



Banco BTG Pactual Third Quarter 2017

Conference Call Presentation

November 8, 2017

For additional information, please read carefully the notice at the end of this presentation.

Earnings Release

Third Quarter 2017

English Conference Call

November 8, 2017 (Wednesday)

10:00 am (New York) / 01:00 pm (Brasília)

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Code: 10097719

Portuguese Conference Call

November 8, 2017 (Wednesday)

08:00 am (New York) / 11:00 am (Brasília)

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Replay: +55 (11) 2188-0400

Code: BTG Pactual

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.

Investor Relations

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Update on Shares and Bond Buy Back

1

Since 2015, we have been actively repurchasing our own outstanding bonds, and running a share buy back program

2

We have now decided to cancel part of the previously acquired bonds, and to launch a tender offer to buy back our Perpetual ATI bond

- Cancellation of USD300 million of the Senior 2020 bonds
- Cancellation of USD350 million of the Tier II Subordinated 2022 bonds
- Tender offer to repurchase up to USD 390 million of the Perpetual bond, considered as Tier I. such repurchase should occur by Dec 1, 2017
 - Impact on capital ratios expected to be approximately 100bps

3

We continue to actively run a share buy back program

- Cancellation of 16.2 million units in 3Q 2017
- New buy back program of 15.5 million units approved on Oct 2017

Performance Summary

3Q 2017

3Q 2017 with good performance from our franchise businesses

1 For 3Q 2017, total revenues and adjusted net income reached R\$1.6 billion and R\$759 million, respectively

- Annualized ROAE⁽¹⁾ of 16.5%
- Net income per unit⁽¹⁾ of R\$0.85

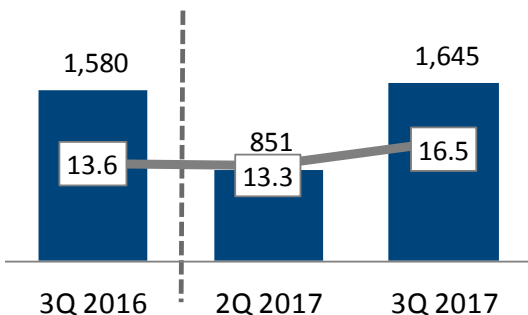
2 Recurring cost ratios in line with historical average

- Cost to income ratio at 43% for the quarter
- Compensation ratio at 22% for the quarter

3 Total assets at R\$113.7 billion, leverage ratio at 6.1x and Basel ratio for BTG Pactual was 17.3%

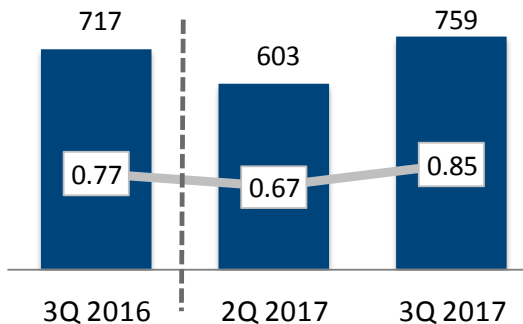
- Avg VaR in the quarter increased to R\$130 million, or 0.71% of average shareholders' equity

Revenues (R\$ million)



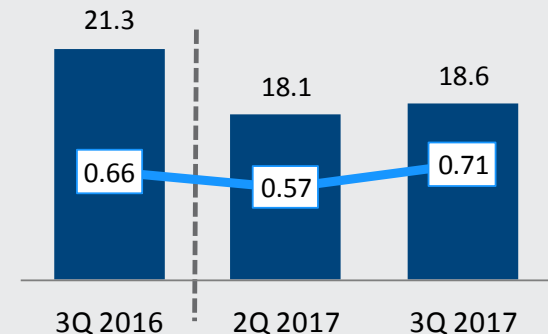
■ Revenues — ROAE (%)⁽¹⁾
 - - - Prior to ECTP and BSI transactions

Net Income (R\$ million)



■ Net Income adjusted
 — Earnings p/Unit (R\$)⁽¹⁾

Shareholders' Equity (R\$ billion)



■ Shareholders' Equity
 — Avg. daily VaR / avg. SE (%)



Note:

* Balance sheet items represents end of period data

(1) Annualized ROAE and net income per unit considers the adjusted net income as reference for the calculations, starting 1Q 2017

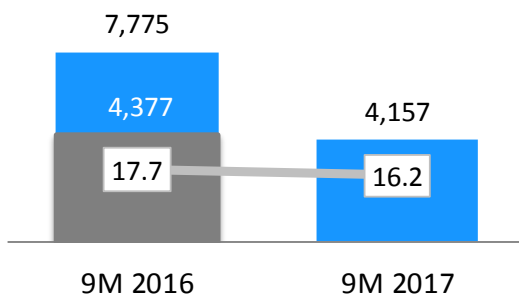
Performance Summary

Nine-month period 2017

In 9M 2017 we presented a 16.2% adjusted ROAE, in line with our expectations, while we continued to maintain a conservative balance sheet and prudent risk management approach

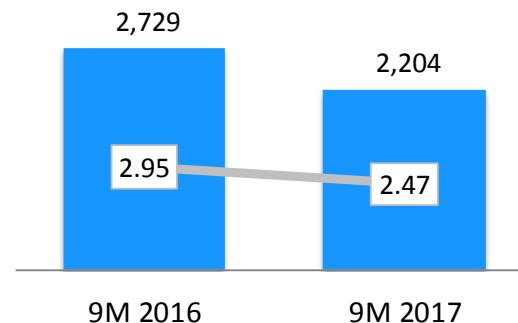
- 1 Most business areas performing well and with positive trends**
 - Revenues and adjusted net income reached R\$4.2 billion and R\$2.2 billion, respectively
 - Year to date annualized adjusted ROAE of 16.2%
- 2 Cost income slightly above historic average, mainly due to one-off costs**
 - Cost to income ratio at 46%
 - Compensation ratio at 22%
 - Net margin at 46%⁽¹⁾
- 3 Shareholders' equity ended the period at R\$18.6 billion**
 - Book value per unit of R\$20.82

Revenues (R\$ million)



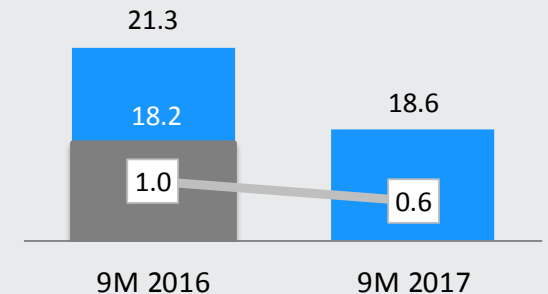
■ Revenues
■ Revenues Ex. ECTP & BSI
— ROAE (%)

Net Income (R\$ million)



■ Net Income adjusted
— Earnings p/Unit (R\$)⁽¹⁾

Shareholders' Equity (R\$ billion)



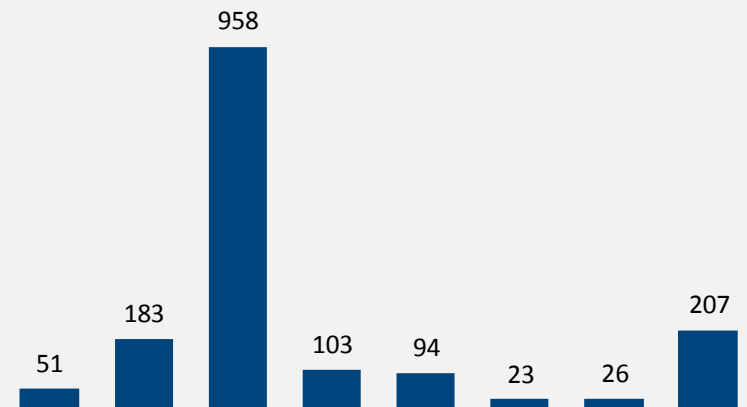
■ Shareholders Equity
■ Shareholders Equity Adjusted
— Avg. daily VaR / avg. SE (%)

Banco BTG Pactual S.A. | Core Business Areas Performance

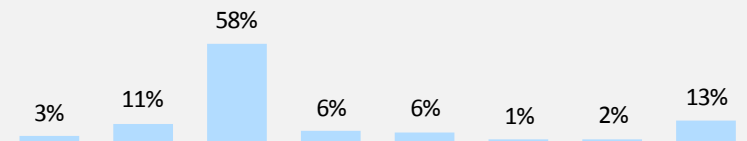
Revenues breakdown by business units

3rd Quarter 2017

Total Revenues = R\$1,6 billion
(R\$m)



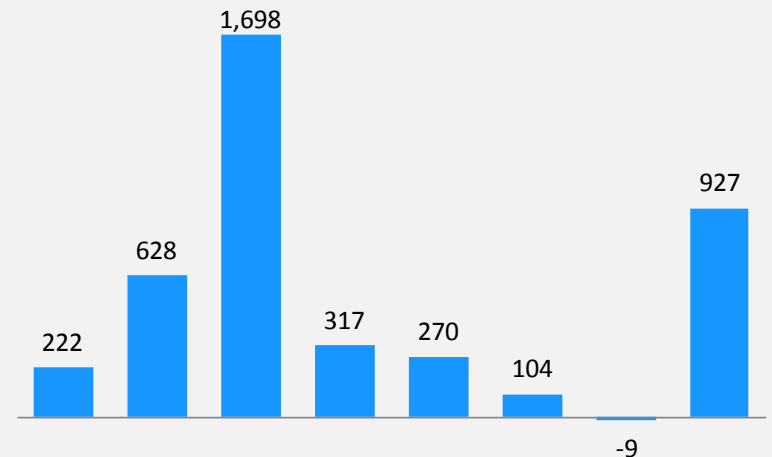
(% of total)



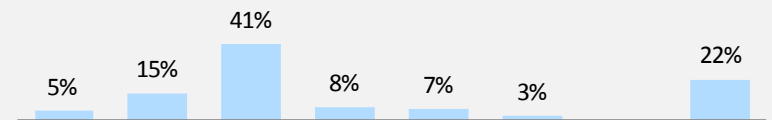
Investment Banking Corporate Lending Sales & Trading Asset Mgmt Wealth Mgmt Principal Investments Participations Interest & Others

Nine-month period 2017

Total Revenues = R\$4.2 billion
(R\$m)



(% of total)



Investment Banking Corporate Lending Sales & Trading Asset Mgmt Wealth Mgmt Principal Investments Participations Interest & Others



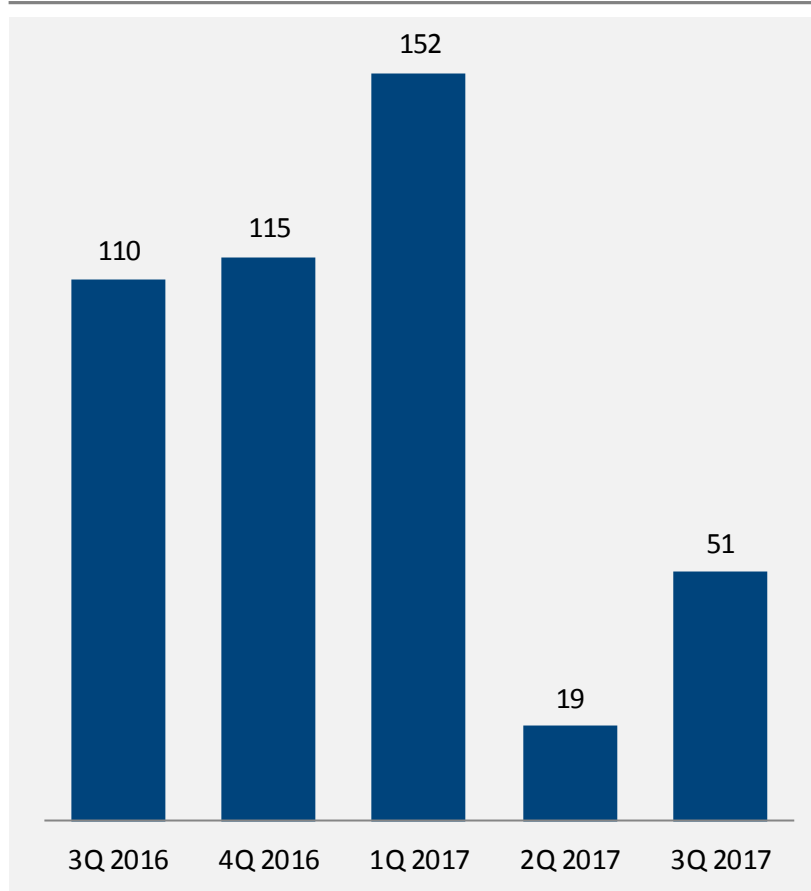
Section 1

Business Areas

Investment Banking

In spite of relatively weak revenues, backlog and pipeline are strong, given increased activity in the region and leading market share

Revenues (R\$ million)



Overview of 3Q 2017

- Financial Advisory revenues continues timid in spite of strong backlog of announced transactions
- Stronger revenues in ECM on an increase in market activity together with our market share in capital markets that increased in the period

Market Positioning Highlights

(3Q 2017)

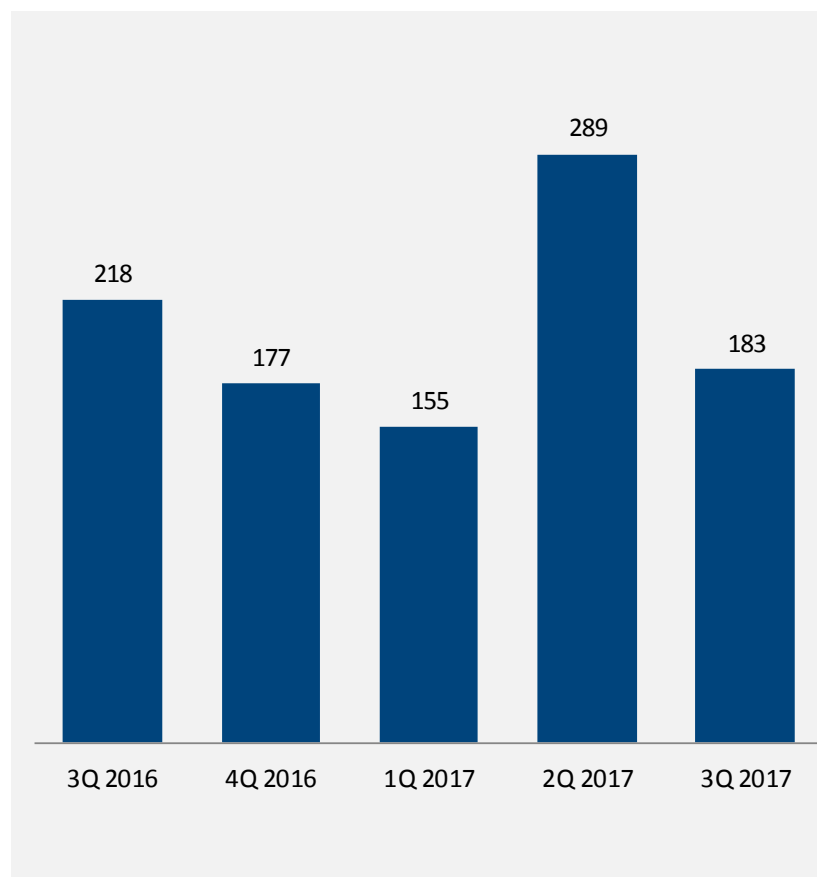
M&A: #1 in number of transactions in Brazil and Latin America

ECM: #2 in number of transactions in Latin America

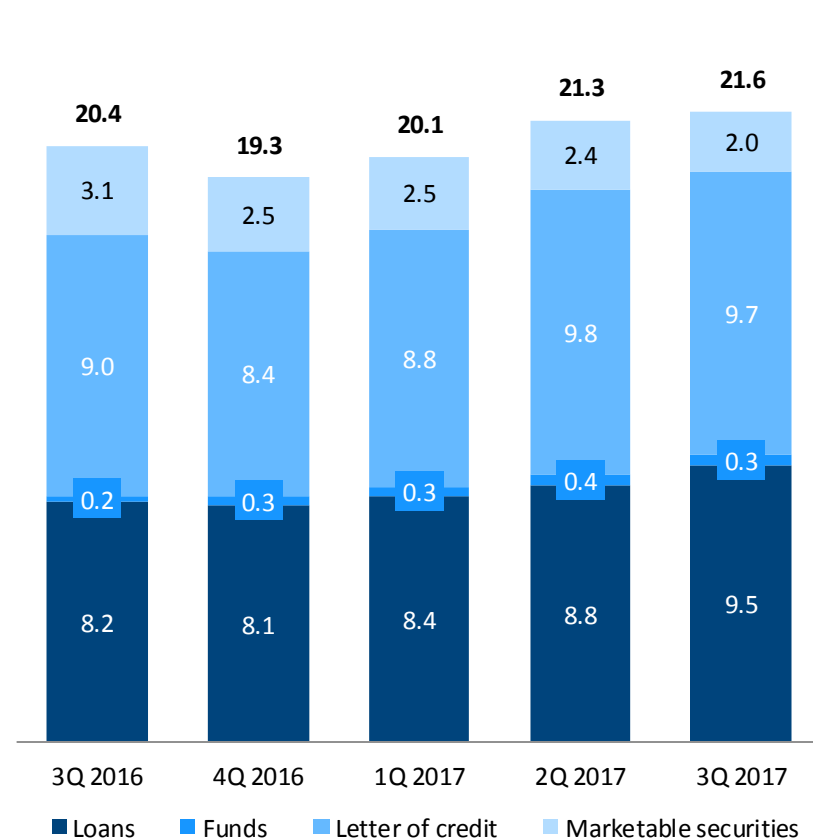
Corporate Lending

Corporate Lending book continues with attractive spreads and conservative levels of credit provision. One-off revenues from our NPL portfolio were smaller in the period

Revenues (R\$ million)



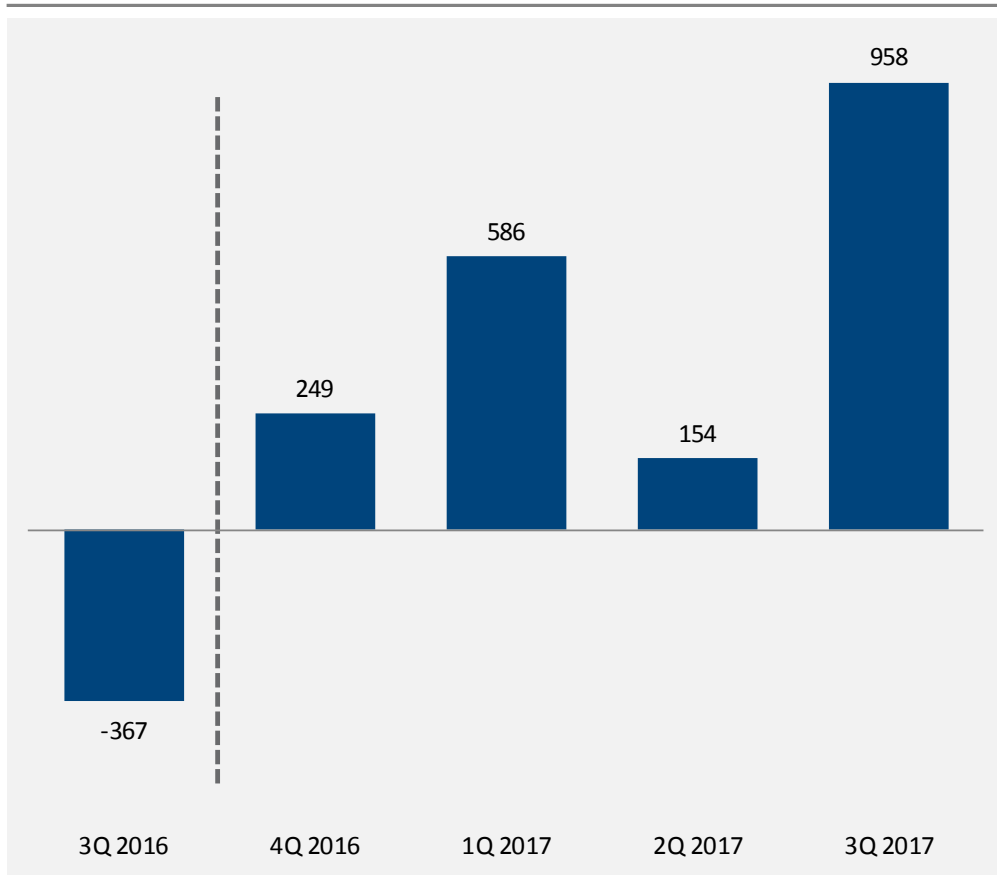
Corporate Lending Portfolio (R\$ billion)



Sales & Trading

Strong Sales & Trading performance with positive contribution from all desks

Revenues (R\$ million)



Sales & Trading Revenues:

- Rates desk produced strong revenues
- Good performance from our Brazilian Energy and Equities desks
- FX desk had a weaker performance in the quarter

--- Prior to ECTP and BSI transactions

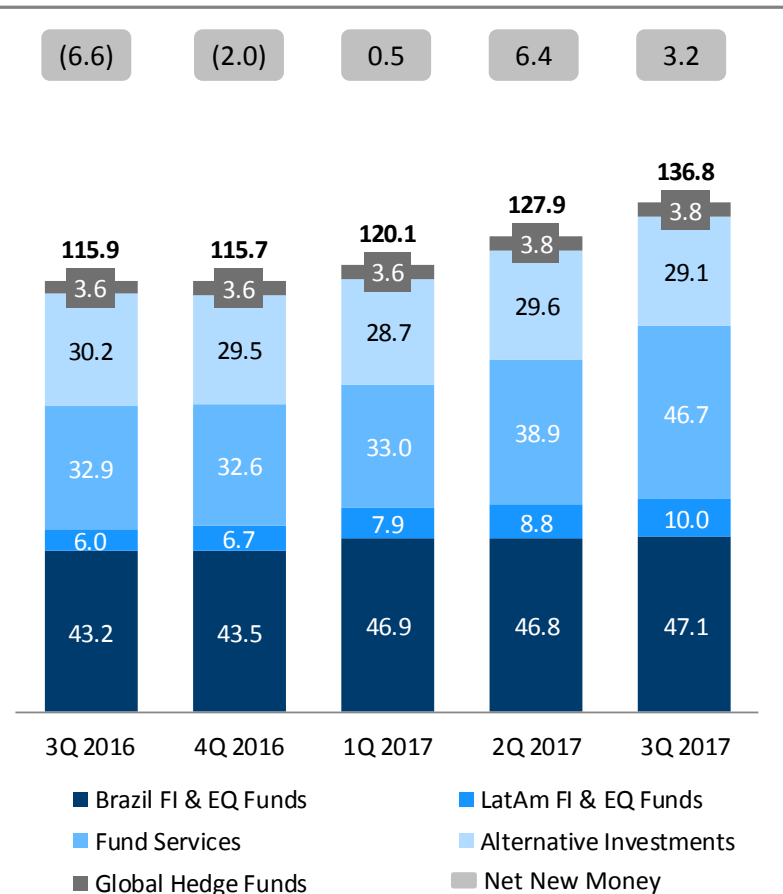
Asset Management

Revenues continue to be composed mainly by management fees

Revenues (R\$ million)



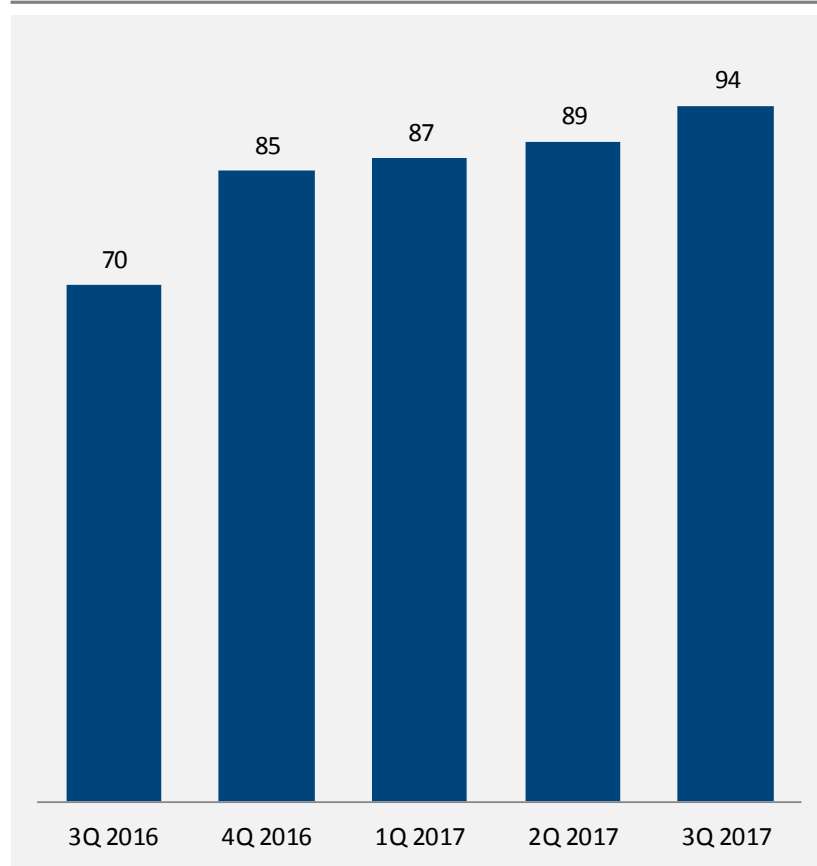
AuM and AuA (R\$ billion)



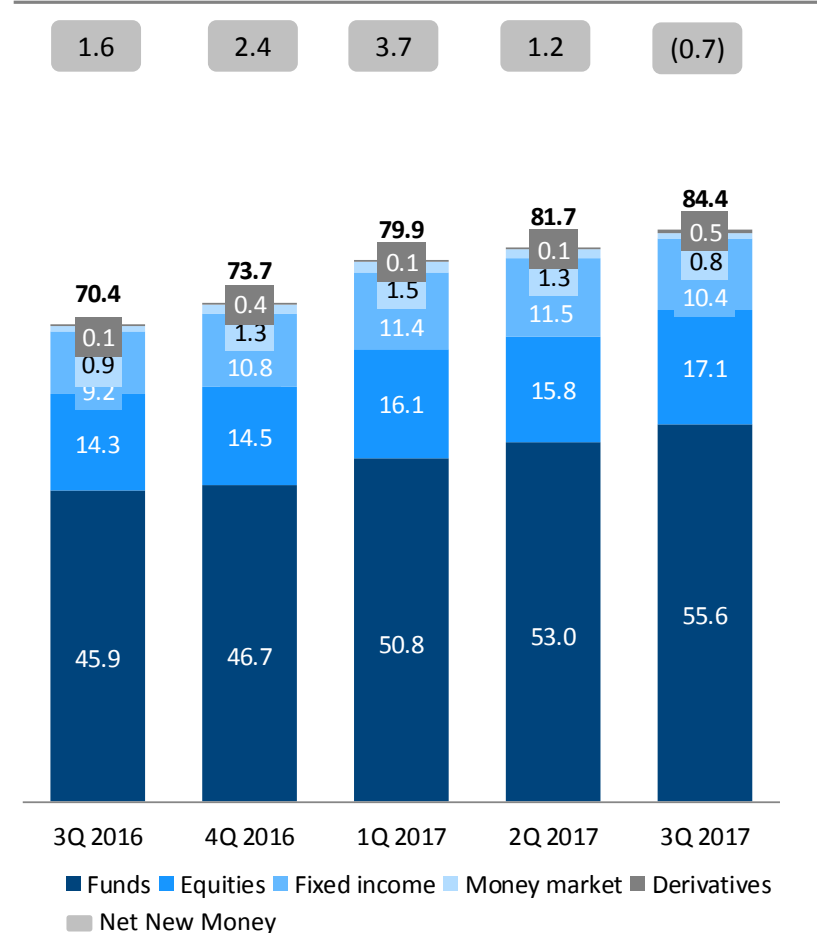
Wealth Management

Wealth under Management increased 3% in the quarter and 20% over the past 12m period

Revenues (R\$ million)



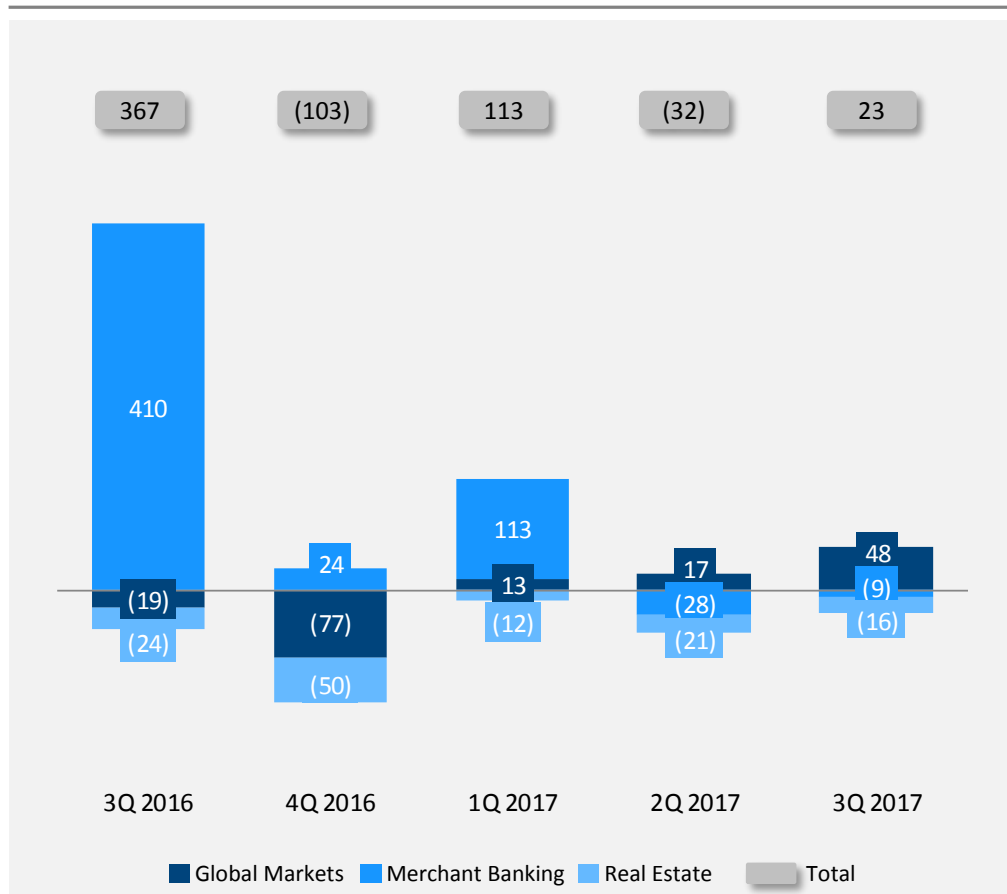
WuM (R\$ billion)



Principal Investments

Principal Investments revenues reflect small appetite for proprietary risk, as we continue with the strategy to reduce exposure in illiquid portfolios

Revenues (R\$ million)



Main revenues contribution 3Q 2017:

In Global Markets, revenues concentrated in LatAm strategies, especially rates and FX

Results in Merchant Banking reflect share of profits from investments, compensating most of the internal funding cost allocation

No highlights in Real Estate, performance reflects mainly internal funding cost allocation



Section 2

Expenses

Expenses and Main Ratios

Cost ratios in line with historical average, cost income ratio of 43% and compensation ratio of 22%. When adjusted for non recurring items and goodwill, cost income ratio of 35%

<i>(in R\$ mm, unless stated)</i>	Quarter		3Q 2017 % change to		Full Year		9M 2017	
	3Q 2016	2Q 2017	3Q 2017	3Q 2016	2Q 2017	9M 2016	% change to 9M 2016	
Bonus	149	(65)	(236)	-258%	264%	(703)	(504)	-28%
Salaries and benefits	(437)	(133)	(133)	-70%	0%	(1,506)	(398)	-74%
Administrative and other	(398)	(214)	(208)	-48%	-3%	(1,519)	(602)	-60%
Goodwill amortization	(50)	(64)	(65)	30%	2%	(159)	(226)	42%
Tax charges, other than income tax	(123)	(23)	(64)	-48%	183%	(351)	(175)	-50%
Total operating expenses	(859)	(498)	(705)	-18%	42%	(4,239)	(1,905)	-55%
Cost to income ratio	54%	58%	43%			55%	46%	
Compensation ratio	18%	23%	22%			28%	22%	
Income tax and social contribution	(4)	149	(439)			(808)	(529)	-35%
Effective income tax rate	0.6%	-42.2%	46.7%			22.8%	23.5%	

--- Prior to ECTP and BSI transactions

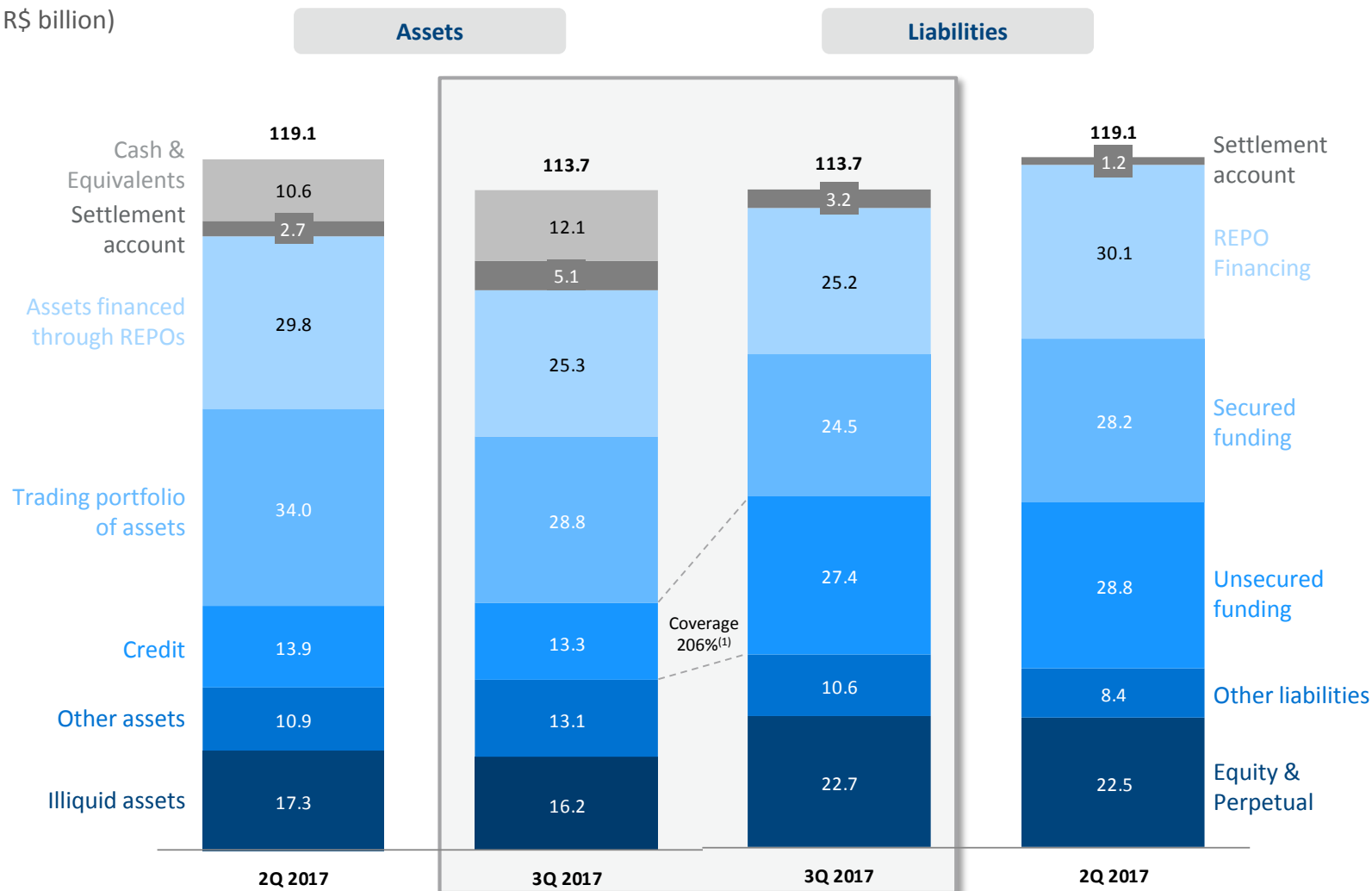


Section 3

Balance Sheet

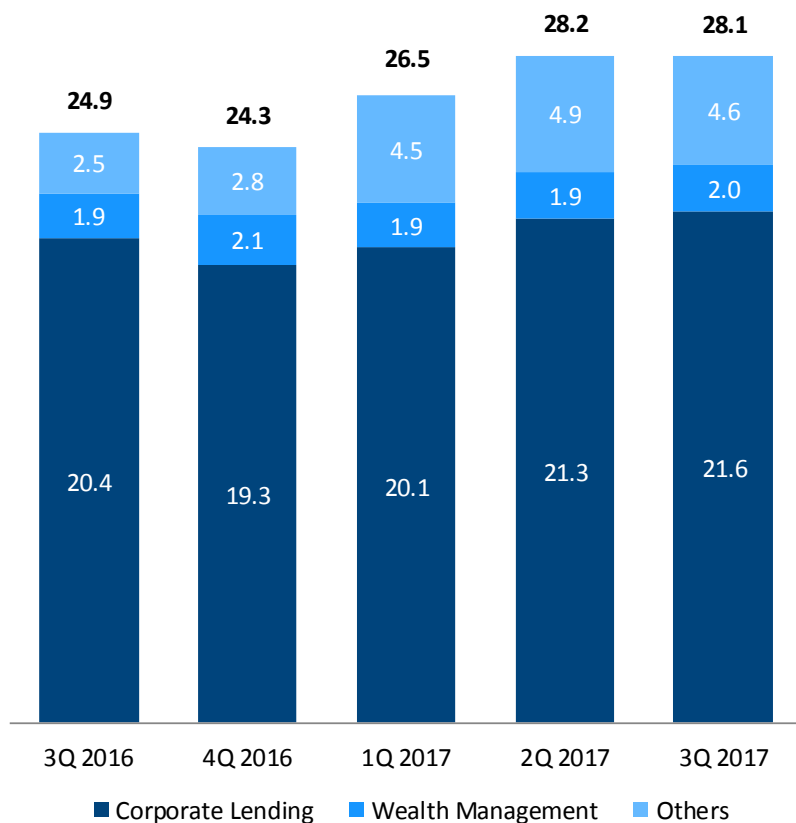
Balance Sheet Analysis

(In R\$ billion)

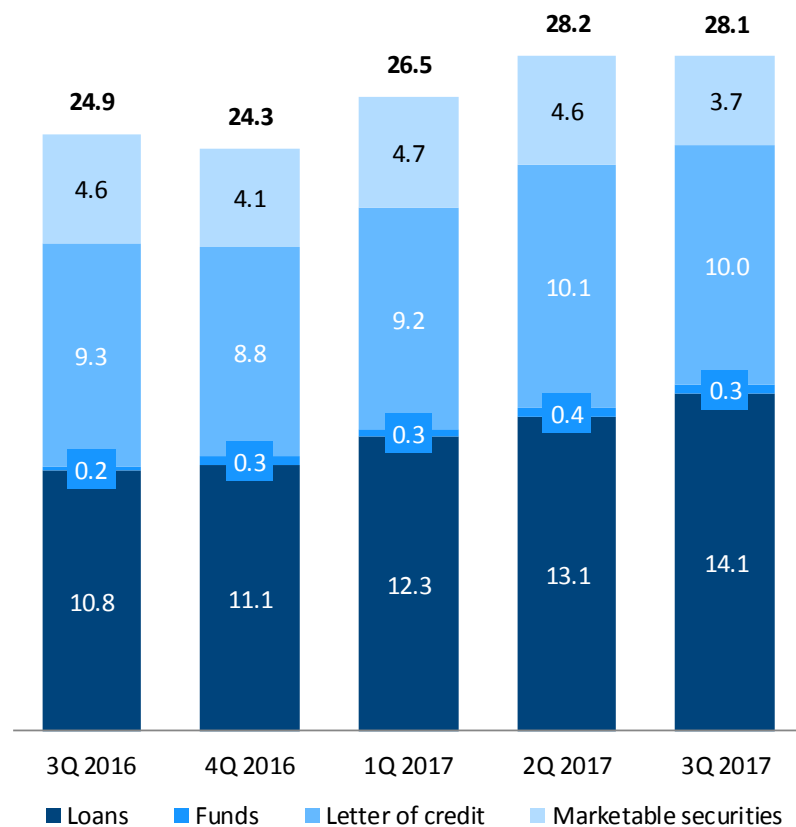


Broader Credit Portfolio

Broader Credit Portfolio by Area (R\$ billion)

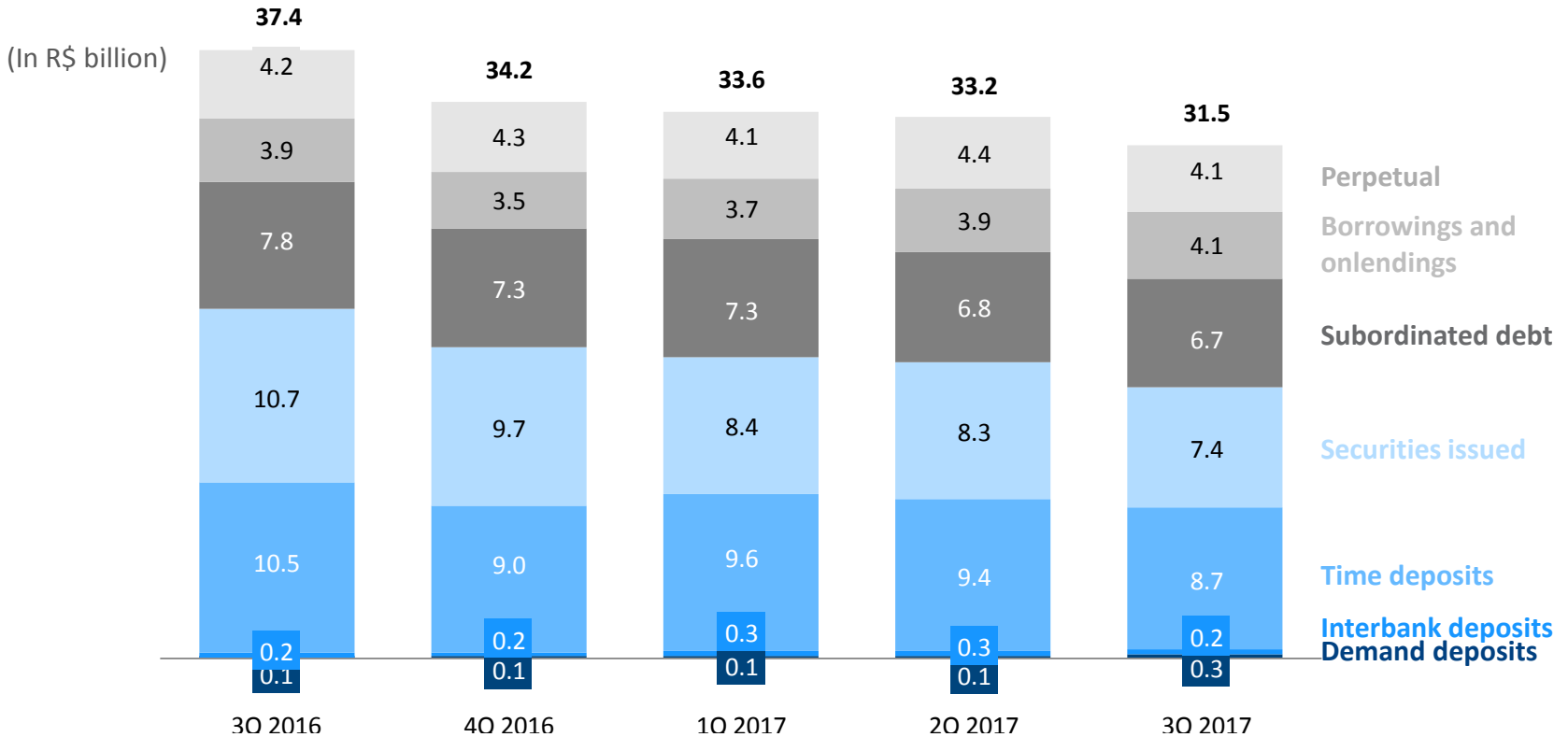


Broader Credit Portfolio by Product (R\$ billion)⁽¹⁾



Unsecured Funding Base

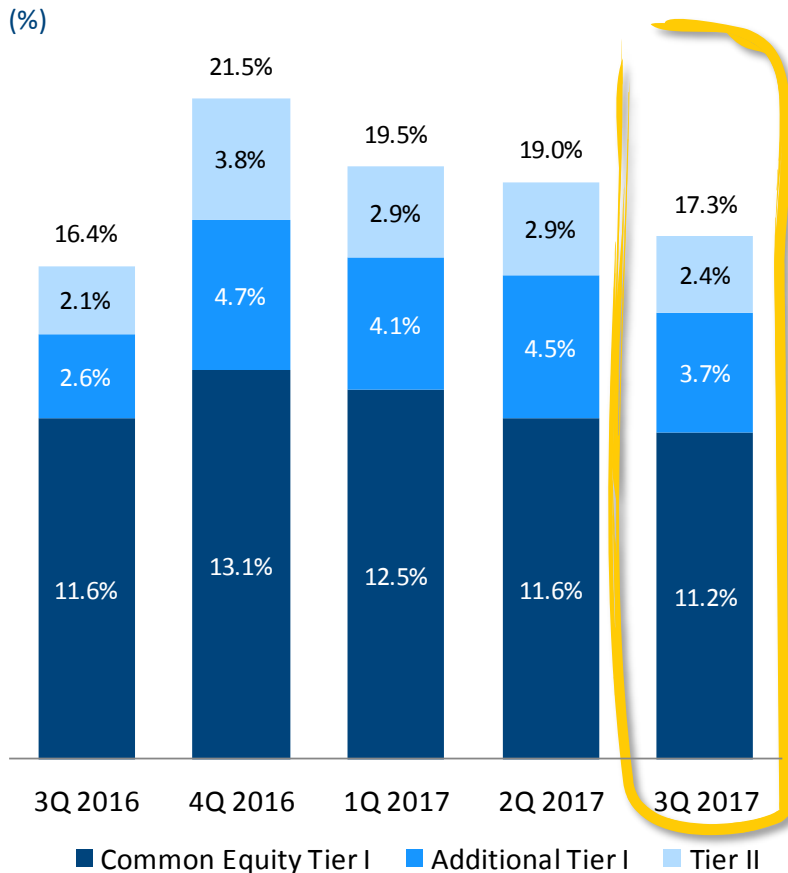
Unsecured funding base continues stable and adequate to finance the current balance sheet usage



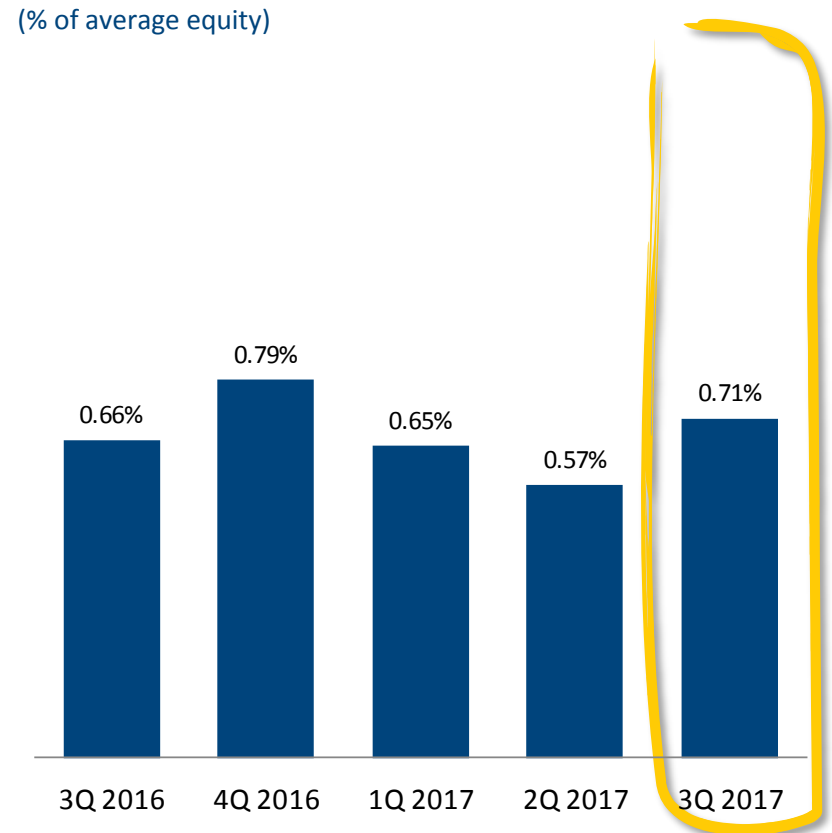
Basel Ratio and VaR

Basel index ended the quarter at 17.3%. Average VaR as a percentage of the average equity increased on higher market risk taking in the period

Basel Ratio



Daily Average VaR



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