



Earnings Release

Second Quarter 2023

August 9, 2023



btgpactual.com



Net New Money
(R\$)

61bn

2Q 23
235bn LTM 2Q 23

Total AuC
(R\$)

1.4tn

2Q 23
31% y-o-y growth

Adjusted Net Income
(R\$)

2.6bn

2Q 23
18% y-o-y growth

Total Revenues
(R\$)

5.4bn

2Q 23
21% y-o-y growth

Credit and SME
Portfolio (R\$)

154bn

31% y-o-y growth
SME: 15bn

Unsecured Funding
(R\$)

182bn

10% y-o-y growth

Basel Ratio

15.4%

2Q 23

ROAE Adj

22.7%

2Q 23

Highlights

Banco BTG Pactual S.A. reported total revenues of R\$5,442.8 million and adjusted net income of R\$2,574.9 million for the quarter ended June 2023.

BTG Pactual's adjusted net income per unit and annualized adjusted return on average shareholders' equity ("Annualized Adj. ROAE") were R\$0.68 and 22.7%, respectively, for the quarter.

As of June 30, 2023, total assets of BTG Pactual were R\$474.6 billion, a 0.9% increase compared to March 31, 2023. Our BIS capital ratio was 15.4%.

Banco BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	2Q 2022	1Q 2023	2Q 2023	6M 2022	6M 2023
Total adjusted revenues	4,513	4,803	5,443	8,864	10,246
Accounting net income	2,067	2,133	2,441	4,010	4,574
Adjusted net income ⁽¹⁾	2,175	2,263	2,575	4,237	4,838
Adjusted net income per unit (R\$)	0.57	0.59	0.68	1.11	1.27
Annualized ROAE	21.6%	20.9%	22.7%	21.5%	21.7%
Adjusted cost to income ratio	38.7%	39.3%	39.3%	38.9%	39.3%
Adjusted shareholder's equity	41,359	44,208	46,708		
Total Number of Shares (# in '000)	11,496,481	11,433,761	11,433,761		
Number of Units (# in '000)	3,832,160	3,811,254	3,811,254		
Book Value per unit (R\$)	10.8	11.6	12.3		
BIS Capital Ratio	15.2%	15.5%	15.4%		
Total assets (in R\$ Billion)	454.8	470.4	474.6		
Total of WuM and AuM	1,067.6	1,285.1	1,398.1		

Note: Number of shares ex-treasury

BTG Pactual Performance

BTG Pactual demonstrated once again the strength and resilience of the business by posting another quarter of record revenues and net income, growing its client franchises with efficient risk allocation in a challenging macroeconomic scenario prevalent throughout most part of the quarter. We recorded net inflows of R\$60.8 billion reaching R\$1.4 trillion in wealth and asset under management, being able to expand our funding base and increase the retail portion of it. In June, we successfully issued a 10-year subordinated CRA of R\$3.5 billion, proving our expertise in product offering and the quality of our network and its distribution capacity.

Our growing fee income allied with robust risk management allocation and operational efficiency ensured the remarkable results, reflecting the effectiveness and diversification of our strategy.

Besides 2Q 2023 all-time high revenues and net income of R\$5.4 billion and R\$2.6 billion, respectively, we posted our best half year performance delivering 22.7% ROAE in the quarter and 21.7% in the semester. Our capital ratios remained robust since we maintain a very liquid balance sheet, with BIS ratio of 15.4%. It's worth mentioning that since July 1st our Basel Ratio increased 79bps due to the new RWA regulation.

As previously mentioned, 2Q 2023 results were strong in all business units. Total revenues grew 13.3% q-o-q and 20.6% y-o-y, with record revenues in Corporate & SME Lending, Sales & Trading and Wealth Management & Consumer Banking and strong net inflows in both Asset and Wealth Management.

Corporate & SME Lending posted R\$1,277.3 million revenues, 7.2% above the previous quarter, which was our record. Revenue increase was in line with 7.3% portfolio growth, focused on premium counterparties at attractive spreads.

Sales & Trading had outstanding performance, increasing 27.1% in the quarter and totaling R\$1,887.2 million with growing contribution from fee and flow-based revenues coupled with efficient risk allocation.

Wealth Management & Consumer Banking recorded its 18th consecutive quarter of record revenues, reaching R\$727.1 million, up 4.8% in the quarter, with strong R\$35.4 billion net new money, reaching R\$630 billion in wealth under management (WuM).

Asset Management also posted strong net inflows of R\$25.4 billion, despite significant AM industry outflows of R\$131.3 billion during the quarter, proving the robustness of our business, outperforming in challenging scenarios. Year-to-date AM industry recorded outflows of R\$205 billion, while we had positive net inflows of R\$38 billion (*source: Anbima*). Revenues were R\$430.7 million, a marginal decrease compared to previous quarter due to low performance fees.

Investment Banking had a 17.5% increase from a weak 1Q 2023, totaling R\$305.6 million of revenues, with higher contribution from both ECM and DCM, as market activity started to gain momentum towards the quarter's end.

Finally, Principal Investments and Participations recorded revenues of R\$71.9 million and losses of R\$54.2 million, respectively. Participations performance was again impacted by the accounting effects of Banco Pan's credit portfolio acquired during the quarter. Without this impact, BTGP Q2 ROAE would have been 25.2%.

Operating expenses were R\$2,386.0 million this quarter, 12.4% higher than 1Q 2023. Higher bonus expenses – which are determined by revenue generation – accounted for most of the total operating expense growth. Our adjusted cost-to-income ratio ended the quarter at 39.3%, stable when compared to previous quarter.

Accounting net income reached the second consecutive quarterly record of R\$2,441.2 million, 14.4% above 1Q 2023 and 18.1% higher than the same period last year. Shareholders' equity ended the period at R\$46.7 billion, a 5.7% q-o-q increase and a 12.9% y-o-y increase. Our liquidity coverage ratio ("LCR") ended the period at 157%, while the Basel ratio was 15.4%. As previously mentioned, we gain additional 79bps of Basel Ratio since July 1st due to the new RWA regulation.

ESG & Impacting Investing agenda continued to expand during the quarter. We structured and distributed US\$1.1 billion in green and sustainable bonds and to continue to contribute to a transition economy and join efforts to promote carbon markets, we have recently acquired a minority stake in Systemica, a Brazilian company that structures, develops and commercializes carbon projects and other environmental assets. We have also received several awards during 2Q 2023 by Global Finance: (i) Top Financial Innovations: Sustainability/ESG - for being the lead coordinator bank of the first blue bond transaction in Brazil, issued in Nov/22, (ii) Outstanding Leadership in Sustainable Finance, in Sustainable Bonds and in Sustainability Transparency in LatAm, (iii) Outstanding Sustainable Financing in Emerging Markets, and (iv) Sustainable Finance Leadership in Brazil. In addition to that, we were recognized as the Best ESG research team in LatAm and Brazil by Institutional Investors and, Most Sustainable Bank of Brazil by World Finance.

We are also glad to announce that for the third consecutive time, we have been ranked first in all the most relevant categories of Institutional Investors 2023 sales ranking. We were recognized as the best: Research LatAm, Corporate Access LatAm, Trading LatAm, Sales LatAm, Research Brazil and Sales Brazil. In Research we were awarded in all 25 categories and being elected as number 1 in 18 of 25. We thank our clients and investors for the partnership and trust in all these years.

Adjusted Net Income and ROAE (unaudited)

Adjusted Net Income and ROAE (unaudited)	2Q 2023 Accounting	Non Recurring Items & Goodwill	2Q 2023 Adjusted	6M 2023 Adjusted
Investment Banking	305.6		305.6	565.8
Corporate & SME Lending	1,277.3		1,277.3	2,469.2
Sales and Trading	1,887.2		1,887.2	3,372.5
Asset Management	430.7		430.7	873.3
Wealth Management & Consumer Banking	727.1		727.1	1,421.0
Participations	(54.2)		(54.2)	(124.2)
Interest and Other	797.2		797.2	1,542.4
Total revenues	5,442.8	-	5,442.8	10,245.6
Bonus	(681.3)		(681.3)	(1,205.8)
Salaries and benefits	(535.7)		(535.7)	(1,065.4)
Administrative and other	(624.5)		(624.5)	(1,224.3)
Goodwill amortization	(245.5)	245.5	-	-
Tax charges, other than income tax	(298.9)		(298.9)	(534.3)
Total operating expenses	(2,386.0)	245.5	(2,140.5)	(4,029.8)
Income before taxes	3,056.7	245.5	3,302.3	6,215.8
Income tax and social contribution	(615.5)	(111.8)	(727.3)	(1,378.2)
Net Income	2,441.2	133.7	2,574.9	4,837.6
Annualized ROAE	21.5%		22.7%	21.7%

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

Non-Recurring Items & Goodwill

Goodwill: mainly attributable to some of our most recent acquisitions, such as Empiricus/Vitreo, Necton, BTG Pactual Advisors, Fator and Banco Pan (In 1Q 2023 we reclassify Banco Pan's goodwill amortization from "Participations" to "Goodwill amortization")

Income tax and social contribution: reduction in taxes due to goodwill amortization

Consolidated Revenues

Revenues in 2Q 2023 reached all-time high of R\$5,442.8 million, a 20.6% y-o-y growth and 13.3% growth when compared to the previous quarter, which was our previous record. We posted strong results in most of businesses lines, with record contribution from Corporate & SME Lending, Sales & Trading and Wealth Management & Consumer Banking, despite the challenging scenario.

Revenues (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			2Q 2023 % change to		Year to Date		6M 2023 % change to
	2Q 2022	1Q 2023	2Q 2023	2Q 2022	1Q 2023	6M 2022	6M 2023	6M 2022
Investment Banking	485	260	306	-37%	17%	836	566	-32%
Corporate & SME Lending	878	1,192	1,277	46%	7%	1,694	2,469	46%
Sales & Trading	1,310	1,485	1,887	44%	27%	2,791	3,498	25%
Asset Management	404	443	431	7%	-3%	717	873	22%
Wealth Management & Consumer Banking	621	694	727	17%	5%	1,192	1,421	19%
Principal Investments	46	54	72	55%	34%	265	126	-53%
Participations	99	(70)	(54)	n.a.	n.a.	221	(124)	n.a.
Interest & Others	669	745	797	19%	7%	1,147	1,542	34%
Total revenues	4,513	4,803	5,443	21%	13%	8,864	10,246	16%

Investment Banking

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

BTG Pactual Announced Transactions (unaudited)	Number of Transactions ^{(1),(3)}			Value ^{(2),(3)} (US\$ mln)			
	2Q 2022	1Q 2023	2Q 2023	2Q 2022	1Q 2023	2Q 2023	
Financial Advisory (M&A) ⁽⁴⁾	23	10	15	3,035	1,625	624	
Equity Underwriting (ECM)	84	5	3	9	740	330	2,676
Debt Underwriting (DCM)	33	13	16	1,981	1,293	1,296	

BTG Pactual Announced Transactions (unaudited)	Number of Transactions ^{(1),(3)}		Value ^{(2),(3)} (US\$ mln)				
	6M 2022	6M 2023	6M 2022	6M 2023			
Financial Advisory (M&A) ⁽⁴⁾	40	25	10,153	2,250			
Equity Underwriting (ECM)	12	6	3	14	12	1,493	3,006
Debt Underwriting (DCM)	48	29	3,139	2,589			

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

Notes:

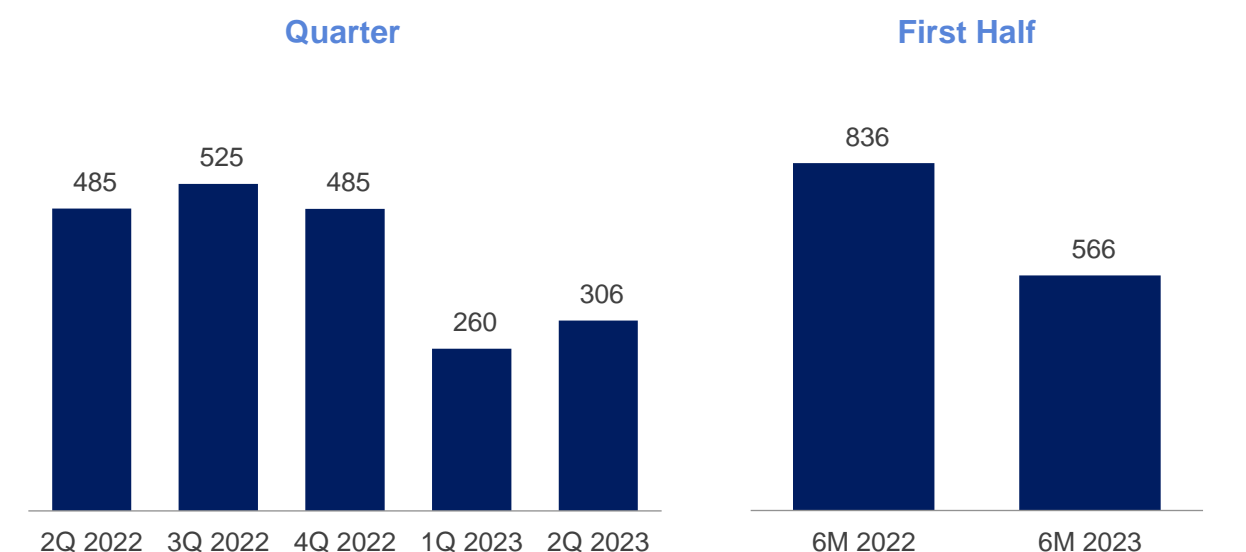
- (1) Equity underwriting and debt underwriting represent closed transactions. Financial advisory represents announced M&A deals, which typically generate fees upon their subsequent closing.
- (2) Local DCM transactions were converted to U.S. Dollars using the end of quarter exchange rates reported by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

Investment Banking 2Q 2023 market share highlights

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

ECM: #1 in volume of transactions in Brazil and LatAm and #2 in number of transactions in Brazil and LatAm

Revenues (in R\$ million)



2Q 2023 vs. 1Q 2023

Investment Banking revenues grew 17.5% in the quarter, totaling R\$305.6 million even in a challenging environment. The growth in revenues was due to better contribution from both ECM and DCM, supported by increasing market activity towards the quarter's end. As capital markets started to gain momentum, we anticipate a more robust pipeline for the second semester. All in all, we maintained our leading position in the industry rankings.

2Q 2023 vs. 2Q 2022

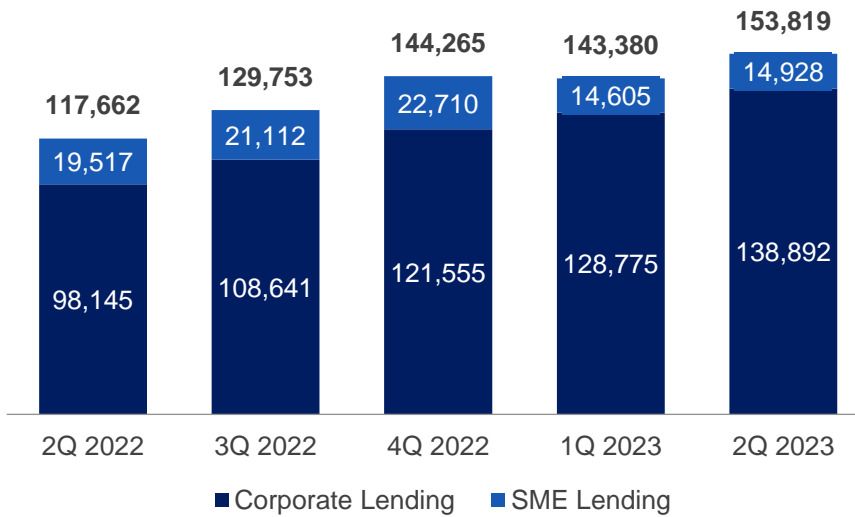
Investment Banking revenues decreased 37.0% compared to 2Q 2022, when we delivered R\$485.3 million. The decrease was due to better contribution from both DCM and M&A in 2Q 2022.

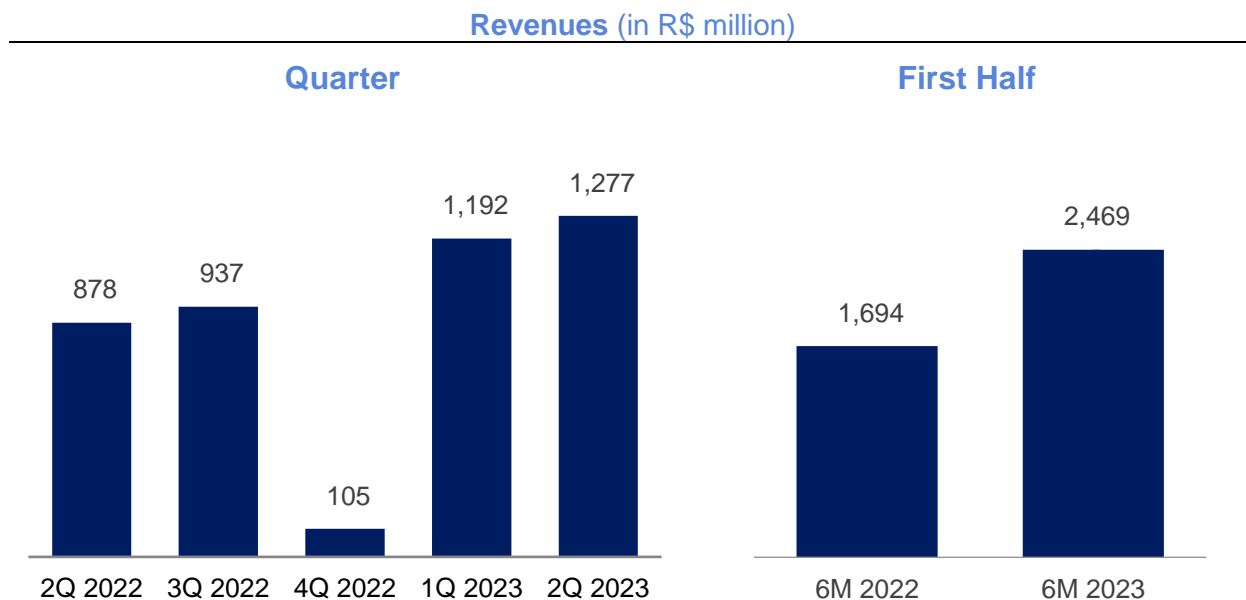
Corporate and SME Lending

Corporate and SME Lending portfolio increased 7.3% during the quarter, from R\$143.4 billion to R\$153.8 billion as we continue to increase exposure to high-quality counterparties at attractive spreads. Our SME book increased 2.2% reaching R\$14.9 billion.

In July we announced a JV with Senior Sistemas creating a platform that will offer BTG Pactual's customized financial services to Senior's exclusive client base. The closing of the transaction is subject to regulatory approvals including CADE and BACEN.

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





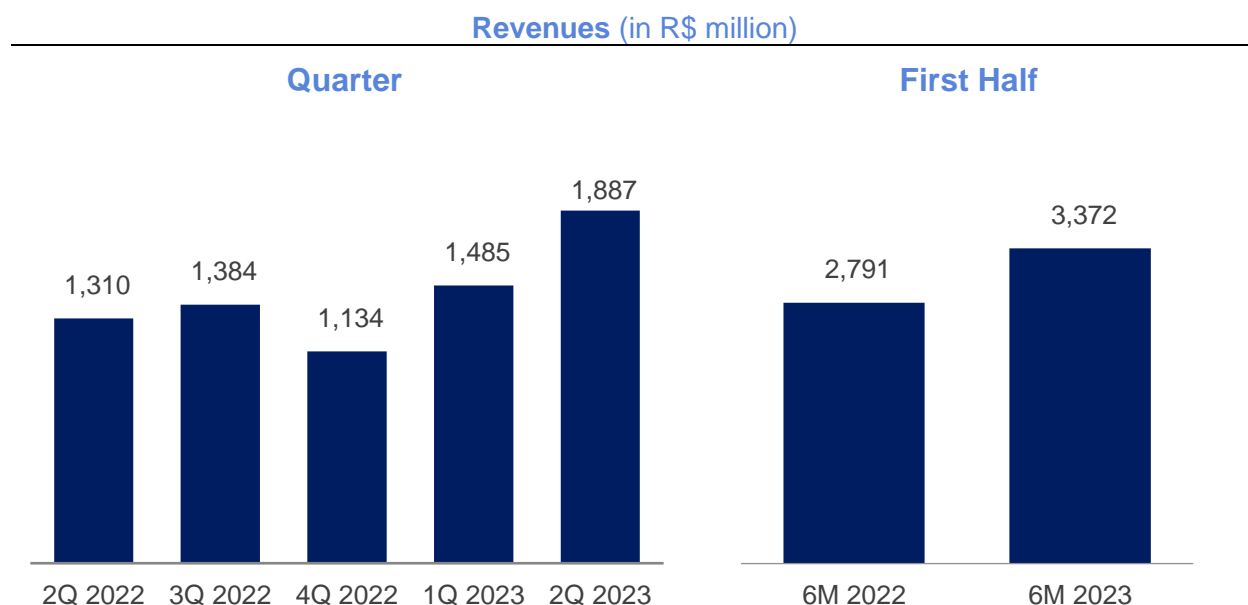
2Q 2023 vs. 1Q 2023

Corporate and SME Lending reported another record quarterly revenues of R\$1,277.3 million, 7.2% above 1Q 2023. The increase was in line with the 7.3% credit portfolio growth as we were able to continue to extend credit to the same premium companies, at attractive spreads and adequate levels of provision.

2Q 2023 vs. 2Q 2022

Revenues increased 45.6% compared to R\$877.5 million registered on 2Q 2022, while our Corporate & SME book grew 30.7% in the same period. Throughout this period, annualized net spreads have increased more than 30bps in premium counterparties.

Sales & Trading



2Q 2023 vs. 1Q 2023

Sales & Trading posted record revenues of R\$1,887.2 million, a 27.1% increase compared to 1Q 2023, our previous record. The above par performance was attributable to the expansion of client base, increasing fee commissions and flow-based revenues, coupled with efficient market risk allocation.

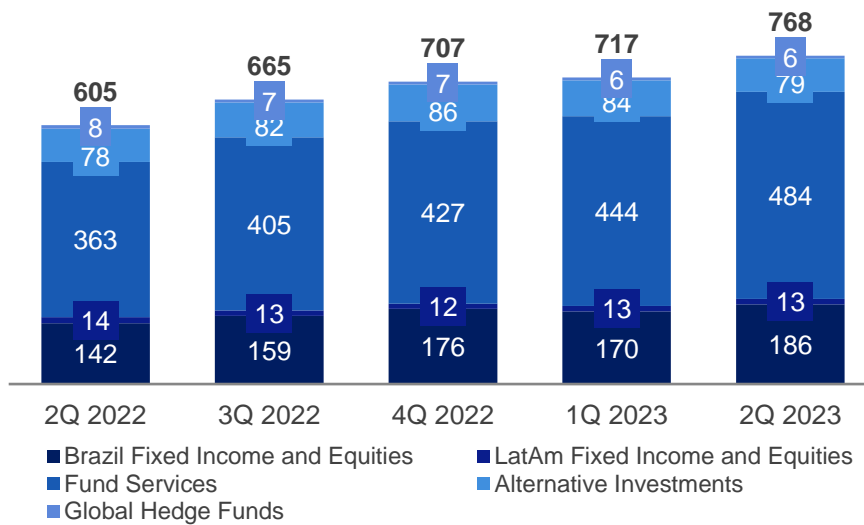
2Q 2023 vs. 2Q 2022

Sales & Trading revenues increased 44.1% compared to a strong 2Q 2022 of R\$1,309.5 million. Year-over-year growth was mainly due to higher contribution from client franchises as well the efficient risk allocation.

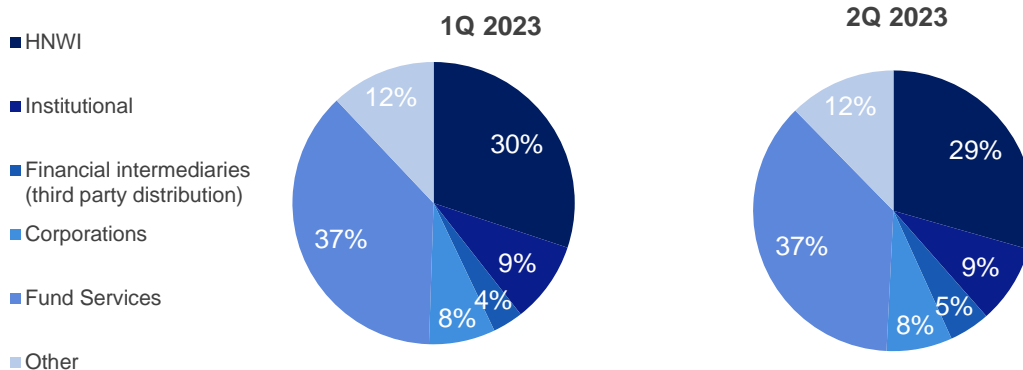
Asset Management

In 2Q 2023, total Assets under Management (AuM/AuA) reached R\$767.8 billion, a 7.1% quarterly growth and a 26.9% increase compared to 2Q 2022. AuM/AuA benefitted from strong net inflows as well as from appreciation in asset prices - local equity market increased ~16%. Net new money reached R\$25.4 billion, adding up to R\$107 billion in the last twelve months.

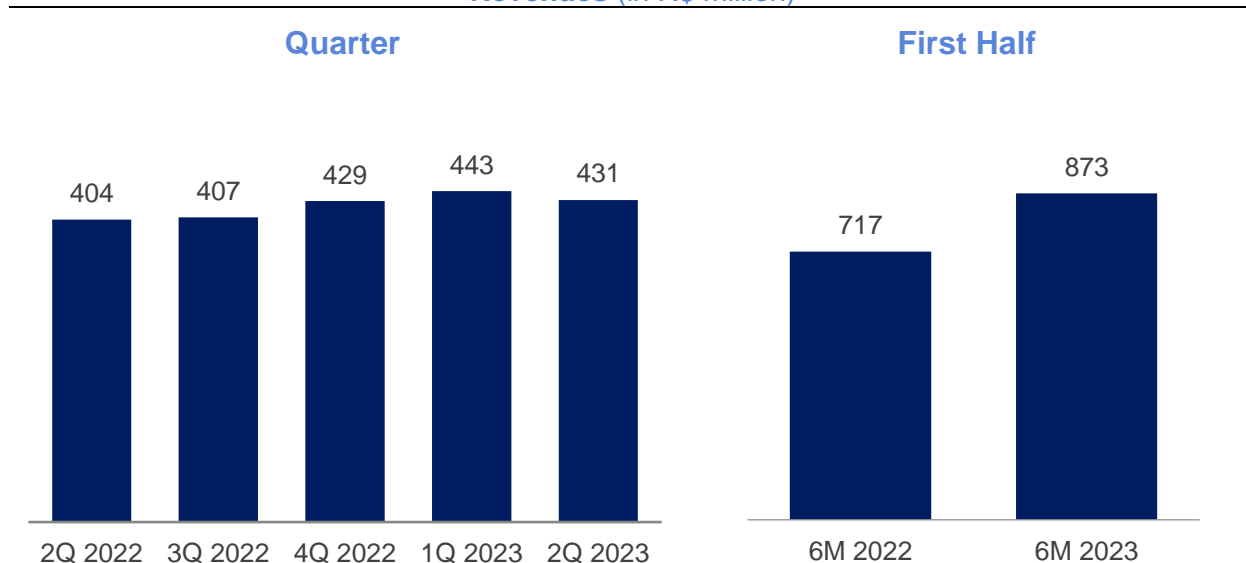
AuM & AuA by Asset Class (in R\$ billion)



AuM and AuA by Type of Client



Revenues (in R\$ million)



2Q 2023 vs. 1Q 2023

Asset Management posted revenues of R\$430.7 million, a marginal 2.7% decrease compared to 1Q 2023, which was our record, due to low performance fees. Management fees continued to increase q-o-q in line with the growth of AuM/AuA.

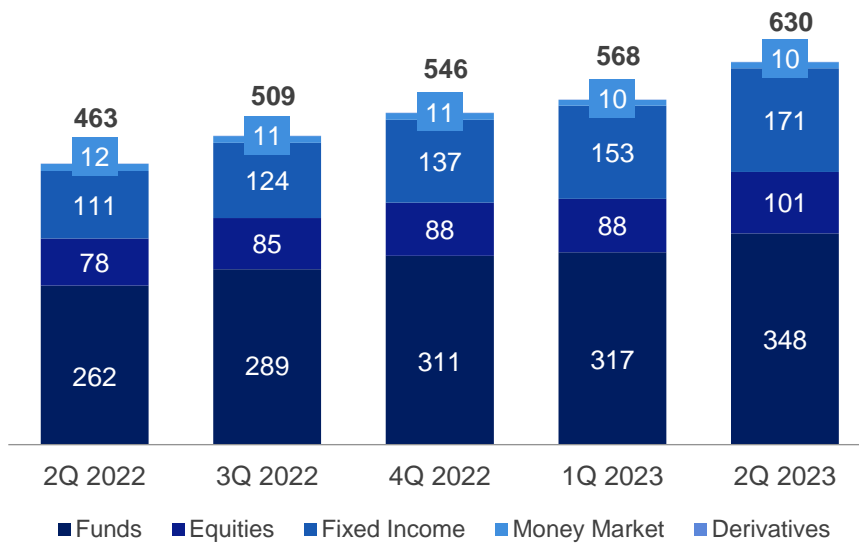
2Q 2023 vs. 2Q 2022

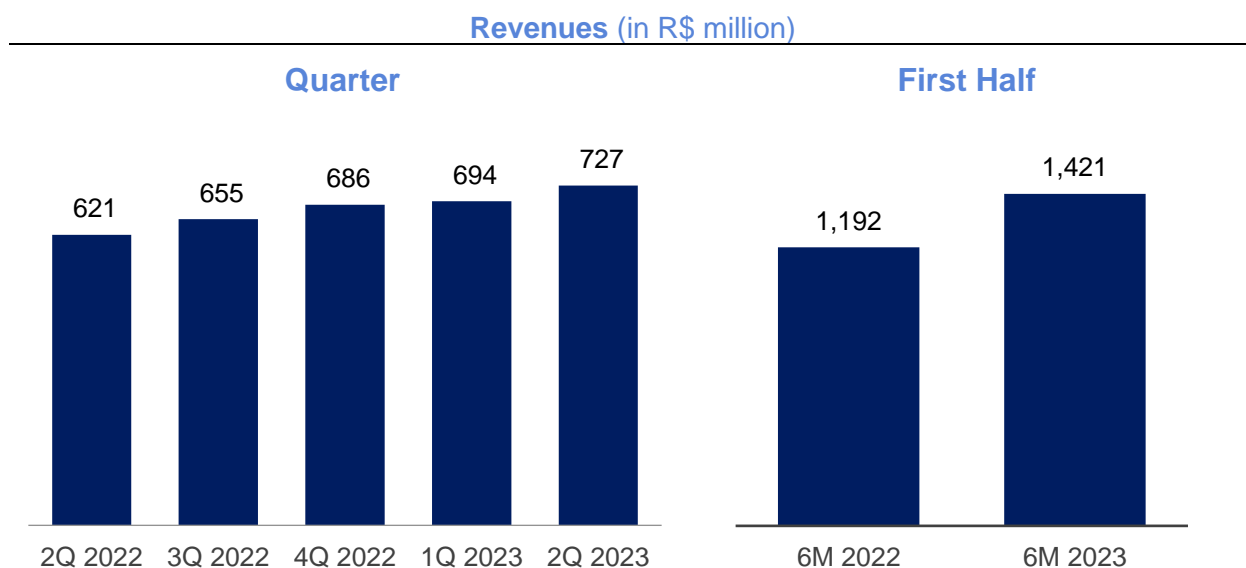
Year-over-year revenues grew 6.5%, from R\$404.4 million to R\$430.7 million, while total AuA/AuM grew 26.9% during the period. The increase in management fees across all segments was partially offset by lower levels of performance fee accrued this quarter compared to 2Q 2022.

Wealth Management & Consumer Banking

Wealth under Management (WuM) surpassed the six hundred billion milestone, reaching R\$630.2 billion, a 10.9% q-o-q growth and a 36.3% y-o-y growth. Wealth Management & Consumer Banking reported strong net inflows of R\$35.4 billion— an impressive result given the more challenging scenario, proving the quality of our network and its distribution capacity.

WuM Breakdown (in R\$ billion)





2Q 2023 vs.1Q 2023

Wealth Management & Consumer Banking reported record revenues for the eighteenth consecutive time, totaling R\$727.1 million. Revenue growth was due to WuM expansion of 10.9% in the period, as a result of both strong net inflows as well as solid appreciation of client assets.

2Q 2023 vs. 2Q 2022

Revenues in Wealth Management & Consumer Banking increased 17.0%, compared to R\$621.5 million in 1Q 2023, while total WuM grew 36.3% throughout this period. Total assets grew more than revenues due to product mix towards more fixed income products, which have smaller RoAs.

Principal Investments

2Q 2023 vs. 1Q 2023

Principal Investments revenues increased 33.8% q-o-q, from R\$53.7 million to R\$71.9 million. Revenues consisted of positive equity pick up from investments and were partially offset by higher internal funding costs. Global Markets strategy (seed investments) performed better this quarter than in the preceding one.

2Q 2023 vs. 2Q 2022

Principal Investments revenues increased 54.8% compared to 2Q 2022, when we posted gains of R\$46.4million. The increase was mainly driven by higher contribution from Global Markets, partially offset by higher internal cost of funding.

Participations

2Q 2023 vs. 1Q 2023

Participations reported losses of R\$54.2 million, compared to losses of R\$70.0 million in the 1Q 2023. Results in 2Q 2023 consisted of (i) R\$126mn of equity pick up in Banco Pan, (ii) R\$47 million gains from Too Seguros and Pan Corretora, (iii) R\$58mn accrual of Banco Pan's credit portfolio acquired in the previous quarters and (iv) -R\$285mn of accounting effects of Banco Pan's credit portfolio acquired during the quarter.

As explained in previous quarters, Banco Pan's business model includes recurring sales of part of its credit portfolio. Recently, BTG Pactual decided to acquire part of this portfolio to diversify its credit exposure at attractive spreads. If Banco Pan sells these credits to the market, it recognizes a capital gain. However, when these credits are sold do BTG Pactual, this capital gain must be recognized during the portfolio's duration since BTG Pactual consolidates Banco Pan.

2Q 2023 vs.2Q 2022

Participations results were losses of R\$54.2 million in 2Q 2023, compared to gains of R\$98.9 million the same period one year ago. The decrease in revenues y-o-y was attributed to the Banco Pan's portfolio acquisition explained above.

Interest & Others

2Q 2023 vs. 1Q 2023

Revenues from Interest & Others were R\$797.2 million in 2Q 2023, compared to R\$745.3 million in 1Q 2023. The increase was mainly due the expansion of our tangible equity. Interest & Others' revenues correspond mainly to interest rates of the Central Bank of Brazil applied over our tangible equity (i.e. internal cost of funding).

2Q 2023 vs. 2Q 2022

Revenues from Interest & Others increased 19.1% y-o-y, mainly due to higher interest rates as well as the 12.9% growth in shareholder's equity from R\$41.4 billion to R\$46.7 billion.

Operating Expenses

Operating Expenses (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			2Q 2023 % change to		Year to Date		6M 2023 % change to
	2Q 2022	1Q 2023	2Q 2023	2Q 2022	1Q 2023	6M 2022	6M 2023	6M 2022
Bonus	(535)	(525)	(681)	27%	30%	(1,081)	(1,206)	12%
Salaries and benefits	(441)	(530)	(536)	22%	1%	(878)	(1,065)	21%
Administrative and other	(540)	(600)	(625)	16%	4%	(1,016)	(1,224)	21%
Goodwill amortization	(196.5)	(232.8)	(246)	25%	5%	(410)	(478)	17%
Tax charges, other than income tax	(231)	(235)	(299)	30%	27%	(469)	(534)	14%
Total operating expenses	(1,943)	(2,122)	(2,386)	23%	12%	(3,854)	(4,508)	17%
Adjusted cost to income ratio	39%	39%	39%	2%	0%	39%	39%	1%
Compensation ratio	22%	22%	22%	3%	2%	22%	22%	0%
Total number of employees	6,430	7,097	7,122	11%	0%	6,430	7,122	11%
Partners and associate partners	284	348	344	21%	-1%	284	344	21%
Employees	6,146	6,749	6,778	10%	0%	6,146	6,778	10%

Bonus

Total bonus expenses were R\$681.3 million in 2Q 2023, a 29.9% quarterly growth and a 27.4% year-over-year growth. The increase is mostly attributed to a higher revenue (especially from our client franchises). Bonuses are determined in accordance with our profit-sharing program and are calculated as a percentage of our operating revenues (which exclude Interest & Other revenues), reduced by our operating expenses.

Salaries and benefits

Staff costs slightly increased 1.1% in the quarter and grew 21.5% compared to 2Q 2022. The year-over-year growth is due to personnel increase, as we added almost 700 people throughout this period, organically and, inorganically from the acquisitions we have made. Expenses related to salaries and benefits were R\$535.7 million in 2Q 2023 and R\$529.7 million in 1Q 2023, compared to R\$440.9 million in 2Q 2022.

Administrative and other

Total administrative and other expenses increased 4.1% during quarter, from R\$599.8 million in 1Q 2023 to R\$624.5 million in 2Q 2023. Year-over-year A&O expenses grew by 15.6%.

Goodwill amortization

In 2Q 2023, we recorded goodwill amortization expenses totaling R\$245.5 million, 5.5% above the previous quarter. Goodwill amortizations consider our recent acquisitions, such as Empiricus/Vitreo, Necton, Fator and BTG Pactual Advisors, as well as Banco Pan.

Tax charges, other than income tax

Tax charges, other than income tax, were R\$298.9 million or 5.5% of total revenues compared to R\$235.4million in 1Q 2023, or 4.9% of total revenues.

Income Taxes

Income Tax (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	2Q 2022	1Q 2023	2Q 2023	6M 2022	6M 2023
Income before taxes	2,570	2,681	3,057	5,010	5,737
Income tax and social contribution	(502)	(547)	(615)	(1,000)	(1,163)
Effective income tax rate	19.6%	20.4%	20.1%	20.0%	20.3%

Our effective income tax rate for the quarter was 20.1% (representing an income tax expense of R\$615.5 million), compared to a rate of 20.4% in 1Q 2023. Our effective income tax rate this quarter was impacted by JCP provision and with a more favorable revenues mix, with proportionally less revenues subject to high corporate tax rates in the period.

Balance Sheet

Total assets marginally increased 0.9%, from R\$470.4 billion at the end of 1Q 2023 to R\$474.6 billion at the end of 2Q 2023, mainly due to a 14.1% increase in Assets Financed Through Repo from R\$78.8 billion to R\$89.9 billion and an increase of 7.7% in Cash and Equivalents from R\$61.0 billion to R\$ 65.7 billion at the end of 2Q 2023. These movements were partially offset by a 29.1% decrease in Other Assets, from R\$30.7 billion to R\$21.8 billion. Our leverage ratio decreased to 9.7x from 10.2x at 1Q 2023.

On the liability side, our Secured Funding decreased 16.9% from R\$90.4 billion to R\$75.1 billion at the end of 2Q 2023 and Repo Financing increased in line with the movements in our assets.

Shareholders' equity increased from R\$44.2 billion at the end of 1Q2023 to R\$46.7 billion at the end of 2Q 2023, mostly impacted by the net income of R\$2,441 million in the quarter.

Risk and Capital Management

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

Market Risk – Value-at-risk

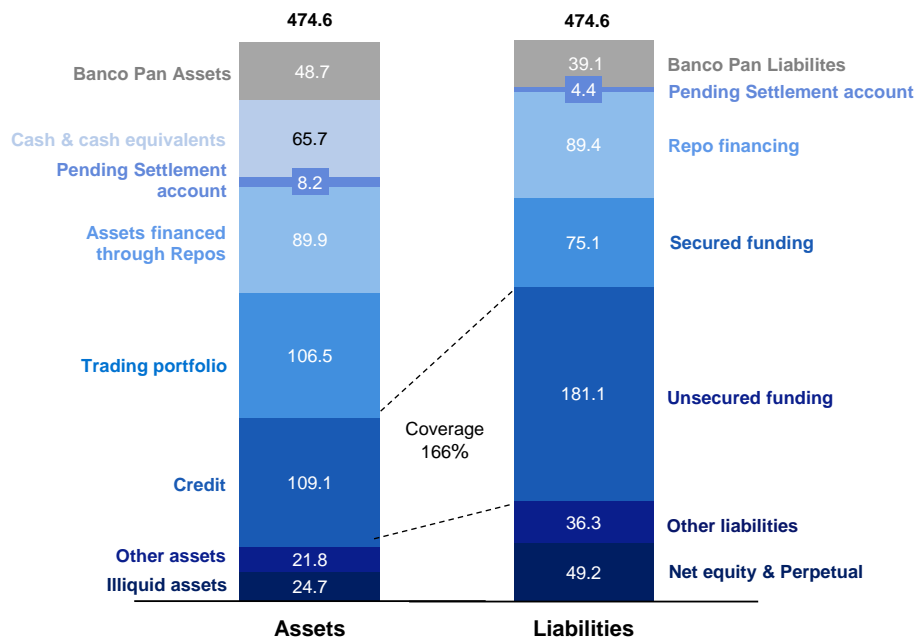
Value-at-risk (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter		
	2Q 2022	1Q 2023	2Q 2023
Total average daily VaR	135.7	125.6	209.1
Average daily VaR as a % of average equity	0.34%	0.29%	0.46%

Total average daily VaR increased to 0.46% when compared to 0.29% in 1Q 2023. Despite quarterly increase, average daily VaR remained below historical range.

Liquidity Risk Analysis

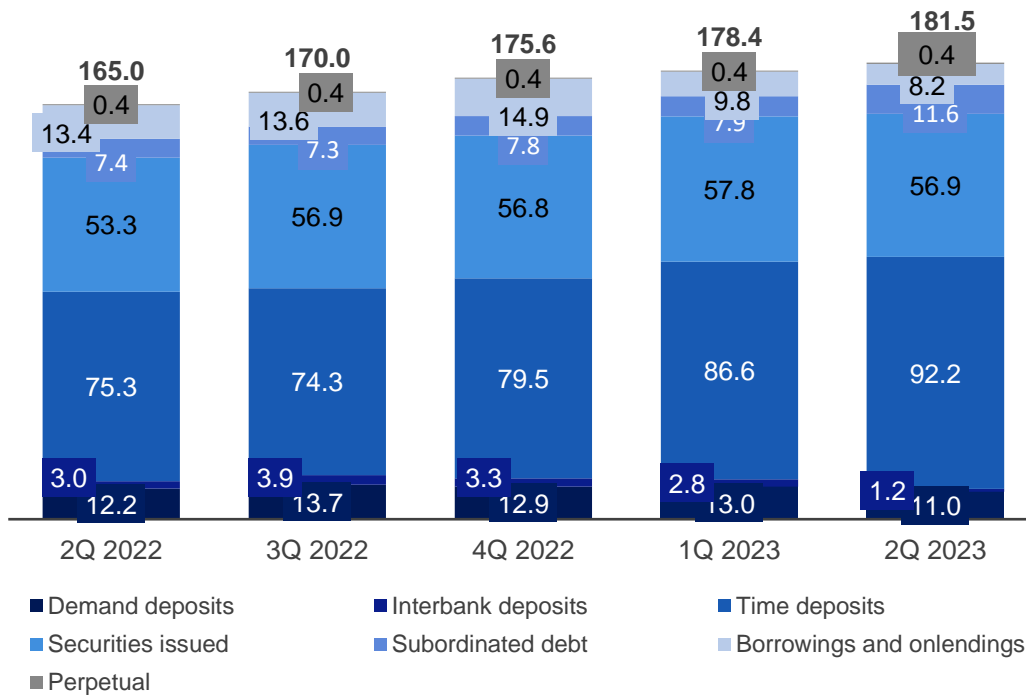
The chart below summarizes the composition of assets and liabilities as of June 30th, 2023:

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



Unsecured Funding Analysis

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



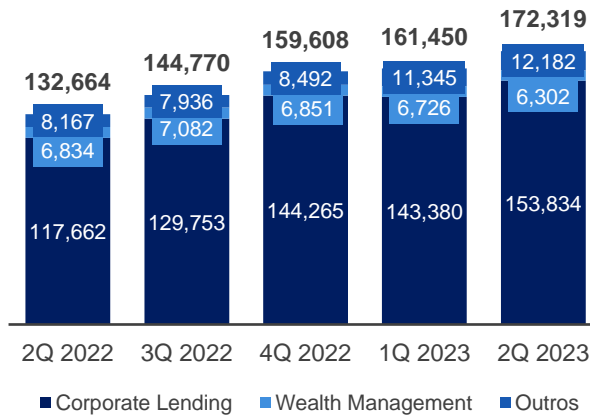
Total unsecured funding increased from R\$178.4 billion at the end of 1Q 2023 to R\$181.5 billion at the end of 2Q 2023, mainly due to the issuance of BTG Pactual commodities 10yr subordinated CRA under the “subordinated debt” line. The share of our retail funding continues to expand, reaching 32.1% (considering Banco Pan’s funding base).

BTG Pactual Broader Credit Portfolio

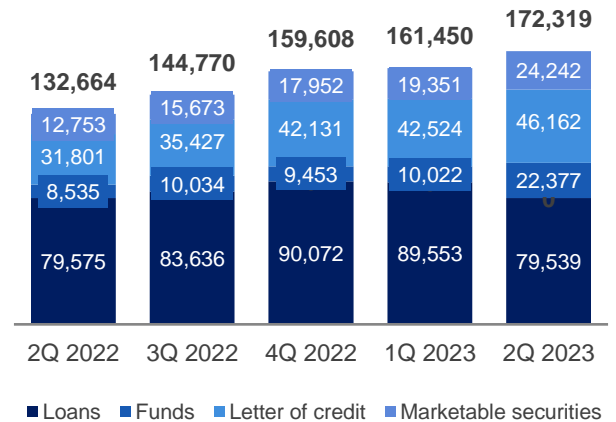
Our broader credit portfolio is comprised of loans, receivables, advances on foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

The balance of our broader credit portfolio increased 6.7% compared to the previous quarter, from R\$161.5 billion to R\$172.3 billion, and 29.9% compared to 2Q 2022.

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



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



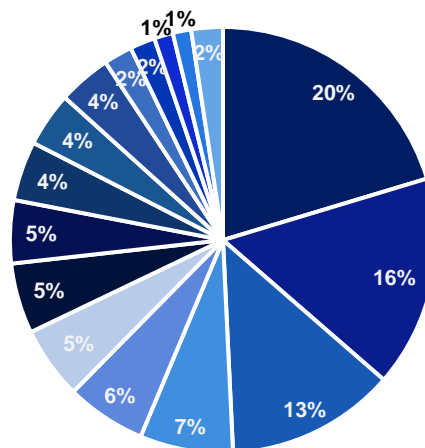
Notes:

Others: includes interbank deposits, Merchant Banking structured transactions and others

Wealth Management impacts WM results, others impact Sales & Trading and Merchant Banking results

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

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



Credit Risk

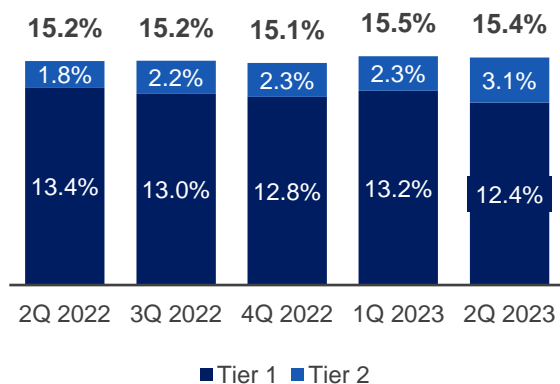
The following table shows the distribution of our credit exposures as of June 30th, 2023, by credit rating. The ratings below reflect our internal assessment, consistently applied in accordance with the Brazilian Central Bank standard ratings scale:

Rating (unaudited) (in R\$ million)	2Q 2023
AA	81,652
A	57,796
B	24,895
C	2,582
D	1,688
E	468
F	2,347
G	472
H	419
Total	172,319

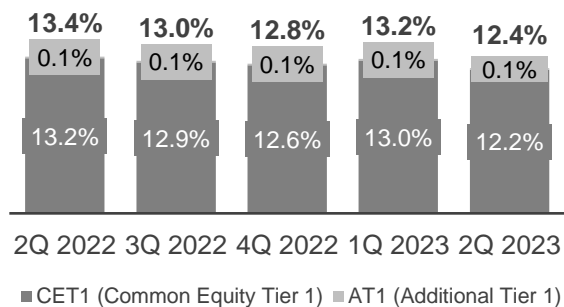
Capital Management

BTG Pactual complies with standards of capital requirements established by the Brazilian Central Bank that are consistent with those proposed by the Basel Committee on Banking Supervision, under the Basel Capital Accord. Our BIS capital ratios, calculated in accordance with the Brazilian Central Bank standards and regulations, are applicable only to BTG Pactual. The BIS capital ratio was 15.4% at the end of 2Q 2023. Our liquidity coverage ratio (LCR) ended the quarter at 157%.

Basel Ratio (unaudited)
(%)



Tier 1: CET1 & AT1 (unaudited)
(%)



Exhibits

Basis for Presentation

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

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

Key Performance Indicators (“KPIs”) and Ratios

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

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

KPIs and Ratios	Description
AuM and AuA	Assets under management and assets under administration consist of proprietary assets, third party assets, wealth management funds and/or joint investments managed or administrated among a variety of assets classes, including fixed income, equities, money market accounts, multi-market funds and private equity funds.
Cost to income ratio	It is computed by dividing the adjusted total operating expenses by adjusted total revenues.
Compensation ratio	It is computed by dividing the sum of adjusted bonus and salaries and benefits expenses by adjusted total revenues.
Effective income tax rate	It is computed by dividing the adjusted income tax and social contribution or (expense) by the adjusted income before taxes.
Net income per unit	Net income per unit presents the results of each pro-forma unit formed by 3 different classes of shares of Banco and it considers the outstanding units as of the date of this report. This item is a non-GAAP measurement and may not be comparable to similar non-GAAP measures used by other companies.
ROAE	Annualized ROE is computed by dividing annualized net income by the average shareholders’ equity. We determine the average shareholders’ equity based on the initial and final net equity for the quarter.

KPIs and Ratios	Description
VaR	<p>The VaR numbers reported are calculated on a one-day time horizon, a 95.0% confidence level and a one-year look-back window. A 95.0% confidence level means that there is a 1 in 20 chance that daily trading net revenues will fall below the VaR estimated. Thus, shortfalls from expected trading net revenues on a single trading day greater than the reported VaR would be anticipated to occur, on average, about once a month. Shortfalls on a single day can exceed reported VaR by significant amounts and they can also occur more frequently or accumulate over a longer time horizon, such as a number of consecutive trading days. Given its reliance on historical data, the accuracy of VaR is limited in its ability to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate predictions of future market risk. Different VaR methodologies and distributional assumptions can produce materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day. "Stress Test" modeling is used as a complement of VaR in the daily risk management activities.</p>
WuM	<p>Wealth under management consists of private wealth clients' assets that we manage across a variety of asset classes, including fixed income, money market, multi-asset funds and merchant banking funds. A portion of our WuM is also allocated to our AuM to the extent that our wealth management clients invest in our asset management products.</p>
Leverage Ratio	<p>Leverage Ratio is computed by dividing the total assets by the shareholders' equity.</p>

Selected Financial Data

Balance Sheet (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			2Q 2023 % change to	
	2Q 2022	1Q 2023	2Q 2023	2Q 2022	1Q 2023
Assets					
Cash and bank deposits	2,489	3,239	3,813	53%	18%
Interbank investments	53,736	78,789	60,411	12%	-23%
Marketable securities and derivatives	164,762	171,691	197,870	20%	15%
Interbank transactions	16,404	18,079	22,280	36%	23%
Loans	107,121	109,752	107,931	1%	-2%
Other receivables	95,734	74,292	67,475	-30%	-9%
Other assets	1,496	1,768	1,857	24%	5%
Permanent assets	13,084	12,793	12,915	-1%	1%
Total assets	454,827	470,401	474,552	4%	1%
Liabilities					
Deposits	112,604	118,310	124,030	10%	5%
Open market funding	89,338	91,992	98,021	10%	7%
Funds from securities issued and accepted	65,807	69,351	68,167	4%	-2%
Interbank transactions	3,941	3,230	3,650	-7%	13%
Loans and onlendings	14,290	14,447	12,660	-11%	-12%
Derivatives	18,088	38,159	29,785	65%	-22%
Subordinated liabilities	2,263	580	560	-75%	-3%
Other liabilities	102,862	85,734	86,238	-16%	1%
Deferred income	-	-	-	n.a.	n.a.
Shareholders' equity	41,359	44,208	46,708	13%	6%
Non-controlling interest	4,274	4,391	4,731	11%	8%
Total liabilities	454,827	470,401	474,552	4%	1%

Adjusted Income Statement (unaudited)	Quarter			2Q 2023 % change to		Year to Date		6M 2023 % change to		
	<i>(in R\$ million, unless otherwise stated)</i>			2Q 2022	1Q 2023	2Q 2023	2Q 2022	1Q 2023	6M 2022	6M 2023
Investment Banking	485	260	306	-37%	17%	836	566	-32%		
Corporate and SME Lending	878	1,192	1,277	46%	7%	1,694	2,469	46%		
Sales & Trading	1,310	1,485	1,887	44%	27%	2,791	3,372	21%		
Asset Management	404	443	431	7%	-3%	717	873	22%		
Wealth Management & Consumer Banking	621	694	727	17%	5%	1,192	1,421	19%		
Principal Investments	46	54	72	55%	34%	265	126	-53%		
Participations	99	(70)	(54)	n.a.	n.a.	221	(124)	n.a.		
Interest & Others	669	745	797	19%	7%	1,147	1,542	34%		
Total revenues	4,513	4,803	5,443	21%	13%	8,864	10,246	16%		
Bonus	(535)	(525)	(681)	27%	30%	(1,081)	(1,206)	12%		
Salaries and benefits	(441)	(530)	(536)	22%	1%	(878)	(1,065)	21%		
Administrative and other	(540)	(600)	(625)	16%	4%	(1,016)	(1,224)	21%		
Goodwill amortization	(197)	(233)	(246)	25%	5%	(410)	(478)	17%		
Tax charges, other than income tax	(231)	(235)	(299)	30%	27%	(469)	(534.3)	14%		
Total operating expenses	(1,943)	(2,122)	(2,386)	23%	12%	(3,854)	(4,508)	17%		
Income before taxes	2,570	2,681	3,057	19%	14%	5,010	5,737	15%		
Income tax and social contribution	(502)	(547)	(615)	22%	12%	(1,000)	(1,163)	16%		
Net Income	2,067	2,133	2,441	18%	14%	4,010	4,574	14%		

Income Statement (unaudited)	Banco BTG Pactual S.A.	
	<i>(in R\$ million, unless otherwise stated)</i>	
	1Q 2023	2Q 2023
Financial income	14,255	20,679
Financial expenses	(9,070)	(14,884)
Gross financial income	5,184	5,795
Other operating income (expenses)	(2,252)	(2,086)
Operating income (expenses)	2,932	3,710
Non-operating income/(expenses)	4	7
Income before taxes and profit sharing	2,936	3,717
Income and social contribution taxes	(182)	(468)
Statutory profit sharing	(540)	(681)
Non-controlling interest	(80)	(127)
Net income	2,133	2,441

Selected Presentation Differences

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

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

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

Forward-looking statements

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

Rounding

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

Glossary

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



Earnings Release – Second Quarter 2023

August 9th, 2023 (before trading hours)

English Conference Call

August 9th, 2023 (Wednesday)

12:00 PM (New York) / 01:00 PM (Brasília)

Phone 1: +55 (11) 4210-1803

Phone 2: +1 412 717 9627

Portuguese Conference Call

August 9th, 2023 (Wednesday)

10:00 AM (New York) / 11:00 AM (Brasília)

Phone 1: +55 (11) 3181-8565

Phone 2: + 55 (11) 4210-1803

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

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

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