



Conference Call Presentation

First quarter 2018

May 03, 2018

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

Earnings Release



First quarter 2018

English Conference Call

- May 3, 2018 (Thursday)
- 11:00 am (New York) / 01:00 pm (Brasília)
- Phone: +1 (412) 317-5446
- Code: BTG Pactual
- Replay: +1 (412) 317-0088
- Code: 10116501

Portuguese Conference Call

- May 3, 2018 (Thursday)
- 09:00 am (New York) / 11:00 am (Brasília)
- Phone: +55 (11) 2188-0155 | +55 (11) 3193 8000
- Code: BTG Pactual
- 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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1Q 2018 Key Highlights



1

Record net new money inflows in Wealth Management, with WuM closing **above R\$100 billion**

2

Very strong net new money inflows and AuM/AuA growth in Asset Management, along with clients reallocation into equities, credit and multi-strategy funds

3

Growth in unsecured funding base, 10.6% in the quarter, and acceleration of growth in Corporate Lending book

4

Banco BTG Pactual stand alone **ROAE above 20%**

5

Banco Pan rebounded with a **positive operating profit** and **EFG completed BSI integration**, cost synergies announced to be on track

Performance Summary

1Q 2018



We are delivering 14.2% ROAE and significant growth in our franchises

1 In 1Q 2018, total revenues and adjusted net income were R\$1,310 million and R\$660 million, respectively

- Annualized ROAE⁽¹⁾ was 14.2% (excluding EFG and Banco Pan, annualized ROAE was 20.5%)
- Net income per unit⁽¹⁾ was R\$0.74
- Accounting net income was R\$600 million

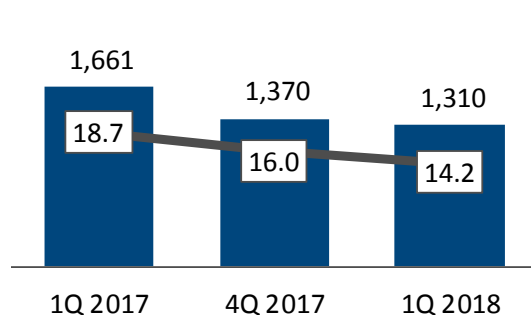
2 Cost income ratios in line with our historic average

- Cost to income ratio was 44%
- Compensation ratio was 22%

3 Total assets were at R\$146.3 billion, Basel ratio for BTG Pactual was 16.3% and shareholders' equity was at R\$18.7 billion

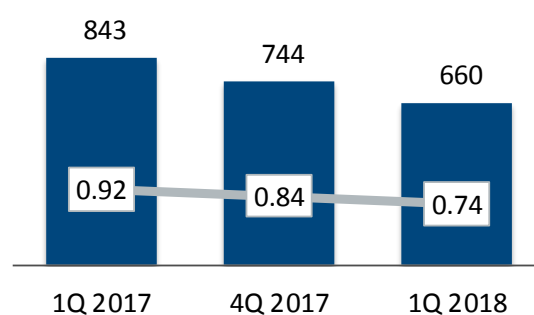
- Average VaR in the quarter decreased to R\$105.5 million, or 0.57% of average shareholders' equity

Revenues (R\$ million)



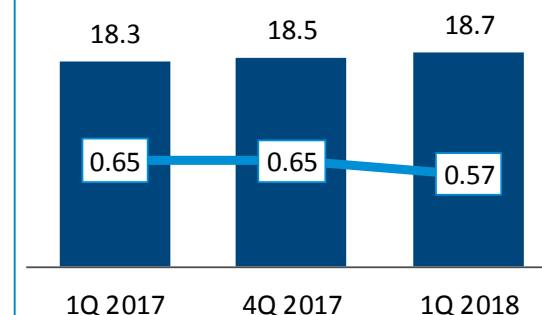
■ Revenues — ROAE (%) ⁽¹⁾

Net Income (R\$ million)



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

Shareholders' Equity (R\$ billion)



■ Shareholders Equity
— Avg. daily VaR / avg. S.E. (%)

Note:

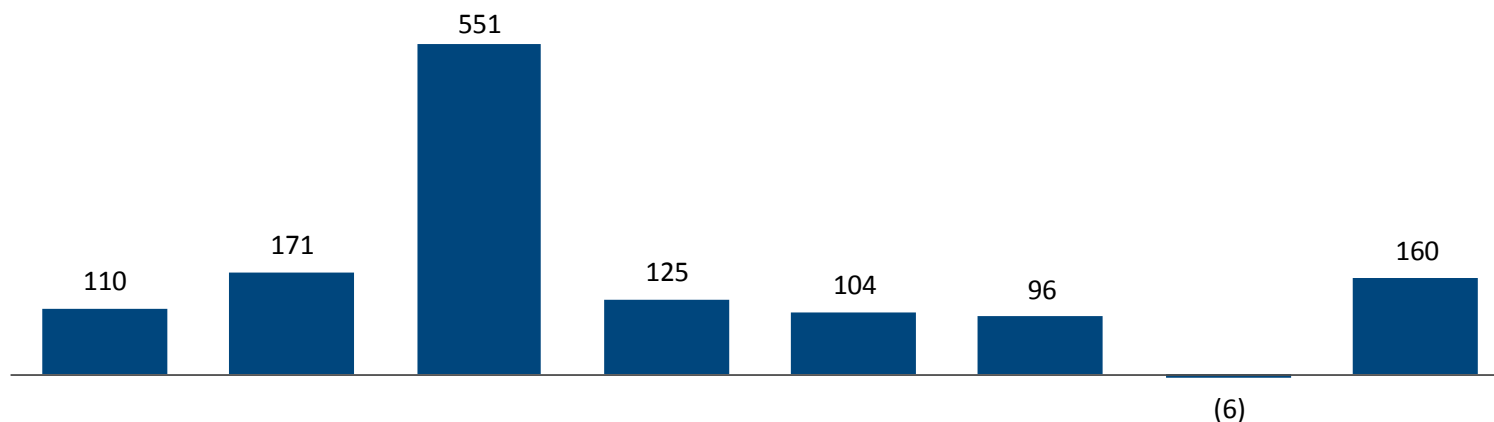
* Balance sheet items represents end of period data

(1) Annualized ROAE and net income per unit uses the adjusted net income as basis for the calculations

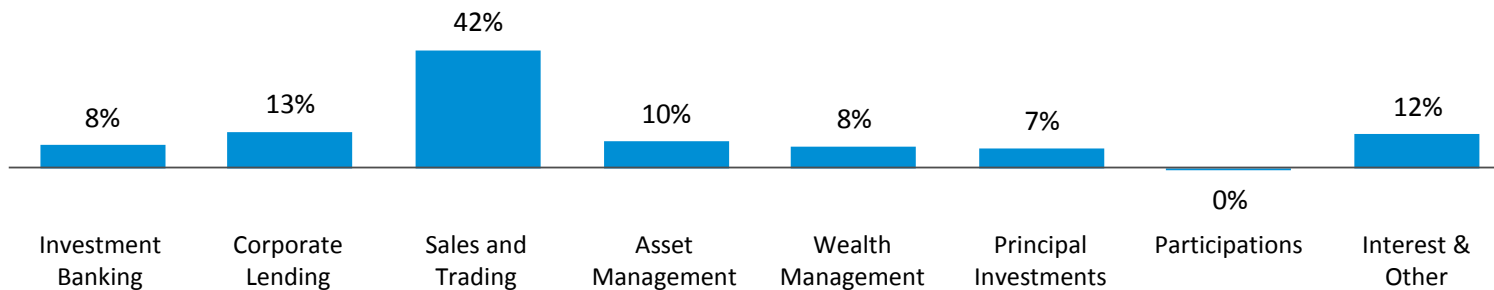
Revenue breakdown by business units

1st Quarter 2018

Total Revenues = R\$1.3 billion
(R\$mm)

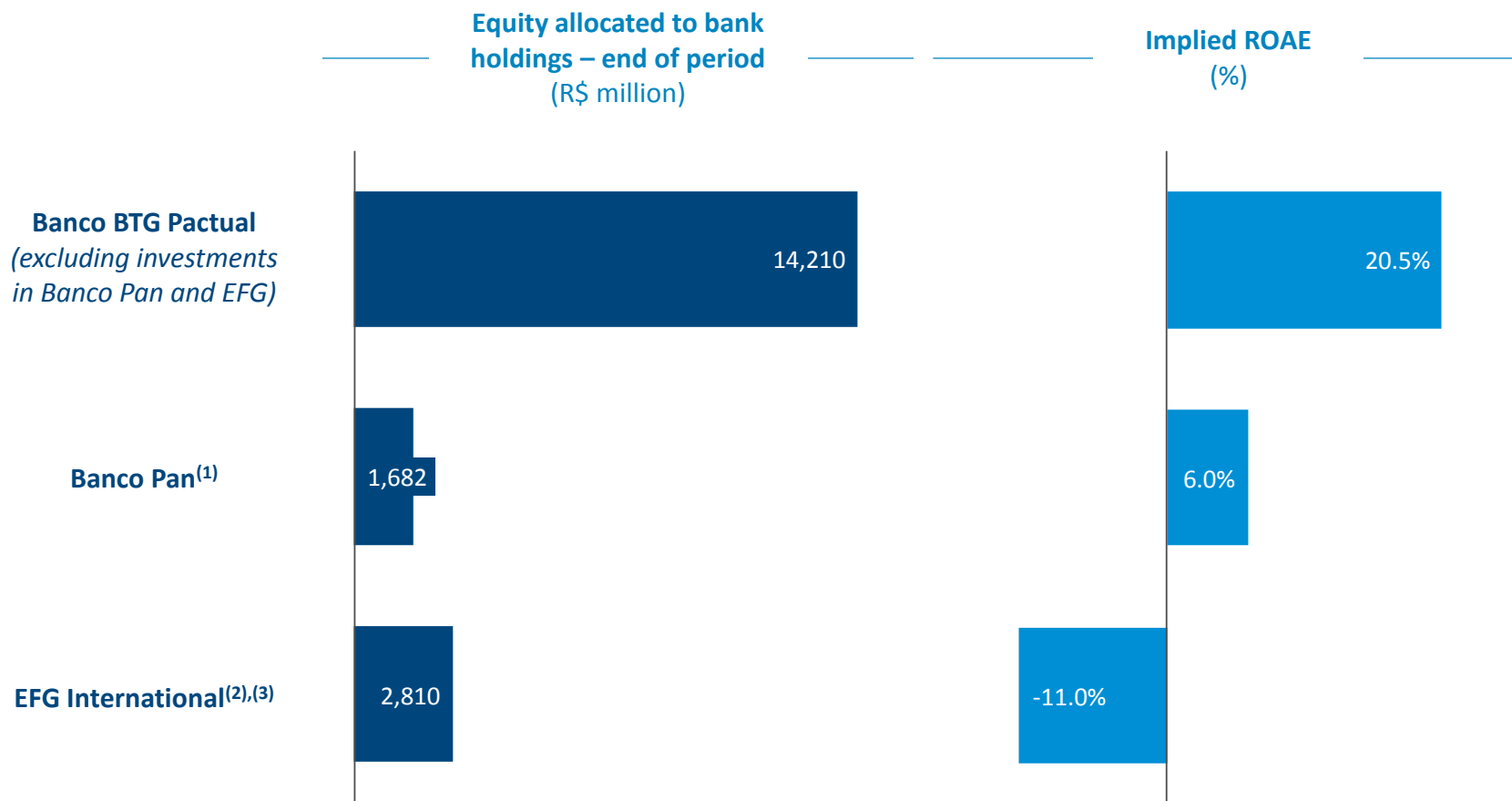


(% of total)



ROAE Components

BTG Pactual yielded an ROAE above 20% in 1Q 2018



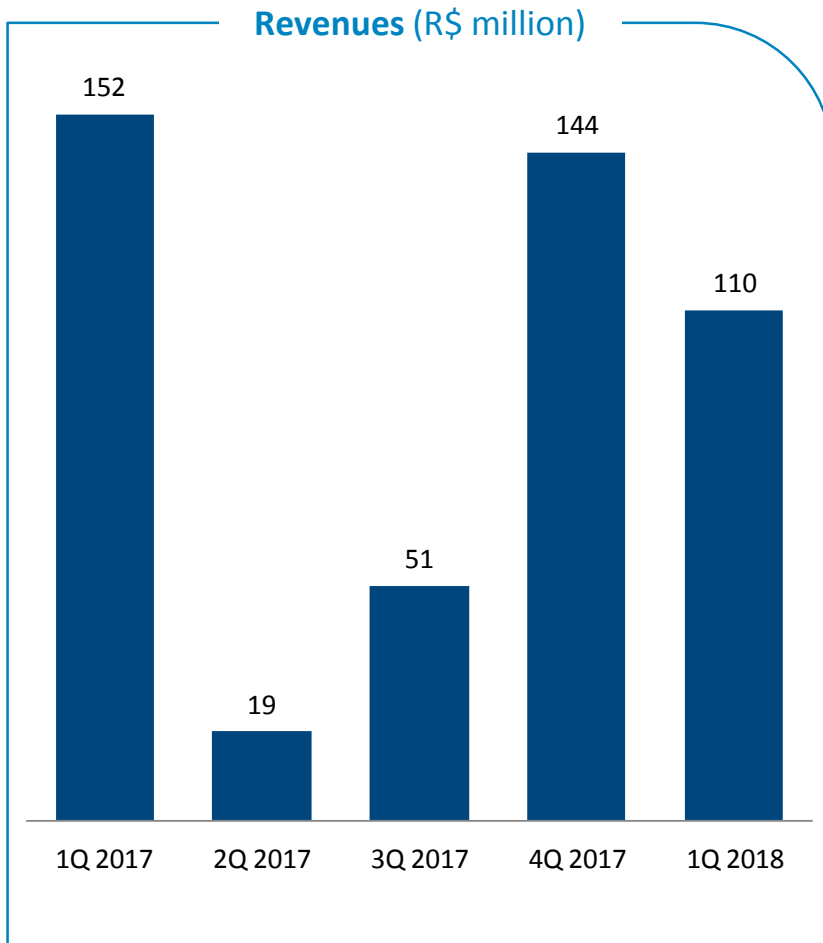
Note:

- (1) Beginning of period investment value adjusted for capital increase of BRL 381 million – effective Jan 8, 2018
- (2) Includes investment and goodwill
- (3) Does not include the positive effects of the hedging back to Brazilian Real or any other adjustments, such as taxes

BUSINESS AREAS

SECTION 1

Good performance in Investment Banking in a scenario of low capital market activity in LatAm



Overview of 1Q 2018

- Financial Advisory revenues in line with previous quarter
- DCM had strong performance on the back of higher average profitability on a transaction basis
- ECM performance affected by low level of market activity

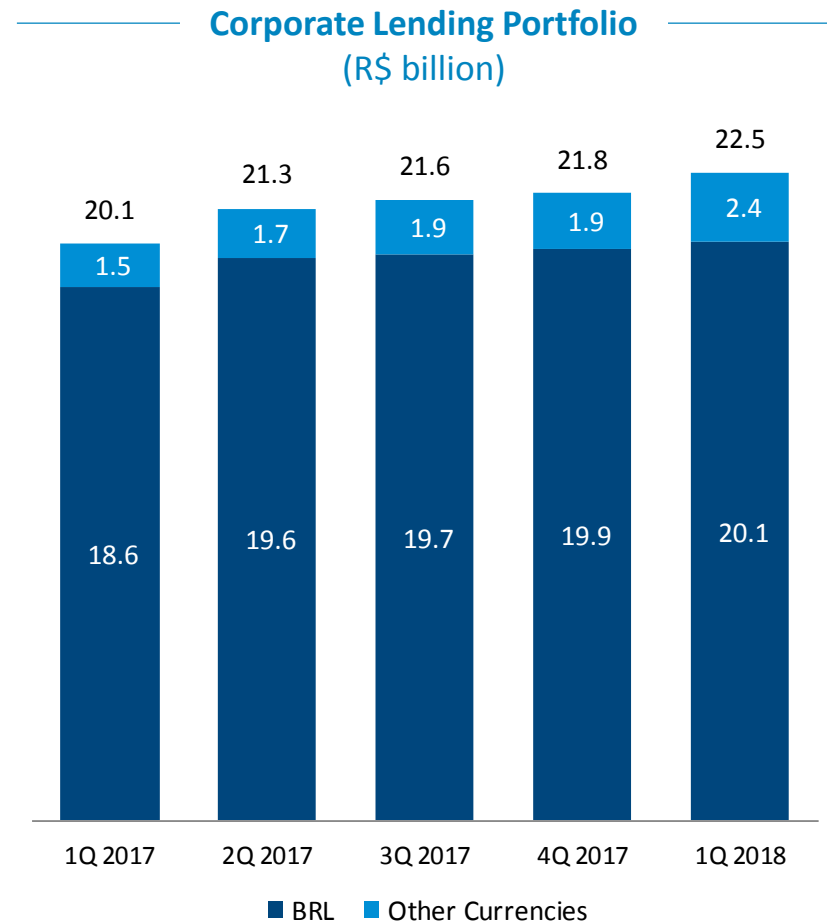
Market Positioning Highlights (2018)

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

ECM: #3 in number of transactions in Brazil

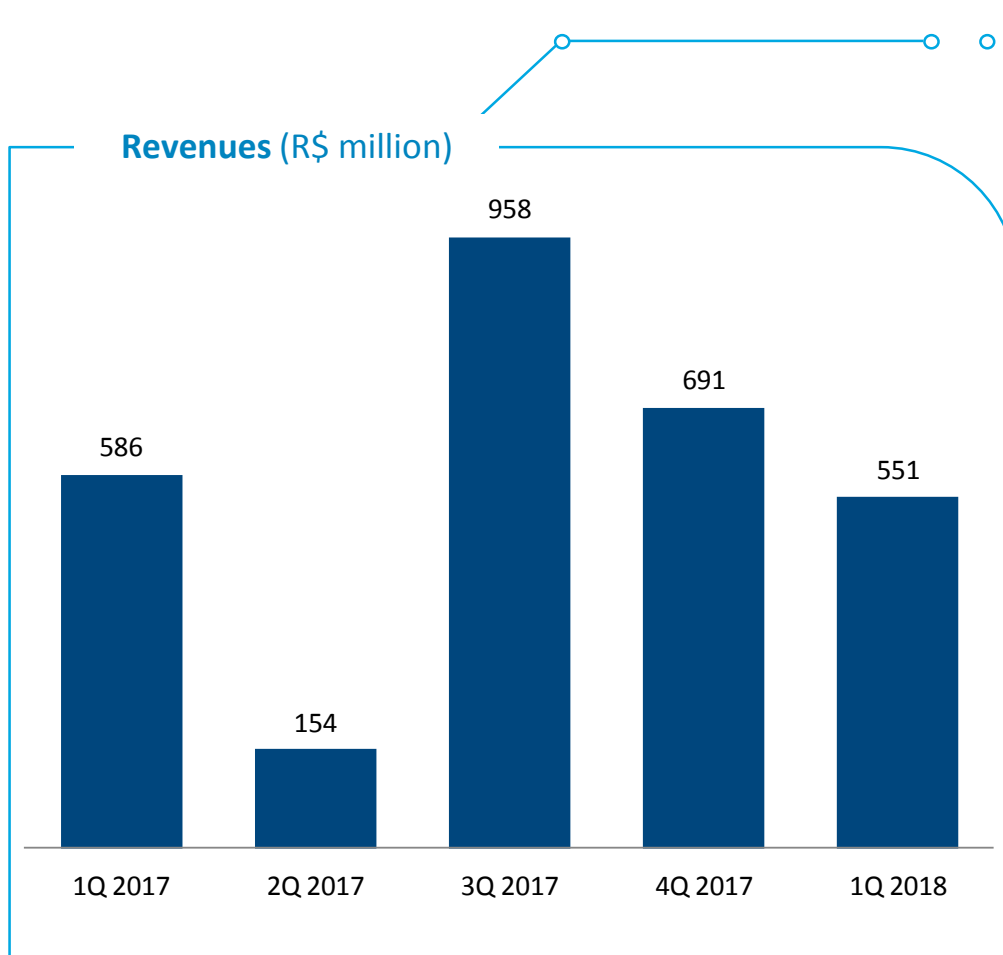
Corporate Lending

Corporate Lending activity continues to grow with attractive spreads and good asset quality



Sales & Trading

Solid revenues performance, albeit slightly below 2017 quarter average

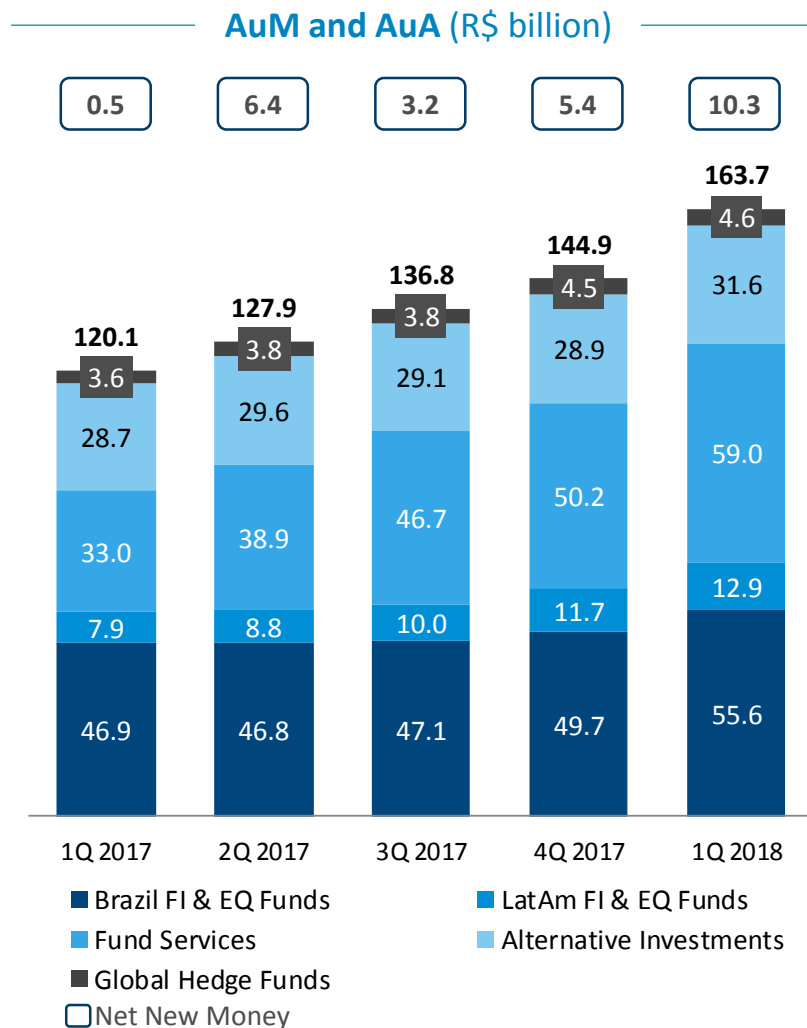


Sales & Trading revenues details

- Rates performed well, in line with previous quarter
- FX desk produced a solid performance
- Decrease in revenues in energy desk in comparison with 4Q 2017
- Equities performed well in the quarter
- Overall, brokerage and commissions performed well and continue to grow

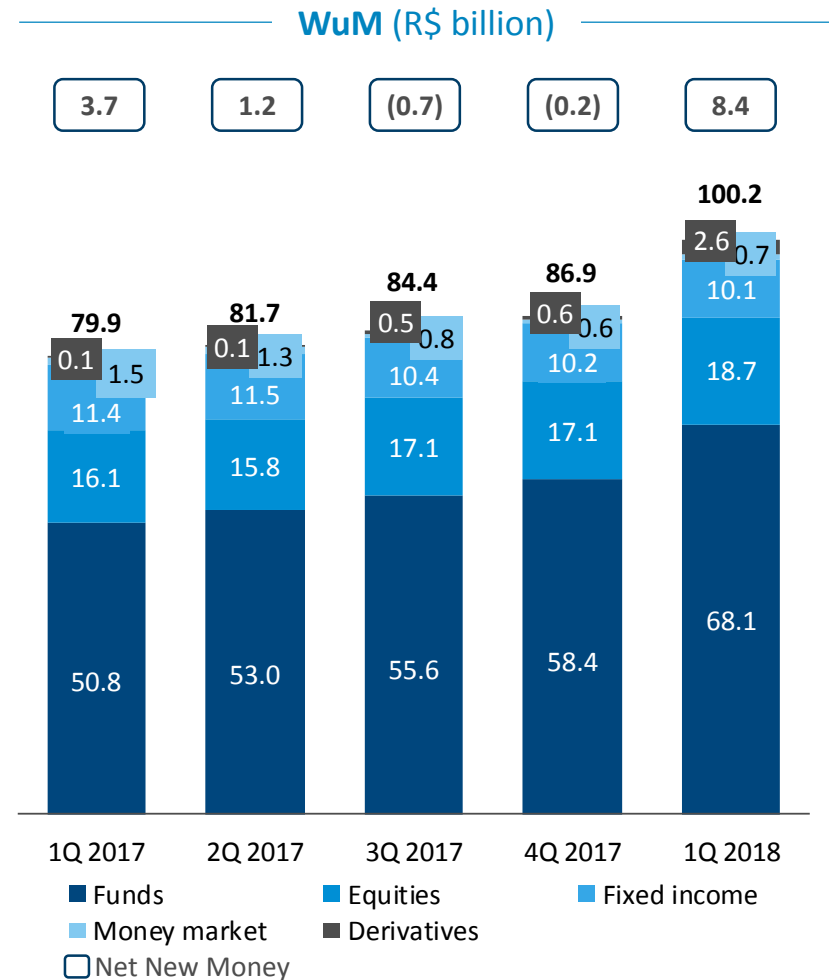
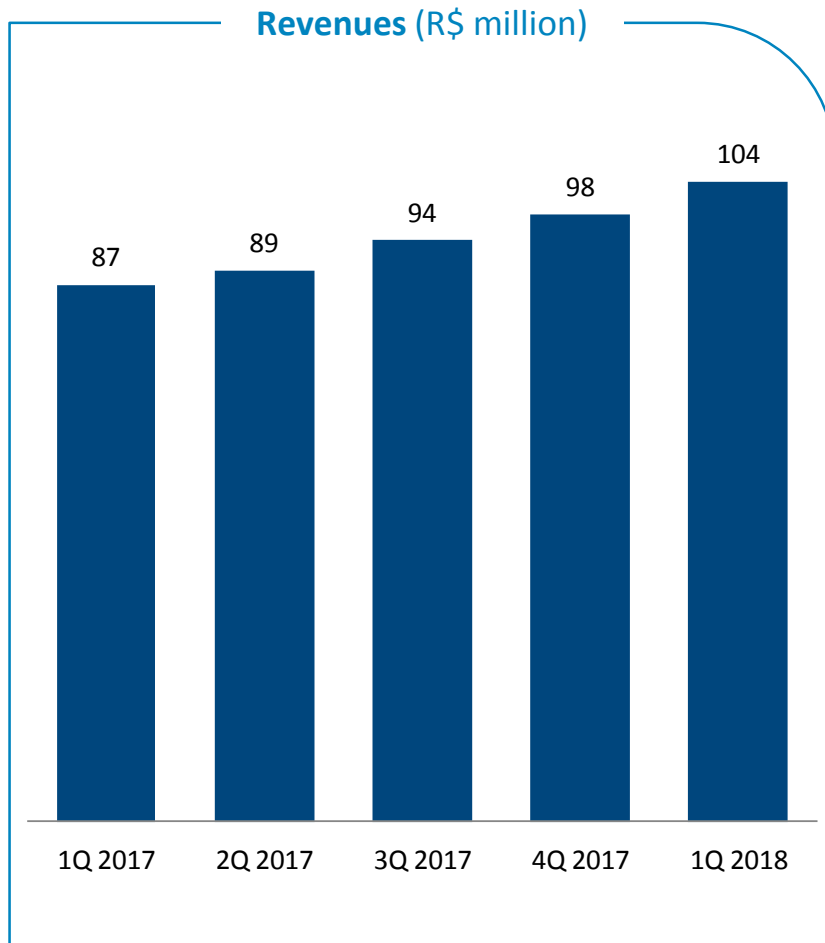
Asset Management

Strong net new money inflows, growth in AuM and in management fees



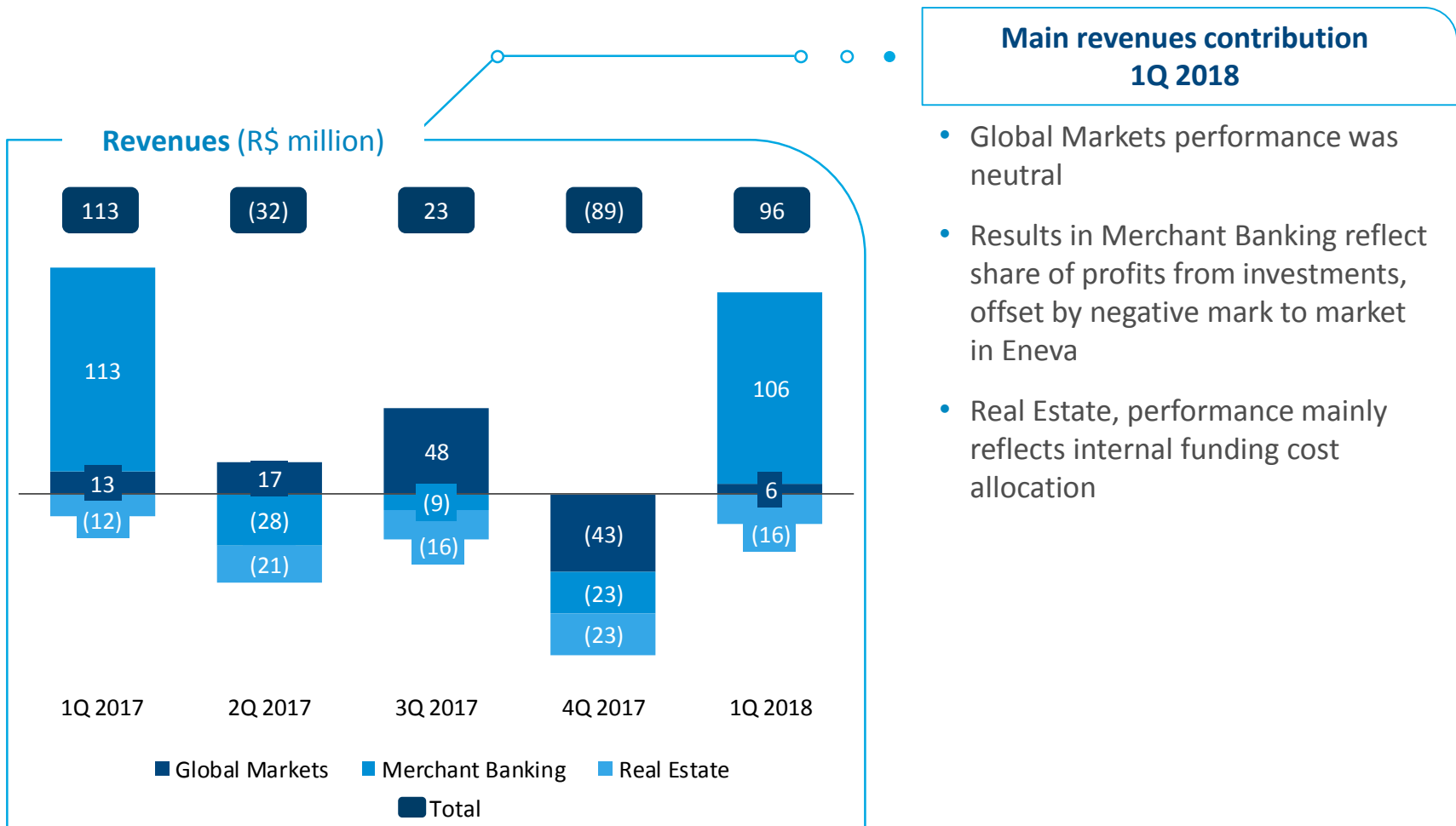
Wealth Management

Record net new money inflows in a single quarter, strong revenues performance as Wealth Management continues its strong growth trend



Principal Investments

Principal Investments revenue reflects positive return from merchant banking investments, as we continue to position the business to reduce exposure to illiquid assets



EXPENSES



SECTION 2

Expenses and Main Ratios



Cost ratios under control and in line with our historical averages, with total operating expenses down 23% compared to 4Q 2017 and 19% compared to 1Q 2017

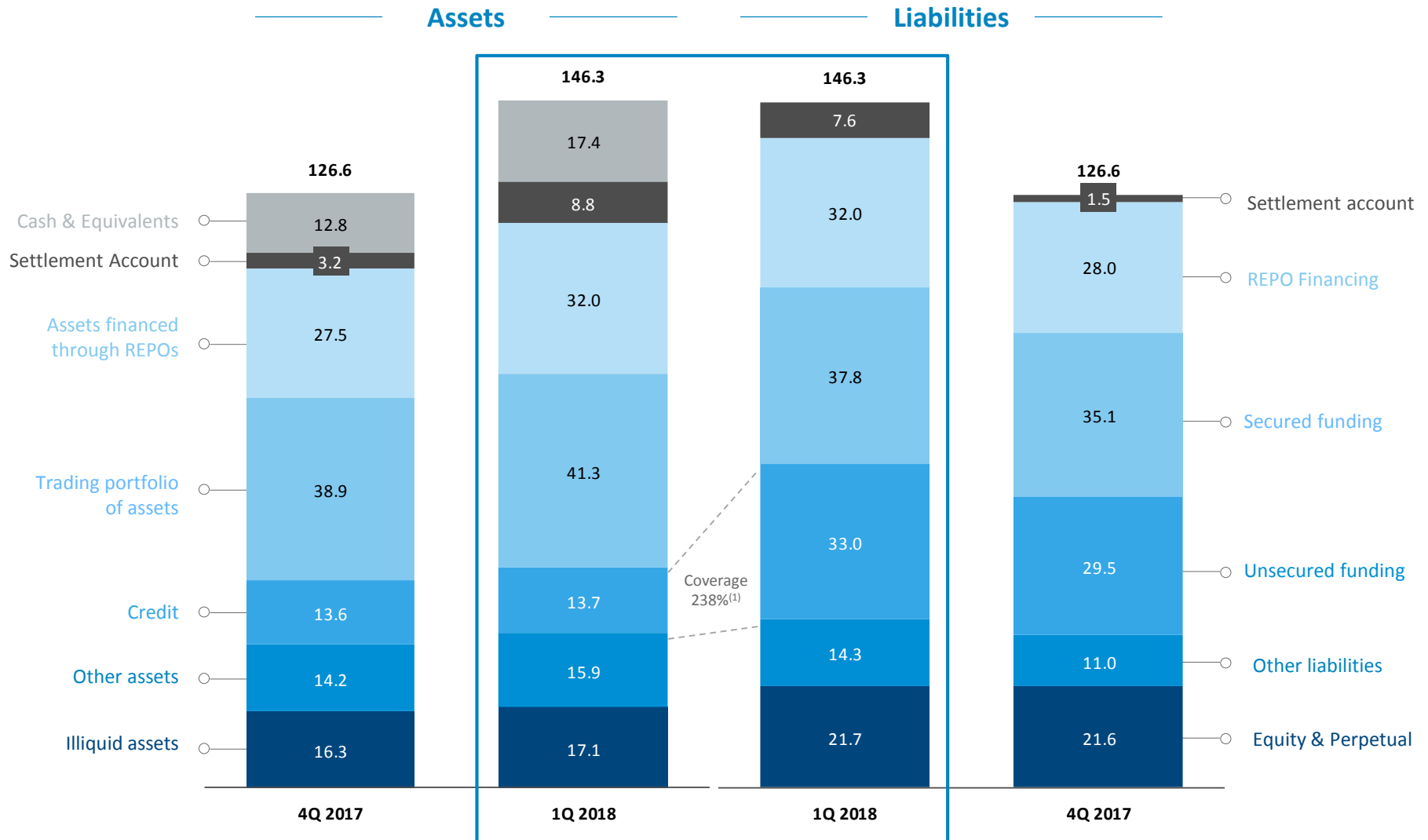
<i>(in R\$ mm, unless stated)</i>	Quarter			1Q 2018 % change to	
	1Q 2017	4Q 2017	1Q 2018	1Q 2017	4Q 2017
Bonus	(204)	(241)	(143)	-30%	-41%
Salaries and benefits	(132)	(132)	(148)	12%	12%
Administrative and other	(180)	(250)	(205)	14%	-18%
Goodwill amortization	(97)	(54)	(32)	-68%	-41%
Tax charges, other than income tax	(89)	(69)	(44)	-51%	-37%
Total operating expenses	(702)	(746)	(572)	-19%	-23%
Cost to income ratio	42%	54%	44%		
Compensation ratio	20%	27%	22%		
Income tax and social contribution	(239)	36	(138)		
Effective income tax rate	24.9%	-5.8%	18.7%		

BALANCE SHEET

SECTION 3

Balance Sheet Analysis

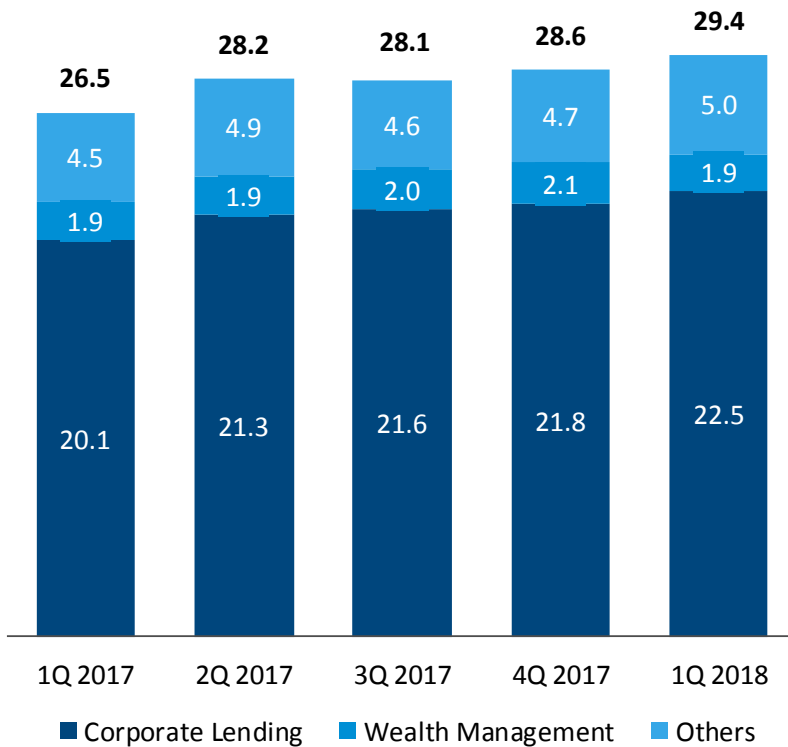
(in R\$ billion)



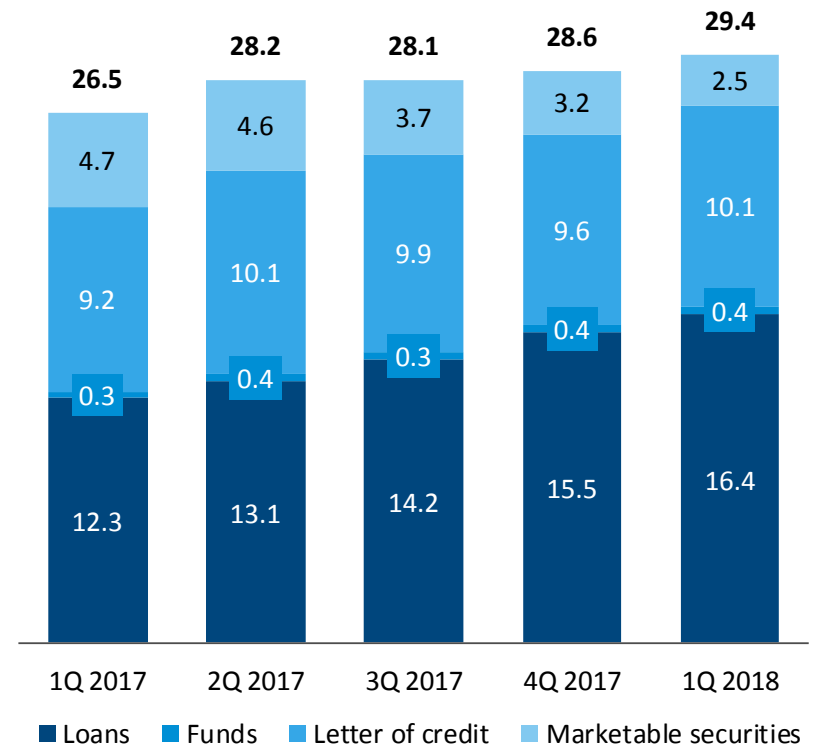
Note:
 (1) Excludes demand deposits

Broader Credit Portfolio

Broader Credit Portfolio by Area
(R\$ billion)



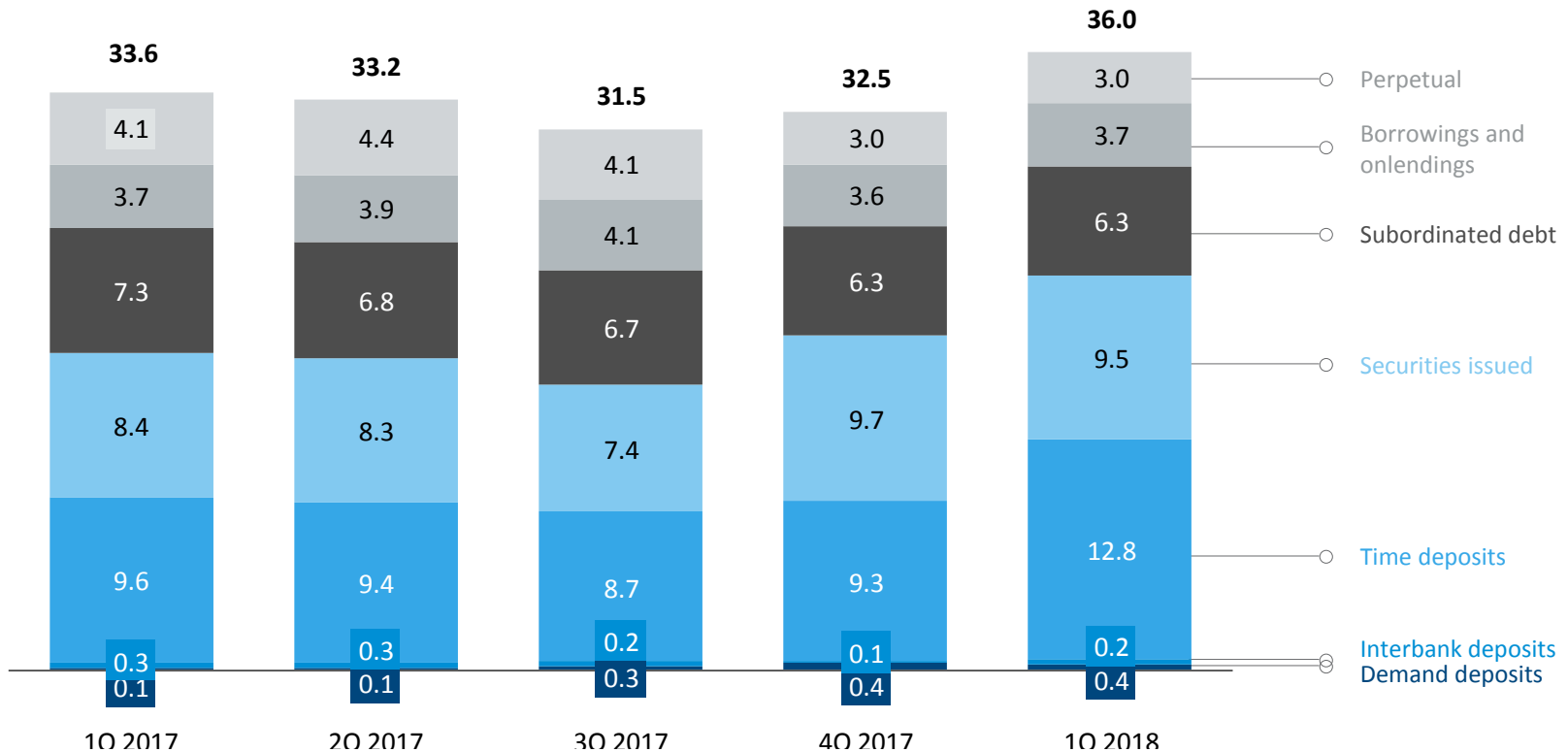
Broader Credit Portfolio by Product
(R\$ billion)



Unsecured Funding Base

Unsecured funding base increased 10.6% concentrated in Brazilian local deposits

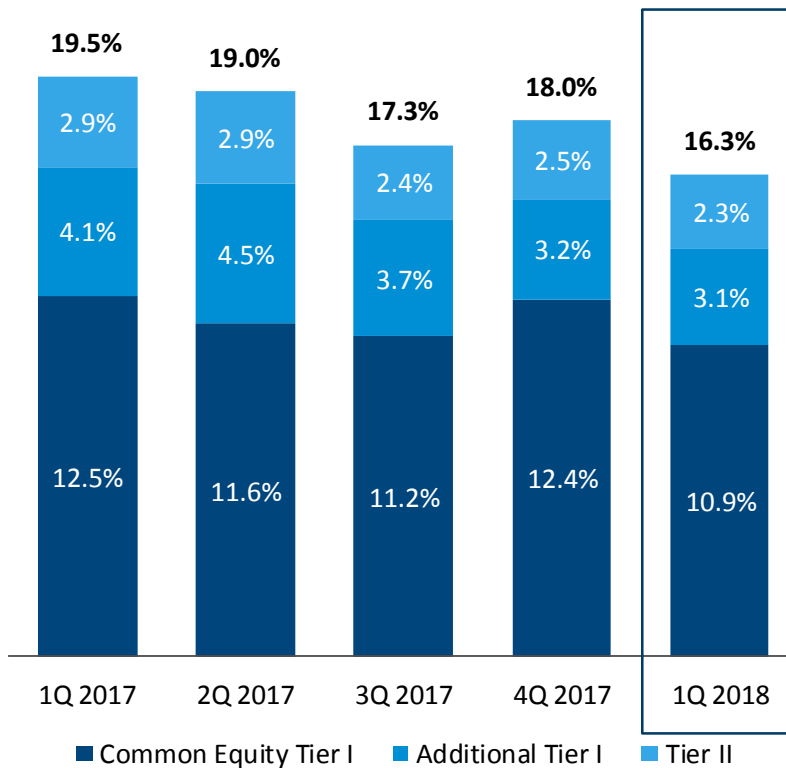
(In R\$ billion)



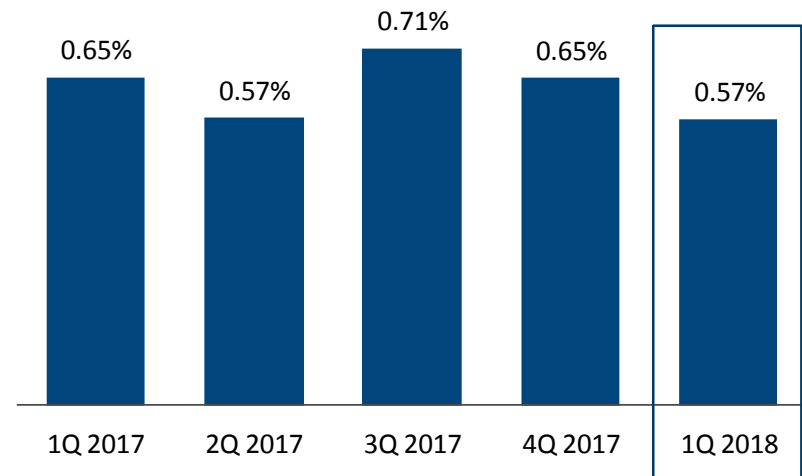
Basel Ratio and VaR

Basel index was at 16.3% at quarter end after phasing-in of Basel 3 impacts. Average VaR as a percentage of average equity decreased as a result of lower market risk exposure in the period

Basel Ratio (%)



Average daily Trading VaR (% of average shareholders equity)



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