



Banco BTG Pactual Fourth Quarter 2017

Conference Call Presentation

February 28, 2018

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

Earnings Release

Fourth Quarter 2017

English Conference Call

February 28, 2018 (Wednesday)

11:00 am (New York) / 01:00 pm (Brasília)

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Portuguese Conference Call

February 28, 2017 (Wednesday)

09:00 am (New York) / 11:00 am (Brasília)

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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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Performance Summary

4Q 2017

4Q 2017 results reflect strong performance and positive trends from all our core business lines, which also benefited from increase of business confidence across LatAm

1 For 4Q 2017, total revenues and adjusted net income reached R\$1.4 billion and R\$745 million, respectively

- Annualized ROAE⁽¹⁾ of 16.0%
- Net income per unit⁽¹⁾ of R\$0.84

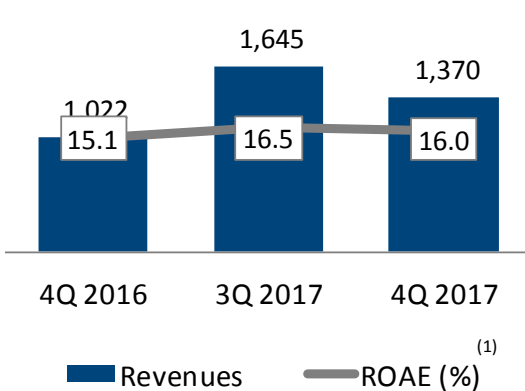
2 Normalized cost ratios in line with historical average

- Cost to income ratio at 54% for the quarter, normalized ratio at 45%
- Compensation ratio at 27% for the quarter

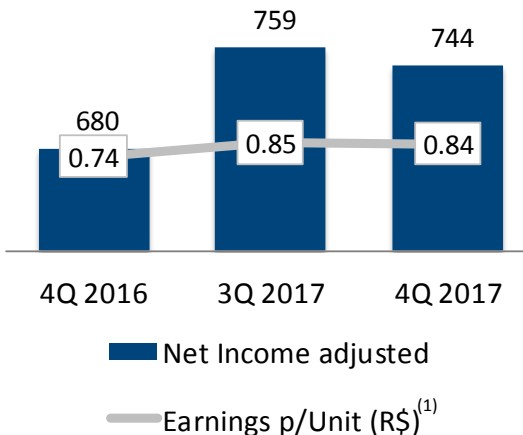
3 Total assets grew to R\$126.6 billion, leverage ratio expanded to 6.8x, and Basel ratio was 18.0%

- JCP of R\$609 million announced in the quarter
- Avg VaR in the quarter decreased to R\$120 million, or 0.65% of average shareholders' equity

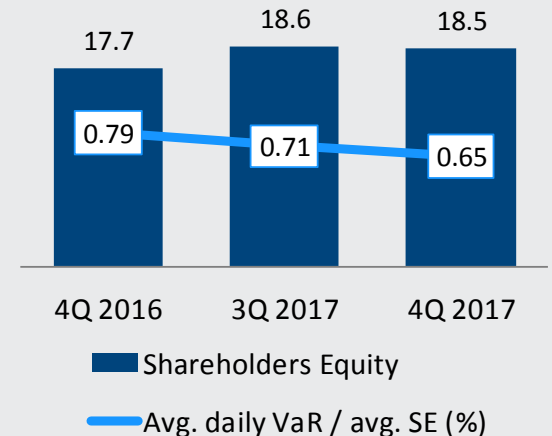
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders' Equity (R\$ billion)



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

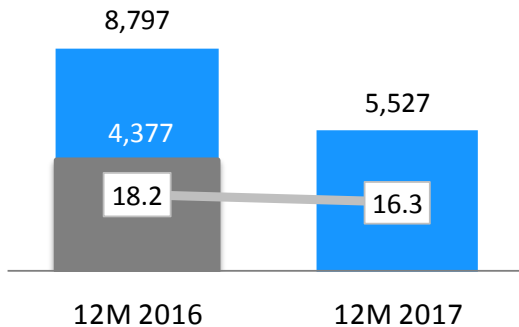
Performance Summary

Full year 2017

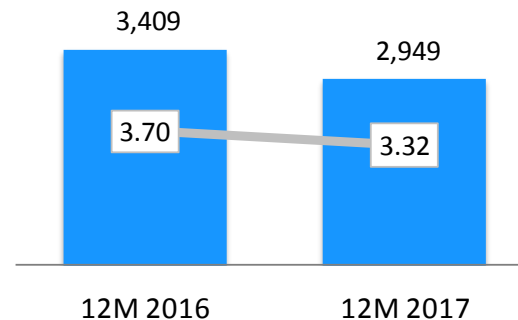
In 2017 we presented a 16.3% adjusted ROAE, with a strong performance from all our businesses

- 1 Business areas performing well and with positive trend of growth**
 - Revenues and adjusted net income reached R\$5.5 billion and R\$2.9 billion, respectively
 - 2017 adjusted ROAE of 16.3% and net income per unit of R\$3.32
- 2 Normalized cost income below historic average**
 - Cost to income ratio at 48%, normalized at 38%
 - Compensation ratio at 23%
 - Net margin at 53%⁽¹⁾
- 3 Shareholders' equity ended the period at R\$18.5 billion, growing 4% after dividend distributions**
 - Book value per unit of R\$20.84

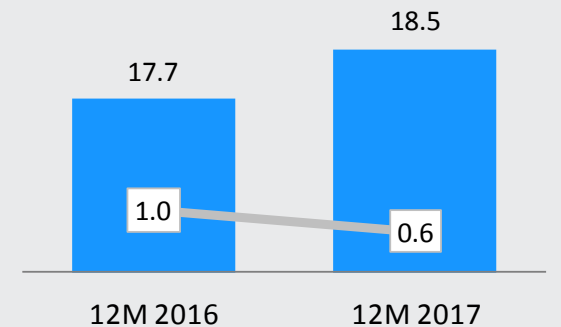
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders' Equity (R\$ billion)



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

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

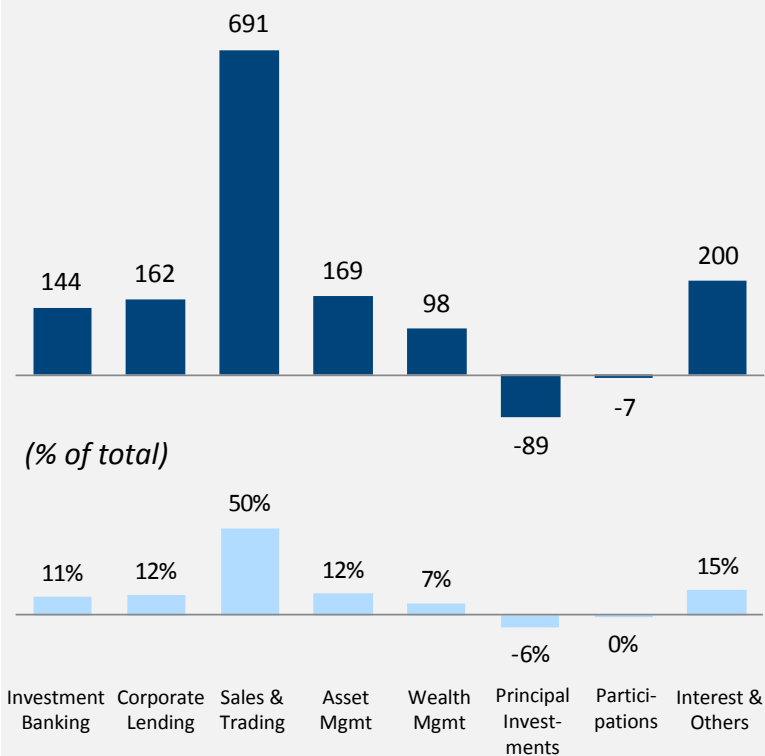
■ Shareholders Equity
— Avg. daily VaR / avg. SE (%)

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

Revenues breakdown by business units

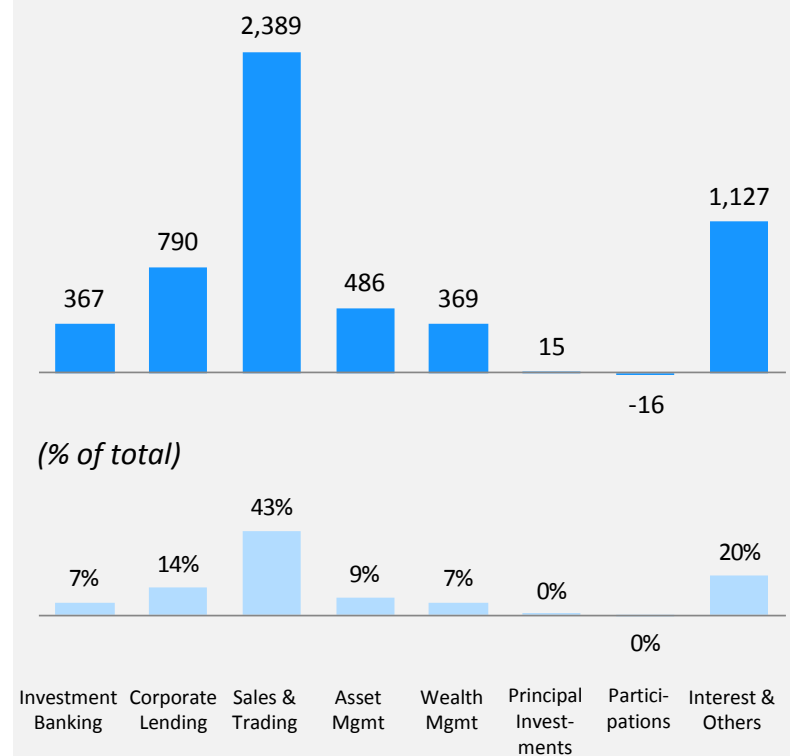
4th Quarter 2017

Total Revenues = R\$1,4 billion
(R\$m)



Full Year 2017

Total Revenues = R\$5.5 billion
(R\$m)





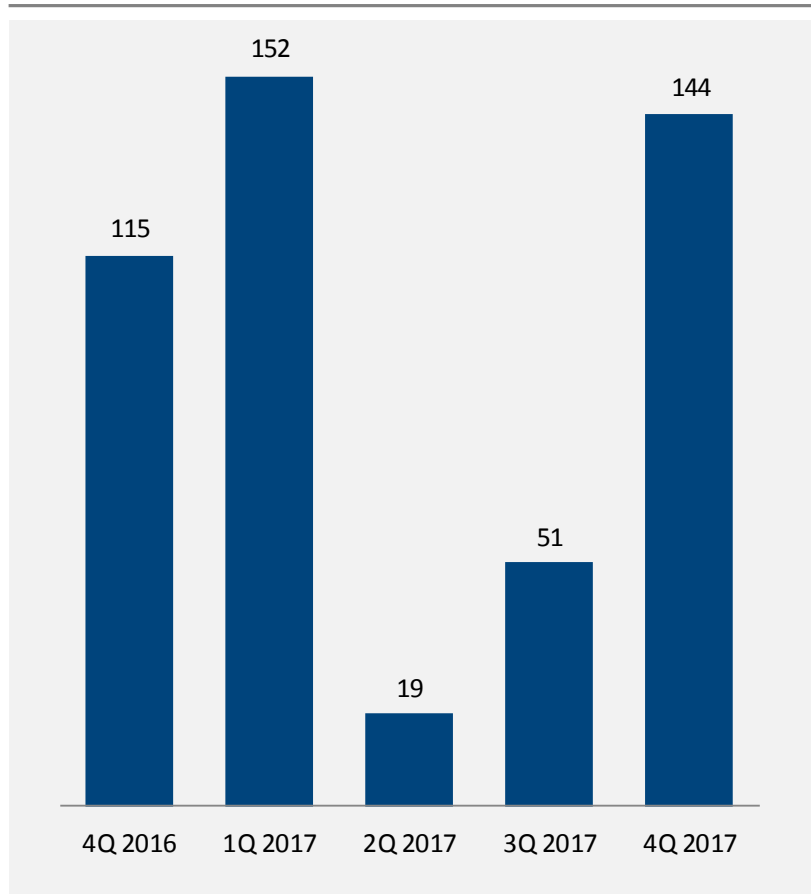
Section 1

Business Areas

Investment Banking

Investment Banking performance shows growth in capital market activities across LatAm

Revenues (R\$ million)



Overview of 4Q 2017

- Strong performance from Financial Advisory, with significant number of transactions concluded in the quarter
- Stronger revenues in ECM and DCM on the back of increased capital markets market activity, and maintenance of our leading market share

Market Positioning Highlights (2017)

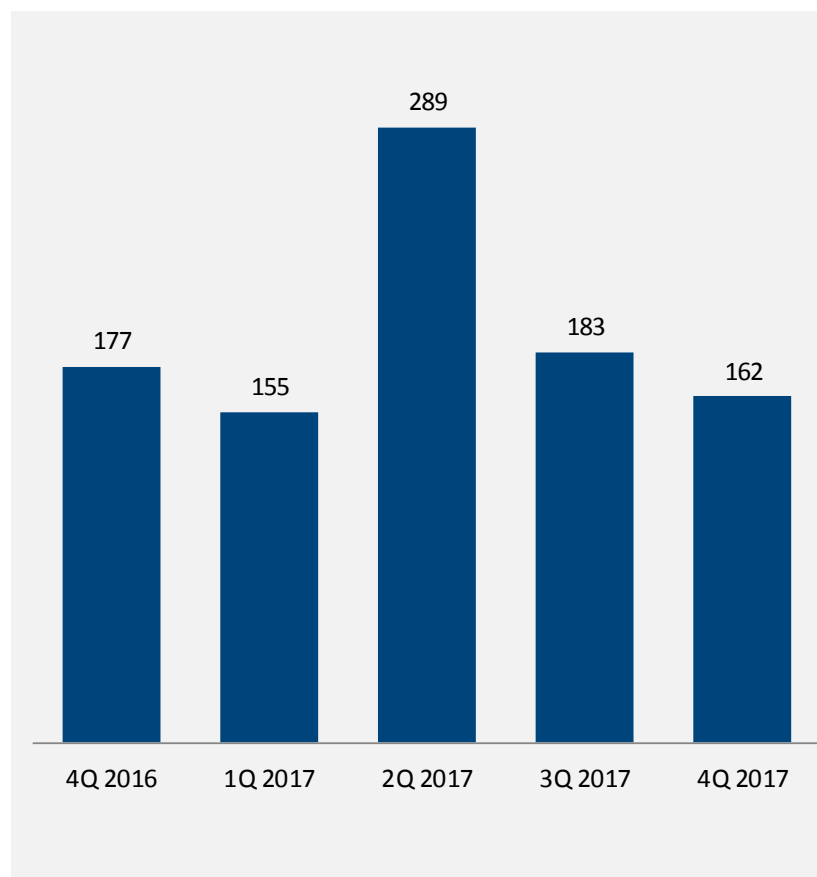
M&A: #1 in transaction volumes in Brazil and #2 in Latin America

ECM: #1 in number of transactions in Latin America

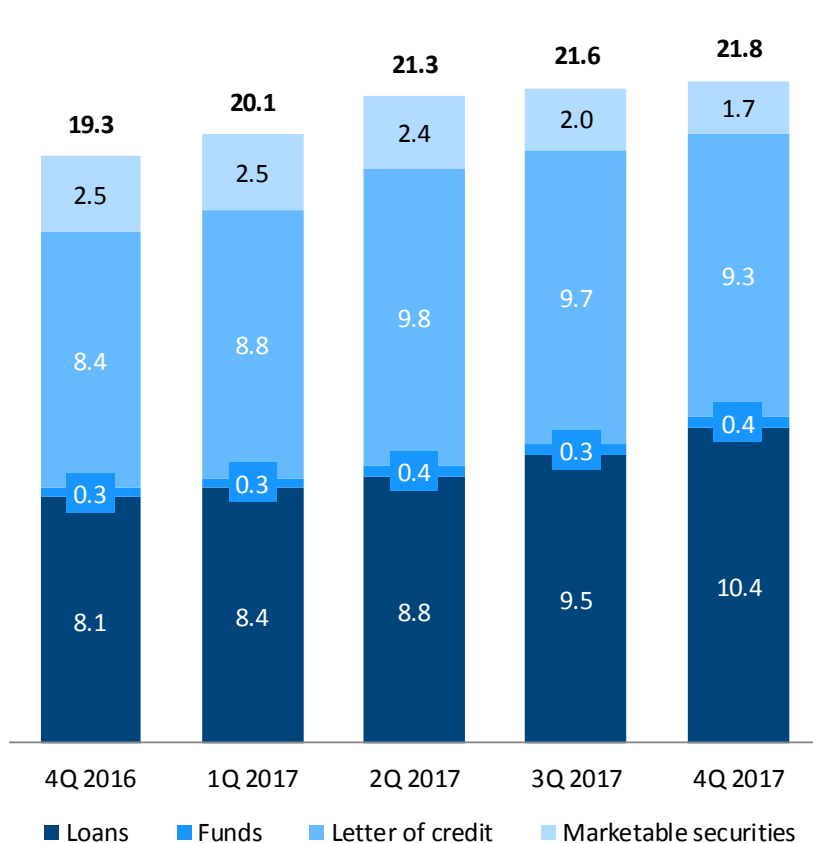
Corporate Lending

Corporate Lending book continues to grow and with attractive spreads and good asset quality.
Revenues decreased as a result of higher provisions

Revenues (R\$ million)



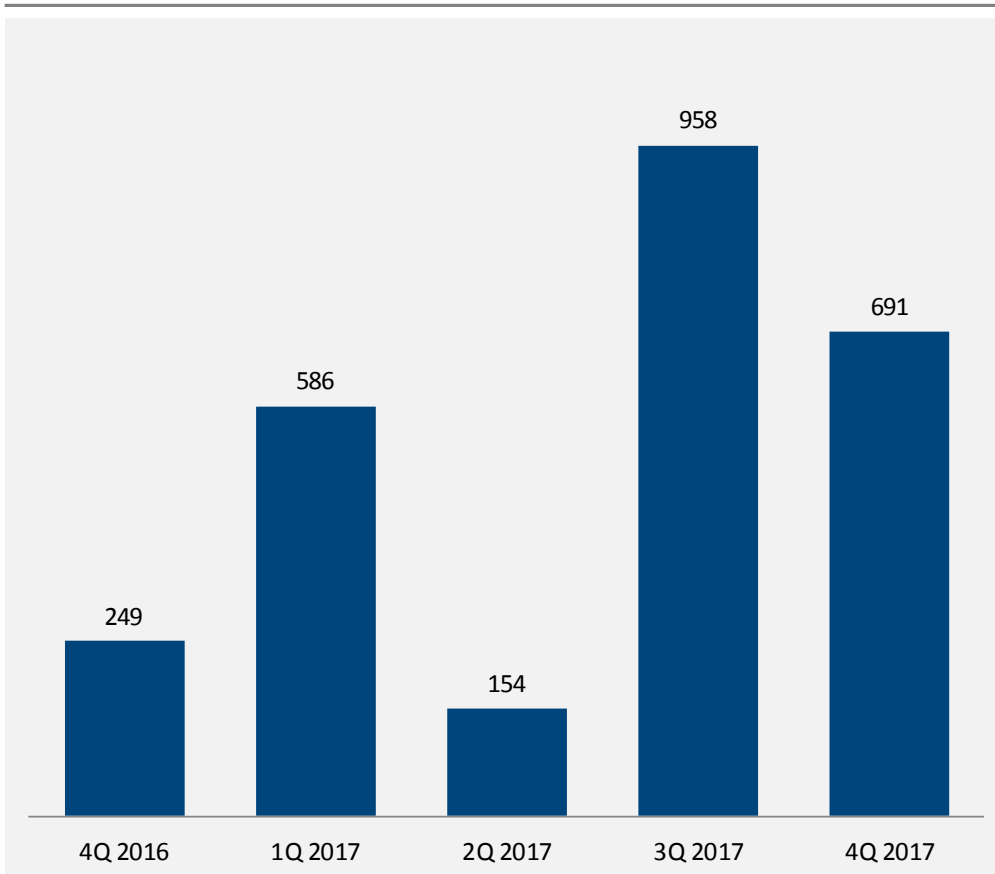
Corporate Lending Portfolio (R\$ billion)



Sales & Trading

Sales & Trading continues to perform well with continuing solid volumes in markets

Revenues (R\$ million)



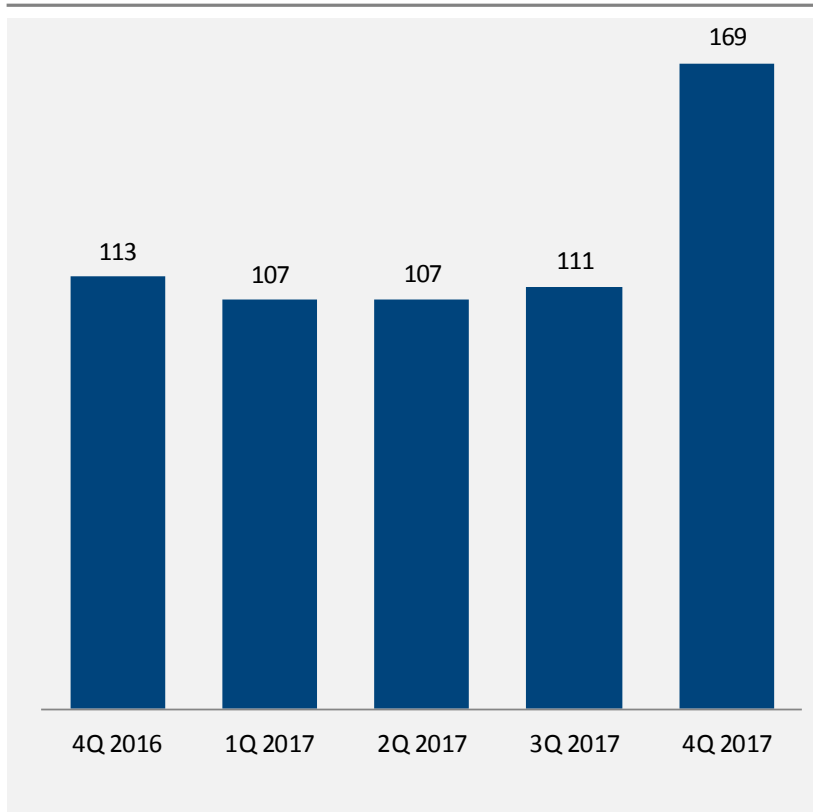
Sales & Trading Revenues:

- Rates desk produced solid revenues, despite particularly strong performance in 3Q 2017
- Continued good performance from our equities desks
- FX desk had below par performance in the quarter

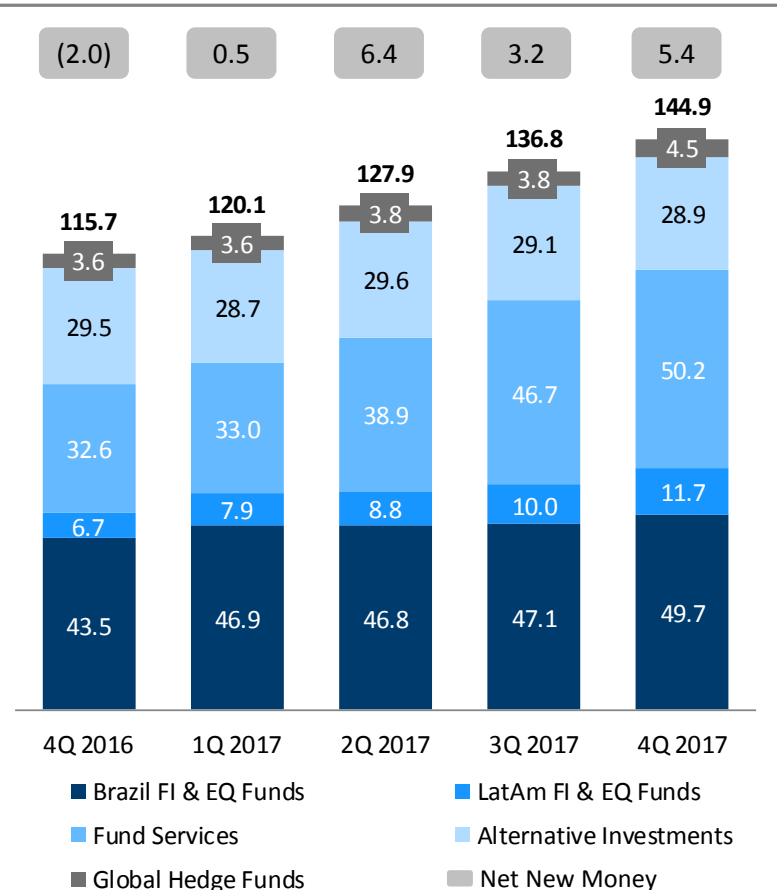
Asset Management

Revenue growth is mainly attributable to LatAm fixed income and equities funds performance fees. NNM continues in a strong positive trend, benefiting from interest rates convergence in Brazil

Revenues (R\$ million)



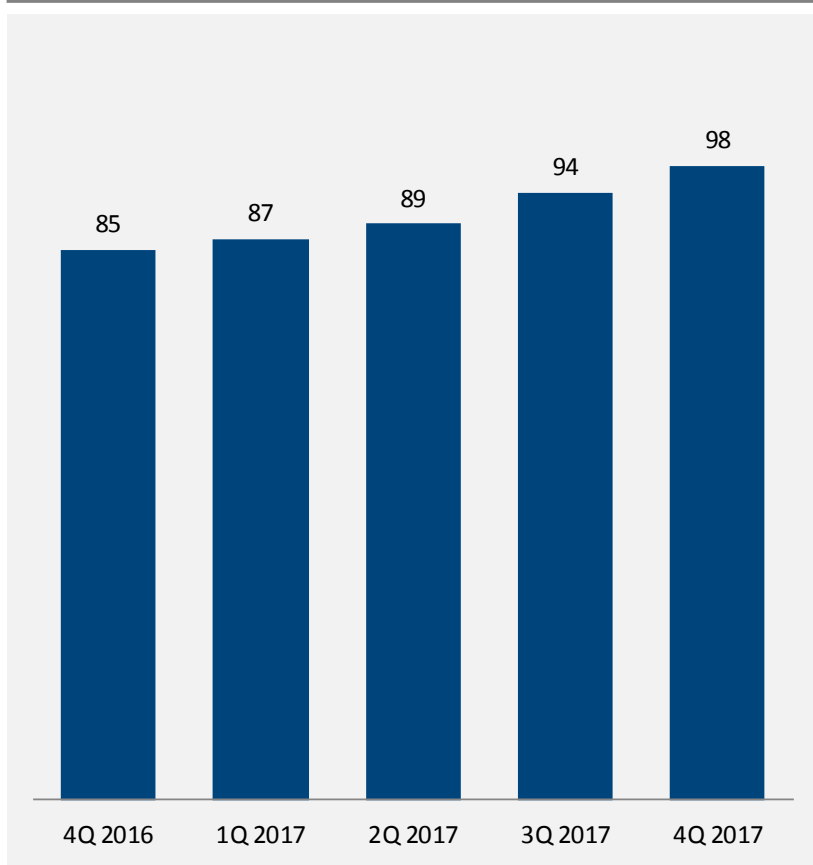
AuM and AuA (R\$ billion)



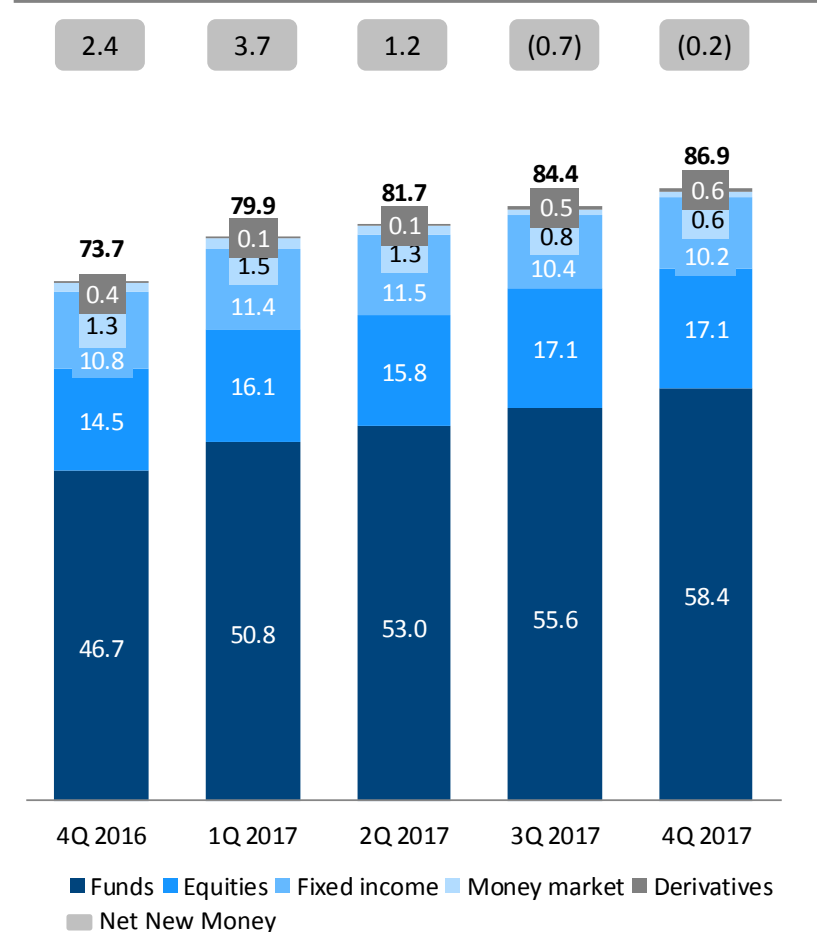
Wealth Management

Wealth under Management increased 3% in the quarter and 18% year on year

Revenues (R\$ million)



WuM (R\$ billion)

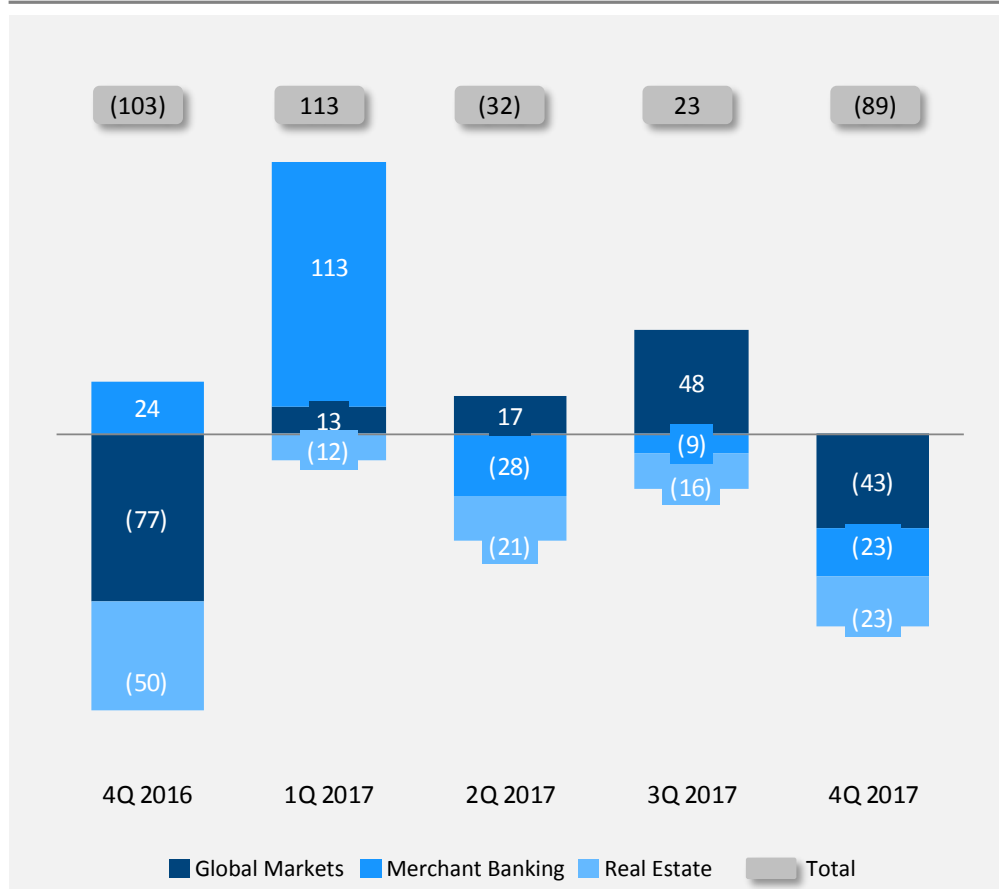


Note:
* Excludes BSI for illustrative purposes.

Principal Investments

Principal Investments revenues reflect small appetite for proprietary risk, as we continue to position the business to reduce exposure to illiquid assets

Revenues (R\$ million)



Main revenues contribution 4Q 2017:

Global Markets losses were concentrated in global equities strategies

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

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



Section 2

Expenses

Expenses and Main Ratios

Normalized cost ratios at 45% in 4Q 2017, 38% for the full year 2017, and we maintain our operational leverage as we grow

<i>(in R\$ mm, unless stated)</i>	Quarter			4Q 2017 % change to		Full Year		2017 % change to
	4Q 2016	3Q 2017	4Q 2017	4Q 2016	3Q 2017	2016	2017	2016
Bonus	(102)	(236)	(241)	135%	2%	(806)	(746)	-7%
Salaries and benefits	(131)	(133)	(132)	0%	-1%	(1,637)	(529)	-68%
Administrative and other	(189)	(208)	(250)	32%	20%	(1,708)	(853)	-50%
Goodwill amortization	(85)	(65)	(54)	-37%	-17%	(244)	(280)	15%
Tax charges, other than income tax	(19)	(64)	(69)	259%	9%	(371)	(244)	-34%
Total operating expenses	(527)	(705)	(746)	42%	6%	(4,766)	(2,651)	-44%
Cost to income ratio	52%	43%	54%			54%	48%	
Compensation ratio	23%	22%	27%			28%	23%	
Income tax and social contribution	185	(439)	36			(623)	(492)	-21%
Effective income tax rate	-37.4%	46.7%	-5.8%			15.5%	17.1%	

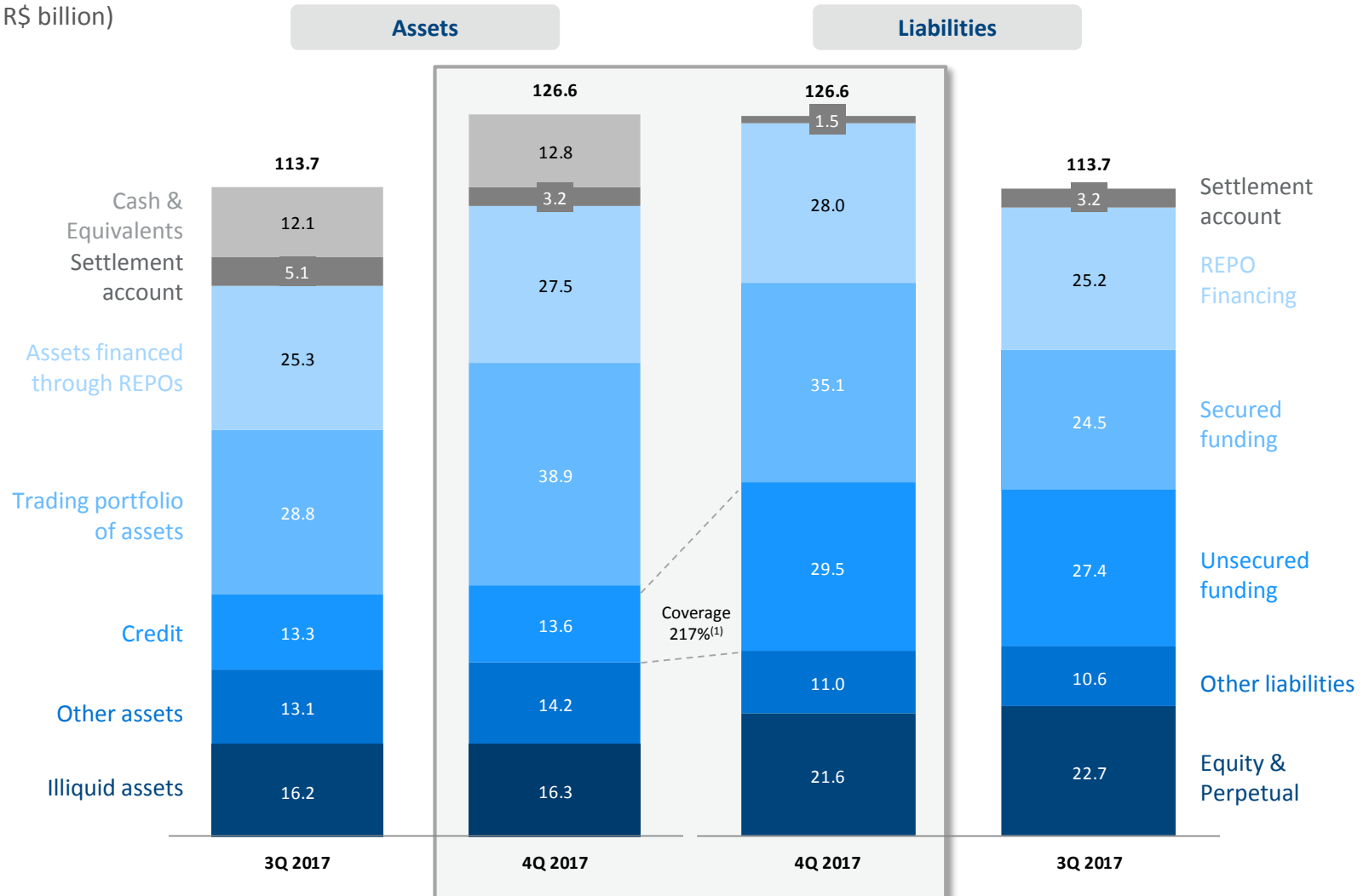


Section 3

Balance Sheet

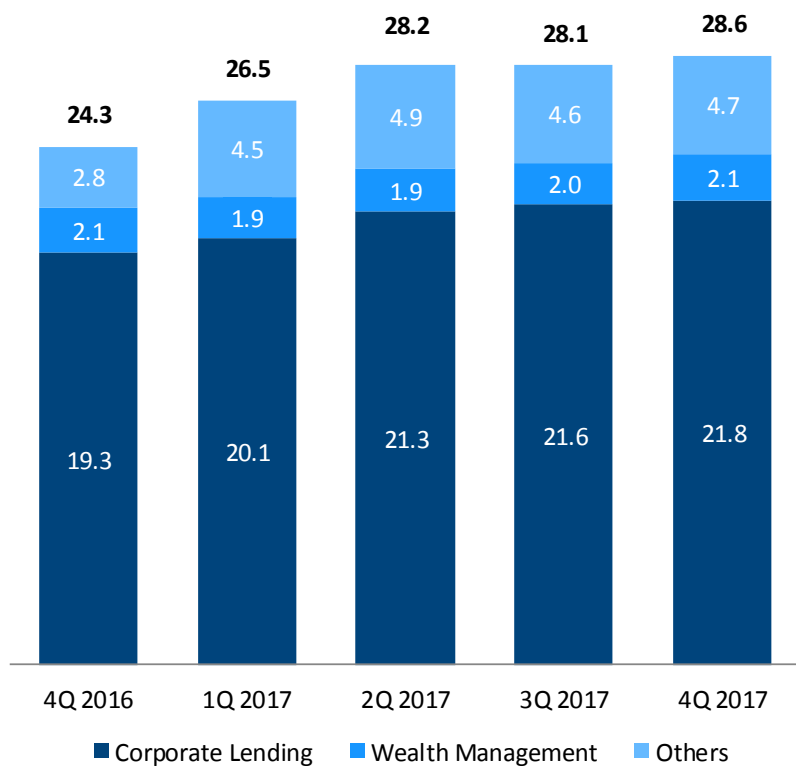
Balance Sheet Analysis

(In R\$ billion)

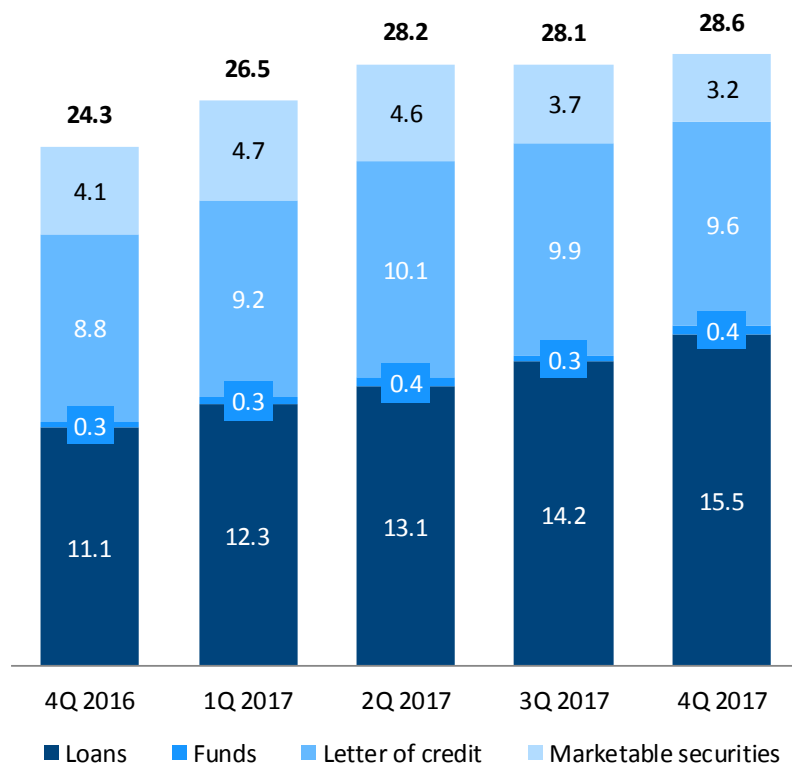


Broader Credit Portfolio

Broader Credit Portfolio by Area (R\$ billion)

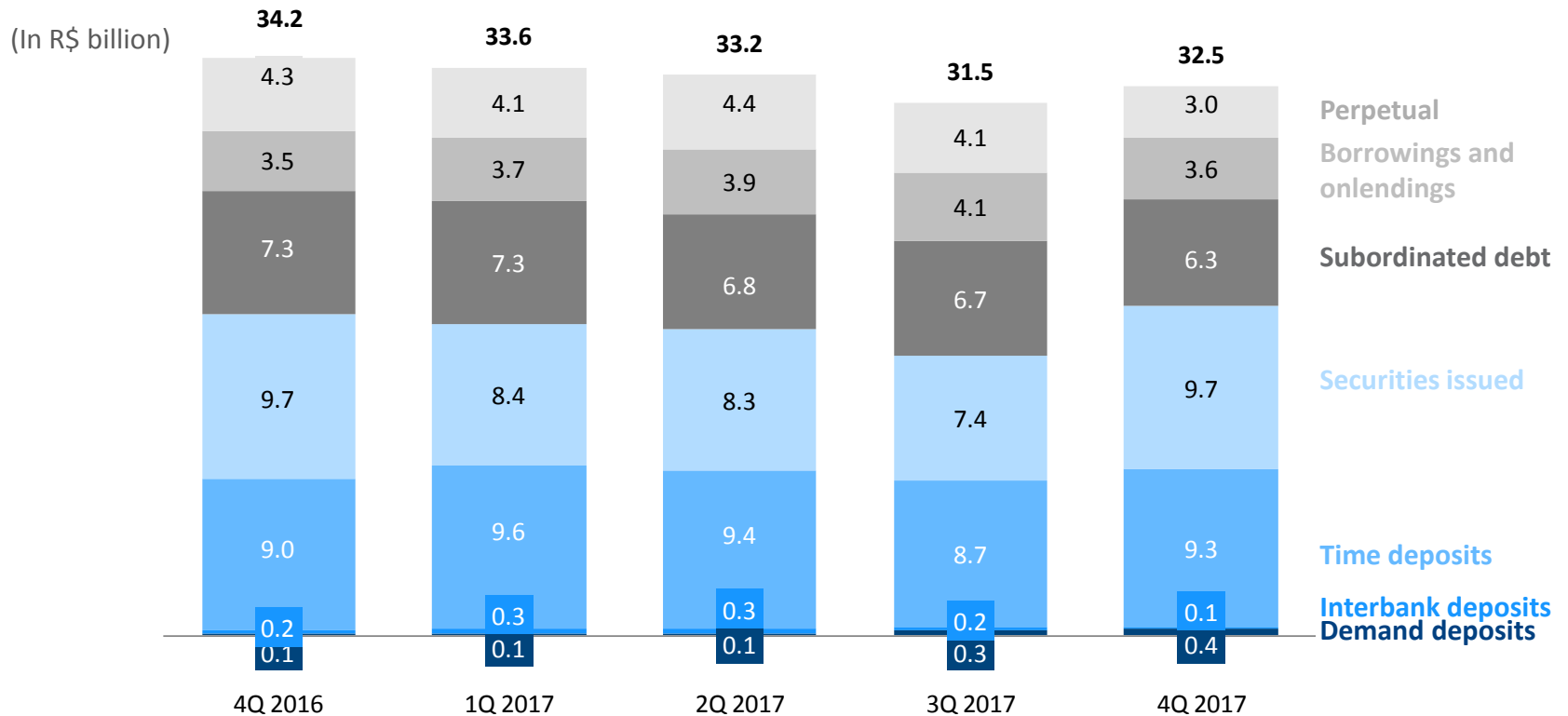


Broader Credit Portfolio by Product (R\$ billion)



Unsecured Funding Base

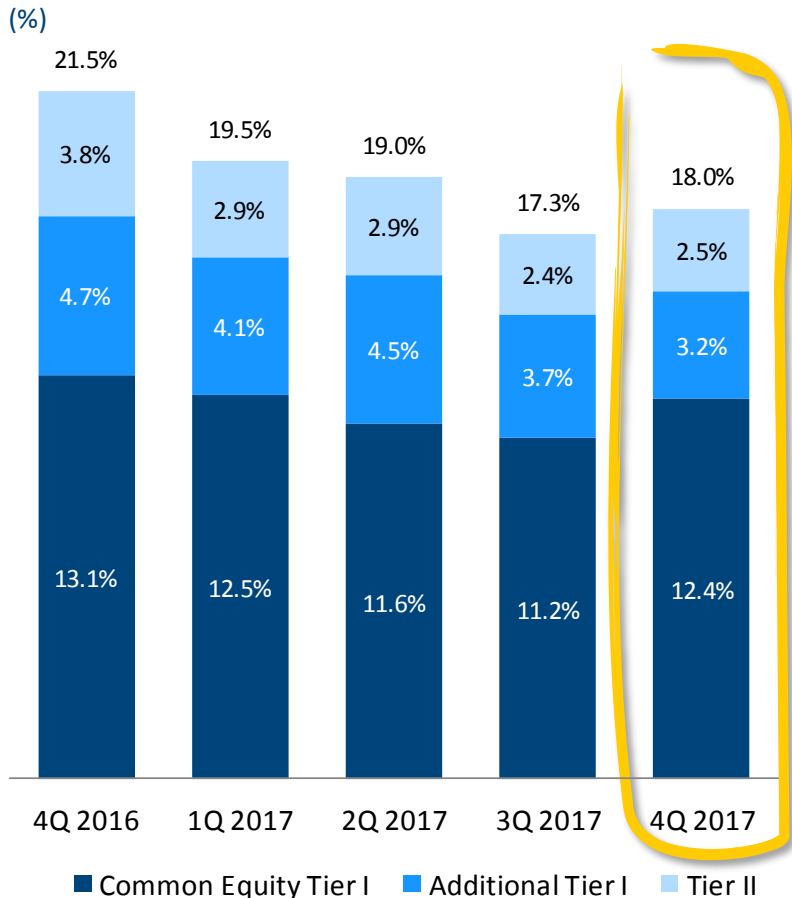
Unsecured funding base increased 3% mainly due to the issuance of our 5 year senior unsecured bond



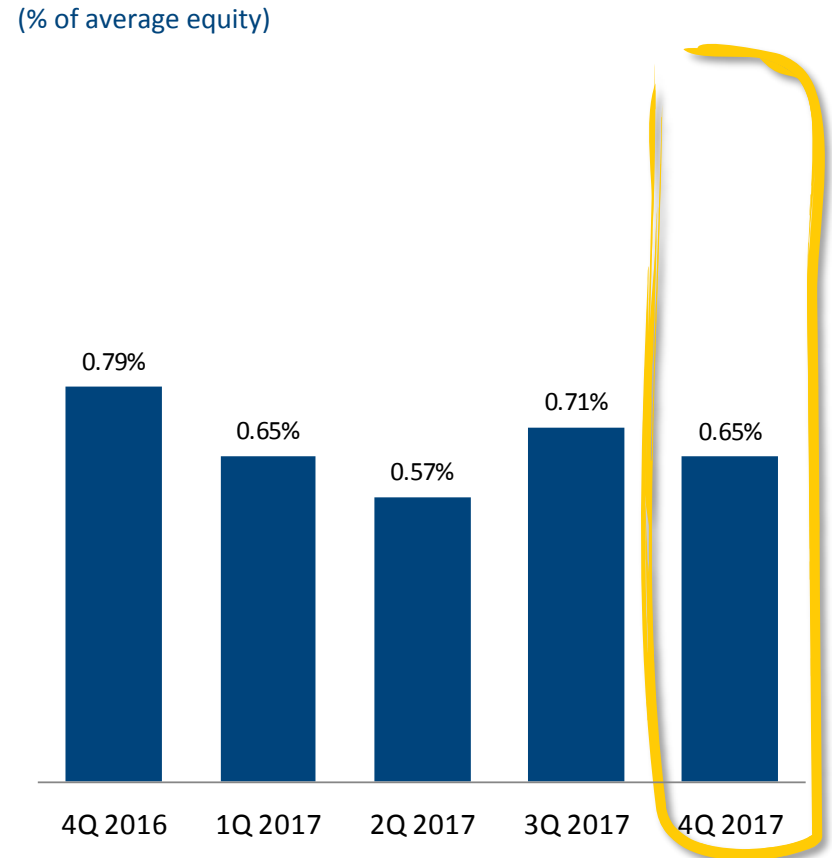
Basel Ratio and VaR

Basel index ended the quarter at 18.0%. Average VaR as a percentage of the average equity decreased on lower market risk exposure in the period

Basel Ratio



Daily Average VaR



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