



Complete Financial Statements

Banco BTG Pactual S.A. and Subsidiaries

December 2022



(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 December 31, 2022 and the statements of income, comprehensive income, changes in equity and cash flows for the year and 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 December 31, 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

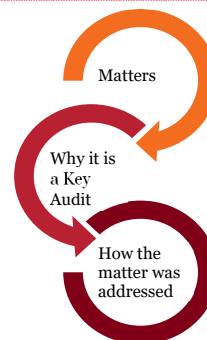
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco BTG Pactual S.A. and of Banco BTG Pactual S.A. and its subsidiaries as at December 31, 2022, and the Institution's financial performance and cash flows for the year and six-month period then ended, as well as the consolidated financial performance and cash flows, for the year 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 period. 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.





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We planned and performed our audit for the year and six-month period then ended December 31, 2022 taking into consideration that the operations of the Institution and of the Institution and its subsidiaries had not changed significantly in relation to the previous year. In this respect, the Key Audit Matters, as well as our audit approach, have remained substantially in line with those in the prior year.

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

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



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Why it is a Key Audit Matter

losses associated with credit risk could result in significant variations in the estimate of this provision.

How the matter was addressed in the audit

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 are consistent with the information analyzed in our audit.

Tax credits 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 73.9% and included in the consolidation process in the consolidated financial statements, has tax credits totaling R\$ 3.2 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 tax credits. 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 tax credits, 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 tax credits, 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 tax credits.

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 tax credit 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 December 31, 2022, 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



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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.

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.



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- 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.
- 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 period 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, February 13, 2023

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

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Balance sheet

As at December 31

Assets	Note	Bank		Consolidated	
		12/31/22	12/31/21	12/31/22	12/31/21
Cash and cash equivalents	6	1,084,210	1,602,316	3,068,946	3,219,641
Financial instruments		269,602,092	251,935,953	351,186,195	277,416,095
Interbank liquidity investments	7	75,635,337	61,066,140	74,114,273	54,140,779
Bonds and securities	8	104,742,199	91,238,426	124,374,033	101,343,629
Derivative financial instruments	9	9,562,657	34,302,721	14,288,216	10,170,860
Interbank relations		14,739,812	9,885,350	23,786,655	12,737,218
Credit transactions	10	67,456,322	56,517,445	120,109,049	102,402,944
Provision for expected losses associated with credit risk	10	(2,534,235)	(1,074,129)	(5,486,031)	(3,379,335)
Other credits		65,743,022	40,445,081	81,814,724	52,026,478
Credit for guarantees and sureties performed		195,924	204,449	196,267	204,793
Foreign exchange portfolio	11	47,294,145	21,339,000	47,101,490	22,041,184
Income receivable	12	584,140	927,089	1,574,936	973,918
Securities trading and brokerage	11	3,660,026	4,347,646	5,298,359	6,233,723
Miscellaneous	12	10,035,420	8,636,715	19,409,040	13,428,763
Deferred tax assets	18	4,440,686	5,220,240	8,707,089	9,529,938
Provision for impairment of assets		(467,319)	(230,058)	(472,457)	(385,841)
Other amounts and assets		1,179,415	863,861	1,751,908	1,420,365
Prepaid expenses		1,129,930	843,972	1,416,685	1,095,684
Others		49,485	19,889	335,223	324,681
Permanent Investments		31,979,451	23,354,588	12,790,315	12,060,089
Interest in subsidiaries, affiliates and companies with shared control	13	31,164,681	22,669,080	7,394,235	7,523,932
Other investments		1,230	1,903	184,075	22,656
Property, plant and equipment for use	14	209,114	143,572	508,618	348,870
Real estate in use		3,089	3,085	8,904	9,736
Other fixed assets for use		451,707	354,295	993,763	725,174
Accumulated depreciations		(245,682)	(213,808)	(494,049)	(386,040)
Intangible assets	14	604,426	540,033	4,703,387	4,164,631
Other intangible assets		939,321	703,089	6,036,529	4,787,496
Accumulated amortization		(334,895)	(163,056)	(1,333,142)	(622,865)
Total assets		369,588,190	318,201,799	450,612,088	346,142,668

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

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Balance sheet

As at December 31

Liabilities	Note	Bank		Consolidated	
		12/31/22	12/31/21	12/31/22	12/31/21
Financial instruments		267,762,954	250,859,272	310,508,050	252,350,870
Deposits	15	101,544,487	88,991,080	115,749,672	109,554,771
Open market funds	15	78,555,680	62,430,840	87,139,332	60,160,548
Proceeds from acceptances and issues of bonds	15	51,220,628	44,235,887	67,944,679	57,463,394
Payables and on-lendings	15	14,727,150	7,693,168	17,693,933	8,997,270
Derivative financial instruments	9	14,049,057	39,907,823	13,760,429	8,120,098
Subordinated debts and debt instruments eligible for equity	15	7,665,952	7,600,474	8,220,005	8,054,789
Interbank relations		984,378	675,195	3,258,247	3,153,966
Interdependence relations		239,173	647,752	239,173	647,773
Other obligations		56,784,966	26,958,655	84,667,563	47,017,076
Collection of taxes and similar charges		23,955	25,422	42,294	46,199
Foreign exchange portfolio	11	47,330,252	21,262,264	46,948,415	21,886,385
Social and welfare charges	16	2,471,380	1,921,578	3,569,719	3,102,618
Tax and social security liabilities	16	418,085	497,249	1,484,157	1,903,471
Securities trading and brokerage	11	4,444,306	2,414,560	8,713,810	6,555,376
Deferred tax liabilities	18	2,528	1,256	694,187	176,862
Miscellaneous	16	2,094,460	836,326	23,214,981	13,346,165
Provisions		1,444,952	1,332,582	5,325,744	2,075,938
Provision for guarantees		210,756	183,976	234,298	205,710
Provisions for contingent liabilities	17	1,234,196	1,148,606	5,091,446	1,870,228
Revenues of future periods		-	348,596	-	382,202
Equity	19	42,371,767	37,379,747	46,613,311	40,514,843
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		1,473,736	1,571,457	(326,548)	(228,826)
Profit reserves		24,716,404	19,395,411	26,516,688	21,195,694
Treasury shares		(231,252)	-	(231,252)	-
Shareholder's equity		42,371,767	37,379,747	42,371,767	37,379,747
Non-controlling shareholder's equity		-	-	4,241,544	3,135,096
Total liabilities and equity		369,588,190	318,201,799	450,612,088	346,142,668

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

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Income Statement

As at December 31

	Note	Bank			Consolidated	
		12/31/22	12/31/21	12/31/21	12/31/22	12/31/21
		2nd semester	Year	Year	Year	Year
Revenues from financial intermediation		20,903,666	48,509,112	15,704,776	71,405,669	28,392,509
Credit transactions		4,579,332	8,257,628	3,597,609	28,967,079	15,755,667
Income on bonds and securities and derivative financial instruments		15,574,944	38,981,041	11,772,527	40,796,227	12,236,087
Income from mandatory investments		749,390	1,270,443	334,640	1,642,363	400,755
Expenses with financial intermediation		(17,202,329)	(39,905,002)	(10,045,541)	(53,166,954)	(18,163,305)
Funding transactions in the market		(14,785,980)	(30,608,371)	(10,076,252)	(35,152,909)	(11,839,418)
Results from foreign exchange transactions		250,980	1,120,118	1,083,411	1,200,631	951,409
Loan and on-lending transactions		(1,225,303)	(8,604,397)	(1,523,972)	(14,848,057)	(6,449,025)
Provision for expected losses associated with credit risk	10	(1,442,026)	(1,812,352)	471,272	(4,366,619)	(826,271)
Gross income from financial intermediation		3,701,337	8,604,110	5,659,235	18,238,715	10,229,204
Other operating revenues / (expenses)		690,669	1,227,553	2,368,359	(6,204,674)	(600,972)
Revenues from service provision	20	2,032,244	3,572,145	3,329,691	8,400,584	6,633,005
Personnel expenses		(582,522)	(1,036,414)	(687,454)	(2,937,956)	(1,956,739)
Other administrative expenses	22	(1,721,780)	(3,247,134)	(2,151,659)	(8,829,594)	(5,400,973)
Tax expenses	23	(431,851)	(840,584)	(578,621)	(1,628,460)	(1,033,714)
Income from interest in subsidiaries, affiliates and jointly-owned subsidiaries	13	1,917,976	3,441,584	3,003,210	748,437	1,639,716
Other operating income / (expenses)	21	(523,398)	(662,044)	(546,808)	(1,957,685)	(482,267)
Provision expenses		(98,752)	(143,461)	(67,551)	(398,415)	(295,460)
Provision for contingent liabilities	17	(50,708)	(85,275)	(37,952)	(330,317)	(107,556)
Guarantees and security provided		(48,044)	(58,186)	(29,599)	(68,098)	(187,904)
Operating result		4,293,254	9,688,202	7,960,043	11,635,626	9,332,772
Non-operating income		245	27,707	856,093	245,303	948,509
Income before income tax and interests		4,293,500	9,715,909	8,816,136	11,880,929	10,281,281
Income tax and social security contribution	18	(44,662)	(812,926)	(1,392,860)	(1,581,338)	(1,858,288)
Provision for income tax		(109,958)	(132,044)	(41,677)	(402,586)	(87,293)
Provision for social security contribution		(119,909)	(118,160)	(166,589)	(501,559)	(579,834)
Deferred tax assets	18	185,205	(562,722)	(1,184,594)	(677,193)	(1,191,161)
Statutory profit sharing		(416,884)	(1,061,146)	(1,128,799)	(2,059,284)	(1,990,207)
Non-controlling shareholders		-	-	-	(398,470)	(90,632)
Net income for the semester / year	25	3,831,953	7,841,837	6,294,477	7,841,837	6,342,154
Net income per share - Basic	25	0.33	0.68	0.55	-	-
Net income per share - Diluted		0.33	0.68	0.55	-	-

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

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Statement of comprehensive income

As at December 31

	2nd semester	12/31/22	Year	12/31/21	Year	12/31/22	Year	12/31/21	Year
Net income for the year	3,831,953		7,841,837		6,294,477	7,841,837		6,342,154	
Change in the equity valuation adjustment for financial assets available for sale	(24,246)		(17,739)		69,849	(4,751)		69,958	
IR/CSLL (Income tax/ Social contribution on net income) deferred on mark-to-market variation of financial assets available for sale	13,514		7,240		(12,985)	(5,748)		(13,094)	
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary	(169,710)		(114,422)		(171,259)	(114,422)		(203,736)	
Accumulated conversion adjustments	39,769		26,018		-	26,018		7,898	
Foreign exchange variation on investments	147,065		(1,088,823)		20,819	(1,088,823)		23,321	
Net investment hedge of foreign operations	(146,463)		1,090,005		-	1,090,004		(25,600)	
Total comprehensive income	3,691,882		7,744,116		6,200,901	7,744,115		6,200,901	

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

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

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(in thousands of Reais, except if otherwise indicated)



Statement of changes in equity

As at December 31

Bank	Note	Capital	Capital reserves	Special profit reserves	Income reserves			Total	Other comprehensive income	Treasury shares	Retained earnings	Total
					Legal	Unrealized	Statutory					
Balances on December 31, 2020		10,013,243	652,515	-	1,597,062	1,980,484	10,772,318	14,349,864	1,665,033	-	-	26,680,655
Capital increase		5,797,288	-	-	-	-	-	-	-	-	-	5,797,288
Primary public offering costs	19	(50,167)	-	-	-	-	-	-	-	-	-	(50,167)
Change in the equity valuation adjustment of financial assets available for sale		-	-	-	-	-	-	-	56,864	-	-	56,864
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary	19	-	-	-	-	-	226,070	226,070	(171,259)	-	-	54,811
Foreign exchange variation on investments		-	-	-	-	-	-	-	20,819	-	-	20,819
Net income for the year		-	-	-	-	-	-	-	-	-	6,294,477	6,294,477
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	314,724	-	5,154,753	5,469,477	-	-	(5,469,477)	-
Intermediary interest on equity (BRL0.07 per share)		-	-	-	-	-	(650,000)	(650,000)	-	-	(825,000)	(1,475,000)
Balances on December 31, 2021		15,760,364	652,515	-	1,911,786	1,980,484	15,603,141	19,395,411	1,571,457	-	-	37,379,747
Balances on December 31, 2021		15,760,364	652,515	-	1,911,786	1,980,484	15,603,141	19,395,411	1,571,457	-	-	37,379,747
Acquisition of treasury stock	19	-	-	-	-	-	-	-	-	(231,252)	-	(231,252)
Change in the equity valuation adjustment of financial assets available for sale		-	-	-	-	-	-	-	(10,499)	-	-	(10,499)
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	-	-	(114,422)	-	-	(120,266)
Accumulated conversion adjustments		-	-	-	-	-	-	-	26,018	-	-	26,018
Foreign exchange variation on investments		-	-	-	-	-	-	-	(1,088,823)	-	-	(1,088,823)
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	1,090,005	-	-	1,090,005
Net income for the year		-	-	-	-	-	-	-	-	-	7,841,837	7,841,837
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	392,092	-	4,934,745	5,326,837	-	-	(5,326,837)	-
Intermediary interest on equity (BRL0.22 per share)		-	-	-	-	-	-	-	-	-	(2,515,000)	(2,515,000)
Balances on 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
Balances on 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
Acquisition of treasury stock	19	-	-	-	-	-	-	-	-	(163,852)	-	(163,852)
Change in the equity valuation adjustment of financial assets available for sale		-	-	-	-	-	-	-	(10,732)	-	-	(10,732)
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	-	-	(169,711)	-	-	(169,711)
Accumulated conversion adjustments		-	-	-	-	-	-	-	39,769	-	-	39,769
Foreign exchange variation on investments		-	-	-	-	-	-	-	147,067	-	-	147,067
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	(146,463)	-	-	(146,463)
Net income for the semester		-	-	-	-	-	-	-	-	-	3,831,953	3,831,953
Net income allocation		-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	191,598	-	4,934,745	5,126,343	-	-	(5,126,343)	-
Intermediary interest on equity (BRL0.22 per share)		-	-	(540,000)	-	-	540,000	-	-	-	(2,515,000)	(2,515,000)
Balances on 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

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

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Consolidated	Note	Income reserves											Total	
		Capital	Capital reserves	Special profit reserves	Legal	Unrealized	Statutory	Total	Other comprehensive income	Treasury shares	Retained earnings	Statutory profit sharing		Non-controlling shareholders
Balances on December 31, 2020		10,013,243	652,515	-	1,631,875	1,980,478	12,490,117	16,102,470	(87,573)	-	-	26,680,655	445,295	27,125,950
Capital increase		5,797,288	-	-	-	-	-	-	-	-	-	5,797,288	-	5,797,288
Primary public offering costs		(50,167)	-	-	-	-	-	-	-	-	-	(50,167)	-	(50,167)
Change in the equity valuation adjustment of financial assets available for sale		-	-	-	-	-	-	-	56,864	-	-	56,864	-	56,864
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	226,070	226,070	(203,736)	-	-	22,334	-	22,334
Accumulated conversion adjustments		-	-	-	-	-	-	-	23,321	-	-	23,321	-	23,321
Foreign exchange variation on investments		-	-	-	-	-	-	-	7,898	-	-	7,898	-	7,898
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	(25,800)	-	-	(25,800)	-	(25,800)
Intermediary interest on equity (BRL0.06 per share)		-	-	-	-	-	(650,000)	(650,000)	-	-	-	(650,000)	-	(650,000)
Net income for the semester		-	-	-	-	-	-	-	-	-	6,342,154	6,342,154	(90,632)	6,251,522
Net income allocation		-	-	-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	317,108	-	5,200,046	5,517,154	-	-	(5,517,154)	-	-	-
Intermediary interest on equity (BRL0.07 per share)		-	-	-	-	-	-	-	-	-	(825,000)	(825,000)	-	(825,000)
Addition of non-controlling		-	-	-	-	-	-	-	-	-	-	-	2,780,433	2,780,433
Balances on 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
Balances on 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 stock		-	-	-	-	-	-	-	-	(231,252)	-	(231,252)	-	(231,252)
Change in the equity valuation adjustment of financial assets available for sale		-	-	-	-	-	-	-	(10,499)	-	-	(10,499)	-	(10,499)
Variation from equity valuation adjustments of subsidiaries, affiliates and jointly-owned subsidiary		-	-	-	-	-	(5,843)	(5,843)	(114,422)	-	-	(120,265)	-	(120,265)
Foreign exchange variation on investments		-	-	-	-	-	-	-	26,018	-	-	26,018	-	26,018
Accumulated conversion adjustments		-	-	-	-	-	-	-	(1,088,823)	-	-	(1,088,823)	-	(1,088,823)
Hedge of net investments in foreign operations		-	-	-	-	-	-	-	1,090,004	-	-	1,090,004	-	1,090,004
Net income for the semester		-	-	-	-	-	-	-	-	-	7,841,837	7,841,837	398,470	8,240,307
Net income allocation		-	-	-	-	-	-	-	-	-	-	-	-	-
Income reserve		-	-	-	392,092	-	4,934,745	5,326,837	-	-	(5,326,837)	-	-	-
Intermediary interest on equity (BRL0.22 per share)		-	-	-	-	-	-	-	-	-	(2,515,000)	(2,515,000)	-	(2,515,000)
Addition of non-controlling		-	-	-	-	-	-	-	-	-	-	-	707,978	707,978
Balances on 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

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

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Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Statement of cash flows

As at December 31

	Note	Bank			Consolidated	
		12/31/22 2nd semester	12/31/21 Year	12/31/21 Year	12/31/22 Year	12/31/21 Year
Operating activities						
Net income for the semester / year		3,831,953	7,841,837	6,294,477	7,841,837	6,342,154
Adjustments to net income		(417,388)	98,176	(99,132)	6,415,076	1,764,132
Results from interests in affiliates and companies with shared control	13	(1,917,976)	(3,441,584)	(3,003,210)	(748,437)	(1,639,716)
Interest expenses with subordinated debts and Debt instruments eligible for equity		444,949	851,103	1,184,594	907,320	1,184,594
Provision for expected losses associates with credit risk	10c	1,442,026	1,812,352	166,481	4,366,619	826,271
Loss allowance for suretyships		(141,294)	58,186	7,145	68,098	-
Provision for contingencies		54,261	85,275	(58,715)	330,317	93,746
Foreign exchange variation from permanent assets		1	18	265,991	35,976	(5,398)
Foreign exchange variation from cash and cash equivalents		(101,766)	(55,676)	-	(55,676)	-
Provision for other credits without credit granting characteristics		-	-	125,521	-	-
Deferred tax assets	18	(185,205)	562,722	1,184,594	677,193	1,191,161
Depreciations and amortizations	22	(12,384)	225,780	28,467	833,666	113,474
Adjusted income for the year		3,414,565	7,940,013	6,195,345	14,256,913	8,106,286
Operating activities		-	-	-	-	-
Interbank liquidity investments		2,107,889	6,503,110	668,517	9,299,061	(327,615)
Bonds and securities and derivative financial instruments		19,869,268	(15,712,480)	(19,381,507)	(22,597,434)	(27,774,514)
Credit transactions		(1,713,565)	(9,478,771)	(14,432,041)	(15,599,409)	(49,575,198)
Other receivables and other amounts and assets		16,215,449	(25,613,495)	(3,506,880)	(30,119,789)	(10,119,871)
Interbank relations		(1,913,323)	(4,545,279)	(4,113,815)	(10,945,156)	(4,463,476)
Interdependence relations		(18,333)	(408,579)	283,737	(408,600)	283,757
Other obligations		(17,418,579)	27,627,252	1,629,044	36,145,507	13,171,949
Revenues of future periods		-	-	85,153	-	106,708
Deposits		5,503,380	12,553,407	32,357,520	6,194,901	52,590,437
Open market funds		(8,257,184)	16,124,840	(152,148)	26,978,784	(1,347)
Payables and on-lendings		1,611,893	7,033,982	1,463,831	8,696,663	2,354,063
Cash (used in) / from operating activities		19,401,460	22,024,000	1,096,756	21,901,441	(15,648,821)
Investment activities						
(Acquisition) / disposal of investments and capital increase	13	(1,039,759)	(6,501,558)	(1,090,595)	1,066,874	3,515,268
Business acquisition, net of cash		-	-	-	(1,526,092)	(3,693,571)
(Acquisition) / disposal of other investments		-	673	(538)	(161,419)	(388)
(Acquisition) / disposal of property, plant and equipment	14	(58,551)	(92,997)	(80,263)	(277,176)	(231,070)
(Acquisition) / disposal of intangible	14	43,110	(209,611)	(653,465)	(1,296,452)	(4,204,457)
Dividends and interest on equity received	13	196,668	484,051	270,438	1,676,737	852,781
Cash (used in) / from investment activities		(858,532)	(6,319,442)	(1,554,423)	(517,528)	(3,761,437)
Financing activities						
Acquisition of treasury shares	19b	(163,852)	(231,252)	-	(231,252)	-
Proceeds from acceptances and issues of bonds	15d	1,561,442	6,984,741	3,808,201	10,481,285	15,149,283
Subordinated debt and debt instruments eligible for equity	15f	706,603	65,478	622,651	165,216	598,233
Non-controlling shareholders		-	-	-	(707,978)	2,689,801
Interest on equity		(1,200,000)	(2,025,000)	(1,746,000)	(2,025,000)	(1,746,000)
Capital increase		-	-	5,797,288	-	5,797,288
Primary public offering costs		-	-	(50,167)	-	(50,167)
Cash (used in) / from financing activities		904,193	4,793,967	8,431,973	7,682,271	22,438,438
(Decrease) / Increase in cash and cash equivalents		19,447,121	20,498,525	7,974,306	29,066,184	3,028,180
Balance of cash and cash equivalent						
At the beginning of the semester / year		50,473,046	49,467,732	41,493,426	47,434,579	44,406,399
Foreign exchange variation from cash and cash equivalents		101,766	55,676	-	55,676	-
At the end of the semester / year		70,021,933	70,021,933	49,467,732	76,556,439	47,434,579
(Decrease) / Increase in cash and cash equivalents		19,447,121	20,498,525	7,974,306	29,066,184	3,028,180

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

Complete Financial Statements

Banco BTG Pactual S.A.

(in thousands of Reais, except if otherwise indicated)



Statement of value added

As at December 31

	Note	Bank			Consolidated	
		12/31/22	12/31/21	12/31/21	12/31/22	12/31/21
		2nd semester	Year	Year	Year	Year
Revenues		24,262,314	53,201,375	20,733,294	81,006,884	36,853,449
Financial intermediation		22,118,885	49,629,230	16,788,187	72,606,300	29,591,938
Services provision	20	2,032,244	3,572,145	3,329,691	8,400,584	6,633,005
Others		111,185	-	615,416	-	628,506
Expenses		(19,195,345)	(41,802,918)	(11,766,705)	(56,349,280)	(19,752,467)
Financial intermediation		(16,975,521)	(39,212,768)	(11,600,224)	(50,000,966)	(18,288,443)
Provision for credit transactions and other credits	10	(1,508,282)	(1,878,608)	(166,481)	(4,432,875)	(1,464,024)
Others		(711,542)	(711,542)	-	(1,915,439)	-
Inputs acquired from third parties		(1,661,305)	(2,932,920)	(2,020,967)	(7,852,662)	(5,081,613)
Materials, electric power and others		(11,614)	(24,887)	18,651	(94,244)	(40,173)
Third-party services		(1,649,691)	(2,908,033)	(2,039,618)	(7,758,418)	(5,041,440)
Gross value added		3,405,664	8,465,537	6,945,622	16,804,942	12,019,369
Depreciation and amortization	22	(10,758)	(225,780)	(28,467)	(833,666)	(113,354)
Net value added produced by the entity		3,394,906	8,239,757	6,917,155	15,971,276	11,906,015
Value added received from transfer		1,917,976	3,441,584	3,003,210	748,437	1,639,716
Income from interests in subsidiaries, affiliates and shared control	13	1,917,976	3,441,584	3,003,210	748,437	1,639,716
Value added to distribute		5,312,882	11,681,341	9,920,365	16,719,713	13,545,731
Distribution of value added		5,312,882	11,681,341	9,920,365	16,719,713	13,545,731
Personnel		999,407	2,097,560	1,797,344	4,997,240	4,010,941
Proceeds		740,779	1,675,036	1,553,473	4,077,866	3,435,926
Benefits		164,547	238,092	214,347	477,265	274,744
FGTS (Guarantee Fund for Length of Service)		94,081	184,432	29,524	442,109	300,271
Taxes, fees and contributions		476,513	1,653,511	1,763,216	3,209,798	2,895,997
Federal		314,654	1,375,058	1,565,857	2,678,026	2,567,229
Municipal		161,859	278,453	197,359	531,772	328,768
Compensation on third parties capital		49,716	88,433	65,328	272,368	206,005
Rents		49,716	88,433	65,328	272,368	206,005
Own capital remuneration		3,787,246	7,841,837	6,294,477	8,240,307	6,432,788
Return on own capital		1,975,000	2,515,000	825,000	2,515,000	1,475,000
Retained earnings		1,812,246	5,326,837	5,469,477	5,326,837	4,867,156
Non-controlling shareholders		-	-	-	398,470	90,632

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

Complete Financial Statements

Banco BTG Pactual S.A.

(In thousands of Reais, except if otherwise indicated)



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.

COVID-19 Pandemic | Context, Initiatives, and Impacts

The COVID-19 pandemic caused a sharp change in the global scenario and posed huge challenges to all aspects of society - from health to safety to economy, friends, and families.

For companies such as BTG Pactual, this resulted in the need to adjust the operational model to preserve the cooperating defendants' health and safety and the proper service to our customers, who were always the focus of the Bank's activities. It also resulted in the need to focus on even more comprehensive responsibilities in relation to the communities where we operate.

Before addressing the equity and financial side of the period, we will describe some relevant initiatives taken in relation to the operational model e and the role we play in the countries where we operate:

- Despite the pandemic, we have preserved the Bank's operational bases with advances and diversification in services, through new operating features, and new communication channels made available to our customers.
- Our technology teams made, as needed, the necessary connectivity and security available for the new work environment (work from home), with all teams working in stable, continuous manner, without operational incidents - and with a high level of engagement and dedication to the Bank's activities. We are currently in a presential model mostly;
- From the first weeks of the crisis, the customer and operations teams have been able to carry out unprecedented transaction volumes in the primary and secondary markets, keeping the digital platform in perfect operating conditions and uninterruptedly available to our customer's full time; and
- Using cutting edge technology, we maintained ourselves close and available to customers in all segments, providing daily quality information and expert advice to support them in their various needs, their businesses, including management of their portfolios.

2. Corporate reorganizations and acquisitions

Corporate reorganizations and offers

Issuance of senior bônus

On July 1, 2021, BTG Pactual issued an unsecured senior bond (BTG 2025 bond) at a fixed rate of 4.50%, maturing in 2025, for USD250 million, with returns of 3.25% p.a. to investors. This bonus has an outstanding amount of USD 1 billion, of which USD 500 million issued in 2019, USD 250 million in 2020 and USD 250 million in 2021.

Share split

In June 2021, upon the approval of the Central Bank of Brazil ("Bacen"), BTG Pactual shares were split, with a base date of June 30, 2021, in which each unit was divided into four. Once the same proportions were maintained, each unit then corresponded to 1 common share and 2 class A preferred shares. The split did not change the shareholders' rights or the proportion of their interest in the Bank's capital. All dividends that may be resolved by the meetings will reflect the stock split, and the Bank's capital stock has not been modified in this split.

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Global Medium Term Notes Issuance

On January 6, 2021, the Bank, through its Cayman branch, issued Global Medium-Term Notes for the purpose of financing and refinancing eligible green projects and/or social projects, in the global nominal amount of USD 500 million at a fixed rate of 2.75% p.a., with maturity on January 11, 2026, and semiannual interest on January 11 and July 11 of each year.

Primary public offerings

On January 13, 2021, the Bank carried out a primary public offering with restricted efforts to distribute 27,777,778 Units, comprising 27,777,778 Common Shares and 55,555,556 Preferred Shares. The book building procedure was concluded, with the establishment of the price per Unit of BRL92.52 and, consequently, the price per share of BRL30.84, which resulted in an offered amount of BRL2,570,000, which once deducted from the costs of issuance of BRL25,370, corresponds to the increase of the Bank's capital.

On May 28, 2021, the Bank carried out another primary public offering with restricted efforts to distribute 24,402,000 Units, comprising 24,402,000 Common Shares and 48,804,000 Preferred Shares. The book building procedure was concluded, with the establishment of the price per Unit of BRL122.01 and, consequently, the price per share of BRL40.67. This offer led to the raising of funds in the amount of BRL2,977,288, the amount of which, discounted from the issuance costs of BRL24,797, corresponded to the increase in the Bank's capital.

Acquisitions and sales

Credpago Serviços de Cobrança S.A.

On June 29, 2021, the Bank sold to Loft Brasil Tecnologia Ltda. all the shares it held in Credpago Serviços de Cobrança S.A. for a total amount of BRL 1,568 million, the settlement was agreed to be made in (i) cash (partially on demand and the remainder to be paid in installments) and (ii) in shares of Loft Holdings Ltd. On September 16, 2021, the sale was approved by the regulatory agencies and was completed in the following days.

Empiricus

On May 31, 2021, the Bank entered into an agreement with the companies Empiricus Research Publicações Ltda., Vitreo Holding Financeira S.A., Vitreo Holding S.A., Vitreo Distribuidora de Títulos e Valores Mobiliários S.A., its subsidiaries and their respective shareholders (sellers) aiming at the acquisition of these companies and establishing long-term partnerships with the sellers. The purchase was approved by the regulatory agencies, and the merger of Holding Universa S.A. was concluded on December 1, 2021, in a way that the companies aforementioned became wholly-owned subsidiaries of BTG Pactual.

Banco Pan S.A.

On April 5, 2021, the purchase and sale agreement was entered into between CaixaPar and Banco Sistema (Controlled by BTG Pactual), for the acquisition of all registered common shares, without par value, issued by Banco Pan and held by CaixaPar, representing 49.2% of Banco Pan's voting capital stock, equivalent to 26.8% of the capital stock. To complete the transaction, Banco Sistema paid to CaixaPar the total amount of approximately BRL3.7 billion, corresponding to BRL11.42 for each of the Shares subject-matter of the transaction. On May 19, 2021, after verifying the fulfillment of all conditions precedent, including the applicable regulatory approvals, the acquisition was concluded.

On June 29, 2022, the assessment of the allocation of assets from the acquisition of Banco Pan S.A. was concluded, with no material effects on the asset lines.

EFG sale

On April 20, 2021, BTG Pactual (Cayman) International Holding Limited, sold to the Holding all of the units of ownership held by it issued by BTG Pactual Holding EFG Ltda ("Holding EFG"), in the amount of approximately BRL3.8 billion. Holding EFG held approximately 89.51% of BTGP BSI Ltd, corresponding to a share of approximately 22.55% of EFG's capital. After the transaction, the Bank will keep approximately 2.64% of EFG's capital stock. On the same date, the Equity Linked Note issued pursuant to CMN Resolution No. 4.192, of 2013, previously registered under the liabilities of BTG Pactual Cayman Branch, was settled.

Kinvo Tecnologia da Informação Ltda

On March 16, 2021, the Bank signed, through BTG Pactual Corretora de Títulos e Valores Mobiliários S.A., the final documents concerning the acquisition of Kinvo Tecnologia da Informação Ltda, for the amount of BRL 72 million. This acquisition aims to expand the BTG Digital ecosystem, complementing the offer of products and services to our customers. On May 17, 2021, the acquisition was approved by Bacen, and the transaction was concluded as a result.

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Necton Investimentos S.A.

On October 23, 2020, the definitive documents related to the acquisition of 100% of Necton Investimentos S.A. Corretora de Valores Mobiliários e Commodities capital stock for the amount of BRL342 million. This acquisition is part of BTG Pactual's expansion strategy in the retail investment segment. On April 5, 2021, after verifying the fulfillment of all conditions precedent, including the approval from the regulatory authorities, the acquisition of 100% of Necton's capital stock was concluded.

Merger Necton

On August 31, 2022, the merger of Necton Investimentos S.A. Corretora de Valores Mobiliários e Commodities by BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. was approved by the regulatory agencies, upon the transfer of all its assets and consequent dissolution of the merged company, succeeding the merging company in all rights and obligations.

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 an 80% interest in Ourinvest Distribuidora de Títulos de Valores Mobiliários S.A. ("Ourinvest"), with such institution remaining with administrative and operational independence, however integrating the BTG Pactual Conglomerate. The purchase and sale agreement also provided for the option to buy the remaining shares of Ourinvest until 2022, in two tranches of 10% each (the option for the first tranche was exercised in March 2021, and the second tranche in March 2022). In November 16, 2022, the transaction was concluded, afterwards all precedents conditions had been overcome, including regulatory approvals.

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

On January 24, 2022, the Bank informed the shareholders and the market in general that it executed, together with Santander Corretora de Seguros, Investimentos e Serviços S.A. and CBOE III, LLC, binding agreements for the acquisition of a minority equity interest in CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A. ("CSD BR").

On May 26, given the fulfillment of the suspensive conditions that conditioned the effectiveness of the transaction, the Bank confirmed the closing of the operation related to the acquisition of minority equity 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 informed the shareholders and the market in general of the execution of final documents regarding the acquisition of 100% (one hundred percent) of the capital stock of Elite Corretora de Câmbio e Valores Mobiliários Ltda. This acquisition is part of BTG Pactual Digital's expansion strategy in the advisory investment segment.

On October 21, 2022, the acquisition of Elite Corretora de Câmbio e Valores Mobiliários Ltda. was concluded, after completion of all conditions precedent, including regulatory approvals.

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

On October 3, 2021, Banco PAN S.A. (B3: BPAN4) signed an Association Agreement and Other Covenants ("Association Agreement") for the incorporation of all shares issued by Mosaico Tecnologia ao Consumidor S.A. ("Mosaico") (B3: MOSI3), a digital native company that brings together the Zoom, Buscapé and Bondfaro brands, and which owns the largest content and sales origination platform for e-commerce in Brazil ("Operação Mosaico").

On March 11, 2022, the Board of Directors of Banco PAN confirmed the fulfillment of the suspensive conditions that conditioned the effectiveness of the Mosaico Transaction, according to the Protocol and Justification of the Merger of Shares signed between Banco PAN and Mosaico on October 26, 2021 and, therefore, stated that the resolutions contained in 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.

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Acquisition of Banco BESA S.A.

On March 30, 2022, the BTG Pactual undertook to acquire the controlling interest of Banco BESA S.A. ("BESA"), as well as of its subsidiaries. As announced to the market, on October 7, 2022, after regulatory approvals, the acquisition of the share control of Banco BESA S.A. was concluded (new name of "Banco Econômico S.A. – In Extrajudicial Liquidation"). The transaction is complementary to BTG Pactual's strategy, focused on the acquisition and recovery of stressed credit and the purchase of alternative financial assets.

An independent advisory will prepare the purchase price allocation report ("PPA") during the first semester of 2023.

Approval of the shares buyback program

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

- Buyback with the purpose of providing better conditions to make the efficient investment of funds available in cash, in order to maximize the allocation of the Bank's capital;
- Acquisition of up to BRL1,000,000,000.00, in any case subject, subject to the limits set forth in CVM Instruction 567;
- Inexistence, in BTG Pactual, of BPAC11 units or treasury shares;
- Treasury maintenance of the BPAC11 units acquired under the Program;
- Establishment of a term of up to 18 months for acquisitions, being incumbent upon the Executive Board to decide on the best time to carry out the acquisitions; and
- Intermediation of BTG Pactual CTVM S.A. and execution of operations in accordance with current regulations.

The Bank shall maintain the regulators and the market in general informed regarding the Buyback Program.

3. Presentation of individual and consolidated financial statements

The complete accounting statements of the Bank and its subsidiaries were prepared according to the accounting practices adopted in Brazil, applicable to the institutions authorized by the Central Bank of Brazil (Bacen) to operate and associated to the rules and instructions of the National Monetary Council (CMN), Bacen and Securities and Exchange Commission (CVM).

The Bank's consolidated financial statements comprise the standalone financial statements of the Bank, of its branches abroad, of subsidiaries, directly and indirectly, in the country and abroad, as well as of investment funds and special purpose entities (SPE).

The preparation of the complete accounting statements according to the accounting practices adopted in Brazil, applicable to the institutions authorized to operate by Bacen, requires that the Management uses its judgment when determining and recording the accounting estimates. The assets and liabilities subject to these estimates and assumptions basically refer to deferred income tax assets and liabilities, to the provision for expected losses associated with credit risk, to the provision for taxes and contributions with suspended liability, to the provision for contingent liabilities, and to the measurement of the fair value of financial instruments. The settlement of transactions involving these estimates may result in amounts that are different from estimates due to the inaccuracy inherent in the calculation process. The Bank and its subsidiaries review these estimates and assumptions on a timely basis.

The CMN Resolution No. 4.818/2020 and BCB Resolution No. 2/2020 establish the general criteria and procedures for preparing and disclosing standalone financial statements.

In accordance with BCB Resolution No. 2/2020, the Balance Sheet accounts are presented in order of liquidity and enforceability, with the segregation between corrente and non-current presented in explanatory note.

The complete financial statements were approved by Management on February 12, 2023, and include a true and appropriate view of the Bank's financial, equity, and income evolution. Management has assessed the ability and capacity of the Bank and of its subsidiaries to continue operating normally, and is convinced that the Bank and its subsidiaries have operating conditions and resources to continue their business in the future. In addition, Management is not aware of any material uncertainty that could generate doubts about its capability of continuing to operate normally. The standalone financial statements were prepared based on this principle and on these assumptions.

The complete financial statements were prepared based on these principles and assumption.

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Chart of Accounts

The BCB Resolution No. 92/2021 provides for the structure of the list of accounts of COSIF to be observed by financial institutions, and other institutions authorized to operate by the Central Bank of Brazil. Among the changes promoted, the extinction of Group 5 – Income from Future Years stands out, and, consequently, all balances of the same are transferred to the Other Liabilities line item.

Consolidated financial statements

The consolidation process of the financial statements eliminated the interests, balances of assets and liabilities accounts, unrealized revenues, expenses and profits among the companies, as well as highlighted the net income and equity amounts related to interests of non-controlling shareholders.

The following are the main consolidated entities, the sum of which, 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 its capital:

	Country	Total equity participation - %	
		31/12/2022	31/12/2021
Direct 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%	99.91%
Banco Pan S.A.	Brazil	73.95%	71.69%
Banco BESA S.A. - BESA	Brazil	96.50%	-
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. Corredores de Bolsa	Chile	100.00%	100.00%
BTG Pactual S.A. Comisionista de Bolsa	Colombia	99.96%	99.97%
BTG Pactual Oil & Gas S.A.R.L.	Luxembourg	100.00%	100.00%
ECTP Brasil S.A.	Brazil	100.00%	-
ECTP G&O – Switzerland	Switzerland	100.00%	-
Investment funds			
BTG Pactual Absolute Return Master Fund	Cayman	100.00%	100.00%
BTG Pactual International Portfolio Fund SPC - Class C	Cayman	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%
BTG Pactual AM US, LLC	Brazil	100.00%	100.00%
Clave Macro P Fc FIM	Brazil	90.52%	45.04%
Clave Tr Master FIM	Brazil	70.65%	71.38%

Functional and presentation Currency

Both standalone and consolidated financial statements are presented using Brazilian Reais (R\$), which is the Bank's functional currency, given that it is the primary economic environment in which the Bank operates.

CMN Resolution 4,966/21 (Financial Instruments)

The CMN Resolution No. 4,966/2021 disclosures of accounting concepts and criteria applicable to financial instruments, as well as for the designation and recognition of hedge accounting by financial institutions and others institutions authorized to operate by the Central Bank of Brazil. The Board of Directors avow this Resolution as the representation of the the Central Bank of Brazil efforts, aiming the convergence of accounting standards applicable to the National Financial System with the best international practices, in particular, convergence with the International Accounting Standards Board (IASB), through the incorporation, to the Accounting Plan of the institutions within the National Financial System (COSIF), of the precepts contained in international standards, in particular the pronouncement IFRS 9 - Financial Instruments. Therefore, this Bank has prepared its Accounting Regulation Implementation Plan for the coming years, to maintain availability to Central Bank of Brazil.

Simultaneously to forecasted changes by the CMN Resolution No. 4,966/2021, the nº 14,467/2022 law altered the fiscal treatment for losses incurred in operations with credit characteristics related to financial institutional operation and others institutions authorized by Central Bank of Brazil. The main alteration is on the deductibility of expected credit loss affecting the taxable profit calculation. The law will come into force in January 1, 2025, in line with the new accounting standard for financial instruments.

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Our implementation plan comprises reviews of impacted activities, ideal model design, implementation of the requirements demanded by the standard, environment of tests and demanding adjustments by the standard for entry into production. Closing of Implementation work it is scheduled for 2024. The initial plan may be impacted throughout the process considering the issuance and/or updating of Central Bank norms.

4. Main accounting policies

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

a. Cash and cash equivalents

For the purposes of the statement of cash flow, cash on hand, bank deposits, short-term, highly liquidity investments that are readily convertible into a known amount of cash are included, which are subject to an insignificant risk of change in value, with maturity, on the date of acquisition, equal to or inferior than 90 days.

b. Interbank investments of liquidity, deposits at Bacen with compensation, interest-bearing deposits, open market funding, funds from acceptance and issuance of bonds, obligations for loans and on-lending's, subordinated debt and other asset and liability operations

The operations with a monetary/foreign exchange adjustment clause and the operations with fixed charges are recorded at their present value, net of incurred costs with transactions, calculated pro rata die, based on the effective rate of operations.

c. Bonds and securities

Evaluated and classified according to the criteria determined under Bacen Circular Letter No. 3068/2001, in the following categories:

(i) Trading bonds

Acquired with the purpose of actively and frequently be traded. Trading securities are registered at the acquisition cost, plus the earned incomes and adjusted at the market value, with a corresponding entry to the statement of income for the period.

According to Bacen Circular Letter No. 3.068/2001, the bonds and securities classified as trading securities are stated as short-term assets, independently of their maturity.

(ii) Available for sale bonds

Those that are not classified as bonds for trading nor as held to maturity. These securities are recorded at the acquisition cost, plus earned incomes, with a corresponding entry to the income and further evaluated at the market value, with a corresponding entry in a specific account of the shareholders' equity, net of tax effects, which will be recognized only in income statement accounts when they are effectively realized.

(iii) Bonds held to maturity

Acquired with the financial intention and capacity to be held to maturity in the portfolio. Securities held to maturity are registered at the acquisition cost, plus the earned incomes, with a corresponding entry to the statement of income for the period.

The decreases in the market value of bonds and securities available for sale and those held to maturity below their respective updated costs, related to reasons of non-temporary nature, are reflected in incurred losses..

d. Fair value determination

The financial instruments are measured in accordance with the hierarchy of the fair value measurement described below:

- Level 1: Observable price quotes in active markets for the same financial instrument;
- Level 2: Observable price quotes in active markets for financial instruments with similar features or based on a pricing model in which significant parameters are based on observable data in active markets; and
- Level 3: Pricing models in which current market transactions or observable data are not available and require a high degree of judgment and estimation. Instruments in this category were priced using techniques in which at least one input, which could have a significant effect on the price, is not based on observing market data. When inputs can be observed from market data without excessive costs and effort, they are used. Otherwise, the Bank determines an appropriate level

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for input. Financial instruments basically include stakes in private equity funds, unlisted shares from our Merchant Banking activities, some debt securities (debentures) from closed companies and energy derivatives, whose pricing depends on unobservable inputs. No gain or loss is considered upon the initial recognition of a financial instrument that is priced using techniques that incorporate unobservable data.

Level 3 assessment assumptions

Assets	Pricing technique	Main assumptions
Private equity funds (investments without quote)	Price of recent investments; models based on discounted cash flow or earnings, multiples of market transactions (M&A).	Revenue and market growth, expected leverage and profitability, discount rates, macro-economic assumptions such as inflation and exchange rates, risks and premiums including market, size and country risk premium.
Debt securities (debentures)	Standard models and price comparison	Probability of default, large losses and yield drop, prepayment and recovery rate.
Energy derivatives	Models based on data system (Decomp and Newwave)	GDP, level of water reserves and rain projection.

In some cases, the data used to determine the fair value can be placed at different levels of the hierarchy for measuring fair value. In such cases, the financial instrument is classified in the most conservative category where the data that is relevant for determining fair value was classified. This assessment requires judgment and considers factors specific to the respective financial instruments. Changes in the availability of information may result in the reclassification of certain financial instruments between different levels of the hierarchy for measuring fair value.

The Bank assesses the levels in each disclosure period on an instrument-by-instrument basis and reclassifies the instruments whenever 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 value based on yield curves that reflect the appropriate risk factors. These yield curves can be drawn mainly based on prices observed in trading at B3 S.A., of Brazilian sovereign debt securities traded in the secondary market or of derivatives and bonds and securities traded abroad. These yield curves can be used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock indexes, etc.).
- **Futures and Terms:** fair value determined on the basis of quotations on stock exchanges or using the same criteria as those described above for swaps.
- **Options:** the fair values of these instruments are determined based on mathematical models (such as Black & Scholes) which are fed with data on implied volatility, interest rate yield curve and the fair value of the underlying asset. All these data are obtained from different sources (usually broker and broker prices, Bloomberg, Reuters).
- **Credit derivatives:** the fair values of such instruments are determined based on established market mathematical models that are fed with data on the issuer's credit spread and interest rate yield curve. Such data are obtained from different sources (usually market prices, Bloomberg, Reuters).
- **Bonds and securities and short sales:** the fair values of government bonds are calculated based on prices published by ANBIMA. The fair values of corporate debt bonds are calculated based on secondary market prices, the price of similar assets and the market visibility that the Bank's commercial areas provide. The shares are calculated based on the prices disclosed by B3 S.A. The funds units of ownership are valued considering the prices of the units of ownership disclosed by the managers.
- **Financial assets valued at fair value in profit or loss:** we estimate the fair values of financial instruments by discounting cash flows to present value based on yield curves that reflect appropriate risk factors.
- **Financial assets valued at fair value in profit or loss:** we estimate the fair values of financial instruments by discounting cash flows to present value based on yield curves that reflect appropriate risk factors.

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e. Derivative financial instruments

Classified according to the Management's intention, on the date of operation contracting, considering whether its purpose is hedge or not.

The operations that use financial instruments made for own account, or that do not comply with the protection criteria (particularly the derivatives used to manage the global exposure to risk) are accounted at their fair value, with profits and losses, realized and unrealized, directly recognized in the income for the fiscal year.

The derivative financial instruments used to mitigate the risks resulting from the exposures to the market value variations of financial assets and liabilities, which are highly related to changes in their market value, as compared to the market value of the protected item, both in the beginning and during the life of the agreement and considered effective in the reduction of the risk related to the exposure to be hedge, are considered as hedge instruments and are classified as follows, according to their nature:

- Fair value hedge: the financial instruments classified under this category, as well as their related financial assets and liabilities subject to hedge, are measured at the fair value and their profits and losses, whether realized or unrealized, are recorded in profit or loss;
- Cash flow hedge: the instruments classified under this category are measured at the fair value, and the portions of valuation or devaluations are registered, net of tax effects, in a separate equity account. The ineffective part of the respective hedge is recognized directly in profit or loss; and
- Hedge of Net Investment in Foreign Operations: recorded likewise as in cash flow hedge, that is, the part of the gain or loss from the hedge instrument that is determined as effective hedge is recognized in shareholders' equity, reclassified to profit or loss of the period in case of disposition of the operation abroad. The ineffective part is not recognized in the profit or loss for the period.

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

The fair value of securities, derivative financial instruments and other rights and obligations, as applicable, is based on market prices, price evaluation models or the price determined for other similar financial instruments. Therefore, the results can be different from the estimates at the financial liquidation of these operations. The daily adjustments of future market operations are recorded as effective revenue or as expense when earned or incurred. The premiums paid or received with the realization of operations in the options trading market, other financial assets and goods are recorded in the respective equity accounts at the values paid or received, adjusted to market prices, with the corresponding entry in the income account.

The operations made in the forward market with financial assets and goods are recorded at their final contracted value, deducting the difference between this value and the price of assets or rights adjusted at market prices, in the proper assets or liabilities account. Revenues and expenses are recognized according to the period of agreements.

The assets and liabilities resulting from the swap and future currency operations – the future agreements without physical delivery (NDF) – are recorded in equity accounts at their accounting value, adjusted to the market value, with the corresponding entry in the income account.

The notional value of agreements is recorded in clearing accounts.

g. Financial instruments - net presentation

Financial assets and liabilities are stated at their net amounts in the balance sheet if, and only if, the Company has a legally current and enforceable right to set off the amounts recognized and if there is the intent to offset, or to simultaneously realize the asset and settle the liabilities, according to CMN Resolution 3.263/05.

h. Transactions for the sale or transfer of financial assets with substantial retention of risks and benefits

Financial assets remain on the balance sheet of the entity that transferred its assets when it maintains the risks and benefits regarding that asset. In this case, a financial liability is recognized.

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

The provisions contained in CMN Resolution No. 2682/1999 are applied. As a result, the transactions are recorded at present value, calculated "*pro rata*" per day based on variation of the index and the agreed interest rate, updated up to the 59th day of delay, according to expectation of receipt. As of the 60th day, income recognition occurs upon the debt's effective amortization. Renegotiated operations are maintained at least at the same level at which they were classified prior to the

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renegotiation and, if they have already been remanded against a provision, they are classified as level H. Gains are recognized in revenue when they are actually received.

j. Provision for expected losses associated with credit risk

Established based on the credits realization risks analysis, considering the client's risk and the nature and the conditions of the transaction, in an amount considered sufficient to cover any losses, in compliance with the provisions of CMN Resolution No. 2.682/1999, among which the following stand out:

- Provisions are set up from the granting of credit, considering the client's classification, pursuant to the terms of this Resolution, and the conditions of the transaction, depending on the periodic analysis of the customer's risk level, of the guarantees of the transaction, and the sectors of activity, and not only upon default;
- Considering default exclusively, remands of credit operations against losses are carried out after 360 days from the maturity of the credit or after 540 days from the maturity for operations with maturities exceeding 36 months; and
- The allowance for doubtful accounts and other receivables is estimated based on an analysis of the operations and specific risks presented in each portfolio, pursuant to the criteria established by CMN Resolution No. 2682/1999.

k. Investment properties

The investment properties held by the Bank's subsidiaries whose core activity is the real estate segment, are initially measured at its cost, including the transaction costs. After initial recognition, the investment properties are reported at fair value, which reflects the market conditions on the reporting date. The adjustments at fair value are recognized in profit or loss and determined considering the fair value of the property less the costs attributed thereto.

The fair value of the investment properties is determined at least on an annual basis, or when the Management deems it necessary, and may be carried out by duly qualified independent appraisers.

Investment properties are remanded when they are sold or when they are no longer permanently used, and no future economic benefit from their sale is expected.

l. Investments

Investments in subsidiaries, in jointly owned subsidiaries, and in affiliates are valued using the equity accounting method. Other permanent investments are evaluated at the acquisition cost, with the deduction, as applicable, of the provision for losses. The CMN Resolution No. 4817/2020, which deals with 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 due to this change, considering its prospective application.

m. Conversion of Foreign Currency

The CMN Resolution No. 4924/2021, effective as of January 2022, allowed for the use of an alternative rate to the spot foreign exchange for the conversion of foreign currency transactions and statements into the national currency. The Bank maintained its conversion process with the PTAX, which is the closing rate calculated by the Central Bank of Brazil.

The assets and liabilities of subsidiaries and of branches abroad are converted at the PTAX rate as of the balance sheet date. Revenues and expenses are converted by the average monthly exchange rate. The equity accounting results of subsidiaries abroad are recognized as follows: for those with functional currency equal to the real on the result for the period and, for those with a functional currency other than the real: a) result for the period - installment regarding the actual result of the subsidiary; and b) Equity - installment regarding the foreign exchange variation adjustments resulting from the conversion process, net of tax effects.

n. Goodwill

Goodwill in the acquisition of interests between independent parties is determined based on the difference between the acquisition price paid on the date of the transaction and the fair value of identifiable assets, less the fair value of the liabilities assumed by the investee.

Goodwill, based on expectations of future profitability, whose foundation is based on the forecast of future results of the acquired entity, is amortized in accordance with the projection periods that justified it or, when the investment is written off, by disposal or loss, before the predictions..

Negative goodwill, when encountered, is registered in the period income statement.

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o. Property, plant and equipment

Registered by the acquisition cost. Depreciation is calculated by the straight-line method based on the useful and economic life of the assets.

p. Intangible Assets

Corresponds to acquired rights that have as their purpose intangible assets intended for the maintenance of the entity or exercised for this purpose, pursuant to the CMN Resolution No. 4534. It consists of (i) goodwill paid on the acquisition of companies, transferred to intangible assets due to the merger of the acquirer's assets by the acquiree, or the consolidation of the Bank, and (ii) intangible assets identified in a business combination between independent parties and by rights in the acquisition of asset management contracts and (iii) software and improvements. Amortization is calculated using the straight-line method based on the period in which the rights generate benefits.

q. Assets impairment

It is recognized as a loss in the income for the year whenever there is clear evidence that the assets are evaluated at an amount that is impaired. This procedure is carried out at least at the end of each year.

The assets subject to impairment evaluation are deducted, as applicable, from the provision for devaluation that is calculated according to the highest value between the value in use and the fair value less the cost of the sale of assets. The major estimates that are used to determine the provision are: expectation of future cash flows; discount rates; and illiquidity, among others.

r. Income Tax and Social Security Contribution

Provisions for income tax and social security contribution, when due, are recorded based on the accounting profit and are adjusted by the additions and exclusions stipulated in tax regulations. Deferred income tax and social security contribution are calculated over the amount of temporary differences whenever the realization of these amounts is considered probable. For the income tax (IRPJ), as of January 1, 2022, the tax rate 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), increased to 21% starting on August 1, 2022 until December 31, 2022 to banking institutions. For the other financial institutions, the nominal CSLL rate is 15% increased to 16% in the same period.

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

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

These are made according to following criteria:

i. Contingent assets

They are not recognized in the financial statements, except when there is evidence that guarantees its realization, and on which no remedies exist.

ii. Contingent liabilities

These are recognized in financial statements when, based on the opinion of legal advisors and Management, the risk of losing a lawsuit or administrative procedure is probable, and when the amounts involved may be measured with sufficient reliability. Relevant contingent liabilities classified as possible losses by legal advisors are only disclosed in explanatory notes, while those classified as a remote loss do not require provision or disclosure.

iii. Legal obligations - tax and social security

Refer to the judicial demands in which the legality and constitutionality of some taxes and contributions are being objected. The amount under discussion is quantified and recorded in the books.

t. Earnings per share

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

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u. Recognition of income/expense

The result of operations is calculated using the accrual basis.

v. Recurring and nonrecurring income

In accordance with BCB Resolution No. 2/2020, BTG Pactual discloses the non-recurring result in explanatory note (28b.), presenting non-recurring events that occurred and contributed to the result, which are not related (or incidentally related) to the ordinary activities of the Bank.

5. Risk management

At BTG Pactual, risk is managed 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 transactions in accordance with the guidelines established by Chief Risk Officer ("CRO"); (v) Market Risk area, which is responsible for monitoring market risk, including the use of the risk limits (VaR), and for approving exceptions as set forth in the 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, 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

	12/31/22	12/31/21
Consolidated Equity	42,371,767	37,379,747
Level I	39,349,820	33,657,720
Core Capital	38,920,976	33,266,891
Supplementary Capital	428,844	390,829
Level II	7,090,539	5,135,239
Reference Equity (RE) - (a)	46,440,359	38,792,959
Required Reference Equity (RRE)	24,672,681	19,799,466
Risk-weighted total exposure – (b)	308,408,513	247,493,322
Credit Risk	236,523,528	203,488,396
Operating Risk	23,527,597	17,193,881
Market Risk	48,357,389	26,811,044
Basileia Ratio - (a/b)	15.1%	15.7%
Level I Capital	12.8%	13.6%
Level II Capital	2.3%	2.1%
Noncurrent asset consumption index	56.5%	63.5%
Noncurrent asset threshold (NAT)	23,220,179	19,389,610
Noncurrent asset threshold situation	13,126,907	12,308,874
Margin or deficit value	10,093,272	7,080,736

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

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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 years ended December 31, 2022 and 2021, all prudential and operating limits are fully met.

b. Market risk

Sensitivity Analysis

Value at Risk (VaR) is a 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 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. Deficits in one single day may exceed the VaR presented at significant amounts; and may occur more frequently or accumulate throughout a longer period, as a number of 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 table below contains the daily average VaR of the Bank for the years ended:

In millions of BRL	December 2022	December 2021
Daily Average of VaR	132.7	65.1

c. Credit risk

All counterparties of the Bank and its subsidiaries are subjected to a rigorous credit analysis process, the main focus of which is the assessment of the borrower's ability to pay, based on simulations of cash flow, leverage and debt schedule, asset quality, interest coverage and swivel. Qualitative aspects, such as strategic guidance, business sector, areas of specialization, efficiency, regulatory environment, and market interest, are systematically evaluated and complement the credit analysis process. The counterparties' credit limits are established by Senior Management and are regularly reviewed. The measurement and monitoring of credit risk exposures encompasses all the financial instruments capable of generating counterparty risk, such as private bonds, derivatives, guarantees provided, possible risks of settlement of the transactions, 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.

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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 (ESG)

BTG Pactual understands social, environmental and climatic risk as: financial losses or damage to the banks 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 and cash equivalents

The balance of this line item basically refers to deposits abroad with top-tier banks.

7. Interbank liquidity investments

Bank	12/31/22					12/31/21
	Total	Up to 90 days	From 90 to 365 days	From 1 to 3 years	Over 3 years	
Open market investments	64,196,188	62,467,649	84,797	-	1,643,742	52,269,561
Portfolio position	10,527,721	9,383,368	84,797	-	1,059,556	14,859,471
Federal government bonds	9,912,351	8,778,150	74,645	-	1,059,556	14,803,021
Corporate bonds	571,390	561,238	10,152	-	-	9,052
Private bonds abroad	43,980	43,980	-	-	-	47,398
Financed position	48,554,428	48,536,314	-	-	18,114	34,692,149
Federal government bonds	46,636,925	46,618,811	-	-	18,114	34,692,149
Corporate bonds	1,917,503	1,917,503	-	-	-	-
Short position	5,114,039	4,547,967	-	-	566,072	2,717,941
Federal government bonds	5,114,039	4,547,967	-	-	566,072	2,717,941
Investments in interbank deposits (*)	11,439,149	6,537,836	1,046,579	3,250,588	604,146	8,796,579
Interbank Deposit Certificate	5,154,005	252,692	1,046,579	3,250,588	604,146	5,921,519
Foreign currency investments - overnight	6,285,144	6,285,144	-	-	-	2,875,060
Total	75,635,337	69,005,485	1,131,376	3,250,588	2,247,888	61,066,140

On December 31, 2022, the guarantees received in the repurchase agreements amounted to BRL 64,797,549 (December 31, 2021 – BRL 52,534,223).

Consolidated	12/31/22					12/31/21
	Total	Up to 90 days	From 90 to 365 days	From 1 to 3 years	Over 3 years	
Open market investments	65,365,726	65,291,081	-	74,645	-	50,012,209
Portfolio position	10,329,313	10,254,668	-	74,645	-	13,706,569
Federal government bonds	10,037,380	9,962,735	-	74,645	-	13,393,316
Private bonds abroad	80,169	80,169	-	-	-	75,090
Corporate bonds	211,298	211,298	-	-	-	227,446
Bonds issued by governments of other countries	466	466	-	-	-	10,117
Financed position	46,136,586	46,136,586	-	-	-	34,355,984
Federal government bonds	42,053,173	42,053,173	-	-	-	34,283,489
Private bonds abroad	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Bonds issued by governments of other countries	4,083,413	4,083,413	-	-	-	72,495
Short position	8,899,827	8,899,827	-	-	-	1,949,656
Federal government bonds	4,547,967	4,547,967	-	-	-	1,506,164
Private bonds abroad	-	-	-	-	-	-
Bonds issued by governments of other countries	4,351,860	4,351,860	-	-	-	443,492
Investments in interbank deposits (*)	8,748,547	8,271,887	10,152	466,508	-	4,128,570
Interbank Deposit Certificate	729,352	252,692	10,152	466,508	-	516,594
Foreign currency investments - overnight	8,019,195	8,019,195	-	-	-	3,611,976
Total	74,114,273	73,562,968	10,152	541,153	-	54,140,779

(*) The balance basically refers to interbank deposits with top-tier banks.

On December 31, 2022, the guarantees received in the repurchase agreements amounted to BRL 65,978,043 (December 31, 2021 – BRL 53,388,705).

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8. Bonds and securities

a. Summary by portfolio type

Following is the composition per type of security, contractual maturity, and type of the portfolio of bonds and securities:

Bank	12/31/22				12/31/21			
	Cost	Market	Book value	Book value	Cost	Market	Book value	Book value
Trading	85,083,714	84,594,158	84,594,158	82,753,638	89,954,117	92,486,572	92,486,572	86,441,724
Government securities	32,834,063	32,696,790	32,696,790	37,959,090	39,019,182	38,899,387	38,899,387	42,040,051
Private securities	52,249,651	51,897,368	51,897,368	44,794,548	50,934,934	53,587,185	53,587,185	44,401,673
Available for sale	13,675,650	13,535,207	13,535,207	6,842,458	16,637,896	16,455,650	16,455,650	9,686,575
Government securities	-	-	-	-	863,362	859,910	859,910	411,182
Private securities	13,675,650	13,535,207	13,535,207	6,842,458	15,774,534	15,595,740	15,595,740	9,275,393
Held to maturity	6,612,834	-	6,612,834	1,642,330	15,431,811	-	15,431,811	5,215,330
Government securities	-	-	-	-	8,816,005	-	8,816,005	3,447,660
Private securities	6,612,834	-	6,612,834	1,642,330	6,615,806	-	6,615,806	1,767,670
Total of Bonds and Securities	105,372,198	98,129,365	104,742,199	91,238,426	122,023,823	108,942,222	124,374,033	101,343,629

The terms of the shares of investment funds, in all the tables of Note No. 8, take into account the duration, in cases where the funds have a fixed term, or their liquidity for redemption.

b. Trading

Bank	12/31/22							12/31/21
	Cost	Market	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Government securities	32,834,063	32,696,790	-	15,598,711	7,358,384	4,443,975	5,295,720	37,959,090
Treasury Financial Bills	9,314,035	9,314,795	-	5,746,402	3,374,068	90,220	104,105	7,323,855
National Treasury Bills	5,863,667	5,844,627	-	5,748,177	15,136	81,314	-	29,240,511
National Treasury Notes	17,656,361	17,537,368	-	4,104,132	3,969,180	4,272,441	5,191,615	1,394,724
Private securities	52,249,651	51,897,368	33,615,346	1,206,620	2,176,365	922,488	13,976,549	44,794,548
Shares	7,034,661	7,082,661	7,082,661	-	-	-	-	1,447,493
Certificate of Agribusiness Receivables	2,939,139	2,822,310	-	317	445,885	191,882	2,184,226	1,455,659
Certificate of Real Estate Receivables	1,609,724	1,531,674	-	30	627	11,547	1,519,470	884,996
Corporate Bond	767,368	768,994	-	-	1,281	181,453	586,260	1,685,320
Investment fund units of ownership	26,532,685	26,532,685	26,532,685	-	-	-	-	26,197,948
Debentures	10,344,791	10,159,066	-	222	4,743	535,553	9,618,548	11,924,961
Promissory Notes	1,721,726	1,721,726	-	-	1,721,726	-	-	1,158,285
Others	1,299,557	1,278,252	-	1,206,051	2,103	2,053	68,045	39,886
Consolidated	Cost	Market	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Government securities	39,019,182	38,899,387	-	16,963,479	7,888,768	5,241,245	8,805,895	42,040,051
Treasury Financial Bills	10,184,812	10,186,375	-	5,799,907	3,744,019	522,253	120,196	6,757,056
National Treasury Bills	6,463,101	6,062,614	-	5,781,935	15,136	265,543	-	28,375,410
National Treasury Notes	19,185,461	19,154,334	-	4,104,132	3,986,671	4,272,441	6,791,090	6,907,585
Others	3,185,808	3,496,064	-	1,277,505	142,942	181,008	1,894,609	11,924,961
Private securities	50,934,934	53,587,185	32,733,800	2,136,796	2,234,633	1,161,456	15,320,500	44,401,673
Shares	10,006,567	10,006,567	10,006,567	-	-	-	-	6,517,395
Bank Deposit Certificates	49,774	49,784	-	680	49,102	1	1	37,343
Certificate of Agribusiness Receivables	2,851,130	2,822,310	-	317	445,885	191,882	2,184,226	1,473,094
Certificate of Real Estate Receivables	1,679,005	1,570,193	-	30	627	11,547	1,557,989	885,532
Corporate Bond	2,161,079	2,277,366	-	524,706	12,550	229,359	1,510,751	5,153,142
Investment fund units of ownership	22,727,233	22,727,233	22,727,233	-	-	-	-	14,008,704
Debentures	9,541,581	12,231,020	-	1,472,661	4,743	718,851	10,034,765	15,173,539
Promissory Notes	1,721,726	1,721,726	-	-	1,721,726	-	-	-
Private bonds abroad	-	-	-	-	-	-	-	1,138,097
Others	196,840	180,986	-	138,402	-	9,816	32,768	14,827

c. Available for sale

Bank	12/31/22							12/31/21
	Cost	Market	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Private securities	13,675,650	13,535,207	1,424,654	572,137	2,506,820	5,590,249	3,441,347	6,842,458
Shares	1,326,189	1,242,738	1,242,738	-	-	-	-	-
Certificate of Agribusiness Receivables	15,190	15,038	-	-	-	-	15,038	-
Certificate of Real Estate Receivables	1,327	1,216	-	1,087	-	-	129	1,851
Corporate Bond	1,891,439	1,871,596	-	-	-	-	1,871,596	-
Investment fund units of ownership	146,465	146,465	146,465	-	-	-	-	3,066,671
Debentures	6,540,682	6,495,010	-	164,506	1,806,872	3,785,522	738,110	2,441,326
Promissory Notes	3,544,843	3,520,241	-	406,544	699,948	1,804,727	609,022	-
Others	209,515	242,903	-	-	-	-	242,903	1,332,610
Consolidated	Cost	Market	Without due date	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Government securities	863,362	859,910	-	427,407	136,428	105,940	190,135	411,182
National Treasury Bills	72,347	72,294	-	46,984	63	14,937	10,300	411,182
Others	791,015	787,616	-	380,413	136,385	91,003	179,835	-
Private securities	15,774,534	15,595,740	2,440,209	635,885	2,622,100	5,954,712	3,942,834	9,275,393
Shares	2,373,916	2,373,916	2,373,916	-	-	-	-	244,481
Certificate of Agribusiness Receivables	15,038	15,038	-	-	-	-	15,038	-
Certificate of Real Estate Receivables	224,106	211,245	-	1,144	277	1,645	208,179	260,102
Corporate Bond	2,796,672	2,710,234	-	28,196	113,968	360,845	2,207,225	749,594
Investment fund units of ownership	66,293	66,293	66,293	-	-	-	-	340,398
Debentures	6,696,478	6,632,630	-	164,506	1,806,872	3,785,500	875,752	5,156,952
Promissory Notes	3,541,427	3,520,241	-	406,544	699,948	1,804,727	609,022	2,491,990
Others	60,603	66,143	-	35,495	1,035	1,995	27,618	31,876

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d. Held to maturity

Bank	12/31/22					12/31/21
	Cost	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Private securities	6,612,834	169,880	725,662	4,115,648	1,601,644	1,642,330
Rural-product bond	6,612,834	169,880	725,662	4,115,648	1,601,644	1,642,330
Consolidated	12/31/22					12/31/21
	Cost	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Market
Government securities	8,816,005	-	3,951,548	3,112,933	1,751,524	3,447,660
National Treasury Bills	8,816,005	-	3,951,548	3,112,933	1,751,524	3,447,660
Private securities	6,615,806	171,893	725,712	4,115,980	1,602,221	1,767,670
Rural-product bond	6,612,834	169,880	725,662	4,115,648	1,601,644	1,767,670
Others	2,972	2,013	50	332	577	-

Securities classified in this category, if valued at market value, would present in the year ended December 31, 2022 the amount of R\$ 15,172,521 (December 31, 2021 – R\$ 5,261,592).

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

e. Reclassification of bonds and securities

In the financial year ended in December 31, 2022 were performed securities category reclassifications in the amount of BRL 393,198 shifting from trading to available for sale. These category reclassifications are in line considering the Management intention in operating these securities, taking into consideration securities distinctiveness respectively. (In December 31, 2021 were not performed any category reclassifications or alterations when it comes to Management intention).

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 year ended December 31, 2022 and 2021 the Bank's net investment abroad hedge strategy consists of purchasing a hedge of exposure in foreign currency, arising from the functional currency of the foreign transaction 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	12/31/22		
	Hedge Instrument		Foreign exchange variation on investments
	Nominal value	Fair value changes (i)	
Hedge of net investment in foreign operations	17,833,471	1,090,005	(1,088,823)
Consolidated	12/31/22		
	Hedge Instrument		Foreign exchange variation on investments
	Nominal value	Fair value changes (i)	
Hedge of net investment in foreign operations	17,833,471	1,090,005	(1,088,823)
	12/31/21		
	Hedge Instrument		Foreign exchange variation on investments
	Nominal value	Fair value changes (i)	
Hedge of net investment in foreign operations	12,548,495	(25,600)	(23,321)

(i) Recorded in the comprehensive income of the year.

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• Fair value Hedge

During the year ended on December 31, 2021, the Bank adopted the fair value hedge strategy, which consists of accounting for the desired economic protection effects. The fixed rate exposure results from the Financing and Structured Credit activity that the Bank carries out with its clients through the Corporate Lending area, and due to the characteristics and practice of the Brazilian market.

Also, to finance all of Banco BTG Pactual's business lines, funding is carried out through debt instruments indexed mainly as a percentage of the CDI and IPCA, consequently with intrinsic exposure to the pre-fixed rate.

The main objects protected through this strategy are Bank Deposit Certificates - CDB, Financial Bills - LF, Agrarian Credit Bills - LCA and Real Estate Credit Bills - LCI.

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

	12/31/22		Hedge Object
	Nominal value	Fair value changes	
Fair value hedge	(14,403,135)	(770,541)	877,576

	12/31/21		Hedge Object
	Nominal value	Fair value changes	
Fair value hedge	5,764,885	(123,068)	137,422

a. Notional amounts in clearing and off-balance sheet accounts

The notional amounts of transactions with financial instruments are recorded in clearing accounts and the adjustments/premiums in balance sheet accounts. In the positions undertaken resulting from operations with derivative financial instruments, as set forth below, the provisions of Bacen Circular Letter No. 3641/2013 were considered, which provides for the exclusion of agreements in currency, gold, and other assets linked to foreign exchange exposure, maturing on the first business day subsequent to the date of determination 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

Bank	12/31/2022				12/31/2021
	Up to 6 months	From 6 to 12 months	Over 1 year	Total	
Future market					
Long position	28,292,144	10,082,600	23,279,385	61,654,129	45,124,284
Currency	4,325	-	-	4,325	4,066,783
Interest rate	19,700,217	9,783,386	14,187,335	43,670,938	35,072,599
Commodities	1,158,384	299,214	83,411	1,541,009	-
Indexes	7,429,218	-	9,008,639	16,437,857	5,984,902
Short position	19,170,402	6,330,760	11,092,019	36,593,181	18,949,602
Currency	4,919,082	38,328	-	4,957,410	-
Interest rate	9,198,240	5,499,845	10,902,251	25,600,336	18,710,987
Commodities	323,235	792,587	189,768	1,305,590	-
Indexes	4,729,845	-	-	4,729,845	238,615
Swap					
Asset position	133,792,176	32,207,868	683,893,906	849,893,950	563,220,926
Currency	18,064,594	4,540,715	276,073,306	298,678,615	261,072,950
Interest rate	113,426,721	26,535,240	406,036,782	545,998,743	292,356,245
Commodities	1,137,380	746,597	1,253,071	3,137,048	316,783
Indexes	-	-	-	-	5,151,071
Share	1,163,481	385,316	530,747	2,079,544	4,192,566
Others	-	-	-	-	131,311
Liabilities position	133,792,176	32,207,868	683,893,906	849,893,950	563,220,926
Currency	18,064,594	4,540,715	276,073,306	298,678,615	230,568,236
Interest rate	113,426,721	26,535,240	406,036,782	545,998,743	316,173,491
Commodities	-	-	-	-	7,249,349
Indexes	1,137,380	746,597	1,253,071	3,137,048	733,329
Share	1,163,481	385,316	530,747	2,079,544	7,017,801
Others	-	-	-	-	1,478,720
Credit derivatives					
Asset position	-	-	1,348,213	1,348,213	978,813
Sovereign	-	-	33,837	33,837	83,707
Corporate	-	-	1,314,376	1,314,376	895,106
Liabilities position	-	-	5,198,876	5,198,876	323,272
Sovereign	-	-	33,837	33,837	13,868
Corporate	-	-	5,165,039	5,165,039	309,404
Forward contracts - NDF					
Asset position	91,954,732	20,948,442	20,588,264	133,491,438	156,076,541
Currency	88,685,736	16,757,749	1,119,381	106,562,866	134,228,322
Commodities	3,268,996	4,190,693	19,468,883	26,928,572	21,848,219
Others	-	-	-	-	-
Liabilities position	91,954,732	20,948,442	20,588,264	133,491,438	156,076,541
Currency	88,685,736	16,757,749	1,119,381	106,562,866	134,228,322
Commodities	3,268,996	4,190,693	19,468,883	26,928,572	21,848,219
Forward transactions					
Asset position	7,123	19	-	7,142	-
Government bonds	7,123	19	-	7,142	-
Liabilities position	7,123	19	-	7,142	-
Government bonds	7,123	19	-	7,142	-
Options					
Asset position					
Call option purchase	9,563,969	44,415,349	13,640,320	67,619,638	4,846,026
Share	2,743,858	263,311	176,902	3,184,071	445,234
Commodities	1,013,742	393,851	-	1,407,593	308,370
Indexes	-	-	-	-	-
Currency	2,097,912	39,516,740	11,428,500	53,043,152	4,092,422
Interest rate	3,708,457	4,241,447	2,034,918	9,984,822	-
Others	-	-	-	-	-

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Put option purchase	23,854,822	121,148,902	165,668	145,169,392	4,812,103
Share	747,122	149,118	61,602	957,842	360,751
Commodities	439,962	-	-	439,962	47,164
Indexes	-	-	-	-	-
Currency	11,862,260	118,285,000	-	130,147,260	4,404,188
Interest rate	5,842,141	2,714,784	104,066	8,660,991	-
Others	4,963,337	-	-	4,963,337	-
Liabilities position					
Call option sale	7,983,506	44,125,463	11,933,262	64,042,231	1,349,392
Share	2,846,959	257,900	122,059	3,226,918	369,175
Commodities	1,005,447	350,569	-	1,356,016	244,258
Indexes	2,071,854	39,506,740	11,428,500	53,007,094	41
Currency	2,059,246	4,010,254	382,703	6,452,203	735,918
Put option sale	22,006,248	120,969,051	1,218,502	144,193,801	685,604
Share	678,203	150,354	61,602	890,159	345,991
Commodities	681,071	140,252	-	821,323	47,639
Government bonds	11,862,649	118,264,000	-	130,126,649	-
Indexes	3,820,988	2,414,445	1,156,900	7,392,333	291,974
Interest rate	4,963,337	-	-	4,963,337	-

Consolidated	12/31/2022				12/31/2021
	Up to 6 months	From 6 to 12 months	Over 1 year	Total	Total
Future market					
Long position	29,523,450	10,379,284	23,621,984	63,524,718	45,206,559
Currency	326,678	214	4	326,896	4,113,753
Interest rate	19,700,217	9,783,386	14,420,092	43,903,695	35,072,690
Commodities	2,054,545	595,684	193,249	2,843,478	104,902
Indexes	7,442,010	-	9,008,639	16,450,649	5,915,214
Short position	27,335,775	11,169,486	19,008,909	57,514,170	19,190,535
Currency	5,230,924	39,831	1	5,270,756	132,024
Interest rate	14,852,886	9,716,350	18,755,577	43,324,813	18,782,585
Commodities	2,522,200	1,413,305	253,331	4,188,836	72,753
Indexes	4,729,765	-	-	4,729,765	203,173
Swap					
Asset position	132,133,575	29,267,715	43,227,354	204,628,644	84,934,812
Currency	18,064,593	4,540,715	1,665,492	24,270,800	17,038,073
Interest rate	112,134,888	24,069,068	40,820,196	177,024,152	59,438,261
Commodities	729,920	334,315	210,919	1,275,154	302,183
Indexes	80	-	-	80	5,083,100
Share	1,204,094	323,617	530,747	2,058,458	2,941,884
Others	-	-	-	-	131,311
Liabilities position	132,133,495	29,267,715	43,227,354	204,628,564	84,934,812
Currency	18,064,593	4,540,715	1,665,492	24,270,800	20,247,947
Interest rate	112,134,888	24,069,068	40,820,196	177,024,152	53,709,631
Commodities	-	-	-	-	4,732,739
Indexes	729,920	334,315	210,919	1,275,154	591,107
Share	1,204,094	323,617	530,747	2,058,458	4,174,671
Others	-	-	-	-	1,478,717
Credit derivatives					
Asset position	-	-	1,348,213	1,348,213	978,814
Sovereign	-	-	33,837	33,837	83,708
Corporate	-	-	1,314,376	1,314,376	895,106
Liabilities position	-	-	5,131,045	5,131,045	323,273
Sovereign	-	-	12,966	12,966	13,868
Corporate	-	-	5,118,079	5,118,079	309,405
Forward contracts - NDF					
Asset position	74,058,789	16,853,741	19,570,678	110,483,208	114,110,093
Currency	70,114,041	12,663,048	777,547	83,554,636	92,213,206
Commodities	3,944,748	4,190,693	18,793,131	26,928,572	21,848,219
Others	-	-	-	-	48,668
Liabilities position	74,058,789	16,853,741	19,570,678	110,483,208	114,110,093
Currency	70,114,041	12,663,048	777,547	83,554,636	92,213,206
Commodities	3,944,748	4,190,693	18,793,131	26,928,572	21,848,219
Others	-	-	-	-	48,668
Forward transactions					
Asset position	5,624,286	12,392,838	256,444	18,273,568	1,284,540
Interest rate	464,376	-	-	464,376	156,386
Commodities	4,571,149	12,380,046	254,575	17,205,770	-
Government bonds	465,837	(19)	-	465,818	210,020
Share	-	-	-	-	917,915
Currency	122,924	12,811	1,869	137,604	219
Liabilities position	5,159,910	12,392,838	256,444	17,809,192	1,284,540
Interest rate	-	-	-	-	210,020
Commodities	4,571,149	12,380,046	254,575	17,205,770	-
Government bonds	465,837	(19)	-	465,818	156,386
Share	122,924	12,811	1,869	137,604	917,915
Currency	-	-	-	-	219
Options					
Asset position					
Call option purchase	9,425,044	42,460,194	13,326,546	65,211,784	6,220,779
Share	2,945,495	417,606	182,227	3,545,328	622,376
Commodities	1,039,561	393,851	-	1,433,412	390,571
Indexes	2,101,236	39,516,740	11,428,500	53,046,476	946,397
Currency	3,338,752	2,131,997	1,715,819	7,186,568	4,261,385
Interest rate	-	-	-	-	-
Others	-	-	-	-	50
Put option purchase	24,202,292	126,433,221	165,668	150,801,181	12,450,897
Share	875,632	5,621,071	61,602	6,558,305	3,514,130
Commodities	471,918	-	-	471,918	4,218,894
Indexes	11,894,914	118,285,000	-	130,179,914	192,248
Currency	5,996,491	2,527,150	104,066	8,627,707	4,525,625
Interest rate	4,963,337	-	-	4,963,337	-
Liabilities position					
Call option sale	12,792,984	43,995,428	11,933,262	68,721,674	6,245,529
Share	3,213,956	264,033	122,059	3,600,048	722,585
Commodities	1,052,132	350,569	-	1,402,701	250,620
Indexes	2,094,786	39,506,740	11,428,500	53,030,026	4,417,495
Currency	2,009,346	3,874,086	382,703	6,266,135	854,829
Put option sale	21,777,959	119,662,706	1,226,748	142,667,413	1,441,950
Share	781,457	280,655	69,848	1,131,960	944,724
Commodities	704,817	141,126	-	845,943	47,639
Government bonds	11,889,346	118,264,000	-	130,153,346	28,063
Indexes	3,439,002	914,722	1,156,900	5,510,624	421,524
Interest rate	4,963,337	-	-	4,963,337	-

b. By cost and market value

Bank	12/31/22	12/31/2021
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	Cost	Market	Up tp 6 months	From 6 to 12 months	Over 1 year	Total
Swaps						
Asset position	4,346,293	4,558,491	524,887	1,351,685	2,681,919	28,649,241
Liabilities position	5,391,300	6,924,503	726,672	1,474,336	4,723,495	36,545,904
Credit derivatives						
Asset position	5,110	125,884	-	-	125,884	31,517
Liabilities position	202,355	246,270	-	-	246,270	49,416
Forward contracts - NDF						
Asset position	3,656,785	1,749,669	147,153	782,299	820,217	3,478,689
Liabilities position	4,904,559	4,837,054	1,961,049	1,250,141	1,625,864	2,927,558
Forward contracts						
Asset position	7,132	7,088	7,069	19	-	5,863
Liabilities position	7,018	7,134	7,115	19	-	5,545
Options market						
Asset position	1,727,067	3,121,525	2,394,710	367,187	359,628	2,137,411
Liabilities position	948,242	2,034,096	1,371,919	375,138	287,039	379,400
Asset position	9,742,387	9,562,657	3,073,819	2,501,190	3,987,648	34,302,721
Liabilities position	11,453,474	14,049,057	4,066,755	3,099,634	6,882,668	39,907,823

Consolidated	12/31/22					12/31/2021
	Cost	Market	Up tp 6 months	From 6 to 12 months	Over 1 year	Total
Swaps						
Asset position	5,784,145	6,430,579	914,102	1,440,873	4,075,604	3,311,309
Liabilities position	4,516,465	4,088,255	474,796	1,231,879	2,381,580	4,239,445
Credit derivatives						
Asset position	5,110	124,003	-	-	124,003	31,517
Liabilities position	197,244	241,160	-	-	241,160	49,416
Forward contracts - NDF						
Asset position	4,611,395	2,534,071	812,159	1,006,125	715,787	3,581,986
Liabilities position	5,493,080	5,260,535	2,368,558	1,293,159	1,598,818	2,536,394
Forward contracts						
Asset position	3,534,217	1,887,209	1,739,235	144,656	3,318	870,634
Liabilities position	1,888,608	2,085,240	1,800,793	282,139	2,308	796,508
Options market						
Asset position	1,922,862	3,312,354	2,519,119	377,038	416,197	2,374,496
Liabilities position	1,007,041	2,085,239	1,448,205	350,492	286,542	497,850
Asset position	15,857,729	14,288,216	5,984,615	2,968,692	5,334,909	10,170,860
Liabilities position	13,102,438	13,760,429	6,092,352	3,157,669	4,510,408	8,120,098

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c. Notional amount by counterparty

Bank	12/31/22					12/31/2021
	Clearance / stock exchange	Financial institutions and Funds	Companies	Individuals	Total	Total
Future market						
Long position	61,654,130	-	-	-	61,654,130	46,259,616
Short position	36,593,181	-	-	-	36,593,181	29,327,151
Swap						
Asset position	22,534,619	809,052,310	18,087,984	219,037	849,893,950	509,010,400
Liabilities position	22,534,619	809,052,310	18,087,984	219,037	849,893,950	509,010,400
Credit derivatives						
Asset position	-	1,348,213	-	-	1,348,213	245,380
Liabilities position	-	5,198,875	-	-	5,198,875	531,197
Forward contracts - NDF						
Asset position	-	84,557,948	48,894,079	39,412	133,491,439	111,529,822
Liabilities position	-	84,557,948	48,894,079	39,412	133,491,439	111,529,822
Forward transactions						
Asset position	-	7,142	-	-	7,142	503,190
Liabilities position	-	7,142	-	-	7,142	503,190
Options market						
Asset position	-	210,033,534	2,745,279	10,218	212,789,031	288,023,075
Liabilities position	-	205,728,857	2,503,311	3,864	208,236,032	281,270,362
Asset position	84,188,749	1,104,999,147	69,727,342	268,667	1,259,183,905	955,571,483
Liabilities position	59,127,800	1,104,545,132	69,485,374	262,313	1,233,420,619	932,172,122

Consolidated	12/31/22					12/31/2021
	Clearance / stock exchange	Financial institutions and Funds	Companies	Individuals	Total	Total
Future market						
Long position	63,524,718	-	-	-	63,524,718	45,206,559
Short position	57,514,170	-	-	-	57,514,170	19,190,535
Swap						
Asset position	22,534,619	164,208,924	17,666,065	219,037	204,628,645	84,934,812
Liabilities position	22,534,619	164,208,844	17,666,065	219,037	204,628,565	84,934,812
Credit derivatives						
Asset position	-	1,348,213	-	-	1,348,213	978,814
Liabilities position	-	5,131,045	-	-	5,131,045	323,273
Forward contracts - NDF						
Asset position	-	47,052,228	63,391,568	39,412	110,483,208	114,110,093
Liabilities position	-	47,052,228	63,391,568	39,412	110,483,208	114,110,093
Forward transactions						
Asset position	206,405	1,395,290	16,671,871	-	18,273,566	1,284,540
Liabilities position	206,405	1,395,290	16,207,495	-	17,809,190	1,284,540
Options market						
Asset position	554,053	212,703,382	2,745,312	10,218	216,012,965	18,671,676
Liabilities position	689,369	203,707,576	2,503,311	3,864	206,904,120	7,687,479
Asset position	86,819,795	426,708,037	100,474,816	268,667	614,271,315	265,186,494
Liabilities position	80,944,563	421,494,983	99,768,439	262,313	602,470,298	227,530,732

d. Credit derivatives

	Bank		Consolidated	
	12/31/22	12/31/2021	12/31/22	12/31/2021
Credit swap				
Risk transferred				
Sovereign	33,837	83,707	33,837	83,708
Corporate	1,314,376	895,106	1,314,376	895,106
Risk received				
Sovereign	(33,837)	(13,868)	(12,966)	(13,868)
Corporate	(5,165,039)	(309,404)	(5,118,079)	(309,405)
Total	(3,850,663)	655,541	(3,782,832)	655,541

In the year ended on December 31, 2022 and 2021 there were no credit events related to triggering events provided for in these agreements.

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e. Margins pledged in collaterals

The guarantee margin given in operations traded on B3 S.A. and on other stock exchanges with derivative financial instruments is mainly composed of federal government bonds, bonds issued by governments from other countries, debentures and others, totaling BRL 1,107,398 for the bank and BRL 3,674,668 for the consolidate (December 31, 2021 – BRL 6,477,563 and BRL 8,346,566).

10. Loan operations

Loan operations are classified into risk levels in accordance with the criteria established by CMN Resolution No. 2682/1999. This classification considers, among other factors, a periodic analysis of the operations, delays, customer history, and guarantees of operations, as well as the application of internal models for retail operations.

The provision for expected losses associated with credit risk is set based on the risk levels of the transactions established by the aforementioned Resolution.

Credit operations and other operations with credit granting characteristics can be demonstrated as follows:

a. Loan operations

i. By loan type

Type of credit	Bank				Consolidated			
	12/31/22		12/31/21		12/31/22		12/31/21	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	51.586.293	(1.978.747)	39.525.271	(909.179)	84.924.615	(3.848.090)	67.695.037	(2.281.097)
Financings	6.299.715	(500.823)	8.271.849	(90.451)	22.722.026	(1.490.735)	22.480.055	(942.049)
FINAME/BNDES	4.611.090	(22.298)	4.258.754	(23.088)	4.611.090	(22.298)	4.258.754	(23.088)
Transactions with credit granting characteristics	1.002.312	(19.730)	679.066	(36.415)	3.294.589	(81.321)	3.234.998	(100.896)
Advance on foreign exchange contracts	3.600.871	(12.637)	3.833.270	(14.996)	3.600.871	(12.637)	3.835.385	(14.996)
Financing of bonds and securities	342.822	-	-	-	1.000.715	(17.667)	1.147.842	(12.546)
Credits assigned with joint obligation	-	-	-	-	198.221	(13.283)	365.240	(4.663)
Subtotal	67.443.103	(2.534.235)	56.568.210	(1.074.129)	120.352.127	(5.486.031)	103.017.311	(3.379.335)
Fair value adjustments (i)	13.219	-	(50.765)	-	(243.078)	-	(614.367)	-
Total	67.456.322	(2.534.235)	56.517.445	(1.074.129)	120.109.049	(5.486.031)	102.402.944	(3.379.335)

(i) Considers fair value adjustments related to hedge accounting.

ii. By risk level and maturity

Bank							12/31/21	
12/31/22							12/31/21	
To become overdue								
Risk level	Overdue	Up to 6 months	From 6 to 12 months	After 12 months	Total	Provision	Total	Provision
AA	-	18,132,062	1,940,272	10,919,757	30,992,091	-	29,469,998	(270)
A	21,466	4,279,801	763,030	14,884,646	19,948,942	(99,754)	13,243,559	(66,188)
B	3,662	1,751,596	1,182,520	6,561,724	9,499,502	(94,995)	10,540,385	(105,401)
C	7,096	83,972	138,834	838,411	1,068,313	(60,078)	1,552,729	(66,112)
D	267,793	13,833	20,394	613,990	916,009	(110,910)	534,030	(90,152)
E	27,582	2,141,744	1,365,259	175,031	3,709,617	(1,216,058)	373,580	(110,383)
F	175,233	693	1,617	480,678	658,222	(379,242)	539,771	(323,079)
G	32,008	10,150	2,137	250,686	294,982	(217,773)	33,911	(32,297)
H	122,069	93,296	36,548	103,513	355,425	(355,425)	280,247	(280,247)
Total	656,908	26,507,146	5,450,612	34,828,436	67,443,103	(2,534,235)	56,568,210	(1,074,129)

Consolidated							12/31/21	
12/31/22							12/31/21	
To become overdue								
Risk level	Overdue	Up to 6 months	From 6 to 12 months	After 12 months	Total	Provision	Total	Provision
AA	-	22,174,205	3,374,956	16,740,693	42,289,854	(13,737)	36,639,473	(7,581)
A	168,868	15,336,959	5,257,639	29,374,220	50,137,685	(253,873)	43,265,599	(218,769)
B	451,170	3,041,792	1,688,427	9,076,527	14,257,916	(171,334)	14,270,132	(161,501)
C	263,513	496,521	546,971	1,736,994	3,043,999	(132,119)	3,535,646	(132,312)
D	609,194	187,610	144,505	984,549	1,925,858	(193,275)	1,508,530	(205,223)
E	325,305	2,257,274	1,481,789	473,541	4,537,909	(1,469,538)	894,411	(267,819)
F	444,113	76,346	55,269	702,887	1,278,615	(649,439)	1,039,546	(606,654)
G	301,476	61,820	36,204	535,789	935,290	(657,715)	290,499	(206,001)
H	1,093,521	346,495	8,395	496,590	1,945,001	(1,945,001)	1,573,475	(1,573,475)
Total	3,657,160	43,979,024	12,594,155	60,121,790	120,352,127	(5,486,031)	103,017,311	(3,379,335)

iii. Per sector of activity

Bank				Consolidated	
Sector	12/31/22	12/31/21	12/31/22	12/31/21	
Business	66,901	112,587	11,640,277	9,853,647	
Industry	24,659,070	17,221,689	24,428,594	17,239,060	
Services	37,300,196	34,574,594	40,669,149	37,725,889	
Rural	685,904	694,019	689,604	697,684	
Individuals	4,731,032	3,965,321	42,924,503	37,501,031	
Total	67,443,103	56,568,210	120,352,127	103,017,311	

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b. Credit risk concentration

	Bank				Consolidated			
	12/31/22	%	12/31/21	%	12/31/22	%	12/31/21	%
Largest debtors								
10 largest debtors	21,201,876	31%	12,253,348	22%	21,201,876	18%	14,304,873	14%
The following 20 largest debtors	10,195,916	15%	4,733,099	8%	10,779,033	9%	5,072,903	5%
The following 50 largest debtors	9,765,745	14%	8,190,592	14%	11,481,976	10%	8,752,897	8%
The following 100 largest debtors	8,976,383	13%	7,643,927	14%	11,348,026	9%	8,925,382	9%
The following 200 largest debtors	7,734,794	11%	8,099,158	14%	10,228,237	8%	9,773,959	9%
The following 500 largest debtors	4,737,404	7%	9,363,924	17%	7,108,204	6%	12,106,265	12%
Over 500 largest debtors	4,830,985	7%	6,284,162	11%	48,204,775	40%	44,081,032	43%
Total	67,443,103	100%	56,568,210	100%	120,352,127	100%	103,017,311	100%

c. Allowance for loan losses due to credit risk

The activity in allowance for loan losses due to credit risk during the years was as follows:

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Balances at the beginning of the year	(1,074,129)	(1,652,558)	(3,379,335)	(1,882,970)
Reversal/(constitution) of provision	(1,812,352)	471,272	(4,366,619)	(826,271)
Credit portfolio acquisition	-	-	-	(1,850,911)
Write Off	352,246	107,157	2,259,923	1,180,817
Balances at the end of the year	(2,534,235)	(1,074,129)	(5,486,031)	(3,379,335)

d. Renegotiation and recovery of credits remanded for loss

In the Bank's analysis scenario, there was BRL 302,304 in the loan portfolio referring to renegotiations in the year ended on December 31, 2022 (December 31, 2021 – BRL 55,315). In the same period, there was recovery of credits remanded for loss of BRL 65,029 (December 31, 2021 – BRL 96,087).

In the Consolidated analysis scenario, there was BRL 707,637 in the loan portfolio referring to renegotiations in the year ended on December 31, 2022 (December 31, 2021 – BRL 467,893). In the same period, there was recovery of credits remanded for loss of BRL 662,456 (December 31, 2021 – BRL 686,194).

11. Other credits/other obligations

a. Foreign exchange portfolio

	Bank				Consolidated			
	12/31/22		12/31/21		12/31/22		12/31/21	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Foreign exchange purchased/sold to be settled	9,602,967	37,968,934	6,954,116	14,412,364	8,941,392	37,979,509	6,951,861	14,803,353
Foreign exchange sale rights	37,698,067	-	14,390,841	-	38,166,987	-	15,095,280	-
(-) Advances on exchange contracts (Note 10 (c))	-	(3,513,566)	-	-	-	(3,513,566)	-	-
(-) Advances in foreign currency received	(130)	-	-	-	(130)	-	-	-
(-) Advances in national currency received	(6,759)	-	(5,957)	-	(6,759)	-	(5,957)	-
Foreign exchange purchase obligations	-	12,874,884	-	6,849,900	-	12,482,472	-	7,083,032
Total	47,294,145	47,330,252	21,339,000	21,262,264	47,101,490	46,948,415	22,041,184	21,886,385
Current	47,242,897	47,313,789	21,109,913	21,032,830	47,050,374	46,946,672	21,612,097	21,656,932
Non-current	51,248	16,463	229,087	229,434	51,116	1,743	229,087	229,453

b. Securities trading and brokerage

	Bank				Consolidated			
	12/31/22		12/31/21		12/31/22		12/31/21	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Registration cash and settlement	851,855	157,700	214,856	446,734	433,732	212,373	222,457	462,401
Brokerages and commissions payable	-	59,521	-	119,967	-	59,937	-	120,944
Financial assets / liabilities to be settled	-	-	-	-	1,742	2,177,730	19,234	1,483,691
Debtors/creditors - outstanding settlements account	2,434,753	1,142,784	3,622,807	386,161	4,406,961	2,478,604	5,425,547	2,303,157
Creditors by loans of shares	-	-	-	107	-	29,517	-	37,695
Other assets/liabilities by securities trading and brokerage	373,418	3,084,301	509,983	1,461,591	455,924	3,755,649	566,485	2,147,488
Total	3,660,026	4,444,306	4,347,646	2,414,560	5,298,359	8,713,810	6,233,723	6,555,376
Current	3,660,026	4,409,035	4,347,646	2,414,560	5,244,932	8,648,004	6,233,723	6,555,376
Non-current	-	35,271	-	-	53,427	65,806	-	-

The line item "Pending settlements" basically represents amounts pending settlement within the regulatory deadlines, relating to purchase and sale transactions of bonds and financial assets agreements carried out at B3 S.A., and, when realized abroad, at first-rate brokers, for its own account and for third parties.

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The line item "Other Obligations for Trading and Intermediation of Securities" basically represents sales transactions of bonds issued by governments of other countries, to be settled within the regulatory deadlines.

12. Other Credits

a. Income receivable

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Dividends and bonus	341,648	653,410	140,965	208,288
Services rendered receivable	52,501	19,569	206,226	129,976
Power exchange sale rights	127,154	224,208	157,018	224,208
Management fee and performance of investment funds and portfolios	9,757	11,315	1,011,786	390,189
Distribution fees	16,771	2,366	16,817	2,441
Guarantees commissions	36,309	16,221	42,124	18,816
Total	584,140	927,089	1,574,936	973,918
Current	539,912	927,089	1,500,316	973,918
Non-current	44,228	-	74,620	-

b. Miscellaneous

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Sundry debtors (i)	7,120,838	6,445,919	6,316,390	3,082,421
Judicial deposits	1,188,688	1,125,770	2,941,481	1,581,763
Taxes to offset	326,724	299,971	1,632,120	1,707,188
Without credit granting characteristics	716,490	688,734	7,717,086	5,932,816
Investment property	-	-	570,835	560,845
Salary advances and prepayments	36,769	-	106,818	106,571
Others	645,911	76,321	124,310	457,159
Total	10,035,420	8,636,715	19,409,040	13,428,763
Current	1,794,236	898,329	7,894,247	4,028,378
Non-current	8,241,184	7,738,386	11,514,793	9,400,385

(i) In the bank, it mainly refers to amounts receivable from subsidiaries.

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13. Interests in affiliates and companies with shared control

Bank	Subsidiaries, affiliates and companies with shared control					
	Adjusted Equity (i)		Adjusted Net income / (Loss) (i)		Direct interest	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
BTG Pactual Asset Management S.A. DTVM	811,542	679,145	132,379	69,802	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	1,416,567	1,193,406	223,158	206,430	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	375,174	125,379	249,795	55,641	99.99%	99.99%
BTG Pactual Holding Participações S.A.	213,741	247,101	201,754	1,552	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	11,062,467	10,673,841	1,124,610	1,405,701	99.99%	99.99%
BW Properties S.A.	521,625	421,269	100,663	1,194	75.54%	42.72%
BTG Pactual Holding de Seguros Ltda.	915,317	763,027	197,390	67,333	99.99%	99.99%
BTG Pactual Internacional Holding Ltd.	577,543	674,765	(5,975)	(1,176,660)	100.00%	100.00%
Banco Pan S.A.	7,508,764	5,834,261	508,826	774,576	48.02%	44.30%
Banco Sistema S.A.	4,224,116	1,115,111	138,797	428,210	99.97%	99.91%
Banco BESA S.A. (ii)	1,829,842	-	359,996	-	96.50%	-

(i) Considers any adjustments to unrealized profits or losses in transactions between the parent company and its affiliates.

(ii) Purchase made in 2022.

Bank	Activity of the investments							
	12/31/21	Acquisition / Contribution / Transfer / (Sales)	Dividends / Interest on equity	Results from Interests (ii)	Foreign exchange variation	Equity valuation adjustment	12/31/22	Income from Interest in 12/31/21
BTG Pactual Asset Management S.A. DTVM	679,145	-	(845)	132,379	-	863	811,542	69,802
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	1,193,406	-	-	223,158	-	3	1,416,567	206,430
BTG Pactual Serviços Financeiros S.A. DTVM	125,379	-	-	249,795	-	-	375,174	55,635
BTG Pactual Holding Participações S.A.	247,101	(232,500)	-	201,754	(2,630)	-	213,725	1,552
BTG Pactual Holding Internacional S.A.	10,673,841	166,000	-	1,124,610	(811,711)	(90,815)	11,061,925	1,405,701
BW Properties S.A.	179,968	138,857	-	75,194	-	-	394,019	510
BTG Pactual Holding de Seguros	763,027	50,000	(98,992)	197,390	-	3,820	915,245	67,333
BTG Pactual Internacional Holding Ltd.	674,761	(5,844)	-	(5,975)	(44,460)	(40,939)	577,543	(1,176,357)
Banco Pan S.A.	2,584,394	391,054	(166,824)	795,887	-	1,439	3,605,950	344,520
Banco Sistema S.A.	1,114,079	2,970,458	-	138,718	-	703	4,223,958	427,814
Banco BESA S.A. (iii)	-	1,526,092	-	220,229	-	20,238	1,766,559	-
Others (i)	4,433,979	1,497,441	(217,390)	88,445	1	(2)	5,802,474	1,600,264
Total	22,669,080	6,501,558	(484,051)	3,441,584	(858,800)	(104,690)	31,164,681	3,003,210

(i) The item Others is composed as by goodwill paid on companies acquisitions (that when are related to controlled entities are transferred to the intangible asset through bank consolidation process), and also by balances referring to the following: Vitreo Holding S.A.: 100%, Vitreo Holding Financeira S.A.: 100%, Empiricus Research Publicações S.A.: 100%, BTG Pactual Inst. Pagto. – Pay2All: 100%, Eneva: 22.02% and Galgo S.A.: 6.67% (December 31, 2021 - BW Properties S.A.: 42.72%, BTGP Corretora de Seguros S.A.: 100%, Pan Corretora: 51%, BTG Pactual Corretora de Resseguros: 100%, Eneva: 21.53%, Galgo S.A.: 6.67% and Visum: 50%).

(ii) Includes gains on changes in participations demonstrated in participation results.

(iii) Results from Interests considers income after the acquisition date by the Bank.

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Consolidated	Subsidiaries, affiliates and companies with shared control					
	Equity		Net income / (Loss)		Direct interest	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Too Seguros S.A.	450,877	325,143	217,995	81,843	51.00%	51.00%
Pan Corretora S.A.	49,044	49,168	47,765	47,890	51.00%	51.00%
BTG Pactual Holding S.A.R.L.	3,427,813	6,681,688	1,079,848	2,150,673	40.00%	40.00%

Consolidated	Activity of the investments							
	12/31/21	Acquisition / Contribution / Transfer / (Sales)	Dividends / Interest on equity	Results from Interests	Foreign exchange variation	Equity valuation adjustment	12/31/22	Income from Interest in 12/31/2021
Too Seguros S.A.	165,821	-	(47,166)	111,179	-	113	229,947	41,739
Pan Corretora S.A.	25,076	-	(24,424)	24,360	-	-	25,012	24,424
BTG Pactual Holding S.A.R.L.	2,672,675	-	(1,562,648)	431,939	(173,756)	2,915	1,371,125	860,269
Others (i)	4,660,360	1,066,874	(42,499)	180,959	(50,197)	(47,346)	5,768,151	713,284
Total	7,523,932	1,066,874	(1,676,737)	748,437	(223,953)	(44,318)	7,394,235	1,639,716

(i) The item Others basically includes balances referring to the following holdings: Eneva: 22.02%, Galgo S.A.: 6.67% and Visum: 50% (December 31, 2021 – 21.53% Eneva, 6.67% Galgo and 50% Visum).

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14. Property, Plant and Equipment and Intangible Assets

Bank	Activity				31/12/2022
	31/12/2021	Acquisitions / transfer	Amortizations (i)	Foreign exchange variation	
Property, Plant and Equipment					
Real estate in use	3,085	4	-	-	3,089
Other fixed assets for use	354,295	97,412	-	-	451,707
Accumulated depreciations	(213,808)	(4,419)	(27,455)	-	(245,682)
Total	143,572	92,997	(27,455)	-	209,114
Intangible Assets					
Cost	667,364	273,174	-	(1,217)	939,321
Accumulated amortization	(127,331)	(63,563)	(145,200)	1,199	(334,895)
Total	540,033	209,611	(145,200)	(18)	604,426

Consolidated	Activity				12/31/22
	12/31/21	Acquisitions / transfer	Amortizations (i)	Foreign exchange variation	
Property, Plant and Equipment					
Real estate in use	9,736	(781)	-	(51)	8,904
Other fixed assets for use	725,174	284,411	-	(15,822)	993,763
Accumulated depreciations	(386,040)	(6,454)	(111,946)	10,391	(494,049)
Total	348,870	277,176	(111,946)	(5,482)	508,618
Intangible Assets					
Cost	4,787,496	1,296,452	-	(47,419)	6,036,529
Accumulated amortization	(622,865)	-	(721,720)	11,443	(1,333,142)
Total	4,164,631	1,296,452	(721,720)	(35,976)	4,703,387

(i) The amortization period of the intangible is on average 5 years.

The balance of the heading in question is composed by goodwill paid on the companies acquisitions, thus, transferring to the intangible asset through bank consolidation.

As highlighted in note 2, in June, 2022 the assessment of the allocation of assets from the acquisition of Banco Pan S.A. was completed, with no material effects on the asset lines. There was also no need to carry out impairment in the period.

15. Fundraising and obligations for loans and on-lendings

a. Summary

	Bank		Consolidado	
	12/31/22	12/31/21	12/31/22	12/31/21
Deposits	101,544,487	88,991,080	115,749,672	109,554,771
Repurchase agreements	78,555,680	62,430,840	87,139,332	60,160,548
Proceeds from acceptances and issues of bonds	51,220,628	44,235,887	67,944,679	57,463,394
Payables and on-lendings	14,727,150	7,693,168	17,693,933	8,997,270
Subordinated debts and debt instruments eligible for equity	7,665,952	7,600,474	8,220,005	8,054,789
Total	253,713,897	210,951,449	296,747,621	244,230,772

b. Deposits

Bank	12/31/22						12/31/21
	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	7,854,696	7,854,696	-	-	-	-	9,436,159
Interbank deposits	5,102,271	668,704	2,568,097	1,493,012	372,458	-	3,266,660
Term deposits	88,592,353	50,673,229	36,362,853	1,062,873	444,394	49,004	76,286,057
Subtotal	101,549,320	59,196,629	38,930,950	2,555,885	816,852	49,004	88,988,876
Fair value adjustments (i)	(4,833)	-	-	-	-	-	2,204
Total	101,544,487						88,991,080
Consolidated	12/31/22						12/31/21
	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	8,641,922	8,641,922	-	-	-	-	10,060,092
Interbank deposits	4,590,532	1,558,867	1,278,975	1,380,201	372,489	-	3,521,391
Term deposits	102,303,311	46,959,166	45,407,668	6,940,244	2,947,229	49,004	95,519,889
Other deposits	218,740	218,740	-	-	-	-	451,195
Subtotal	115,754,505	57,159,955	46,686,643	8,320,445	3,319,718	49,004	109,552,567
Fair value adjustments (i)	(4,833)	-	-	-	-	-	2,204
Total	115,749,672						109,554,771

(i) Considers fair value adjustments related to hedge accounting.

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c. Repurchase agreements

Repurchase agreements are backed by the following bonds:

Bank	12/31/22						12/31/21
	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
Own portfolio	15,709,373	15,006,497	702,876	-	-	-	24,081,405
Federal government bonds	9,613,117	9,613,117	-	-	-	-	18,262,156
Corporate bonds	5,942,561	5,239,685	702,876	-	-	-	5,819,249
Securities issued abroad	153,695	153,695	-	-	-	-	-
Third-party portfolio	48,740,927	48,740,927	-	-	-	-	34,361,767
Federal government bonds	48,740,927	48,740,927	-	-	-	-	34,361,767
Securities issued abroad	-	-	-	-	-	-	-
Free movement portfolio	14,105,380	8,345,359	685,816	3,571,529	679,371	823,305	3,987,668
Federal government bonds	14,105,380	8,345,359	685,816	3,571,529	679,371	823,305	3,987,668
Total	78,555,680	72,092,783	1,388,692	3,571,529	679,371	823,305	62,430,840
Consolidated	12/31/22						12/31/21
	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
Own portfolio	23,533,248	23,273,458	259,790	-	-	-	25,208,657
Federal government bonds	14,830,125	14,830,125	-	-	-	-	18,974,490
Corporate bonds	7,024,163	6,764,373	259,790	-	-	-	5,878,684
Bonds issued by governments of other countries	1,408,228	1,408,228	-	-	-	-	316,760
Securities issued abroad	270,732	270,732	-	-	-	-	38,723
Third-party portfolio	46,304,707	46,304,707	-	-	-	-	32,735,981
Federal government bonds	42,237,572	42,237,572	-	-	-	-	32,657,838
Corporate bonds	93,016	93,016	-	-	-	-	5,648
Bonds issued by governments of other countries	3,974,119	3,974,119	-	-	-	-	72,495
Free movement portfolio	17,301,377	8,348,739	155,990	5,770,570	812,593	2,213,485	2,215,910
Federal government bonds	13,009,386	8,345,359	155,990	5,771,529	679,371	257,137	2,152,116
Corporate bonds	2,667,609	3,380	-	2,199,041	-	465,188	-
Bonds issued by governments of other countries	1,624,382	-	-	-	133,222	1,491,160	63,794
Total	87,139,332	77,926,904	415,780	5,770,570	812,593	2,213,485	60,160,548

d. Proceeds from acceptances and issues of bonds

Bank	12/31/22						12/31/21
	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
Bonds and securities - country	40,175,137	3,443,776	16,295,324	15,214,230	3,747,110	1,474,697	31,972,553
Financial bills	19,308,609	980,368	6,802,829	9,040,906	1,594,511	889,995	14,841,419
Real estate/agribusiness letters of credit	18,904,449	2,422,895	9,319,993	5,828,755	748,104	584,702	16,490,928
Structured transaction certificates	1,962,079	40,513	172,502	344,569	1,404,495	-	640,206
Bonds and securities - abroad	11,590,621	1,606,505	34,028	6,027,800	3,622,838	299,450	12,691,271
Medium term notes	9,109,512	1,581,473	-	5,100,203	2,427,836	-	11,158,425
Fixed rate notes and others	2,481,109	25,032	34,028	927,597	1,195,002	299,450	1,532,846
Subtotal	51,765,758	10,100,562	32,658,704	42,484,060	14,739,896	3,548,294	44,663,824
Fair value adjustments (i)	(545,130)	-	-	-	-	-	(427,937)
Total	51,220,628						44,235,887
Consolidated	12/31/22						12/31/21
	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
Bonds and securities - country	53,326,359	3,761,008	18,895,324	24,330,484	4,919,222	1,420,321	41,504,088
Financial bills	29,848,247	1,290,117	9,403,564	15,533,455	2,785,492	835,619	24,003,943
Real estate/agribusiness letters of credit	21,380,905	2,430,422	9,319,732	8,297,945	748,104	584,702	16,709,659
Structured transaction certificates	1,939,481	40,469	172,028	341,358	1,385,626	-	640,206
Debentures	157,726	-	-	157,726	-	-	150,280
Bonds and securities - abroad	15,163,450	2,785,250	2,245,381	5,959,602	3,622,838	550,379	16,387,243
Medium term notes	11,803,051	1,581,473	2,211,353	5,331,461	2,427,836	250,928	13,576,270
Fixed rate notes and others	3,360,399	1,203,777	34,028	628,141	1,195,002	299,451	2,810,973
Subtotal	68,489,809	13,092,516	42,281,410	60,580,172	17,084,120	3,941,400	57,891,331
Fair value adjustments (i)	(545,130)	-	-	-	-	-	(427,937)
Total	67,944,679						57,463,394

(i) Considers fair value adjustments related to hedge accounting.

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e. Payables and on-lendings

Bank	12/31/22						12/31/21
	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
Loans abroad	5,999,123	901,543	1,474,621	259,676	-	3,363,283	3,639,205
Foreign exchange payables	5,465,954	368,374	1,474,621	259,676	-	3,363,283	3,457,033
Liabilities for loans abroad	533,169	533,169	-	-	-	-	182,172
Payables and transfers in the country	8,728,027	4,370,506	165,759	332,857	33,579	3,825,326	4,053,963
Liquidity financial lines	4,361,552	4,361,552	-	-	-	-	-
FINAME/BNDES	4,366,475	8,954	165,759	332,857	33,579	3,825,326	4,053,963
Total	14,727,150	5,272,049	1,640,380	592,533	33,579	7,188,609	7,693,168
Consolidated	12/31/22						12/31/21
	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
Loans abroad	7,097,919	901,543	1,863,570	969,523	-	3,363,283	4,809,486
Foreign exchange payables	5,465,954	368,374	1,474,621	259,676	-	3,363,283	3,457,033
Liabilities for loans abroad	1,631,965	533,169	388,949	709,847	-	-	1,352,453
Domestic loans	6,203,600	4,386,738	216,536	1,542,844	57,482	-	55,751
Payables and on-lendings in the country	6,203,600	4,386,738	216,536	1,542,844	57,482	-	55,751
Payables and transfers in the country	4,392,414	8,954	165,759	386,483	21,250	3,809,968	4,132,033
FINAME/BNDES	4,392,414	8,954	165,759	386,483	21,250	3,809,968	4,132,033
Total	17,693,933	5,297,235	2,245,865	2,898,850	78,732	7,173,251	8,997,270

f. Subordinated debts and debt instruments eligible for equity

Bank	Name of original currency	Principal Amount (original currency)	Issue	Maturity	Compensation p.a	Accounting balance 12/31/2022	Accounting balance 12/31/2021
	Subordinated financial bills eligible for equity - BRL (i)	4,544,574	2/11/2019	4/03/2034andPerpetual	110%-126%DI	4,544,574	165,111
	Subordinate notes - USD	7,198	2/15/2019	2/15/2029	7.75%	37,555	1,903,208
	Subordinated notes eligible for equity - USD	602,002	2/15/2019	2/15/2029	7.75%	3,141,063	5,533,371
	Subtotal					7,723,192	7,601,690
	Fair value adjustments (ii)					(57,240)	(1,216)
	Total					7,665,952	7,600,474
Consolidated	Name of original currency	Principal Amount (original currency)	Issue	Maturity	Compensation p.a	Accounting balance 12/31/2022	Accounting balance 12/31/2021
	Subordinated financial bills eligible for equity - BRL (i)	4,555,561	2/11/2019	4/03/2034andPerpetual	100%-126%	4,555,561	174,441
	Subordinate notes - USD	7,198	2/15/2019	2/15/2029	7.75%	37,555	1,833,832
	Subordinate notes - CLP	88,736,286	11/1/2018	11/1/2028	2.49%	543,066	514,362
	Subordinated notes eligible for equity - USD	602,002	15/02/2019	2/15/2029	7.75%	3,141,063	5,533,370
	Subtotal					8,277,245	8,056,005
	Fair value adjustments (ii)					(57,240)	(1,216)
	Total					8,220,005	8,054,789

- (i) Financial bills have different maturities, rates and principal amount, with semiannual amortizations.
(ii) Considers fair value adjustments related to hedge accounting.

16. Other obligations

a. Social and welfare charges

Bank	12/31/22		12/31/21	
	Dividends and bonus payable	1,269,380	-	810,578
Employee profit sharing	1,202,000	-	1,111,000	-
Total	2,471,380	-	1,921,578	-
Current	2,471,380	-	1,921,578	-
Non-current	-	-	-	-

Consolidated	12/31/22		12/31/21	
	Dividends and bonus payable	1,364,124	-	1,044,039
Employee profit sharing	2,205,595	-	2,058,579	-
Total	3,569,719	-	3,102,618	-
Current	3,569,719	-	3,102,618	-
Non-current	-	-	-	-

b. Tax and social security

Bank	12/31/22		12/31/21	
	Taxes and contributions payable	8,776	-	187,451
Taxes and contributions payable	409,309	-	309,798	-
Total	418,085	-	497,249	-
Current	99,270	-	497,249	-
Non-current	318,815	-	-	-

Consolidated	12/31/22		12/31/21	
	Taxes and contributions payable	194,566	-	410,886
Taxes and contributions payable	1,289,591	-	1,492,585	-
Total	1,484,157	-	1,903,471	-
Current	1,165,342	-	1,903,471	-
Non-current	318,815	-	-	-

c. Miscellaneous

Bank	12/31/22		12/31/21	
	Payables for acquisition of properties and rights (i)	249,995	-	212,235

Consolidated	12/31/22		12/31/21	
	Payables for acquisition of properties and rights (i)	250,195	-	212,486

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Provision for accounts payable	215,941	170,537	3,012,580	3,047,004
Miscellaneous creditors and deferred revenues (ii)	1,628,524	453,554	19,952,206	10,086,675
Total	2,094,460	836,326	23,214,981	13,346,165
Current	1,524,804	586,363	21,798,097	12,284,110
Non-current	569,656	249,963	1,396,583	1,062,055

- (i) Refers to amounts payable for the acquisition of investments (substantially Banco Pan S.A.).
(ii) Refers mainly to amounts payable between group companies.

17. Contingent assets and liabilities and legal obligations

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. Contingent liabilities classified as probable losses and legal obligations

i. Labor Provisions

Are made up of lawsuits from former employees, consisting mainly of requests for overtime and equal pay. 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.

ii. Civil provisions

In civil lawsuits with potential for loss (moral and property damages and other lawsuits with convictions) the amounts for contingencies are provisioned based on the opinion of external and internal legal advisors.

iii. Tax and social security provisions

Provisions for tax and social security proceedings result from legal and administrative proceedings for federal, state, and municipal taxes and comprise of alleged legal obligations and contingent liabilities. Its constitution is based on the opinion of external and internal legal advisors, considering the level in which each of the proceedings is located.

b. Composition and movement of the provisions

The Bank's Management is challenging the constitutionality of some tax procedures related to federal taxes, as well as participating in other legal, tax and civil proceedings. The Bank's Management, based on the opinion of legal advisors, for the legal proceedings in progress, considers that the provisions for the risk of losses as of December 31, 2022, are adequate to cover any payments.

The provisions recognized and the respective transactions can be demonstrated as follows in the year on December 31, 2022 and 2021:

Bank	12/31/22				12/31/21
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the year	1,092,416	25,309	34,749	1,152,474	1,110,654
Constitution / Reversal	76,596	6,254	2,425	85,275	37,952
Remand	(3,553)	-	-	(3,553)	-
Balance at the end of the year	1,165,459	31,563	37,174	1,234,196	1,148,606
Consolidated	12/31/22				12/31/21
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the year	1,335,921	385,331	148,975	1,870,227	1,776,482
Incorporation (i)	1,616,114	1,511,942	76,548	3,204,604	-
Constitution / Reversal	89,941	164,853	75,523	330,317	107,556
Remand	(19,880)	(246,653)	(47,169)	(313,702)	(13,810)
Balance at the end of the year	3,022,096	1,815,473	253,877	5,091,446	1,870,228

- (i) Balances resulting substantially from the business combination of Banco BESA S.A. and its investees.

The nature of the main provisions are presented below:

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i. Taxes with suspended enforceability 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.

As of December 31, 2022, the Bank was party to tax proceedings with a possible outcome, which are not provisioned. The following is a description of the significant processes.

- 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 1,187 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.
- Process 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 73 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 was received in the amount of BRL 2,022 million, referring to the years 2010 and 2011, in which the tax interest considered the use of goodwill generated in the Bank's acquisition operations by UBS, carried out in 2006, improper, as in the Bank's buyback 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 was received in the amount of BRL 993 million, referring to 2012, in which the use of the goodwill generated in the Bank's acquisition operations by UBS carried out in 2006, the goodwill referring to the Bank's repurchase by BTG in 2009 and the goodwill generated in the private subscription of shares carried out by investors through Copa Prince Company, in 2011. In October 2019, the second administrative instance ruled partially upheld to recognize the goodwill generated in the private subscription of shares carried out by investors by means of the Copa Prince Company. Appeals were filed against that decision by the Bank and PGFN. In December 2018, a tax deficiency notice amounting to BRL 503 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 303 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 discussing an alleged insufficient payment of PIS (Social Integration Program) and COFINS (Contribution to Social Security Financing) and imposing an isolated fine, referring to 2012, in the amount of BRL 222 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 joint and several responsible for Banco Pan S.A., the Bank received a IRRF tax deficiency notice allegedly due to the sale of an investment in Brazil by a foreign entity, referring to the year 2012, in the amount of BRL 85 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 1,247 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 78 million. In June 2019, an unfavorable decision

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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 CSLL balance, for the same year, in the amount of BRL 74 million. In August 2019, an unfavorable decision was rendered to the Bank at the administrative trial court. Against this decision, an appeal was filed in 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 BRL3.940 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. 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 654 million. In September 2020, an unfavorable decision was issued at the administrative trial court. Against this decision, an appeal was filed in the second administrative instance.
- 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 388 million. An administrative appeal was filed against the notice, which is awaiting judgment.
- In December 2021, the Bank received a tax deficiency notice aimed at charging IRPJ/CSLL, in the amount of BRL 106 million, resulting from an alleged formal error in filling out its ECF in 2016. An administrative appeal was filed against the notice, which is awaiting judgment.
- In December 2018, Gestora de Recursos, an indirect subsidiary of the Bank, received a tax assessment notice totaling BRL 108 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 BRL135 million, allegedly levied on operating revenues for the period from 2007 to 2009. An administrative appeal was filed against the notice, which is awaiting judgment. If applicable only in the analysis of the consolidated scenario.
- INSS on Profit Sharing or Results (PLR) and Workers' Food Program (Programa de Alimentação do Trabalhador) (PAT) – Incidence of social security contributions on PLR and PAT, for the civil years of 2012, 2013, 2016, and 2017. The amounts related to this processes amounted, approximately, to BRL 136 million.
- Offsets not approved - Rejection of requests for offsetting of IRPJ, CSLL, PIS, COFINS, resulting from overpayments or undue payments. The amounts related to these processes amounted, approximately, to BRL 255 million.
- IRPJ/CSLL – Deductibility of Losses in Credit Operations and other operating expenses, referring to the calendar years from 2007 to 2016 of Banco Pan. The amounts related to these lawsuits total approximately BRL 970 million.
- 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. The amount related to this process totals approximately BRL 240 million.

ii. Other contingent liabilities

In the years ended on December 31, 2022 and 2021, the Bank was a party to civil, labor proceedings, and other contingencies, with the probability of possible success, which is why they are not provisioned.

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18. Income tax and social security contribution

The reconciliation of income tax and social security contribution expense on profit with the product of the tax rate on profit before income tax and social security contribution is stated as follows:

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Calculation basis	8,654,763	7,687,337	9,423,175	8,200,442
Income before taxes and profit-sharing	9,715,909	8,816,136	11,880,929	10,281,281
Statutory profit sharing	(1,061,146)	(1,128,799)	(2,059,284)	(1,990,207)
Participation of non-controlling shareholders	-	-	(398,470)	(90,632)
Total income tax and social security contribution tax at current tax rates	(3,894,644)	(3,459,302)	(4,240,429)	(3,690,199)
(Inclusions) / exclusions in the calculation of taxation	3,644,440	3,251,036	3,336,284	3,023,072
Result from the equity accounting method	2,492,849	1,335,458	1,092,687	563,012
Foreign exchange Earning/(Loss) on investments abroad	31,253	(8,575)	31,253	(8,575)
Profits abroad	(335,230)	-	-	-
Interest on equity	1,062,597	610,807	1,161,098	572,513
Provision for expected losses associated with credit risk	(715,232)	114,639	(516,734)	(147,657)
Dividends	266,927	59,988	317,256	63,394
Result of market valuation of bonds and derivative financial instruments	1,279,888	1,277,181	1,246,456	1,428,396
Other non-deductible expenses net of tax revenue	(438,612)	(138,462)	4,268	551,989
Expense of income tax and social security contribution	(250,204)	(208,266)	(904,145)	(667,127)
Expense of deferred tax assets	(562,722)	(1,184,594)	(677,193)	(1,191,161)
Expense	(812,926)	(1,392,860)	(1,581,338)	(1,858,288)

Deferred income tax and social security contribution are constituted and recorded in accordance with the criteria set forth by BCB Resolution No. 4842/2020, taking into account the realization period.

Changes in deferred tax assets can be illustrated as follows:

Bank				
Income tax and social security contribution	12/31/21	Constitution	Realization	12/31/22
Income tax losses and negative CSLL (Social Contribution on Net Income) basis	487,280	-	(487,280)	-
Interest on equity	254,250	254,250	(254,250)	254,250
Provision for doubtful accounts	1,716,676	666,328	-	2,383,004
Adjustment to market value of securities and derivatives	1,537,489	-	(1,177,694)	359,795
Tax contingencies and allowances for taxes with suspended enforceability	236,825	4,338	-	241,163
Other temporary differences	698,822	352,840	-	1,051,662
Total	4,931,342	1,277,756	(1,919,224)	4,289,874

Bank				
Income tax and social security contribution	12/31/20	Constitution	Realization	12/31/21
Income tax losses and negative CSLL (Social Contribution on Net Income) basis	495,539	-	(8,260)	487,279
Interest on equity	253,350	-	(141,279)	112,071
Provision for doubtful accounts	1,857,954	-	(1,299,966)	557,988
Adjustment to market value of securities and derivatives	2,835,181	-	(430)	2,834,751
Tax contingencies and allowances for taxes with suspended enforceability	237,255	663,750	(662,850)	238,155
Other temporary differences	397,607	303,490	-	701,097
Total	6,076,886	967,240	(2,112,785)	4,931,341

Consolidated				
Income tax and social security contribution	12/31/21	Constitution	Realization	12/31/22
Income tax losses and negative CSLL (Social Contribution on Net Income) basis	1,993,882	-	(429,975)	1,563,907
Interest on equity	254,250	254,250	(254,250)	254,250
Other temporary differences	1,501,043	697,063	-	2,198,106
Provision for doubtful accounts	3,621,721	255,885	-	3,877,606
Adjustment to market value of securities and derivatives	1,552,962	-	(1,202,842)	350,120
Tax contingencies and allowances for taxes with suspended enforceability	301,629	10,227	-	311,856
Total	9,225,487	1,217,425	(1,887,067)	8,555,845

Consolidated				
Income tax and social security contribution	12/31/20	Constitution	Realization	12/31/21
Income tax losses and negative CSLL (Social Contribution on Net Income) basis	1,009,853	1,142,011	(157,982)	1,993,882
Interest on equity	253,350	254,250	(253,350)	254,250
Other temporary differences	514,226	986,815	-	1,501,041
Provision for doubtful accounts	1,898,528	1,723,194	-	3,621,722
Adjustment to market value of securities and derivatives	2,840,159	-	(1,287,196)	1,552,963
Tax contingencies and allowances for taxes with suspended enforceability	246,347	55,282	-	301,629
Total	6,762,463	4,161,552	(1,698,528)	9,225,487

The breakdown of the current value of tax credits, considering the expected realization of deferred tax assets, is presented below:

Bank			
Description	Tax credits on temporary differences	Loss and negative basis	Total
2023	1,217,246	-	1,217,246
2024	422,148	-	422,148
2025	819,315	-	819,315
2026	699,384	-	699,384
2027	1,131,782	-	1,131,782
As of 2028	-	-	-
Total	4,289,875	-	4,289,875
Current value	2,765,051	-	2,765,051

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Consolidated				
Description	Tax credits on temporary differences	Loss and negative basis		Total (i)
2023		1,548,201	26,643	1,574,844
2024		1,643,650	553,540	2,197,190
2025		1,314,958	340,685	1,655,643
2026		855,118	453,610	1,308,728
2027		1,215,288	57,467	1,272,755
As of 2028		414,722	131,962	546,684
Total		6,991,937	1,563,907	8,555,844
Current value		4,971,591	1,076,887	6,048,478

(i) Banco Pan S.A. has a tax credit balance of R\$3.2 billion of current recognitions based on a study of the scenario and approved by Management.

The deferred tax assets line item has tax credits, which refer to deferred PIS and COFINS in the amount of BRL 150,182 in Bank and BRL 151,244 in consolidated (December 31, 2021 - BRL288,899 in bank and BRL 304,451 in consolidated).

The Bank has deferred tax obligations in the amount of BRL 2,528 and BRL 694,187 in consolidated (December 31, 2021 - BRL 1.256 and BRL 176,862 in consolidated).

On March 1, 2021, Provisional Presidential Decree No. 1034 was approved, whereby new CSLL tax rates have become effective. In this MP, the tax rate of 25% was established for banking companies until December 31, 2021, and 20% as of January 1, 2022. For the other financial institutions, the rate of 20% was foreseen until December 31, 2021, returning to 15% as of 2022. The effects of this increase on the financial statements for the financial year 2021 were irrelevant.

On April 28, 2022, Provisional Measure No. 1,115 was published, which established new CSLL rates for financial and similar institutions for the period between August 1, 2022 and December 31, 2022. Specifically, the MP increased to 21% the CSLL rate applicable to banks in the period in question, such rate being reduced again to 20% as of January 1, 2023. For other financial and similar institutions, according to applicable legislation, the CSLL rate was increased to 16% between August 1, 2022 and December 31, 2022, being reduced to 15% from January 1, 2023. The effects of this increase on the financial statements for the financial year 2021 were irrelevant.

19. Equity

a. Capital stock and capital reserve

On December 31, 2022, the capital stock, fully subscribed and paid-in, consists of 11,506,119,928 shares (December 31, 2021 - 11,506,119,928), of which 7,244,165,568 are common shares (December 31, 2021 - 7,244,165,568), 2,864,529,000 are class A preferred shares (December 31, 2021 - 2,864,529,000), and 1,397,425,360 are class B preferred shares (December 31, 2021 - 1,397,425,360), all registered and without par value.

At a special general meeting held on November 4, 2021, the capital increase due to the merger of Holding Universa was approved, in the amount of BRL 250,000, upon the issuance of 29,134,704 new shares, of which 9,711,568 are common shares, and 19,423,136 are class A preferred shares, all book-entry shares without par value issued by the Company, represented by 9,711,569 certificates securities (units) issued by BTG.

As described in note 2, on May 28, 2021, the Bank carried out a primary public offering with restricted efforts to distribute 24,402,000 Units, comprising 24,402,000 common shares and 48,804,000 preferred shares.

As described in note 2, on January 13, 2021, the Bank carried out a primary public offering with restricted efforts to distribute 27,777,778 Units, comprising 27,777,778 common shares and 55,555,556 preferred shares.

The common shares entitle one opinion 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 will not have the right to vote, but will have priority in the repayment of capital, without premium, and will participate, on equal terms with the 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 Bank, and they are also guaranteed to receive an amount per share equal to at least 80% (eighty percent) of the amount paid per common share of the controlling group.

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

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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..

b. Treasury shares

In the year ended on December 31, 2022, the Bank repurchased units in the amount of BRL 231,252, equivalent to 10,000,000 units (on December 31, 2021, the Bank did not have treasury shares).

c. Legal reserve

Created on a semiannual basis at the rate of 5% of the net income for the semester/fiscal year, before any other allocation, limited to 20% of the capital stock.

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.

e. Unrealized profit reserve

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

f. Income 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.

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.

Referring to the year ended on December 31, 2021, the Bank resolved on the following amounts relating to interest on equity:

(i) BRL 650,000, equivalent to BRL0.06 per share. Such amount and its respective destination were approved by the Board of Directors on August 2, 2021 and were paid on August 12, 2021.

(ii) BRL 260,000, equivalent to BRL0.02 per share. Such amount and its respective destination were approved by the Board of Directors on December 15, 2021, and were paid on January 6, 2022.

(iii) BRL 565,000, equivalent to BRL0.05 per share. Such amount and its respective destination were approved by the Board of Directors on December 30, 2021, and were paid on February 15, 2022.

g. Reconciliation of Net Income and Equity

	Equity (i)		Net income	
	12/31/22	12/31/21	12/31/22	12/31/21
Banco BTG Pactual S.A.	42,371,767	37,379,747	7,841,837	6,294,477
Others (i)	-	-	-	47,677
Banco BTG Pactual S.A. Consolidated	42,371,767	37,379,747	7,841,837	6,342,154

(i) For the year ended December 31, 2021, the difference in the net income of Standalone and Consolidated are substantially from the impacts arising from the exchange rate variation on investments abroad and the hedge accounting of these investments. During the year 2022, the net investment hedge accounting was also applied to the Standalone financial statements, so in the year ended December 31, 2022, there are no differences between the standalone and consolidated results.

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20. Revenues from service provision

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Management fee and performance bonus of funds and investment portfolios	260,277	458,119	2,031,843	1,730,613
Technical advisory	1,454,270	1,374,020	2,129,942	2,084,180
Brokerage	415,438	110,724	1,194,052	924,775
Securities placement commission	746,877	828,532	908,577	1,145,928
Income from guarantees provided	416,512	424,414	416,512	424,414
Revenues from services rendered and Other services (i)	278,771	133,882	1,719,658	323,095
Total	3,572,145	3,329,691	8,400,584	6,633,005

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

21. Other operating income/(expenses)

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Result of foreign exchange variation	(19,470)	(83,186)	154,380	210,648
Update of amounts receivable/payable for the sale of assets and rights	290,527	281,847	63,601	18,267
Adjustment for inflation of legal deposits and others	84,267	25,213	150,286	52,357
Provision for other credits without credit granting characteristics	(180,591)	(28,502)	(306,121)	(97,573)
Expenses on assignment of credits	(313,088)	(637,753)	(1,690,292)	(708,553)
Goodwill amortization	(417,737)	(10,618)	-	(225,344)
Other operating results	(105,952)	(93,809)	(329,539)	267,931
Total	(662,044)	(546,808)	(1,957,685)	(482,267)

22. Other administrative expenses

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Third-party services and consulting	(1,610,606)	(973,932)	(2,400,023)	(1,556,019)
Telecommunications and data processing	(757,411)	(614,159)	(1,662,311)	(1,319,439)
Lease e condominium fees	(104,847)	(78,556)	(225,320)	(122,601)
Expenses of the financial system	(143,299)	(83,381)	(980,375)	(997,715)
Advertising and public relations	(191,515)	(104,560)	(666,627)	(355,385)
Depreciations and amortizations	(225,780)	(28,467)	(833,666)	(113,474)
Travel and accommodation	(40,318)	-	(90,360)	(28,209)
Commissions paid to banking correspondents	-	-	(1,605,610)	(830,631)
Others	(173,358)	(268,604)	(365,302)	(77,500)
Total	(3,247,134)	(2,151,659)	(8,829,594)	(5,400,973)

23. Tax expenses

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
PIS (Social Integration Program)/COFINS (Contribution to Social Security Financing)	(562,132)	(381,464)	(1,093,395)	(707,291)
ISS (Municipal Services Tax)	(160,249)	(151,685)	(288,880)	(245,649)
IOF (Tax on Financial Transactions)	(958)	-	(13,965)	(7,686)
ICMS (State Goods and Services Tax)	(104,802)	(37,160)	(179,157)	(37,178)
Others	(12,443)	(8,312)	(53,063)	(35,910)
Total	(840,584)	(578,621)	(1,628,460)	(1,033,714)

24. Partes relacionadas

Institutions in the BTG Pactual Group invest their cash and cash equivalents mainly in the Bank's collection products.

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

Bank	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets						
Interbank liquidity investments	-	-	4,159,123	8,441,080	4,159,123	8,441,080
Derivative financial instruments	-	-	42,846,968	53,430,977	42,846,968	53,430,977
Credit transactions	5,379,816	4,427,603	5,831,363	496,587	11,211,179	4,924,190
Miscellaneous	-	-	5,724,357	7,024,614	5,724,357	7,024,614
Liabilities						
Deposits	(22,260)	(53,075)	(6,305,758)	(8,193,268)	(6,328,018)	(8,246,343)
Open market funds	-	-	(7,524,737)	(2,969,708)	(7,524,737)	(2,969,708)
Obligations for loans and onlendings	-	-	(5,830,354)	-	(5,830,354)	-
Derivative financial instruments	-	-	(13,300,607)	(34,739,572)	(13,300,607)	(34,739,572)
Miscellaneous	-	-	(13,440,533)	(25,240,431)	(13,440,533)	(25,240,431)

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	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income Statement						
Financial intermediation revenues	-	-	(5,061,974)	57,518	(5,061,974)	57,518
Financial intermediation expenses	(15,632)	(642)	(938,606)	(259,548)	(954,238)	(260,190)
Other revenues (expenses)	-	-	(3,499,861)	(1,893,969)	(3,499,861)	(1,893,969)

Consolidated	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Assets						
Derivative financial instruments	-	-	20,404	972,403	20,404	972,403
Credit transactions	5,381,593	4,427,603	519	473,904	5,382,112	4,901,507
Miscellaneous	-	-	90,502	111,204	90,502	111,204
Liabilities						
Deposits	(22,260)	(53,075)	(78,560)	(383,342)	(100,820)	(436,417)
Derivative financial instruments	-	-	(418)	(546,378)	(418)	(546,378)
Open market funds	-	-	-	(997,631)	-	(997,631)
Miscellaneous	-	-	(20,404)	(6,882)	(20,404)	(6,882)

Income Statement	Parent company (i)		Subsidiaries and joint controlled entities		Total	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Financial intermediation revenues	38	15	-	-	38	15
Financial intermediation expenses	(15,632)	(642)	(17,247)	(143,701)	(32,879)	(144,343)

(i) Includes individuals.

The total compensation paid to the key management personnel for the year ended on December 31, 2022, was of BRL 16,720 (December 31, 2021 - BRL16,360), which is considered a short-term benefit.

25. Earnings per share

	Bank		Consolidated	
	12/31/22	12/31/21	12/31/22	12/31/21
Net income for the year	7,841,837	6,294,477	7,841,837	6,342,154
Weighted average per lot of one thousand common shares outstanding in the year	7,244,166	7,235,997	7,244,166	7,235,997
Weighted average per lot of one thousand treasury common shares	3,247	-	3,247	-
Net income per common share - basic	1.08	0.87	1.08	0.88
Net income per common share - diluted	1.08	0.87	1.08	0.88
Weighted average per lot of one thousand class A preferred shares outstanding in the year	2,864,529	2,848,192	2,864,529	2,848,192
Weighted average per lot of one thousand treasury class A preferred shares	6,493	-	6,493	-
Net income per class A preferred share - basic	2.74	2.21	2.74	2.23
Net income per class A preferred share - diluted	2.74	2.21	2.74	2.23
Weighted average per lot of one thousand class B preferred shares outstanding in the year	1,397,425	1,397,425	1,397,425	1,397,425
Net income per class B preferred share - basic and diluted	5.61	4.50	5.61	4.54
Weighted average per batch of one thousand outstanding shares in the year	11,506,120	11,481,615	11,506,120	11,481,615
Weighted average per lot of one thousand treasury shares	9,740	-	9,740	-
Net income per share - Basic	0.68	0.55		
Net income per share - Diluted	0.68	0.55		

26. Other information

Cash and cash equivalents

	Bank		Consolidated	
	12/31/21	12/31/20	12/31/21	12/31/20
Balance at beginning of year				
Cash and cash equivalents	1,602,316	933,799	3,219,641	1,794,059
Open market investments	44,790,047	39,349,280	40,590,537	40,175,098
Investments in interbank deposits	3,075,369	1,210,347	3,624,401	2,437,242
Total	49,467,732	41,493,426	47,434,579	44,406,399
	12/31/22	12/31/21	12/31/22	12/31/21
Balance at beginning of year				
Cash and cash equivalents	1,084,210	1,602,316	3,068,946	3,219,641
Open market investments	62,450,025	44,790,047	65,255,592	40,590,537
Investments in 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

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Recurring and non-recurring incomes and expenses

According to BCB resolution n° 2/2020, we present our non-recurring expenses as follows:

- BRL 294 million related to goodwill amortization, net from tax.

27. Subsequent events

In January 2023 a counterparty disclosed a material fact exposing accounting inconsistencies in their balance sheet that led to a revaluation of its credit risk. Thereby, there has been an increase of credit loss provision in accordance with respective risk level deterioration in our financial statements of December 31, 2022.