



# Earnings Release

First Quarter 2023

May 8, 2023



[btgpactual.com](https://btgpactual.com)



Net New Money  
(R\$)

**43bn**

1Q 23  
245bn LTM 1Q 23

Total AuC  
(R\$)

**1.3tn**

1Q 23  
23% y-o-y growth

Adjusted Net Income  
(R\$)

**2.3bn**

1Q 23  
10% y-o-y growth

Total Revenues  
(R\$)

**4.8bn**

1Q 23  
10% y-o-y growth

Credit and SME  
Portfolio (R\$)

**143bn**

29% y-o-y growth  
SME: 15bn

Unsecured Funding  
(R\$)

**178bn**

15% y-o-y growth

Basel Ratio

**15.5%**

1Q 23

ROAE Adj

**20.9%**

1Q 23

## Highlights

Banco BTG Pactual S.A. reported total revenues of R\$4,802.8 million and adjusted net income of R\$2,262.6 million for the quarter ended March 2023.

BTG Pactual's adjusted net income per unit and annualized adjusted return on average shareholders' equity ("Annualized Adj. ROAE") were R\$0.59 and 20.9%, respectively, for the quarter.

As of March 31, 2023, total assets of BTG Pactual were R\$470.4 billion, a 4.4% increase compared to December 31, 2022. Our BIS capital ratio was 15.5%.

## Banco BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	1Q 2022	4Q 2022	1Q 2023	3M 2022	3M 2023
Total adjusted revenues	4,351	3,626	4,803	4,351	4,803
Accounting net income	1,943	1,644	2,133	1,943	2,133
<b>Adjusted net income <sup>(1)</sup></b>	<b>2,062</b>	<b>1,767</b>	<b>2,263</b>	<b>2,062</b>	<b>2,263</b>
Adjusted net income per unit (R\$)	0.54	0.46	0.59	0.54	0.59
<b>Annualized ROAE</b>	<b>21.5%</b>	<b>16.7%</b>	<b>20.9%</b>	<b>21.5%</b>	<b>20.9%</b>
Adjusted cost to income ratio	39.0%	45.8%	39.3%	39.0%	39.3%
Adjusted shareholder's equity	39,300	42,372	44,208		
Total Number of Shares (# in '000)	11,503,576	11,476,120	11,433,761		
<b>Number of Units (# in '000)</b>	<b>3,834,525</b>	<b>3,825,373</b>	<b>3,811,254</b>		
<b>Book Value per unit (R\$)</b>	<b>10.2</b>	<b>11.1</b>	<b>11.6</b>		
BIS Capital Ratio	15.0%	15.1%	15.5%		
Total assets (in R\$ Billion)	391.3	450.6	470.4		
Total of WuM and AuM	1,043.8	1,253.8	1,285.1		

Note: Number of shares ex-treasury

## BTG Pactual Performance

Demonstrating once again the resilience and strength of our business, BTG Pactual is pleased to announce a strong quarter with record revenues and 20.9% annualized ROAE, amid challenging macroeconomic scenario. In light of the high interest rates environment, tougher credit market conditions and natural seasonality of a first quarter, we delivered record revenues of R\$4.8 billion and posted R\$43.2 billion of NNM. We were also able to further expand our funding base, increasing the proportion of retail to 30.8% with a fortress balance sheet highlighted by our robust capital ratios – BIS ratio ended the period at 15.5%. We expect to enhance our performance during the year as capital markets conditions improves.

The 1Q 2023 performance was robust, with record revenues in most business lines (32.4% higher than the previous quarter and 10.4% above 1Q 2022) and continuous AuM/WuM expansion, totaling R\$1,285.1 billion of assets. Following our client base growth, revenues from Asset Management registered a 3.1% quarterly increase to R\$442.6 million, even in a quarter that typically does not recognize performance fees; and in Wealth Management & Consumer Banking we registered seventeen quarters of consecutive revenue growth, with strong net inflows of R\$ 30.7 billion.

As previously mentioned, despite the challenging credit and capital markets environment, we posted revenues of R\$1,191.9 million in Corporate & SME Lending, 46.0% above last year, supported by higher spreads in premium counterparties and maintaining adequate provisioning levels. Investment Banking registered record M&A revenues and, as expected, ECM and DCM had weak performance due to low market activity, totaling R\$260.2 million in the quarter.

Sales & Trading posted record revenues of R\$ 1,485.3, a 31.0% quarterly growth driven by continued diversification and expansion of client activity and efficient VaR allocation. Finally, Principal Investments and Participations recorded revenues of R\$53.7 million and losses of R\$70.0 million, respectively. It's worth mentioning that 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 will be recognized during the portfolio's duration since BTG Pactual consolidates Banco Pan. If Banco Pan had completed the recent credit portfolio sales to the market on the same terms instead of selling to BTG Pactual, Q1 BTGP ROAE would have been 23.0% vs. 20.9%.

Operating expenses ended the quarter at R\$2,122.2 million. The quarterly increase was mainly due to the salaries and benefits growth in connection with the annual year-end promotions process and salary adjustments. Our adjusted cost-to-income ratio finished the quarter at 39.3%, below historical average.

Accounting net income was R\$2,133.2 million in 1Q 2023, 9.8% above 4Q 2022 and 29.7% up when compared to 1Q 2022. Shareholders' equity ended the period at R\$44.2 billion, a 4.3% increase over the previous quarter, and a 12.5% y-o-y increase. Our liquidity coverage ratio ("LCR") was 174%, while the Basel ratio was 15.5%.

As we continue to expand our ESG & Impact Investing agenda, we have recently launched our Chilean Venture Debt Fund II, focused on financing SMEs while promoting positive impact and contributing to the Sustainable Development Goals. During the quarter we have also obtained the Transaction Security and Customer Data Protection certification – ISO 27001, which corroborates our higher standards on the matter.

In April, we also released the (i) 2022 Annual Report which follows the GRI, SASB, TCFD, IIRC and WEF frameworks and it is audited by a third party and, (ii) 2022 Social Responsibility Report, which highlights our efforts in this front.

Finally, we are very proud to inform that the White House announced a \$50 million debt investment in BTG Pactual's Reforestation strategy by the U.S. Development Finance Corporation, which will help mobilize \$1 billion to support the restoration of nearly 300,000 hectares of degraded lands in Brazil, Uruguay and Chile.

### Adjusted Net Income and ROAE (unaudited)

Adjusted Net Income and ROAE (unaudited)	1Q 2023 Accounting	Non Recurring Items & Goodwill	1Q 2023 Adjusted
Investment Banking	260.2		260.2
Corporate & SME Lending	1,191.9		1,191.9
Sales and Trading	1,485.3		1,485.3
Asset Management	442.6		442.6
Wealth Management & Consumer Banking	693.8		693.8
Principal Investments	53.7		53.7
Participations	(70.0)		(70.0)
Interest and Other	745.3		745.3
<b>Total revenues</b>	<b>4,802.8</b>	<b>-</b>	<b>4,802.8</b>
Bonus	(524.5)		(524.5)
Salaries and benefits	(529.7)		(529.7)
Administrative and other	(599.8)		(599.8)
Goodwill amortization	(232.8)	232.8	-
Tax charges, other than income tax	(235.4)		(235.4)
<b>Total operating expenses</b>	<b>(2,122.2)</b>	<b>232.8</b>	<b>(1,889.4)</b>
<b>Income before taxes</b>	<b>2,680.7</b>	<b>232.8</b>	<b>2,913.5</b>
Income tax and social contribution	(547.4)	(103.4)	(650.9)
<b>Net Income</b>	<b>2,133.2</b>	<b>129.4</b>	<b>2,262.6</b>
<b>Annualized ROAE</b>	<b>19.7%</b>		<b>20.9%</b>

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 1Q 2023 reached R\$4,802.8 million, a 10.4% y-o-y growth and 32.4% growth when compared to the previous quarter, which was negatively impacted by one-off provisions. We continue to benefit from our all-weather business mix and growing client franchises, despite a challenging macroeconomic scenario.

Revenues (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			1Q 2023 % change to		Year to Date		3M 2023 % change to
	1Q 2022	4Q 2022	1Q 2023	1Q 2022	4Q 2022	3M 2022	3M 2023	3M 2022
Investment Banking	351	485	260	-26%	-46%	351	260	-26%
Corporate & SME Lending	817	105	1,192	46%	1034%	817	1,192	46%
Sales & Trading	1,481	1,134	1,485	0%	31%	1,481	1,539	4%
Asset Management	313	429	443	41%	3%	313	443	41%
Wealth Management & Consumer Banking	570	686	694	22%	1%	570	694	22%
Principal Investments	219	53	54	-75%	1%	219	54	-75%
Participations	122	7	(70)	n.a.	n.a.	122	(70)	n.a.
Interest & Others	478	728	745	56%	2%	478	745	56%
<b>Total revenues</b>	<b>4,351</b>	<b>3,626</b>	<b>4,803</b>	<b>10%</b>	<b>32%</b>	<b>4,351</b>	<b>4,803</b>	<b>10%</b>

## Investment Banking

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

BTG Pactual Announced Transactions (unaudited)	Number of Transactions <sup>(1),(3)</sup>			Value <sup>(2),(3)</sup> (US\$ mln)		
	1Q 2022	4Q 2022	1Q 2023	1Q 2022	4Q 2022	1Q 2023
Financial Advisory (M&A) <sup>(4)</sup>	17	6	9	7,117	1,837	1,748
Equity Underwriting (ECM)	9	3	3	753	194	330
Debt Underwriting (DCM)	15	32	13	1,158	2,802	918

BTG Pactual Announced Transactions (unaudited)	Number of Transactions <sup>(1),(3)</sup>		Value <sup>(2),(3)</sup> (US\$ mln)	
	3M 2022	3M 2023	3M 2022	3M 2023
Financial Advisory (M&A) <sup>(4)</sup>	17	9	7,117	1,748
Equity Underwriting (ECM)	9	3	753	330
Debt Underwriting (DCM)	15	13	1,158	918

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 1Q 2023 market share highlights

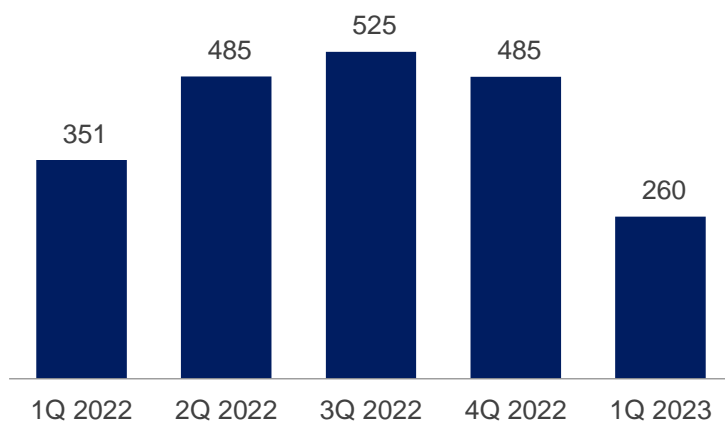
M&A: #1 in volume and number of transactions in both Brazil and LatAm

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

DCM: #1 in volume of transactions in Brazil



**Revenues (in R\$ million)**



**1Q 2023 vs. 4Q 2022**

Investment Banking posted revenues of R\$260.2 million impacted by the more restrictive capital markets environment. The performance was mostly driven by M&A, with record of revenues for a single quarter supported by a large number of concluded transactions.

Despite the weak contribution from ECM and DCM had in the quarter, we maintained our leading position in the industry rankings. It's worth mentioning that DCM activity is picking up for Q2.

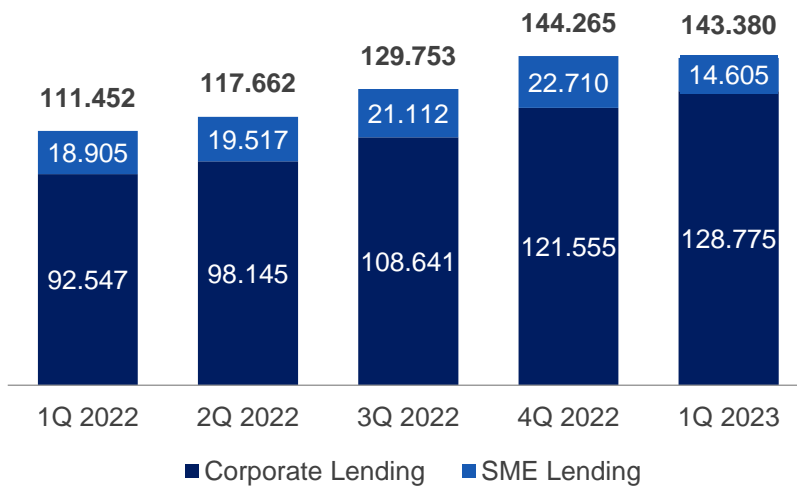
**1Q 2023 vs. 1Q 2022**

Investment Banking revenues decreased 25.9% compared to 1Q 2022, when we delivered R\$350.9 million. The softer DCM contribution during 1Q 2023 explains the y-o-y revenue decrease.

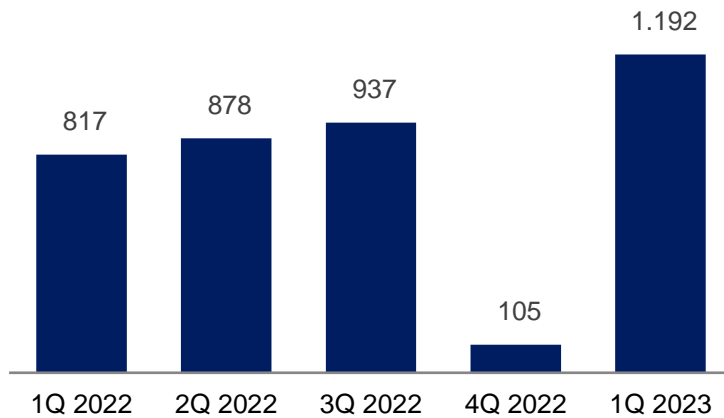
### Corporate and SME Lending

Corporate and SME Lending portfolio slightly decreased to R\$143.4 billion, down 0.6% compared to R\$144.3 billion in 4Q 2022. Following our dynamic credit risk allocation during the quarter, SME book decreased significantly while large corporate credit book grew 5.9% as we increase capital allocation in premium counterparties. Recurring revenues continue to expand in line with spread increase and adequate provisioning levels.

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



**Revenues (in R\$ million)**



**1Q 2023 vs. 4Q 2022**

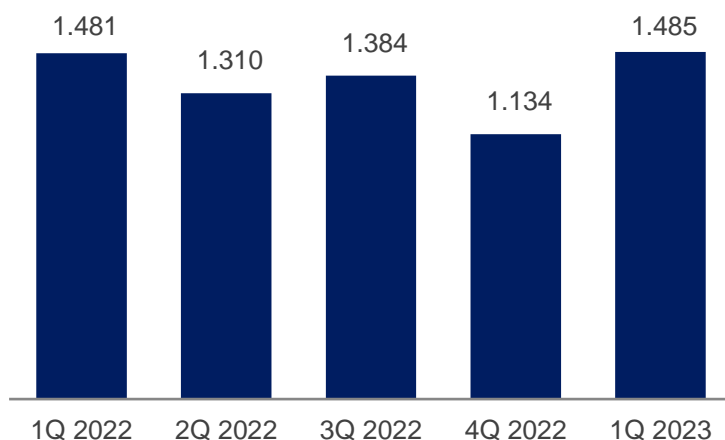
Corporate and SME Lending reported quarterly revenues of R\$1,191.9 million well above 4Q 2022, when revenues were impacted by one-off provisions. Nevertheless, recurring revenues continue to grow as we increase our large corporate portfolio focused on investment-grade counterparties with higher spreads.

**1Q 2023 vs. 1Q 2022**

Revenues increased 46.0% compared to R\$816.6 million registered on the 1Q 2022, while our Corporate & SME book grew 29% in the same period. Throughout this period, annualized net spreads have increased approximately 20bps in premium counterparties.

## Sales & Trading

### Revenues (in R\$ million)



### 1Q 2023 vs. 4Q 2022

Sales & Trading registered record revenues of R\$1,485.3 million, a 31.0% increase compared to 4Q 2022. The revenue increase was driven by continued diversification and expansion of client activity as well as efficient VaR allocation. Despite challenging market conditions, we continue to expand market presence as we increase our client base and product offering.

Average daily VaR was 0.29% of average shareholders' equity, while market risk component of RWA finished the quarter at 14.7%.

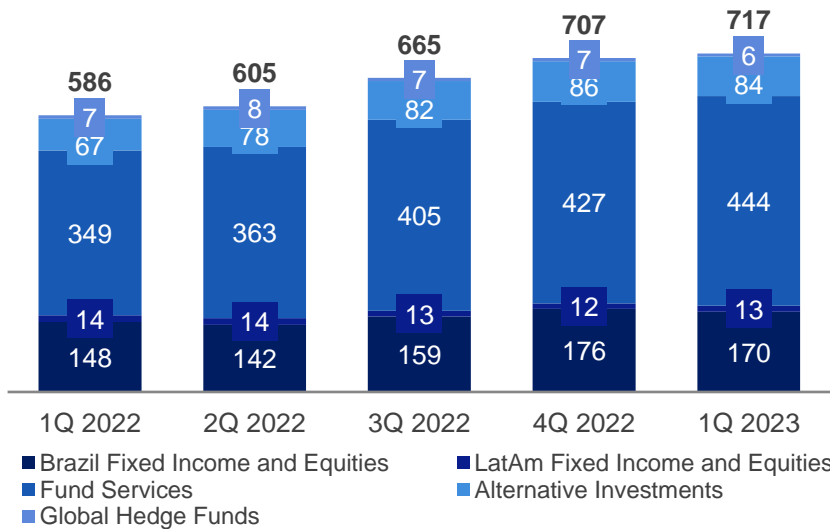
### 1Q 2023 vs. 1Q 2022

Sales & Trading revenues remained stable compared to a strong 1Q 2022 of R\$1,481.0 million. Even with local markets deterioration in the period, we were able to further expand revenues in line with the growth of our client base.

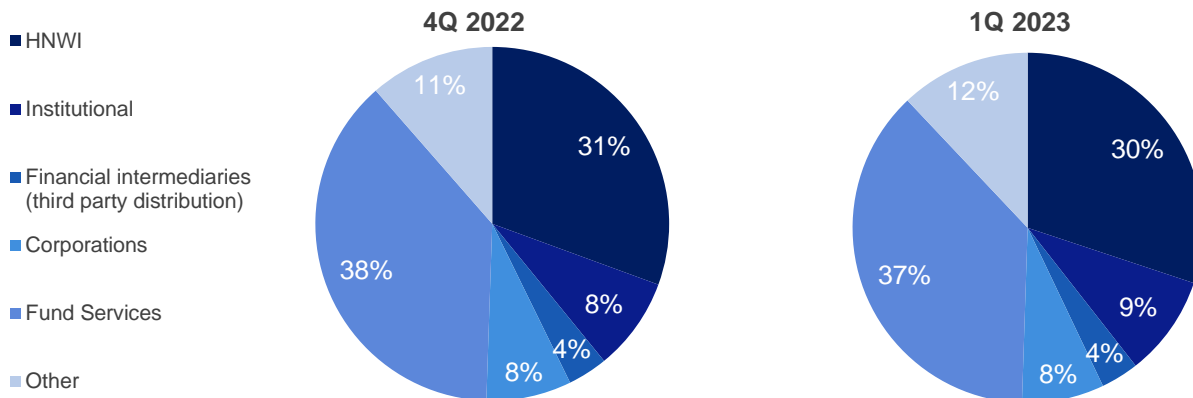
### Asset Management

Total Assets under Management (AuM/AuA) increased 1.4% during the quarter and 22.4% on a yearly basis, achieving R\$716.8 billion in the 1Q 2023, a strong result considering the macroeconomic headwinds - local equity market declined ~7%. Net inflows were R\$12.5 billion, on the back of a higher interest rates scenario which impacts the entire asset management industry and consequently our fund administration business.

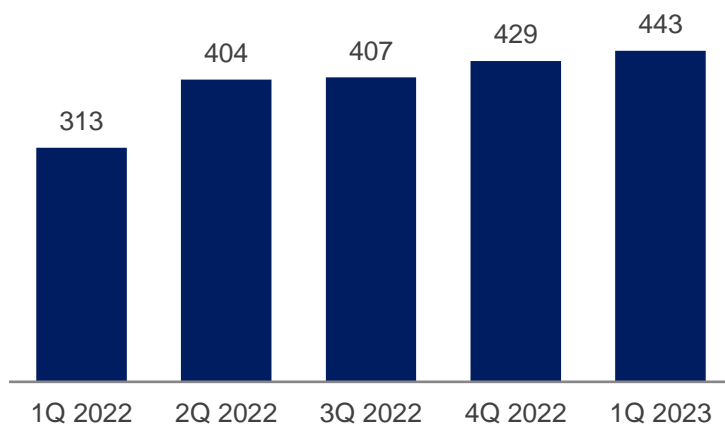
#### AuM & AuA by Asset Class (in R\$ billion)



#### AuM and AuA by Type of Client



Revenues (in R\$ million)



**1Q 2023 vs. 4Q 2022**

Asset Management posted record revenues of R\$442.6 million, a 3.1% increase from a strong 4Q 2022 of R\$429.2 million, even with natural seasonality of performance fees being accrued in the previous quarter.

**1Q 2023 vs. 1Q 2022**

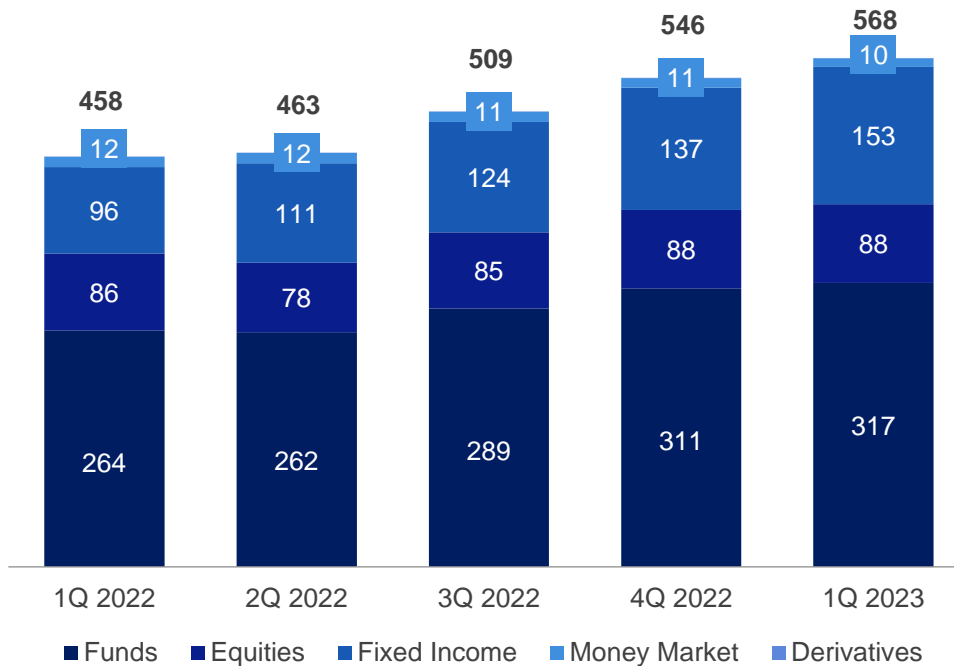
Year-over-year revenues grew 41.4%, from R\$313.1 million to R\$442.6 million, while total AuA/AuM grew 22.4% during the period. The increase was due to higher management fees in all segments, especially in Alternative Investments.

### Wealth Management & Consumer Banking

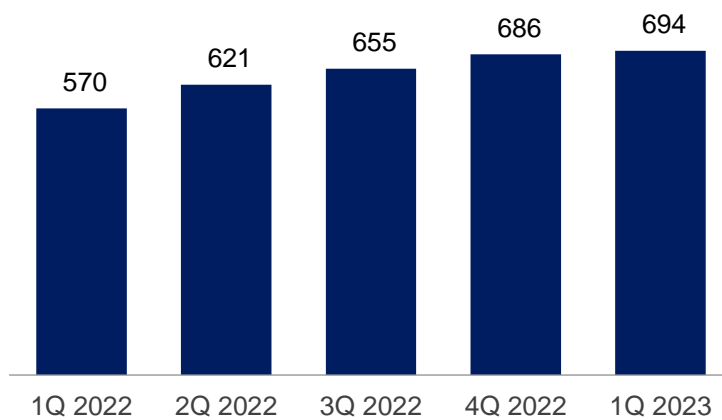
Wealth under Management (WuM) continues to increase, up 4.0% during the quarter and 24.1% year-over-year, reaching R\$568.3 billion. The consistently growth proves our long-term commitment and client-centric culture. Despite the more challenging scenario and natural Q1 seasonality, we have delivered strong net inflows of R\$30.7 billion.

As a recognition of the excellence of our products and services, we received the following awards in the Wealth Management division: “Best Private Bank in Brazil”, “Latin America’s Best for Digital”, “Latin America’s Best for HNWI” and “Best International Private Bank in Colombia”, by Euromoney.

#### WuM Breakdown (in R\$ billion)



**Revenues (in R\$ million)**



**1Q 2023 vs. 4Q 2022**

Wealth Management & Consumer Banking registered seventeenth consecutive quarters of record revenues, totaling R\$693.8 million. Revenue growth was due to WuM expansion of 4.0% in the period, as a result of solid net inflows in both private banking and high-income retail segments.

**1Q 2023 vs. 1Q 2022**

Revenues in Wealth Management & Consumer Banking increased 21.6%, compared to R\$570.4 million in 1Q 2022, while WuM grew by 24.1%. The impressive growth is mainly due to higher market share in both segments, reinforcing our focus on delivering great investment advice and innovating services to clients.



## Principal Investments

### 1Q 2023 vs. 4Q 2022

Principal Investments revenues slightly increased q-o-q, up 1.3% from R\$53.0 million to R\$53.7 million. Revenues consisted of positive equity pick up from investments and were partially offset by higher internal funding costs.

### 1Q 2023 vs. 1Q 2022

Principal Investments revenues decreased 75.5% compared to 1Q 2022, when we posted gains of R\$218.8 million. The decrease was mainly driven by higher internal cost of funding as well as lower contribution from Global Markets.

## Participations

### 1Q 2023 vs. 4Q 2022

Participations reported losses of R\$70.0 million, compared to revenues of R\$6.9 million in the 4Q 2022. Results in 1Q 2023 consisted of (i) R\$127mn of equity pick up, net of capital gains from the Banco Pan's payroll loan portfolio acquisition, (ii) R\$50.3 million gains from Too Seguros and Pan Corretora and (iii) R\$24.2 million gains from our remaining stake in EFG.

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 will be recognized during the portfolio's duration since BTG Pactual consolidates Banco Pan.

It's worth mentioning that in order to better reflect the total revenues of Participations, we decided to move the goodwill amortization expense of Banco Pan's acquisition to the "Goodwill Amortization" line under Total Expenses.

### 1Q 2023 vs. 1Q 2022

Participations results were losses of R\$70.0 million in 1Q 2023, compared to gains of R\$122.5 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

### 1Q 2023 vs. 4Q 2022

Revenues from Interest & Others were R\$745.3 million in 1Q 2023, compared to R\$727.7 million in 4Q 2022. 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).

### 1Q 2023 vs. 1Q 2022

Revenues from Interest & Others increased 55.9% y-o-y, mainly due to higher interest rates as well as the 12.5% growth in shareholder's equity from R\$39.3 billion to R\$44.2 billion.

## Operating Expenses

Operating Expenses (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			1Q 2023 % change to		Year to Date		3M 2023 % change to
	1Q 2022	4Q 2022	1Q 2023	1Q 2022	4Q 2022	3M 2022	3M 2023	3M 2022
Bonus	(546)	(347)	(525)	-4%	51%	(546)	(525)	-4%
Salaries and benefits	(437)	(462)	(530)	21%	15%	(437)	(530)	21%
Administrative and other	(476)	(596)	(600)	26%	1%	(476)	(600)	26%
Goodwill amortization	(213.3)	(221.2)	(233)	9%	5%	(213)	(233)	9%
Tax charges, other than income tax	(239)	(255)	(235)	-1%	-8%	(239)	(235)	-1%
<b>Total operating expenses</b>	<b>(1,911)</b>	<b>(1,882)</b>	<b>(2,122)</b>	<b>11%</b>	<b>13%</b>	<b>(1,911)</b>	<b>(2,122)</b>	<b>11%</b>
Adjusted cost to income ratio	39%	46%	39%	1%	-14%	39%	39%	1%
Compensation ratio	23%	22%	22%	-3%	-2%	23%	22%	-3%
Total number of employees	6,293	6,963	7,097	13%	2%	6,293	7,097	13%
Partners and associate partners	288	317	348	21%	10%	288	348	21%
Employees	6,005	6,646	6,749	12%	2%	6,005	6,749	12%

### Bonus

Total bonus expenses were R\$524.5 million in 1Q 2023, a 51.3% quarterly growth and a 4.0% yearly decline. The increase during the quarter was affected by the non-recurring provisions last quarter. 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 increased 14.6% in the quarter and 21.1% compared to 1Q 2022. Expenses increased in line with the annual year-end promotions process and salary adjustments. Expenses related to salaries and benefits were R\$529.7 million in 1Q 2023 and R\$462.3 million in 4Q 2022, compared to R\$437.2 million in 1Q 2022.

### Administrative and other

Total administrative and other expenses remained flat this quarter, from R\$596.4 million in 4Q 2022 to R\$599.8 million in 1Q 2023. Year-over-year A&O expenses grew by 26.1% mainly due to IT related costs.

### Goodwill amortization

In 1Q 2023, we recorded goodwill amortization expenses totaling R\$232.8 million, 5.3% above the previous quarter. The quarterly increase was mainly attributable to the inclusion of Banco Pan's goodwill amortization. Besides, goodwill amortizations consider our recent acquisitions, such as Empiricus/Vitreo, Necton, Fator and BTG Pactual Advisors.

### Tax charges, other than income tax

Tax charges, other than income tax, were R\$235.4 million or 4.9% of total revenues compared to R\$255.0 million in 4Q 2022, or 7.0% of total revenues.

### Income Taxes

Income Tax (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter			Year to Date	
	1Q 2022	4Q 2022	1Q 2023	3M 2022	3M 2023
Income before taxes	2,440	1,745	2,681	2,440	2,681
Income tax and social contribution	(498)	(101)	(547)	(498)	(547)
<b>Effective income tax rate</b>	<b>20.4%</b>	<b>5.8%</b>	<b>20.4%</b>	<b>20.4%</b>	<b>20.4%</b>

Our effective income tax rate for the quarter was 20.4% (representing an income tax expense of R\$547.4 million), compared to a rate of 5.8% in 4Q 2022 (which was impacted by the non-recurring provisions) and 20.4% in 1Q 2022. Our effective income tax rate this quarter was impacted by JCP provision.

## Balance Sheet

Total assets increased 4.4%, from R\$450.6 billion at the end of 4Q 2022 to R\$470.4 billion at the end of 1Q 2023, mainly due to (i) an increase of 10.0% in Cash and Equivalents from R\$55.5 billion to R\$61.0 billion at the end of 1Q 2023, (ii) an increase of 17.1% in Other Assets from R\$26.2 billion to R\$30.7 billion and, (iii) an increase of 5.4% in Assets Financed Through Repo, from R\$ R\$74.8 billion to R\$78.8 billion. Our leverage ratio remained stable at 10.1x.

On the liability side, our Secured Funding increased 13.2% from R\$ 79.8 billion to R\$ 90.4 billion at the end of 1Q 2023. Also, our Repo Financing increased in line with the increase in our assets.

Shareholders' equity increased from R\$42.4 billion at the end of 4Q2022 to R\$44.2 billion at the end of 1Q 2023, mostly impacted by the net income of R\$ 2,133 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

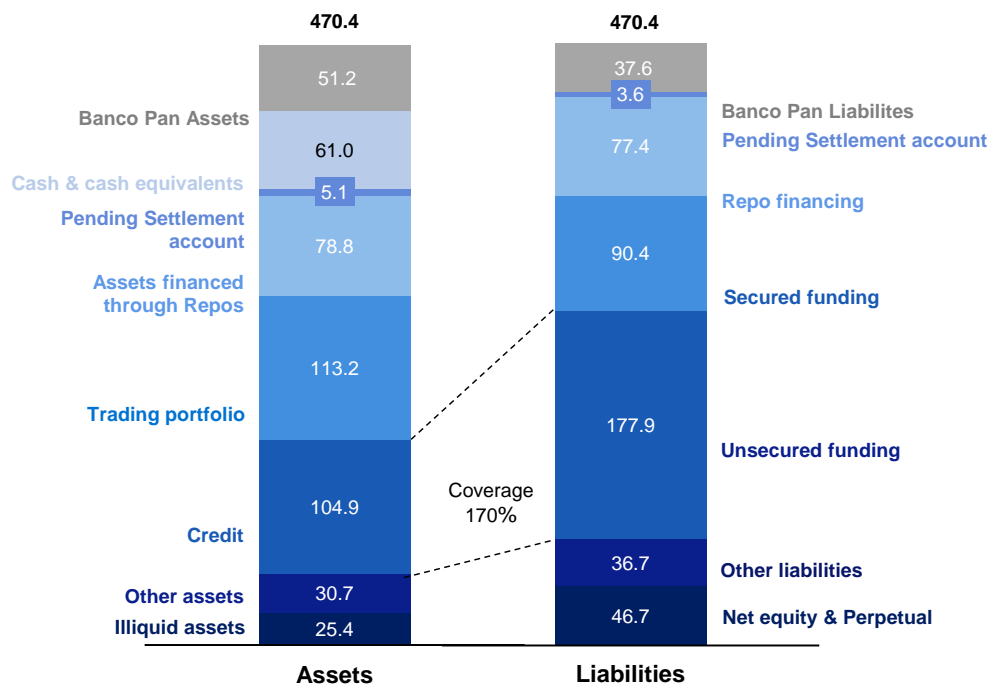
Value-at-risk (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	Quarter		
	1Q 2022	4Q 2022	1Q 2023
<b>Total average daily VaR</b>	<b>120.9</b>	<b>115.6</b>	<b>125.6</b>
Average daily VaR as a % of average equity	0.32%	0.27%	0.29%

Total average daily VaR increased 8.7% when compared to 4Q 2022, driven by increased risk in our Fixed Income and FX desks. As a percentage of average equity, our average daily VaR was 0.29%, below historical levels.

### Liquidity Risk Analysis

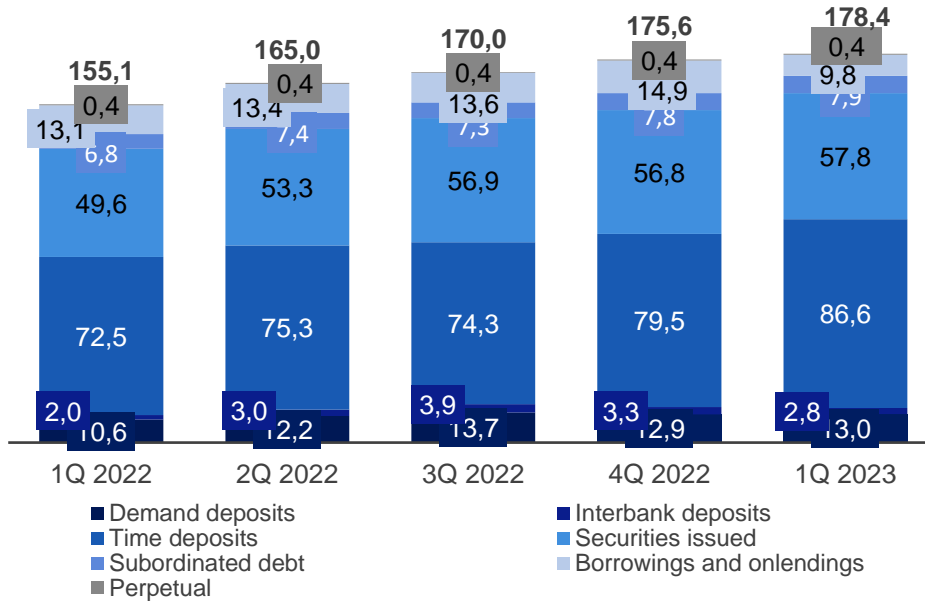
The chart below summarizes the composition of assets and liabilities as of March 31<sup>st</sup>, 2023:

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



### Unsecured Funding Analysis

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



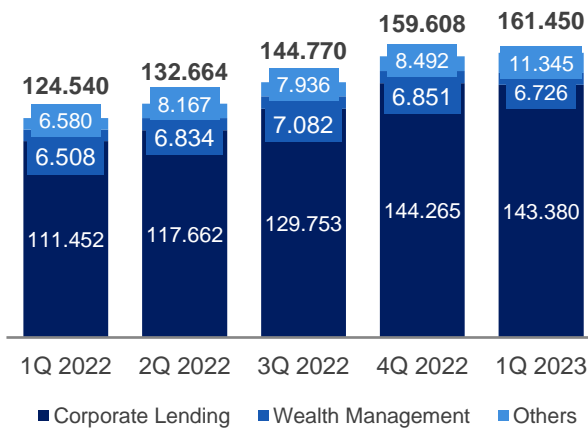
Total unsecured funding increased from R\$175.6 billion at the end of 4Q 2022 to R\$178.4 billion at the end of 1Q 2023, mainly due to an increase in time deposits concentrated in local issuances in BRL. The share of our retail funding continues to expand, reaching 30.8% (considering Banco Pan's funding base).

### BTG Pactual Broader Credit Portfolio

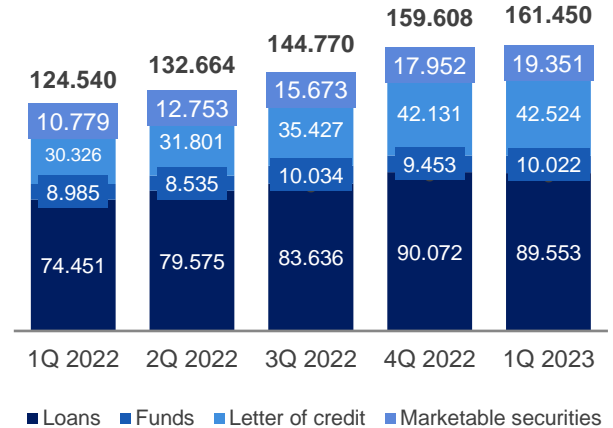
Our broader credit portfolio is comprised of loans, receivables, advances on foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

The balance of our broader credit portfolio increased 1.2% compared to the previous quarter, from R\$159.6 billion to R\$161.5 billion, and 29.6% compared to 1Q 2022.

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



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



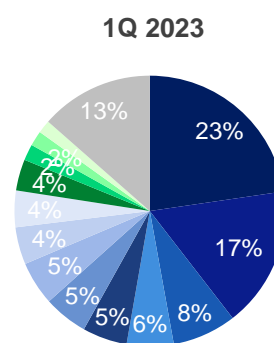
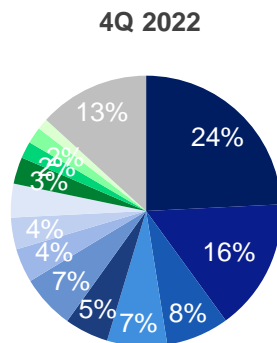
**Notes:**

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
- Financials
- Agribusiness
- Retail
- Oil & Gas
- Food & Beverage
- Real Estate
- Wealth Management
- Metals & Mining
- Infrastructure
- Telecom
- Government
- Auto-Parts
- Others





### Credit Risk

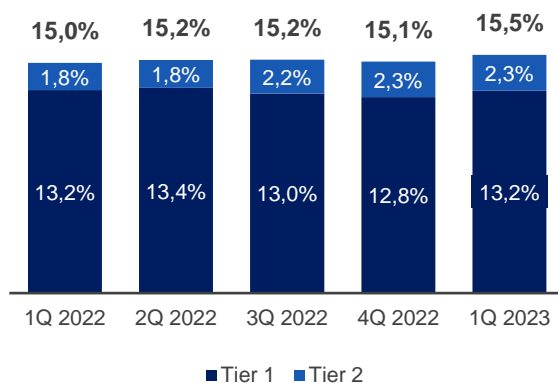
The following table shows the distribution of our credit exposures as of March 31<sup>st</sup>, 2023, by credit rating. The ratings below reflect our internal assessment, consistently applied in accordance with the Brazilian Central Bank standard ratings scale:

Rating (unaudited) (in R\$ million)	1Q 2023
AA	77,773
A	52,714
B	22,645
C	2,338
D	1,485
E	2,874
F	617
G	562
H	442
<b>Total</b>	<b>161,450</b>

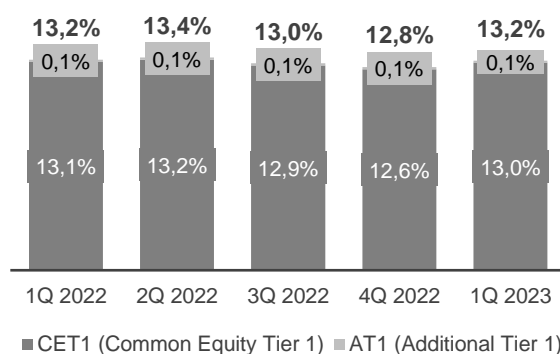
### Capital Management

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 15.5% at the end of 1Q 2023. Our liquidity coverage ratio (LCR) ended the quarter at 174%.

**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			1Q 2023 % change to	
	1Q 2022	4Q 2022	1Q 2023	1Q 2022	4Q 2022
<b>Assets</b>					
Cash and bank deposits	3,536	3,069	3,239	-8%	6%
Interbank investments	47,939	74,114	78,789	64%	6%
Marketable securities and derivatives	157,664	138,662	171,691	9%	24%
Interbank transactions	12,624	23,787	18,079	43%	-24%
Loans	102,349	114,623	109,752	7%	-4%
Other receivables	53,101	81,815	74,292	40%	-9%
Other assets	1,540	1,752	1,768	15%	1%
Permanent assets	12,595	12,790	12,793	2%	0%
<b>Total assets</b>	<b>391,349</b>	<b>450,612</b>	<b>470,401</b>	<b>20%</b>	<b>4%</b>
<b>Liabilities</b>					
Deposits	107,202	115,750	118,310	10%	2%
Open market funding	75,886	87,139	91,992	21%	6%
Funds from securities issued and accepted	60,322	67,945	69,351	15%	2%
Interbank transactions	4,076	3,497	3,230	-21%	-8%
Loans and onlendings	13,959	17,694	14,447	3%	-18%
Derivatives	26,230	13,760	38,159	45%	177%
Subordinated liabilities	2,207	581	580	-74%	0%
Other liabilities	57,853	97,633	85,734	48%	-12%
Deferred income	-	-	-	n.a.	n.a.
<b>Shareholders' equity</b>	<b>39,300</b>	<b>42,372</b>	<b>44,208</b>	<b>12%</b>	<b>4%</b>
Non-controlling interest	4,314	4,242	4,391	2%	4%
<b>Total liabilities</b>	<b>391,349</b>	<b>450,612</b>	<b>470,401</b>	<b>20%</b>	<b>4%</b>

Adjusted Income Statement (unaudited)	Quarter			1Q 2023 % change to		Year to Date		3M 2023 % change to		
	<i>(in R\$ million, unless otherwise stated)</i>			1Q 2022	4Q 2022	1Q 2023	1Q 2022	4Q 2022	3M 2022	3M 2023
Investment Banking	351	485	260	-26%	-46%	351	260	-26%		
Corporate and SME Lending	817	105	1,192	46%	1034%	817	1,192	46%		
Sales & Trading	1,481	1,134	1,485	0%	31%	1,481	1,485	0%		
Asset Management	313	429	443	41%	3%	313	443	41%		
Wealth Management & Consumer Banking	570	686	694	22%	1%	570	694	22%		
Principal Investments	219	53	54	-75%	1%	219	54	-75%		
Participations	122	7	(70)	n.a.	n.a.	122	(70)	n.a.		
Interest & Others	478	728	745	56%	2%	478	745	56%		
<b>Total revenues</b>	<b>4,351</b>	<b>3,626</b>	<b>4,803</b>	<b>10%</b>	<b>32%</b>	<b>4,351</b>	<b>4,803</b>	<b>10%</b>		
Bonus	(546)	(347)	(525)	-4%	51%	(546)	(525)	-4%		
Salaries and benefits	(437)	(462)	(530)	21%	15%	(437)	(530)	21%		
Administrative and other	(476)	(596)	(600)	26%	1%	(476)	(600)	26%		
Goodwill amortization	(213)	(221)	(233)	9%	5%	(213)	(233)	9%		
Tax charges, other than income tax	(239)	(255)	(235)	-1%	-8%	(239)	(235.4)	-1%		
<b>Total operating expenses</b>	<b>(1,911)</b>	<b>(1,882)</b>	<b>(2,122)</b>	<b>11%</b>	<b>13%</b>	<b>(1,911)</b>	<b>(2,122)</b>	<b>11%</b>		
<b>Income before taxes</b>	<b>2,440</b>	<b>1,745</b>	<b>2,681</b>	<b>10%</b>	<b>54%</b>	<b>2,440</b>	<b>2,681</b>	<b>10%</b>		
Income tax and social contribution	(498)	(101)	(547)	10%	444%	(498)	(547)	10%		
<b>Net Income</b>	<b>1,943</b>	<b>1,644</b>	<b>2,133</b>	<b>10%</b>	<b>30%</b>	<b>1,943</b>	<b>2,133</b>	<b>10%</b>		

Income Statement (unaudited)	Banco BTG Pactual S.A.	
	<i>(in R\$ million, unless otherwise stated)</i>	
	4Q 2022	1Q 2023
Financial income	16,454	14,255
Financial expenses	(13,544)	(9,070)
<b>Gross financial income</b>	<b>2,910</b>	<b>5,184</b>
Other operating income (expenses)	(1,108)	(2,252)
<b>Operating income (expenses)</b>	<b>1,802</b>	<b>2,932</b>
Non-operating income/(expenses)	170	4
<b>Income before taxes and profit sharing</b>	<b>1,973</b>	<b>2,936</b>
Income and social contribution taxes	136	(182)
Statutory profit sharing	(389)	(540)
Non-controlling interest	(75)	(80)
<b>Net income</b>	<b>1,644</b>	<b>2,133</b>

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

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 – First Quarter 2023

May 8<sup>th</sup>, 2023 (before trading hours)

### English Conference Call

**May 8<sup>th</sup>, 2023 (Monday)**

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

Phone 1: +55 (11) 4210-1803

Phone 2: +1 412 717 9627

### Portuguese Conference Call

**May 8<sup>th</sup>, 2023 (Monday)**

09:00 AM (New York) / 10:00 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](http://www.btgpactual.com/ir)

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

### Investor Relations

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