1,918,454	79,797	132,239,562	212,789,031
Liability position	-	128,943,302	1,709,553	50,523	130,703,378	208,236,032
Asset position	115,913,594	981,591,763	82,609,607	541,848	1,180,656,812	1,259,183,905
Liability position	221,283,134	979,855,804	85,562,276	501,595	1,287,202,809	1,233,420,619

Consolidated	06/30/2023					12/31/2022
	Clearance / stock exchange	Financial institutions and Funds	Companies	Individuals	Total	Total
Future market						
Long position	108,040,646	1,634,187	-	-	109,674,833	63,524,718
Short position	259,429,831	3,204,842	-	-	262,634,673	57,514,170
Swap						
Asset position	36,811,286	157,156,522	16,510,013	278,161	210,755,982	204,628,645
Liability position	37,045,109	157,045,053	17,613,412	290,712	211,994,286	204,628,565
Credit derivatives						
Asset position	-	4,874,160	-	-	4,874,160	1,348,213
Liability position	-	6,018,624	-	-	6,018,624	5,131,045
Forward contracts - NDF						
Asset position	-	58,561,027	50,061,354	169,017	108,791,398	110,483,208
Liability position	-	58,124,122	52,025,083	145,578	110,294,783	110,483,208
Forward operations						
Asset position	228,101	12,838,144	931,872	11,713	14,009,830	18,273,566
Liability position	218,273	12,837,446	863,590	11,626	13,930,935	17,809,190
Options market						
Asset position	25,002,657	130,373,710	1,969,369	79,797	157,425,533	216,012,965
Liability position	24,794,439	122,656,967	1,709,553	50,523	149,211,482	206,904,120
Asset position	170,082,690	365,437,750	69,472,608	538,688	605,531,736	614,271,315
Liability position	321,487,652	359,887,054	72,211,638	498,439	754,084,783	602,470,298

c. By cost and market value

Bank	06/30/2023					12/31/2022
	Cost	Market	Up tp 6 months	From 6 to 12 months	Over 1 year	Total
Swaps						
Asset position	3,062,987	4,441,513	1,681,096	822,405	1,938,012	4,558,491
Liability position	3,875,121	3,917,131	1,994,398	219,213	1,703,520	6,924,503
Credit derivatives						
Asset position	4,720	185,851	-	8,700	177,151	125,884
Liability position	53,380	89,460	-	7,094	82,366	246,270
Forward contracts - NDF						
Asset position	5,585,214	3,437,385	685,231	967,331	1,784,823	1,749,669
Liability position	5,477,883	5,595,962	2,781,746	818,205	1,996,011	4,837,054
Forward operations						
Asset position	7,308,199	7,314,399	7,314,399	-	-	7,088
Liability position	7,315,324	7,313,509	7,313,509	-	-	7,134
Options market						
Asset position	1,912,683	2,909,047	1,719,451	1,014,351	175,244	3,121,525
Liability position	1,392,856	2,413,496	971,421	949,964	492,111	2,034,096
Asset position	17,873,803	18,288,195	11,400,177	2,812,787	4,075,230	9,562,657
Liability position	18,114,564	19,329,558	13,061,074	1,994,476	4,274,008	14,049,057

Complete financial statements

Banco BTG Pactual S.A.



Consolidated	06/30/2023					12/31/2022
	Cost	Market	Up tp 6 months	From 6 to 12 months	Over 1 year	Total
Swaps						
Asset position	3,960,087	4,894,587	1,542,694	778,201	2,573,692	6,430,579
Liability position	4,994,450	6,270,330	1,769,053	494,977	4,006,300	4,088,255
Credit derivatives						
Asset position	4,720	183,012	-	8,700	174,312	124,003
Liability position	48,852	85,009	-	7,094	77,915	241,160
Forward contracts - NDF						
Asset position	5,847,023	3,894,226	909,199	1,024,898	1,960,129	2,534,071
Liability position	5,648,962	5,309,579	2,304,039	1,023,443	1,982,097	5,260,535
Forward operations						
Asset position	15,449,831	15,618,652	9,188,161	76,344	6,354,147	1,887,209
Liability position	15,735,028	15,763,392	9,200,806	136,286	6,426,300	2,085,240
Options market						
Asset position	2,152,339	3,007,155	1,745,777	998,021	263,357	3,312,354
Liability position	1,527,424	2,356,636	940,660	931,646	484,330	2,085,239
Asset position	27,414,000	27,597,632	13,385,831	2,886,164	11,325,637	14,288,216
Liability position	27,954,716	29,784,946	14,214,558	2,593,446	12,976,942	13,760,429

d. Credit derivatives

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Credit Swap				
Risk transferred				
Sovereign	69,807	33,837	50,530	33,837
Corporate	4,867,003	1,314,376	4,823,630	1,314,376
Risk received				
Sovereign	(87,951)	(33,837)	(68,674)	(12,966)
Corporate	(5,993,323)	(5,165,039)	(5,949,950)	(5,118,079)
Total	(1,144,464)	(3,850,663)	(1,144,464)	(3,782,832)

In the semester ended June 30, 2023 and in the year ended December 31, 2022, there was no event of credit related to taxable events provided for in contracts.

e. Margins pledged as guarantee

The guarantee margin provided in operations traded on B3 S.A. and on other stock exchanges with derivative financial instruments is mainly composed of Brazilian government bonds, bonds issued by governments of other countries, debentures and others, totaling BRL 3,164,201 for the Bank and BRL 8,308,724 for the Consolidated (December 31, 2022 - BRL 1,107,398 and BRL 3,674,668).

10. Loan operations

Loan operations are classified into risk levels in accordance with the criteria established by CMN Resolution 2682/1999. Such classification considers, among other factors, a periodic analysis of transactions, delays, client history and transaction guarantees, as well as the application of internal models for retail operations.

The provision for expected losses associated with credit risk is recorded based on the risk levels of the operations defined by the aforementioned Resolution.

Loan operations and other operations with credit granting characteristics can be shown as follows:

Complete financial statements

Banco BTG Pactual S.A.



a. Loan operations

i. By type of credit

Type of credit	Bank				Consolidated			
	06/30/2023		12/31/2022		06/30/2023		12/31/2022	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	36,996,592	(2,029,001)	51,586,293	(1,978,747)	75,208,491	(3,577,158)	84,924,615	(3,848,090)
Financing	6,642,440	(241,061)	6,299,715	(500,823)	25,153,928	(1,488,827)	22,722,026	(1,490,735)
FINAME/BNDES	4,801,385	(23,660)	4,611,090	(22,298)	4,801,385	(23,660)	4,611,090	(22,298)
Operations with credit granting characteristics	978,829	(4,973)	1,002,312	(19,730)	2,808,043	(40,341)	3,294,589	(81,321)
Advance on foreign exchange contracts - ACC	3,450,778	(13,361)	3,600,871	(12,637)	3,450,778	(13,361)	3,600,871	(12,637)
Financing of securities	342,798	-	342,822	-	978,870	(16,215)	1,000,715	(17,667)
Credits assigned with co-obligation	-	-	-	-	130,059	(6,828)	198,221	(13,283)
Subtotal	53,212,822	(2,312,056)	67,443,103	(2,534,235)	112,531,553	(5,166,390)	120,352,127	(5,486,031)
Mark-to-market (i)	32,878	-	13,219	-	565,486	-	(243,078)	-
Total credit operations	53,245,700	(2,312,056)	67,456,322	(2,534,235)	113,097,039	(5,166,390)	120,109,049	(5,486,031)

(i) Considering market-to-market of items subject to hedge accounting.

ii. By risk level and maturity

Risk level	Bank						12/31/2022	
	06/30/2023						Total	Provision
	Overdue	Up to 6 months	From 6 to 12 months	After 12 months	Total	Provision		
AA	157,356	9,929,400	2,488,133	13,503,239	26,078,128	-	30,992,091	-
A	75,249	2,698,068	1,557,471	10,332,891	14,663,679	(73,320)	19,948,942	(99,754)
B	10,320	1,497,281	1,115,519	4,453,212	7,076,332	(70,894)	9,499,502	(94,995)
C	242,138	62,168	101,320	994,967	1,400,593	(69,767)	1,068,313	(60,078)
D	8,389	26,917	70,663	602,196	708,165	(78,707)	916,009	(110,910)
E	204,785	1,852	776	160,243	367,656	(141,937)	3,709,617	(1,216,058)
F	1,929,245	3,165	41,524	360,073	2,334,007	(1,347,477)	658,222	(379,242)
G	168,304	8,418	1,451	7,336	185,509	(131,201)	294,982	(217,773)
H	169,012	21,137	9,703	198,901	398,753	(398,753)	355,425	(355,425)
Total	2,964,798	14,248,406	5,386,560	30,613,058	53,212,822	(2,312,056)	67,443,103	(2,534,235)

Risk level	Consolidated						12/31/2022	
	06/30/2023						Total	Provision
	Overdue	Up to 6 months	From 6 to 12 months	After 12 months	Total	Provision		
AA	195,750	12,744,290	3,459,806	17,828,413	34,228,259	(15,290)	42,289,854	(13,737)
A	223,595	12,634,970	15,469,821	26,478,814	54,807,199	(283,292)	50,137,685	(253,873)
B	317,440	2,567,857	1,540,389	6,881,353	11,307,039	(133,786)	14,257,916	(171,334)
C	474,925	681,768	385,510	1,968,266	3,510,469	(136,996)	3,043,999	(132,119)
D	279,479	231,326	299,014	1,243,721	2,053,540	(249,763)	1,925,858	(193,275)
E	452,012	157,700	104,027	492,502	1,206,241	(399,302)	4,537,909	(1,469,538)
F	2,146,574	93,123	110,264	539,613	2,889,575	(1,624,625)	1,278,615	(649,439)
G	396,212	68,204	48,620	269,105	782,141	(576,247)	935,290	(657,715)
H	1,005,188	172,677	108,865	460,358	1,747,089	(1,747,089)	1,945,001	(1,945,001)
Total	5,491,176	29,351,916	21,526,316	56,162,145	112,531,553	(5,166,390)	120,352,127	(5,486,031)

iii. By activity sector

Sector	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Business	51,572	66,901	9,924,304	11,640,277
Industry	19,430,394	24,659,070	19,481,965	24,428,594
Services	29,401,666	37,300,196	41,853,398	40,669,149
Rural	418,301	685,904	422,429	689,604
Individuals	3,910,889	4,731,032	40,849,457	42,924,503
Total	53,212,822	67,443,103	112,531,553	120,352,127

b. Concentration of credit risk

	Bank				Consolidated			
	06/30/2023	%	12/31/2022	%	06/30/2023	%	12/31/2022	%
Greatest debtors								
10 greatest debtors	14,964,567	28%	21,201,876	33%	14,964,567	14%	21,201,876	18%
20 following greatest debtors	7,919,828	15%	10,195,916	15%	8,782,925	8%	10,779,033	9%
50 following greatest debtors	8,598,343	16%	9,765,745	14%	10,129,386	9%	11,481,976	10%
100 following greatest debtors	7,822,332	15%	8,976,383	13%	9,500,617	8%	11,348,026	9%
200 following greatest debtors	6,682,135	13%	7,734,794	11%	8,505,322	8%	10,228,237	8%
500 following greatest debtors	4,344,361	8%	4,737,404	7%	6,174,631	5%	7,108,204	6%
Over 500 greatest debtors	2,881,256	5%	4,830,985	7%	54,474,106	48%	48,204,775	40%
Total	53,212,822	100%	67,443,103	100%	112,531,553	100%	120,352,127	100%

c. Provisions for expected losses associated with credit risk

During the years, movement in provision for expected losses associated with credit risk was as follows:

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Opening balances for the period	(2,534,235)	(1,074,129)	(5,486,031)	(3,379,335)
Reversal/(constitution) of provision	(10,247)	(370,326)	(1,102,720)	(1,639,983)
Write-offs - against the provision	232,426	106,508	1,422,361	1,261,940
Closing balances for the period	(2,312,056)	(1,337,947)	(5,166,390)	(3,757,378)

d. Renegotiation

Bank

- Credit operations renegotiated from January 01, 2023 to June 30, 2023: BRL 76,910 (BRL 189,772 – for the same period of 2022).
- Settlements of contracts previously renegotiated from January 01, 2023 to June 30, 2023: BRL 329,362 (BRL 47,246 – for the same period of 2022).
- Amount written off to loss in from January 01, 2023 to June 30, 2023 of contracts previously renegotiated. BRL 34,388 (BR 557, for the same period of 2022).

Consolidated

- Credit operations renegotiated from January 01, 2023 to June 30, 2023: BRL 784,223 (BRL 587,690 – for the same period of 2022).
- Settlements of contracts previously renegotiated from January 01, 2023 to June 30, 2023: BRL 480,127 (BRL 85,419 – for the same period of 2022).
- Amount written off to loss from January 01, 2023 to June 30, 2023 of contracts previously renegotiated. BRL 48,828 (BRL 10,474 – for the same period of 2022).

e. Recovery of credits written off to loss

Bank

From January 01, 2023 to June 30, 2023, BTG Pactual Group recognized the revenue from credit recovery of credits written-off to loss, in the amount of BRL 12,584 (For the same period of 2022 – BRL 118,201).

Consolidated

From January 01, 2023 to June 30, 2023, the BTG Pactual Group recognized the revenue from credit recovery of credits written-off to loss, in the amount of BRL 144,211 (For the same period of 2022 – BRL 301,843).

f. Guarantees provided

Bank

On June 30, 2023, the Bank had sureties and guarantees provided in the amount of BRL 36,253,274 (December 31, 2022 – BRL 33,250,032). Provisions for loss related to said positions correspond to the amount of BRL 229,293 (December 31, 2022 – BRL 210,756).

Consolidated

On June 30, 2023, the BTG Pactual Group had sureties and guarantees provided in the amount of BRL 36,263,220 (December 31, 2022 – BRL 34,155,948). Provisions for loss related to these positions correspond to the amount of BRL 249,026 (December 31, 2022 – BRL 234,298).

11. Foreign exchange portfolio

a. Assets – Other receivables

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Receivables from foreign exchange sales	13,439,814	37,698,067	14,062,079	38,166,987
(-) Advances in domestic currency received	(12,020)	(6,759)	(12,019)	(6,759)
Local currency	13,427,794	37,691,308	14,050,060	38,160,228
Purchased foreign exchange to be settled	12,885,006	9,602,967	12,430,374	8,941,392
(-) Advances in foreign currency received	(90,871)	(130)	(90,871)	(130)
Foreign currency	12,794,135	9,602,837	12,339,503	8,941,262
Total	26,221,929	47,294,145	26,389,563	47,101,490
Current	26,242,747	47,242,897	26,410,381	47,050,374
Non-current	(20,818)	51,248	(20,818)	51,116

b. Liabilities – Other liabilities

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Sold foreign exchange to be settled	13,263,847	37,968,934	13,509,789	37,979,509
(-) Advances in granted foreign currencies	-	-	-	-
Foreign currency	13,263,847	37,968,934	13,509,789	37,979,509
Obligations from foreign currency purchases	16,650,595	12,874,884	16,418,814	12,482,472
(-) Advances on exchange contracts	(3,603,870)	(3,513,566)	(3,603,870)	(3,513,566)
Local currency	13,046,725	9,361,318	12,814,944	8,968,906
Total	26,310,572	47,330,252	26,324,733	46,948,415
Current	26,308,931	47,313,789	26,323,238	46,946,672
Non-current	1,641	16,463	1,495	1,743

12. Other receivables

a. Income receivable

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Dividends and bonuses	305,876	341,648	128,679	140,965
Services rendered receivable	11,476	22,637	158,137	206,226
Electricity transaction rights	738,393	157,018	1,133,256	157,018
Management and performance fees of funds and investment portfolios	8,541	9,757	953,632	1,011,786
Distribution fee	18,462	16,771	16,967	16,817
Commission on surety	25,363	36,309	32,739	42,124
Total	1,108,111	584,140	2,423,410	1,574,936
Current	432,273	539,912	1,375,607	1,500,316
Non-current	675,838	44,228	1,047,803	74,620

b. Others

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Sundry debtors (i)	7,158,995	7,120,838	8,033,040	5,761,771
Judicial deposits	1,226,516	1,188,688	3,142,093	2,941,481
Recoverable tax income	543,188	326,724	2,252,299	1,632,120
Commodities	-	-	652,051	554,619
Trading and intermediation of securities	5,301,609	3,660,026	7,266,102	5,298,359
Without credit granting characteristics	429,555	716,490	7,939,952	7,717,086
Investment property	-	-	707,829	570,835
Others	110,806	682,680	914,900	231,128
Total	14,770,669	13,695,446	30,908,266	24,707,399
Current	7,449,921	5,454,262	18,859,270	13,139,179
Non-current	7,320,748	8,241,184	12,048,996	11,568,220

(i) At the bank, it mostly refers to amounts receivable from subsidiaries. In the Consolidated, it corresponds mainly to receivables from forward sales of commodities.

Complete financial statements

Banco BTG Pactual S.A.

(In thousands of reais, unless otherwise stated)

13. Participation in subsidiaries, affiliates and jointly-controlled companies

Bank	Subsidiaries, affiliates and jointly-controlled companies					
	Adjusted equity (i)		Adjusted net income/(loss) (i)		Direct participation	
	06/30/2023	12/31/2022	06/30/2023	06/30/2022	06/30/2023	12/31/2022
BTG Pactual Holding Internacional S,A,	10,714,457	11,062,467	102,749	312,975	99.99%	99.99%
Banco Sistema S,A,	4,090,703	4,224,116	(133,900)	151,860	99.97%	99.97%
Banco Pan S,A,	7,024,607	7,508,764	(335,590)	364,513	48.15%	48.02%
Banco BESA S,A, (ii)	2,722,246	1,839,429	955,010	-	100.00%	96.50%
BTG Pactual Corretora de Títulos e Valores Mobiliários S,A,	1,511,886	1,416,567	95,319	113,401	99.99%	99.99%
ECTP Brasil S,A,	1,714,132	-	22,527	-	100.00%	-
BTG Pactual Asset Management S,A, DTVM	862,645	811,542	69,890	34,621	99.99%	99.99%
BTG Pactual Holding de Seguros Ltda,	811,808	915,317	81,173	59,424	99.99%	99.99%
BTG Pactual Holding Participações S,A,	552,120	213,741	337,452	38,729	99.99%	99.99%
BTG Pactual (Cayman) Internacional Holding Ltd,	536,527	577,543	21,513	22,336	100.00%	100.00%
BTG Pactual Serviços Financeiros S,A, DTVM	513,206	375,174	138,032	123,492	99.99%	99.99%
BW Properties S,A,	522,292	521,626	666	(634)	85.27%	75.54%

(i) Considers adjustments to unrealized income or loss in transactions between the parent company and its subsidiaries.

(ii) Directly controlled as of the first semester of 2023. On December 31, 2022, the entity was an indirect investee of the Bank through Holding Internacional S.A.

Bank	Movement in investments							
	12/31/2022	Acquisition / Contribution / Transfer / (Sales)	Dividends/Interest on equity	Income from interest	Foreign exchange variation	Equity valuation adjustment	06/30/2023	Income from interest on 06/30/2022
BTG Pactual Holding Internacional S,A,	11,061,925	-	-	102,668	(547,858)	97,722	10,714,457	312,975
Banco Sistema S,A,	4,223,076	-	-	(133,867)	-	487	4,089,696	151,778
Banco Pan S,A,	3,605,950	-	(64,471)	(160,113)	-	901	3,382,267	443,542
Banco BESA S,A, (ii)	1,766,559	23,057	-	955,010	-	(22,380)	2,722,246	-
BTG Pactual Corretora de Títulos e Valores Mobiliários S,A,	1,416,567	-	-	95,319	-	-	1,511,886	113,399
ECTP Brasil S,A,	-	1,685,993	-	28,139	-	-	1,714,132	-
BTG Pactual Asset Management S,A, DTVM	811,542	-	-	69,890	-	(18,787)	862,645	34,398
BTG Pactual Holding de Seguros Ltda,	915,244	-	(184,154)	81,173	-	(456)	811,807	59,424
BTG Pactual Holding Participações S,A,	213,740	-	-	337,452	926	-	552,118	38,729
BTG Pactual (Cayman) Internacional Holding Ltd,	577,543	-	-	21,513	(44,821)	(17,708)	536,527	22,332
BTG Pactual Serviços Financeiros S,A, DTVM	375,174	-	-	138,032	-	-	513,206	123,492
BW Properties S,A,	394,019	50,749	-	593	-	-	445,361	(269)
Outros (i)	5,803,342	86,969	(727)	53,373	-	-	5,942,957	223,808
Total	31,164,681	1,846,768	(249,352)	1,589,182	(591,753)	39,779	33,799,305	1,523,608

(i) The balance of the financial item in question is composed of goodwill paid on the acquisition of companies (which are transferred to intangible assets upon consolidation of the Bank), and balances referring to the following interests: 100% - Vitreo Holding S.A., 100% - Vitreo Holding Financeira S.A., 100% - Empiricus Research Publicações S.A., 100% - BTG Pactual Inst. Pagto. – Pay2All, 100% - BTG Investment Banking, 70% - Pris Software Ltda., 49.90% EQI Investimentos, 21.24% - Eneva and 6.67% - Galgo S.A (On December 31, 2022 – 100% - Vitreo Holding S.A., 100% - Vitreo Holding Financeira S.A., 100% - Empiricus Research Publicações S.A., 100% - BTG Pactual Inst. Pagto. – Pay2All, 21.53% - Eneva and 6.67% - Galgo S.A).

(ii) Acquisition on the 4^o quarter of 2022.

Complete financial statements

Banco BTG Pactual S.A.



	Equity		Subsidiaries, affiliates and jointly-controlled companies		Direct participation	
	06/30/2023	12/31/2022	Net income / (loss)		06/30/2023	12/31/2022
			06/30/2023	06/30/2022		
Too Seguros S.A.	575,966	450,877	165,781	65,559	51.00%	51.00%
Pan Corretora S.A.	53,210	49,044	28,049	21,306	51.00%	51.00%
BTG Pactual Holding S.A.R.L.	3,717,290	3,427,813	1,180,006	1,193,712	40.00%	40.00%

	Movement in investments							Income from interest on 06/30/2022
	12/31/2022	Acquisition / Contribution / Transfer / (Sales)	Dividends/Interest on equity	Income from interest	Foreign exchange variation	Equity valuation adjustment	06/30/2023	
Too Seguros S.A.	229,947	-	(21,281)	84,548	-	528	293,742	33,437
Pan Corretora S.A.	25,011	-	(12,180)	14,305	-	-	27,136	10,866
BTG Pactual Holding S.A.R.L.	1,371,125	-	(235,948)	472,002	(120,263)	-	1,486,916	489,780
Other (i)	5,768,152	147,298	(10,001)	96,615	(34,715)	(16,385)	5,950,963	(125,347)
Total	7,394,235	147,298	(279,410)	667,470	(154,979)	(15,857)	7,758,758	408,736

(i) The financial item "Other" includes basically balances related to the following interest: Eneva: 21.24%, Galgo S.A.: 6.67% and Visum: 50% (As of December 31, 2022 – Eneva 21.53%, Galgo S.A. 6.67%, and Visum 50%).

Complete financial statements

Banco BTG Pactual S.A.

(In thousands of reais, unless otherwise stated)

14. Fixed and intangible assets

Bank	Activity				
	12/31/2022	Acquisitions / Transfer / Write-off	Amortization / Depreciation (i)	Foreign exchange variation	06/30/2023
Fixed assets					
Property for use	3,089	-	-	-	3,089
Other fixed assets for use	451,707	22,840	-	-	474,547
Accumulated depreciation	(245,682)	(2,142)	(15,762)	-	(263,586)
Total	209,114	20,698	(15,762)	-	214,050
Intangible assets					
Cost	938,861	109,630	-	(6,427)	1,042,064
Accumulated amortization	(334,435)	(16,607)	(147,694)	6,427	(492,309)
Total	604,426	93,023	(147,694)	-	549,755

Consolidated	Activity				
	12/31/2022	Acquisitions / Transfer / Write-off	Amortization / Depreciation (i)	Foreign exchange variation	06/30/2023
Fixed assets					
Property for use	8,904	(782)	-	-	8,122
Other fixed assets for use	993,763	48,789	-	99	1,042,651
Accumulated depreciation	(494,049)	20,460	(75,826)	(38)	(549,453)
Total	508,618	68,467	(75,826)	61	501,320
Intangible assets					
Cost	6,036,529	158,683	-	362	6,195,574
Accumulated amortization	(1,333,142)	58,697	(448,283)	(60)	(1,722,788)
Total	4,703,387	217,380	(448,283)	302	4,472,786

(i) The average period of depreciation and amortization of property, plant and equipment and intangible assets of 5 years.

The goodwill paid on the acquisition of companies is stated under interests in subsidiaries, being transferred to intangible assets in the Bank's consolidation process.

As emphasized in Note 2, in June 2022, the evaluation of the allocation of assets for the acquisition of Banco Pan S.A. was concluded, with no material effects on the lines of assets. No need for impairment has been identified in the period.

15. Fundraising and borrowings and onlendings

a. Summary

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Deposits	114,999,956	101,544,487	124,030,275	115,749,672
Securities sold under repurchase agreements	98,603,254	78,555,680	98,021,212	87,139,332
Funds from acceptances and issuance of securities	47,782,045	51,220,628	68,167,246	67,944,679
Borrowings and onlendings	11,632,339	14,727,150	12,659,707	17,693,933
Subordinated debts and debt instruments eligible to capital	11,527,570	7,665,952	12,087,382	8,220,005
Total	284,545,164	253,713,897	314,965,822	296,747,621

b. Deposits

Bank	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Demand deposits	5,834,273	5,834,273	-	-	-	-	7,854,696
Interbank deposits	8,748,964	4,360,470	1,664,905	325,813	2,397,776	-	5,102,271
Time deposits	100,433,793	49,252,286	46,143,740	4,356,863	597,278	83,626	88,592,353
Subtotal	115,017,030	59,447,029	47,808,645	4,682,676	2,995,054	83,626	101,549,320
Mark-to-market (i)	(17,074)	-	-	-	-	-	(4,833)
Total	114,999,956	-	-	-	-	-	101,544,487

Consolidated	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Demand deposits	6,484,406	6,484,406	-	-	-	-	8,641,922
Interbank deposits	5,289,603	1,595,187	111,829	1,184,810	2,397,776	-	4,590,532
Time deposits	112,023,653	41,942,184	54,820,778	11,481,260	3,690,842	88,588	102,303,311
Other deposits	249,687	105,618	144,069	-	-	-	218,740
Subtotal	124,047,349	50,127,396	55,076,677	12,666,070	6,088,619	88,588	115,754,505
Mark-to-market (i)	(17,074)	-	-	-	-	-	(4,833)
Total	124,030,275	-	-	-	-	-	115,749,672

(i) Considering market-to-market of items subject to hedge accounting.

c. Securities sold under repurchase agreements

Securities sold under repurchase agreements are guaranteed by the following securities:

Bank	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Assets pledged as collateral	49,581,663	43,363,194	6,218,469	-	-	-	15,709,373
Brazilian government bonds	36,302,681	35,380,853	921,828	-	-	-	9,613,117
Corporate securities	13,229,286	7,939,530	5,289,756	-	-	-	5,942,563
Brazilian Foreign Debt Securities	42,811	42,811	-	-	-	-	153,695
Bonds of Governments of other countries	6,885	-	6,885	-	-	-	153,695
Assets received as collateral	39,390,431	39,390,431	-	-	-	-	48,740,927
Right to sell or repledge the collateral	9,631,160	5,452,543	3,022,751	128,960	-	1,026,906	14,105,380
Total	98,603,254	88,206,168	9,241,220	128,960	-	1,026,906	78,555,680

Consolidated	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Assets pledged as collateral	54,906,126	49,412,009	5,381,103	52,244	50,134	10,636	23,533,248
Brazilian government bonds	38,961,546	38,218,135	740,870	2,541	-	-	14,830,125
Corporate securities	13,788,064	9,044,242	4,633,348	49,703	50,134	10,636	7,024,163
Securities issued by other governments	2,113,706	2,106,821	6,885	-	-	-	1,408,228
Brazilian Foreign Debt Securities	42,811	42,811	-	-	-	-	270,732
Assets received as collateral	35,483,024	35,205,999	-	242,237	1,975	32,813	46,304,707
Right to sell or repledge the collateral	7,632,062	5,452,543	-	128,960	254,858	1,795,701	17,301,377
Total	98,021,212	90,070,551	5,381,103	423,440	306,968	1,839,150	87,139,332

d. Funds from acceptances and issuance of securities

Bank	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Securities – Domestic	38,521,802	5,856,665	13,903,984	13,073,222	4,399,501	1,288,429	40,175,137
Financial Notes	18,289,418	888,434	5,624,438	8,954,753	1,929,427	892,366	19,308,609
Real estate credit/agribusiness receivables	17,596,290	4,941,179	7,994,790	3,583,025	740,269	337,027	18,904,449
Structured notes	2,636,094	27,052	284,756	535,444	1,729,805	59,036	1,962,079
Securities – Foreign	9,401,183	6,266	128,244	7,602,925	1,365,972	297,776	11,590,621
Medium term notes	6,826,316	-	-	6,826,316	-	-	9,109,512
Credit - linked notes and others	2,574,867	6,266	128,244	776,609	1,365,972	297,776	2,481,109
Subtotal	47,922,985	5,862,931	14,032,228	20,676,147	5,765,473	1,586,205	51,765,758
Mark-to-market (i)	(140,940)	-	-	-	-	-	(545,130)
Total	47,782,045	-	-	-	-	-	51,220,628

Consolidated	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Securities – Domestic	56,248,168	7,765,943	18,941,456	18,732,182	7,480,398	3,328,189	53,326,359
Financial Notes	29,033,105	1,705,773	9,408,238	14,611,218	2,415,510	892,366	29,848,247
Real estate credit/agribusiness receivables	24,578,969	6,033,118	9,248,462	3,585,520	3,335,083	2,376,787	21,380,905
Structured notes	2,636,094	27,052	284,756	535,444	1,729,805	59,036	1,939,481
Debentures	-	-	-	-	-	-	157,726
Securities – Foreign	12,060,018	1,106,552	1,203,298	8,216,141	894,245	639,782	15,163,450
Medium term notes	9,753,912	328,592	1,089,192	7,648,566	345,558	342,006	11,803,051
Credit - linked notes and others	2,306,106	777,961	114,106	567,575	548,688	297,776	3,360,399
Subtotal	68,308,186	8,872,496	20,144,754	26,948,322	8,374,643	3,967,970	68,489,809
Mark-to-market (i)	(140,940)	-	-	-	-	-	(545,130)
Total	68,167,246	-	-	-	-	-	67,944,679

(i) Considering market-to-market of items subject to hedge accounting.

e. Borrowings and onlendings

Bank	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Foreign loans	7,078,688	2,331,355	1,368,180	258,587	696,514	2,424,052	5,999,123
Liabilities in foreign currencies	6,347,459	1,600,126	1,368,180	258,587	696,514	2,424,052	5,465,954
Foreign borrowings	731,229	731,229	-	-	-	-	533,169
Domestic loans and onlendings	4,553,651	33,189	42,393	234,668	-	4,243,401	8,728,027
Liquidity financial lines	-	-	-	-	-	-	4,361,552
FINAME/BNDES	4,553,651	33,189	42,393	234,668	-	4,243,401	4,366,475
Total	11,632,339	2,364,544	1,410,573	493,255	696,514	6,667,453	14,727,150

Consolidated	06/30/2023						12/31/2022
	Total	Up to 90 days	From 90 to 365 days	From 1 year to 3 years	From 3 year to 5 years	Over 5 years	Total
Foreign loans	8,046,600	2,444,187	1,725,752	756,095	696,514	2,424,052	7,097,919
Liabilities in foreign currencies	6,347,458	1,600,126	1,368,180	258,587	696,514	2,424,052	5,465,954
Foreign borrowings	1,699,141	844,061	357,572	497,508	-	-	1,631,965
Domestic loans and onlendings	52,381	3	2	99	51,712	566	6,203,600
Domestic borrowings	52,381	3	2	99	51,712	566	6,203,600
Domestic onlendings	4,560,726	33,189	48,374	235,762	-	4,243,401	4,392,414
FINAME/BNDES	4,560,726	33,189	48,374	235,762	-	4,243,401	4,392,414
Total	12,659,707	2,477,379	1,774,128	991,956	748,226	6,668,019	17,693,933

Complete financial statements

Banco BTG Pactual S.A.



f. Subordinated debts and debt instruments eligible to capital

Bank							Book balance at 12/31/2022
Name of currency - original currency	Principal amount (original currency)	Issue	Maturity	Compensation p.a.	Book balance at 06/30/2023		Book balance at 12/31/2022
Subordinated financial notes eligible to equity - BRL (i)	8,550,096	02/11/2019	03/04/2034 and Perpetual	110-126% DI	8,550,096		4,544,574
Subordinated notes - US\$	2,609	02/15/2019	02/15/2029	7.75%	12,574		37,555
Subordinated notes eligible to capital - US\$	602,002	02/15/2019	02/15/2029	7.75%	2,901,166		3,141,063
Subtotal					11,463,836		7,723,192
Mark-to-market (ii)					63,734		(57,240)
Total					11,527,570		7,665,952

Consolidated							Book balance at 12/31/2022
Name of currency - original currency	Principal amount (original currency)	Issue	Maturity	Compensation p.a.	Book balance at 06/30/2023		Book balance at 12/31/2022
Subordinated financial notes eligible to equity - BRL (i)	8,562,092	02/11/2019	04/03/2034 and Perpetual	100-140% CDI	8,562,092		4,555,561
Subordinated notes - USD	2,609	02/15/2019	02/15/2029	7.75% p.a.	12,574		37,555
Subordinated notes - CLP	91,150,725	01/16/2019	11/01/2028	2.25% p.a.	547,816		543,066
Subordinated notes eligible to capital - USD	602,002	02/15/2019	02/15/2029	7.75% p.a.	2,901,166		3,141,063
Subtotal					12,023,648		8,277,245
Mark-to-market (ii)					63,734		(57,240)
Total					12,087,382		8,220,005

- (i) Financial notes differ in issue date, maturities, rates and principal amount, with semi-annual amortization.
(ii) Considering market-to-market of items subject to hedge accounting.

16. Other liabilities

a. Social and statutory

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Dividends and bonuses payable	3	1,269,380	56,716	1,364,124
Profit sharing / Employee bonuses	958,555	1,202,000	1,748,688	2,205,595
Total	958,558	2,471,380	1,805,404	3,569,719
Current	958,558	2,471,380	1,805,404	3,569,719
Non-current	-	-	-	-

b. Tax and social security

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Taxes and contributions payable	188,700	8,776	353,350	194,566
Taxes and contributions payable	287,102	409,309	1,643,955	1,289,591
Total	475,802	418,085	1,997,305	1,484,157
Current	188,700	99,270	1,690,939	1,165,342
Non-current	287,102	318,815	306,367	318,815

c. Sundry

	Bank		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trading and intermediation of securities	6,193,947	4,444,306	11,430,849	8,713,810
Payables for acquisition of properties and rights (i)	267,298	249,995	267,498	250,195
Provision for accounts payable	213,901	215,941	2,616,570	3,012,580
Miscellaneous creditors and deferred revenues (ii)	1,636,209	1,628,524	24,346,669	19,972,506
Total	8,311,355	6,538,766	38,661,586	31,949,091
Current	7,051,584	5,933,839	38,030,562	30,486,703
Non-current	1,259,771	604,927	631,024	1,462,388

- (i) Refers to amounts payable for the acquisition of investments (mainly Banco Pan S.A.).
(ii) In the individual level, it mainly refers to amounts payable between Group companies. In Consolidated, it refers mainly to mathematical provision for benefits to be granted to participants of pension plans.

17. Provisions and contingent liabilities

The Bank's Management assesses the existing contingencies due to legal proceedings filed against the companies of the BTG Pactual Group, and make a provision, whenever considered appropriate, to cover probable losses arising from these legal proceedings. The Management's judgment considers the opinion of their external and internal lawyers about the expectation of success for each proceeding.

a. Provision

i. Tax

It is constituted by lawsuits from former employees, mainly consisting of requests for overtime and salary equalization. The amounts of the provision are estimated according to the analysis of the potential amount of loss, considering, among others, the stage of the process and the opinions of external legal advisors.

ii. Civil

Provisions for tax and social security arise from judicial and administrative lawsuits related to federal taxes, state and municipal taxes. Its constitution is based on the probability of outflow of resources, also considering the opinion of external legal advisors and the instance in which each of the processes is held.

iii. Labor

It is constituted by lawsuits from former employees, mainly consisting of requests for overtime and salary equalization. The amounts for contingencies are provisioned based on an analysis of the potential loss amount, considering, but not limited to, the current stage of the process and the opinion of external and internal legal advisors

b. Composition and movement of the provision

The provisions recorded at the beginning and end of the period and the respective movement can be shown as of June 30, 2023 as follows:

Bank	30/06/2023					
		Tax		Civil	Labor	Total
	Legal Obligation	Tax and social security obligations	Total			
Balance at the beginning of the semester	1,164,298	1,161	1,165,459	31,563	37,174	1,234,196
Constitution / Reversal	41,711	23	41,734	24,164	2,201	68,099
Remand	(428)	-	(428)	(972)	(5,130)	(6,529)
Balance at the end of the semester	1,205,581	1,184	1,206,765	54,754	34,246	1,295,765

Consolidated	30/06/2023					
		Tax		Civil (i)	Labor	Total
	Legal Obligation	Tax and social security obligations	Total			
Balance at the beginning of the semester	1,373,490	1,685,971	3,059,461	1,815,423	216,562	5,091,446
Constitution / Reversal	49,658	(86,743)	(37,085)	246,802	(11,475)	198,242
Remand	(98,617)	-	(98,617)	(142,828)	(32,721)	(274,165)
Balance at the end of the semester	1,324,532	1,599,228	2,923,760	1,919,397	172,366	5,015,522

(i) On June 30, 2023, it considers provision for other non-litigious risks in the amount of BRL 682,008 (BRL 687,258 on December 31, 2022). From this amount, BRL 22,218 are increases/reversals and BRL (27,269) are from written-offs for payment purposes.

i. Taxes with enforceability suspended and other tax liabilities

The Bank has been challenging in court the legality of certain taxes and contributions. The amounts relating to legal obligations and contingencies assessed by internal and external lawyers as probable losses are provisioned in the amount that Management deems appropriate to cover future losses. Among the aforementioned legal discussions, we highlight the process involving the legality of the charging COFINS in accordance with the rules established by Law 9718/98.

On June 30, 2023, the Bank was party to tax proceedings with a possible outcome, which are not provisioned. The following is a description of the significant proceedings.

- Proceedings related to the payment of Share of Profit and Results (PLR), in which the alleged levy of social security contribution on the amounts regarding its interest and its deductibility from the IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) calculation basis is being discussed. The amount involved is BRL 1,400 million. Part of this amount is guaranteed by an indemnity clause, as it refers to the period prior to the acquisition of the Bank by the current controllers.
- Proceeding related to the demutualization and the IPO of Bovespa and of BM&F, in which the taxation of PIS (Social Integration Program) and Cofins (Contribution to Social Security Financing) on income earned on the sale of shares of said companies is being discussed. The amount involved is BRL 71 million and is also guaranteed by an indemnity clause, as it refers to the period prior to the acquisition of the Bank by the current controllers.

- In December 2015, a tax deficiency notice in the amount of BRL 2,094 million was received, referring to the years 2010 and 2011, in which the tax authority considered undue the use of goodwill generated in the operations of acquisition of the Bank by UBS, carried out in 2006, as well as in the repurchase of the Bank by BTG, in 2009. A defense against this notice was presented by the Administrative Council of Tax Appeals of the Brazilian Federal Revenue Service (CARF), which was judged partially favorable to reduce the amount of the tax deficiency notice by BRL 278 million. Against the unfavorable party, the Bank also appealed to CARF, which, in February 2019, was granted for the use of the goodwill generated in the acquisition transaction of the Bank by UBS. Appeals were filed against that decision by PGFN and the Bank.
- In December 2017, a tax deficiency notice in the amount of BRL 1,155 million was received, referring to 2012, in which it was considered improper to use the goodwill generated in the operations of acquisition of the Bank by UBS carried out in 2006, the goodwill related to the repurchase of the Bank by BTG in 2009 and the goodwill generated in the private subscription of shares carried out by investors through Companhia Copa Prince, in 2011. In October 2019, the second administrative level judged partially valid to recognize goodwill generated in the private subscription of shares carried out by investors through Companhia Copa Prince. Appeals were filed against that decision by the Bank and PGFN. In December 2018, a tax deficiency notice amounting to BRL 525 million was received regarding 2013. A defense was filed against this notice, which is awaiting a decision by the second administrative instance. Finally, in February 2019, a tax deficiency notice was received in the amount of BRL 316 million, referring to 2014. A defense was presented against this action, which is awaiting judgment at the second administrative instance. The Bank does not expect to incur any loss (other than resource expenses) related to the tax deficiency notice and has not established (and does not expect to establish) any provision in its financial statements. In addition to the assessment as to the invalidity of the tax deficiency notice, should the Bank incur losses, Management believes it has the right to be indemnified by its parent company for part of these losses. Hence, in no event does BTG Pactual expect to incur any material loss related to this matter.
- In December 2017, the Bank received a tax deficiency notice in which an alleged insufficient payment of PIS and COFINS is discussed and imposes a separate fine, referring to 2012, in the amount of BRL 232 million. An administrative appeal was filed against the notice, which was partially granted to exclude the isolated fine. Against the unfavorable part of the decision, an appeal was filed at the second administrative instance.
- In December 2017, as jointly and severally liable for Banco Pan S.A., the Bank received an IRRF tax deficiency notice allegedly due on the sale of an investment in Brazil by a foreign entity, referring to 2012, in the amount of BRL 89 million. An administrative appeal was filed against the notice, which is awaiting judgment at the second administrative instance.
- In December 2017, the Bank received a tax deficiency notice seeking to collect Income Tax on the alleged capital gain in the merger of companies, when One Properties was incorporated by BR Properties, in the amount of BRL 1,300 million. An administrative appeal was filed against the notice, which is awaiting judgment at the second administrative instance.
- In December 2018, the Bank was aware of the non-approval of the offsetting of the negative balance of IRPJ (Corporate Income Tax), referring to 2013, in the amount of BRL 81 million. In June 2019, an unfavorable decision was rendered at the administrative trial court. An appeal was filed against this decision, which is awaiting judgment at the second administrative instance. In March 2019, the Bank was aware of the non-approval of the offsetting of negative BRL balance, for the same year, in the amount of BRL 77 million. In August 2019, an unfavorable decision was rendered to the Bank at the administrative trial court. Against this decision, an appeal was filed with the second administrative instance.
- In September 2019, as jointly and severally liable for Banco Sistema, the Bank received a tax deficiency notice aimed at collecting IRPJ (Corporate Income Tax), CSLL (Social Contribution on Net Income), PIS (Social Integration Program), and COFINS (Contribution to Social Security Financing), totaling BRL 4,120 million, referring to the acquisition of Banco Bamerindus do Brasil (currently Banco Sistema) in 2014. In October 2019, a defense was presented at the administrative trial court that, in April 2020, was partially granted, reducing assessment amount by 98%. Against the unfavorable part of the decision, an appeal was filed at the second administrative instance. In the event of a final and unappealable unfavorable decision, there will be an impact on the balance of tax loss and negative basis of social contribution used to pay the PERT program in 2017, in the amount of BRL 1,245 million. Due to the prognosis given by the lawyers, the Bank did not constitute any provision in its standalone financial statements. In addition, the Management does not expect to incur any loss related to the topic.
- In March 2020, the Bank received a tax deficiency notice aiming at the collection of IRPJ (Corporate Income Tax), CSLL (Social Contribution on Net Income), PIS (Social Integration Program) and COFINS (Contribution to Social Security Financing) on the capital gain on the sale of shares of Rede D'or, in 2015, in the amount of BRL 684 million. In September 2020, an unfavorable decision was issued at the administrative trial court. Against this decision, an appeal was filed with the second administrative instance.

Complete financial statements

Banco BTG Pactual S.A.



- In July 2021, as jointly and severally liable, the Bank received an IRRF tax deficiency notice allegedly due on the income distributed to investment fund unitholders, in the amount of BRL 406 million. An administrative appeal was filed against the assessment, which is awaiting judgment.
- In December 2021, the Bank received a tax deficiency notice aimed at charging IRPJ/CSLL, in the amount of BRL 112 million, resulting from an alleged formal error in filling out its ECF in 2016. An administrative appeal was filed against the assessment, which is awaiting judgment.
- In December 2018, Gestora de Recursos, an indirect subsidiary of the Bank, received a tax deficiency notice totaling BRL 112 million, referring to the years 2013 and 2014, regarding the amortized goodwill generated in the acquisition of BFRE in 2012. In September 2019, an unfavorable lower court decision was rendered. Against this decision, an appeal was filed to the second administrative instance.
- In December 2021, Banco Sistema received a tax deficiency notice of PIS/COFINS, in the amount of BRL 142 million, allegedly levied on operating revenues for the period from 2007 to 2009. Against the assessment, an administrative appeal was filed, which was upheld to exclude the tax debt. Against said decision, the PGFN filed an appeal which is awaiting judgment at the administrative higher court.
- INSS on Profit Sharing (PLR) and Worker Meal Program (PAT) – Incidence of social security contribution on PLR and PAT, for calendar years 2012, 2013, 2016 and 2017 of Banco Pan, a direct subsidiary of the Bank. In June 2023, the amounts related to these proceedings total approximately BRL 142,049.
- Unapproved offsets - Rejection of requests for offsets of IRPJ, CSLL, PIS, COFINS, arising from overpayments or undue payments by Banco Pan, the Bank's direct subsidiary. In June 2023, the amounts related to these proceedings total approximately BRL 268,096.
- IRPJ/CSLL – Deductibility of Losses on Credit Operations and other operating expenses, referring to the calendar years 2007 to 2017 of Banco Pan. In June 2023, amounts related to these proceedings total approximately BRL 1,012,374.
- PIS/COFINS – Deductibility of commission expenses paid to banking correspondents and losses on sale or transfer of financial assets, referring to the 2017 calendar year of Banco Pan. In June 2023, the amount related to this proceeding totals approximately BRL 252,130.
- On March 3, 2023 under jointly liable condition referred to the Fundo de Investimento Imobiliário - FII Shopping Parque Dom Pedro, PSF received note of infraction in order to charge taxes as IRPJ, CSLL, PIS/COFINS and penalties for non-compliance to ancillary obligation, to total BRL 545 million, concerning its qualification as legal entity under 9.779/99 law. The defense was presented against the charge. PSF Financial Statements did not establish any provisions due to lawyers prognosis.

18. Income tax and social contribution

The reconciliation of income tax and social security contribution expense on profit with the product of the tax rate on profit before taxes is shown as follows in the semesters ended in June:

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Calculation basis	5,043,332	4,778,147	5,224,524	5,211,967
Total charge of income tax and social contribution at current rates	(2,269,499)	(2,150,166)	(2,351,036)	(2,345,385)
(Inclusions)/exclusions in the tax calculation	2,580,428	2,129,829	1,518,515	1,769,536
Equity in the earnings of subsidiary	972,062	1,484,003	(99,665)	1,022,958
Foreign exchange gain/ (loss) on investments abroad	20,825	31,277	20,825	31,277
Interest on equity	254,250	254,250	254,250	254,250
Expected loss allowances associated with credit risk	19,259	(152,043)	(163,577)	112,914
Dividends	73,289	181,792	193,594	185,136
Result of market valuation of securities and derivative financial instruments	1,543,617	1,209,578	1,773,269	1,159,351
Other non-deductible expenses, net of tax revenue	(302,874)	(879,028)	(460,180)	(996,350)
Income tax and social contribution expense	310,928	(20,337)	(832,521)	(575,649)
Deferred tax asset expenses	(779,791)	(747,927)	182,466	(626,436)
Total expense	(468,863)	(768,264)	(650,055)	(1,202,085)

Deferred income tax and social contribution are formed and recorded in accordance with the criteria established by BACEN Resolution 4842/2020 considering the period of realization.

Movement in deferred tax assets can be shown as follows:

Bank				
	12/31/2022	Constitution	Realization	06/30/2023
Income tax and social contribution				
Income tax losses and negative basis of social contribution on net income	-	673,810	-	673,810
Interest on equity	254,250	359,787	(254,250)	359,787
Provision for impairment of trade receivables	2,383,004	11,599	-	2,394,603
Mark-to-market of securities and derivatives	359,795	-	(1,651,458)	(1,291,663)
Tax contingencies and provision for suspended taxes	241,163	2,084	-	243,247
Other temporary differences	1,051,662	112,596	-	1,164,258
Total	4,289,874	1,159,876	(1,905,708)	3,544,042
Income tax and social contribution	12/31/2021	Constitution	Realization	06/30/2022
Income tax losses and negative basis of social contribution on net income	487,280	232,100	-	719,380
Interest on equity	254,250	-	(39,966)	214,284
Provision for impairment of trade receivables	1,716,676	111,429	-	1,828,105
Mark-to-market of securities and derivatives	1,537,489	-	(1,214,529)	322,960
Tax contingencies and provision for suspended taxes	236,825	1,830	-	238,655
Other temporary differences	698,822	167,983	-	866,805
Total	4,931,342	513,342	(1,254,495)	4,190,189
Consolidated				
Income tax and social contribution	12/31/2022	Constitution	Realization	06/30/2023
Income tax losses and negative basis of social contribution on net income	1,563,907	615,264	-	2,179,171
Interest on equity	254,250	401,249	(254,250)	401,249
Other temporary differences	2,198,106	203,421	-	2,401,527
Provision for impairment of trade receivables	3,877,606	208,227	-	4,085,833
Mark-to-market of securities and derivatives	350,120	-	(1,597,202)	(1,247,082)
Tax contingencies and provision for suspended taxes	311,856	-	(1,787)	310,069
Total	8,555,845	1,428,161	(1,853,239)	8,130,767
Income tax and social contribution	12/31/2021	Constitution	Realization	06/30/2022
Income tax losses and negative basis of social contribution on net income	1,993,882	313,470	-	2,307,352
Interest on equity	254,250	261,498	(254,250)	261,498
Other temporary differences	1,501,043	484,903	-	1,985,946
Provision for impairment of trade receivables	3,621,721	-	(93,146)	3,528,575
Mark-to-market of securities and derivatives	1,552,962	-	(1,221,217)	331,745
Tax contingencies and provision for suspended taxes	301,629	7,419	-	309,048
Total	9,225,487	1,067,290	(1,568,613)	8,724,164

The financial item deferred tax assets has tax credits, which refer to deferred PIS and COFINS in the amount of BRL 20,555 in the Bank and BRL 875 in the Consolidated (December 31, 2022 – BRL 150,812 in the Bank and BRL 151,244 in the Consolidated).

Complete financial statements

Banco BTG Pactual S.A.



Below is the composition of present value of tax credits, in view of the expectation for the realization of deferred tax assets.

Bank			
	Tax credits on temporary differences	Tax and negative basis	Total
2023	838,679	673,810	1,512,489
2024	47,542	-	47,542
2025	446,642	-	446,642
2026	1,101,155	-	1,101,155
2027	436,215	-	436,215
As of 2028	-	-	-
Total	2,870,233	673,810	3,544,042
Present value	2,246,783	634,299	2,881,082
Consolidated			
	Tax credits on temporary differences	Tax and negative basis	Total
2023	1,672,450	751,650	2,424,100
2024	1,659,183	218,033	1,877,217
2025	191,523	206,270	397,793
2026	818,736	180,022	998,758
2027	118,578	257,830	376,408
As of 2028	1,624,328	432,163	2,056,491
Total	6,084,798	2,045,969	8,130,767
Present value	4,479,444	1,709,157	6,188,601

(i) Banco Pan S.A., a subsidiary consolidated in the financial statements, has a tax credit balance of BRL 3,401 billion, substantially recognized based on a study of the current and future scenario approved by its Management.

The Bank has deferred tax obligations in the amount of BRL 3,569 in the Bank and BRL 624,378 in the Consolidated (December 31, 2022 - BRL 2,528 in the Bank and BRL 694,187 in the Consolidated).

19. Equity

a. Capital and capital reserve

On June 30, 2023, the capital stock, fully subscribed and paid-in, consists of 11,506,119,928 shares (December 31, 2022 - 11,506,119,928), of which 7,244,165,568 are common shares (December 31, 2022 - 7,244,165,568), 2,864,529,000 are class A preferred shares (December 31, 2022 - 2,864,529,000), and 1,397,425,360 are class B preferred shares (December 31, 2022 - 1,397,425,360), all registered and without par value.

The common shares entitle voting rights to such holders in the resolutions of the General Meeting, and shall take part in the profit distribution under the same conditions as Class A preferred shares and Class B preferred shares.

Holders of Class A and B preferred shares have restricted voting rights, but will have priority in the reimbursement of capital, without premium, and will participate, under the same conditions as common shares, in the distribution of profits.

Class A preferred shares entitle their holders to be included in a public offering for acquisition as a result of the possible sale of control of the Company at the same price and under the same conditions offered to the Selling Controlling Shareholder.

The Class B preferred shares shall be convertible into common shares, by means of a simple request in writing by its holder or by the Bank, without the need of a resolution and shareholders or board meeting, provided that (i) such conversion occurs upon the issuance of new shares by the Bank, within the limit of the authorized capital or otherwise (unless the shareholder wishing to convert is BTG Pactual Holding S.A.) (ii) after the conversion, BTG Pactual Holding S.A. (or the company that succeeds it on any account, including through merger, consolidation, spin-off or any type of corporate reorganization) continues to hold, directly or indirectly, more than 50% of the common shares issued by the Bank, and (iii) the shareholders' agreement shall be always observed; Such shares shall be convertible into class A preferred shares, upon request of its holder, provided that (i) the Bank is a publicly held company, with its shares listed on a stock exchange, and (ii) the provisions of the Shareholders' Agreement are always complied with. Class B preferred shares have the right to be included in a public tender offer as a result of any disposal of the Bank's control, at the same price and same conditions.

b. Treasury shares

In the semester ended June 30, 2023, the Bank repurchased units in the amount of BRL 301,176, equivalent to 14,119,600 units (on December 31, 2022, the Bank repurchased units in the amount of BRL 231,252, equivalent to 10,000,000 units).

c. Legal reserve

It is semi-annually formed at the rate of 5% of the net income for the period/year before any allocation, limited to 20% of the capital.

d. Statutory reserve

The purpose of this reserve, according to the Articles, is to maintain working capital, and its amount is limited to the capital stock.

As of June 30, 2023, the financial item includes the balances below:

	06/30/2023
Reserve for tax on equity (Banco BTG Pactual S.A., Luxembourg Branch)	7,918
Reserve for tax on equity (BTGP Lux Holding S.A.)	25,797
Other statutory reserves	19,537,327
Total statutory reserve	19,571,042

In 2019, after the closing of the companies BTG Lux Holding S.A. and Banco BTG Pactual S.A., Luxembourg Branch, a reserve for tax on equity was formed in the amount equivalent to USD 5,353,000 (five million, three hundred and fifty-three thousand dollars) and USD 2,464,000 (two million, four hundred and sixty-four thousand dollars), respectively. These reserves, recorded in the respective companies, were transferred to the Bank when the companies were closed. Such reserves comply with a provision of the Luxembourg tax legislation, which allows a reduction of the tax on equity, provided that the reserve is composed of an amount equal to five times the tax that would be due and is not distributed over a period of five years. Therefore, Management maintains the intention of not distributing such amounts until the end of March 2028 to the companies BTG Lux Holding S.A. and until the end of December 2023 to the company Banco BTG Pactual S.A., Luxembourg Branch.

e. Unrealized revenue reserve

Created due to non-allocation of profit and loss assessed in the agency abroad.

f. Profit distribution

Shareholders are entitled to minimum dividends at the limit of 1% of the net income for the fiscal year adjusted pursuant to Article 202 of Law No. 6.404/76.

As of June 30, 2023, the Bank decided the following amount referred to interest on equity:

(i) BRL 1,530,000, equivalent to BRL 0.13 per share. Such amount and its respective destination were approved by the Board of Directors on August 1, 2023, to be paid on August 15, 2023.

During the year ended December 31, 2022, the Bank resolved on the following amounts relating to interest on equity:

(i) BRL 1,200,000, equivalent to BRL 0.10 per share. Such amount and its respective destination were approved by the Board of Directors on August 1, 2022 and were paid on August 15, 2022.

(ii) BRL 750,000, equivalent to BRL 0.07 per share. Such amount and its respective destination were approved by the Board of Directors on December 13, 2022 to be paid on February 15, 2023.

(iii) BRL 565,000, equivalent to BRL 0.05 per share. Such amount and its respective destination were approved by the Board of Directors on December 29, 2022 to be paid on February 15, 2023.

20. Revenues from services rendered

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Management fee and performance bonuses of funds and investment portfolios	112,271	64,840	1,051,622	901,447
Technical Advisory	399,484	508,565	612,647	939,594
Brokerage	176,670	-	598,805	626,419
Securities placement commission	334,391	558,588	343,626	411,873
Income from guarantees provided	315,457	198,011	315,457	198,011
Revenues from services rendered to individuals and other services (i)	167,836	209,897	1,042,434	777,954
Total	1,506,109	1,539,901	3,964,591	3,855,298

(i) In the consolidated, substantially refers to services provided to Banco Pan, including credit card and deposit account fees.

Complete financial statements

Banco BTG Pactual S.A.



21. Other operating revenues

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Restatement of amounts receivable/payable for sale of assets and rights	88,474	94,780	89,003	33,034
Inflation adjustment of judicial deposits and other	44,393	56,863	92,925	69,768
Expenses with discounts granted	-	-	(201,496)	(98,785)
Loan operation expenses	(4,903)	(1,065)	(901,880)	(679,210)
Goodwill Amortization	(35,604)	(264,840)	-	-
Other operating income (loss)	182,258	(24,384)	(547,572)	(730,713)
Total	274,618	(138,646)	(1,469,020)	(1,405,906)

22. Other administrative expenses

	Bank		Consolidated	
	06/30/2023	30/06/2022	06/30/2023	30/06/2022
Outsourced and advisory services	960,332	593,897	1,347,241	1,176,647
Telecommunication and data processing	388,109	376,519	932,428	742,793
Rentals and condominiums	57,905	47,358	122,991	164,746
Expenses of the financial system	173,126	131,219	395,443	473,375
Advertising and public relations	97,142	83,020	320,797	309,941
Depreciation and amortization	163,455	238,164	524,109	334,920
Commissions paid to banking correspondents	-	-	704,862	700,517
Other	77,068	55,177	418,359	206,293
Total	1,917,137	1,525,354	4,766,230	4,109,232

23. Tax expenses

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
PIS (Social Integration Program)/COFINS (Contribution to Social Security Financing)	342,845	292,138	648,735	560,890
ISS (Municipal Services Tax)	66,142	69,123	129,199	127,175
(IOF) (Tax on financial operations)	3,222	585	19,226	6,035
ICMS (Goods and services state tax)	41,055	41,415	114,299	77,581
Other	7,498	5,472	32,695	18,190
Total	460,762	408,733	944,154	789,871

24. Related parties

The institutions that comprise the BTG Pactual Group invest their funds mainly in the Bank's funding products.

The balances of transactions with related parties, which are carried out based on usual market rates and regulatory limits, are reflected in the following accounts:

Bank	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Assets						
Interbank deposits and securities purchased under agreements to resell	-	-	11,745,072	4,159,123	11,745,072	4,159,123
Derivative financial instruments	-	-	43,725,325	42,846,968	43,725,325	42,846,968
Credit operations	6,423,565	5,379,816	445,615	5,831,363	6,869,180	11,211,179
Others	-	-	7,221,798	5,724,357	7,221,798	5,724,357
Liabilities						
Deposits	(46,310)	(22,260)	(16,056,544)	(6,305,758)	(16,102,854)	(6,328,018)
Securities sold under repurchase agreements	-	-	(5,516,895)	(7,524,737)	(5,516,895)	(7,524,737)
Liabilities in foreign currencies	-	-	(5,580,279)	(5,830,354)	(5,580,279)	(5,830,354)
Derivative financial instruments	-	-	(602,695)	(13,300,607)	(602,695)	(13,300,607)
Others	-	-	(4,435,257)	(13,440,533)	(4,435,257)	(13,440,533)
Result						
Financial intermediation income	-	-	(1,799,553)	1,687,499	(1,799,553)	1,687,499
Financial intermediation expenses	(2,593)	(14,412)	(1,182,201)	(295,382)	(1,184,794)	(309,794)
Other operating revenues (expenses)	-	-	(81,501)	(3,245,244)	(81,501)	(3,245,244)
Consolidated						
Assets						
Securities and derivative financial instruments	-	-	19,931	20,404	19,931	20,404
Credit operations	6,423,787	5,381,593	112	519	6,423,899	5,382,112
Others	-	-	-	90,502	-	90,502
Liabilities						
Deposits	(46,310)	(22,260)	(54,451)	(78,560)	(100,761)	(100,820)
Derivative financial instruments	-	-	(816)	(418)	(816)	(418)
Others	-	-	-	(20,404)	-	(20,404)
Result						
Financial intermediation income	12	18	-	-	12	18
Financial intermediation expenses	(2,593)	(14,412)	(22,828)	(11,769)	(25,421)	(26,181)

(i) Includes individuals.

As disclosed on the Bank Investor Relations website on December 23, 2022, the Bank signed a commitment for the acquisition of credit portfolios from Banco Pan S.A. ("Pan"), a company controlled and consolidated in these financial statements. These transactions are considered "neutral" for BTG, as the credit operations transferred by Pan were already

Complete financial statements

Banco BTG Pactual S.A.



included in the consolidated financial statements and therefore would not affect the equity position and the results of the controlling entity.

The total compensation paid to Key Management Personnel for the semester ended June 30, 2023 was BRL 26,489 (December 31, 2022 – BRL 16,720), which is considered as a short-term benefit.

25. Earnings per share

	Bank		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Net income for the semester	4,574,468	4,009,884	4,574,468	4,009,884
Weighted average per thousand outstanding common shares in the semester	7,244,166	7,244,166	7,244,166	7,244,166
Weighted average per thousand treasury common shares	21,580	1,003	21,580	1,003
Net income per common share - basic	0.63	0.55	0.63	0.55
Net income per common share - diluted	0.63	0.55	0.63	0.55
Weighted average per thousand Class A preferred shares, outstanding in the semester	2,864,529	2,864,529	2,864,529	2,864,529
Weighted average per thousand Class A preferred treasury shares	43,160	2,007	43,160	2,007
Net income per Class A preferred share - basic	1.60	1.40	1.60	1.41
Net income per Class A preferred share - diluted	1.62	1.40	1.62	1.41
Weighted average per thousand Class B preferred shares, outstanding in the semester	1,397,425	1,397,425	1,397,425	1,397,425
Net income per Class B preferred share - basic and diluted	3.27	2.87	3.27	2.87
Weighted average per thousand outstanding shares in the semester	11,506,120	11,506,120	11,506,120	11,506,120
Weighted average per thousand treasury shares	64,740	3,010	64,740	3,010
Net income per share - Basic	0.40	0.35		
Net income per share - Diluted	0.40	0.35		

26. Other information

Cash

	Bank		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balances at the beginning of the semester				
Cash	1,084,210	1,602,316	3,068,946	3,219,641
Securities purchased under agreements to resell	62,450,025	44,790,047	65,255,592	40,590,537
Interbank deposits	6,487,698	3,075,369	8,231,901	3,624,401
Total	70,021,933	49,467,732	76,556,439	47,434,579
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Balances at the end of the semester				
Cash	2,068,504	1,052,594	3,813,399	2,489,024
Securities purchased under agreements to resell	46,559,327	41,256,704	45,524,812	41,974,222
Interbank deposits	10,259,393	8,163,748	12,877,106	8,601,216
Total	58,887,224	50,473,046	62,215,317	53,064,462

Non-recurring income (loss)

In accordance with BACEN Resolution 2/2020, we present below the non-recurring income for the year:

- BRL 137 million related to goodwill amortization.