



Earnings Release Third Quarter 2016

Conference Call Presentation
November 9th, 2016

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

Earnings Release

Third Quarter 2016

English Conference Call

November 9, 2016 (Wednesday)

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

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Code: 10093092

Portuguese Conference Call

November 9, 2016 (Wednesday)

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

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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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Performance Summary

3Q 2016

3Q 2016 marks the conclusion of our strategic repositioning, including BSI and ECTP deconsolidation. We are operating with historically high capitalization, liquidity levels, low leverage and focused on our core activities

1 For 3rd quarter, total revenues and net income reached R\$1.5 billion and R\$661 million, respectively

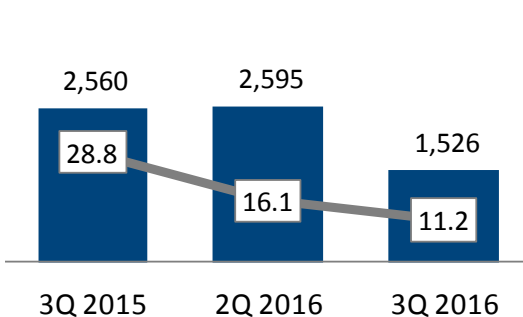
2 Labor and admin cost reduction successfully implemented

3 Total assets at R\$128.6 billion, 40% below 2Q 2016 and 58% below 3Q 2015 (Ex. BSI & ECTP). Basel ratio for BTG Pactual considering BSI's and ECTP's implementation⁽¹⁾ was 20.1% at quarter end (16.4% for BTG Pactual).

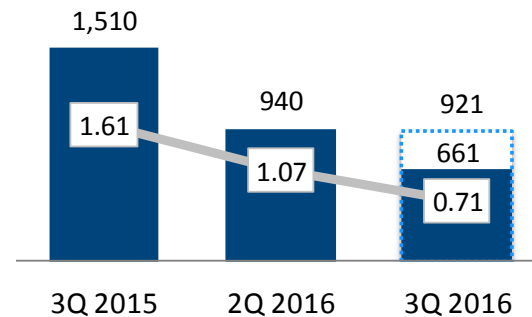
- Avg VaR in the quarter decreased to R\$134.1 million, or 0.57% of average shareholders' equity

	BTG Pactual	BTG Pactual (ex ECTP BSI)
ROAE	11.2%	20.0%
Net Income (R\$ mm)	661	921
Net Income p/ Unit (R\$)	0.71	0.99
Cost Income Ratio	56%	38%
Compensation Ratio	19%	17%

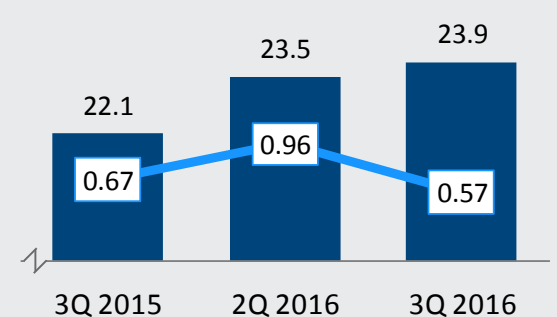
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders' Equity (R\$ billion)



Revenues ROAE (%)

Net income Adjusted Earnings p/Unit (R\$)

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



Note:

* Balance sheet items represents end of period data

** Includes BSI from September 1st onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter onward

(1) Estimated taking into effects of the deconsolidation of BSI and ECTP and recognizing BTG Pactual's remaining interest as permanent investment

Performance Summary

9 months 2016

9M results reflect good performance of our core businesses, with significant impact from cost reduction initiatives

1

Good performance during the year

- Revenues and net income reached R\$7.7 billion and R\$2.7 billion, respectively
- Year to date annualized ROAE of 15.4%

2

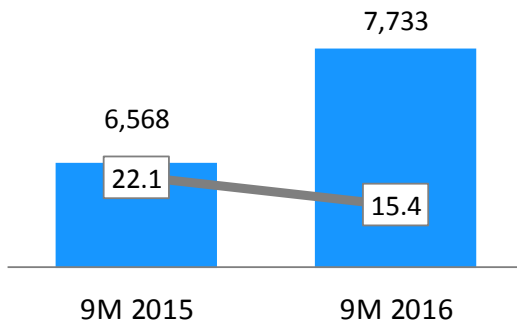
Main ratios in line with recent past

- Cost to income ratio for BTG Pactual Stand-alone⁽¹⁾ at 45% | for BTG Pactual 55%
- Compensation ratio for BTG Pactual Stand-alone⁽¹⁾ at 20% | for BTG Pactual 29%
- Net margin for BTG Pactual Stand-alone⁽¹⁾ at 47% | for BTG Pactual 35%

3

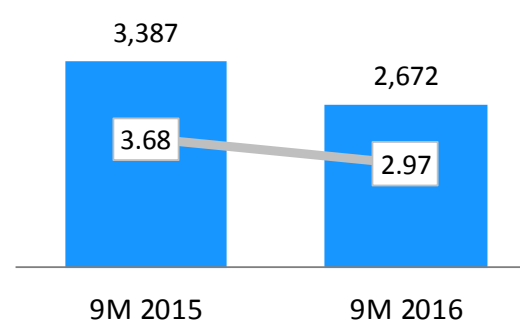
Shareholders' equity increased 8% year on year to R\$23.9 billion, and 1H 2016 announced dividends have already been distributed to shareholders

Revenues (R\$ million)



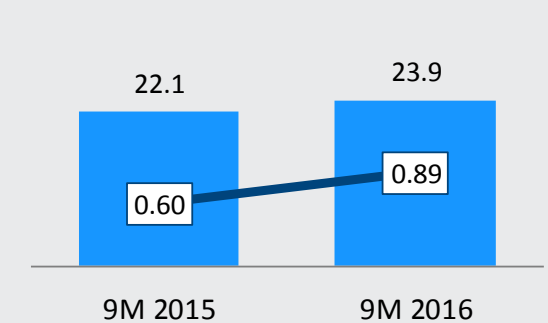
Revenues ROAE (%)

Net Income (R\$ million)



Net income Earnings p/Unit (R\$)

Shareholders' Equity (R\$ billion)

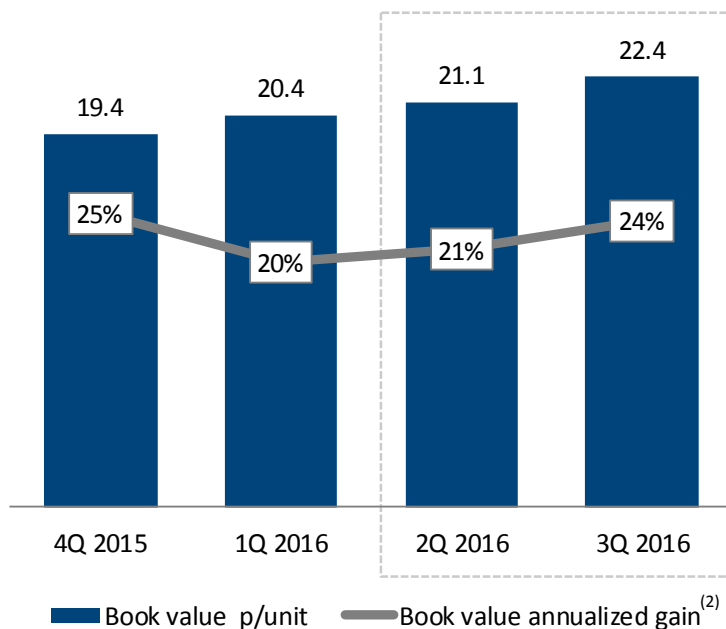


Shareholders Equity
Avg. daily VaR / avg. equity (%)

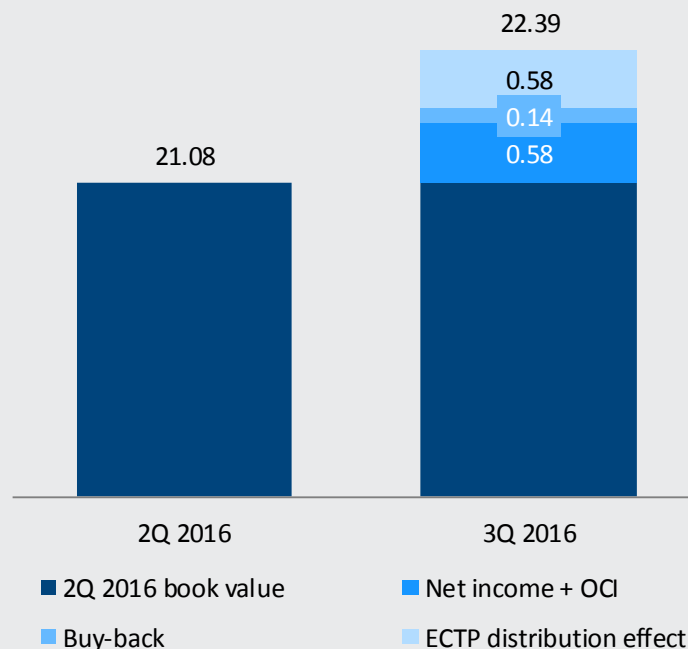
BBTG11 Book Value Gain

BBTG11 have been capturing significant book value gains over and above net income, due to share repurchase and ECTP transaction since 4Q 2015

Book value p/unit evolution and implied return (R\$)



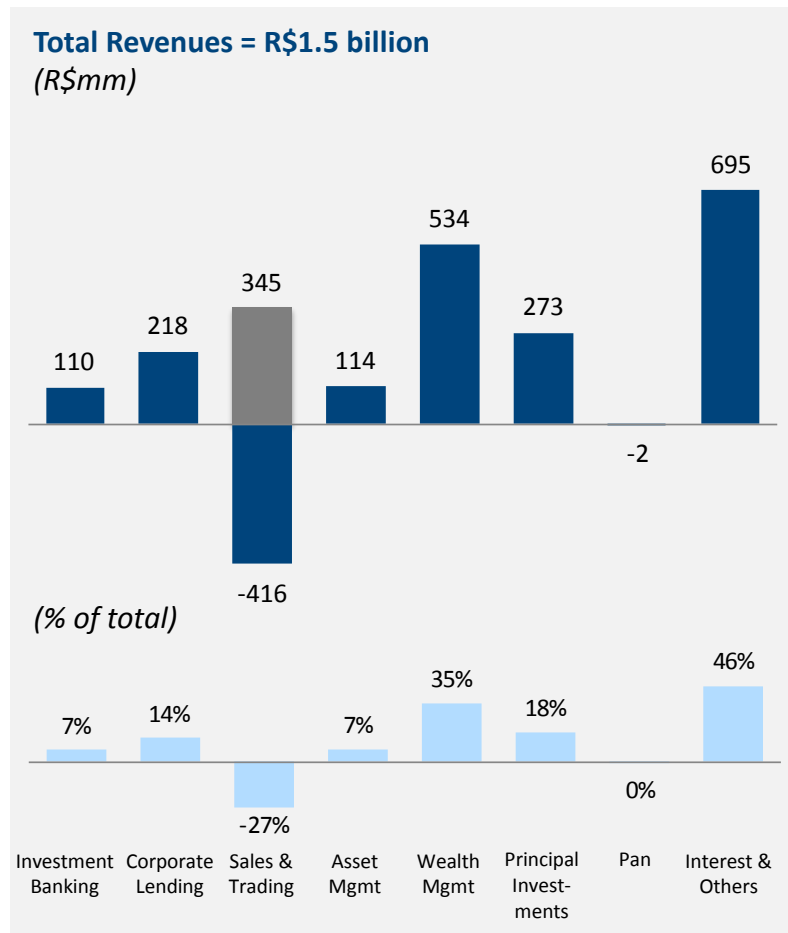
Book value p/unit breakdown⁽¹⁾ (R\$)



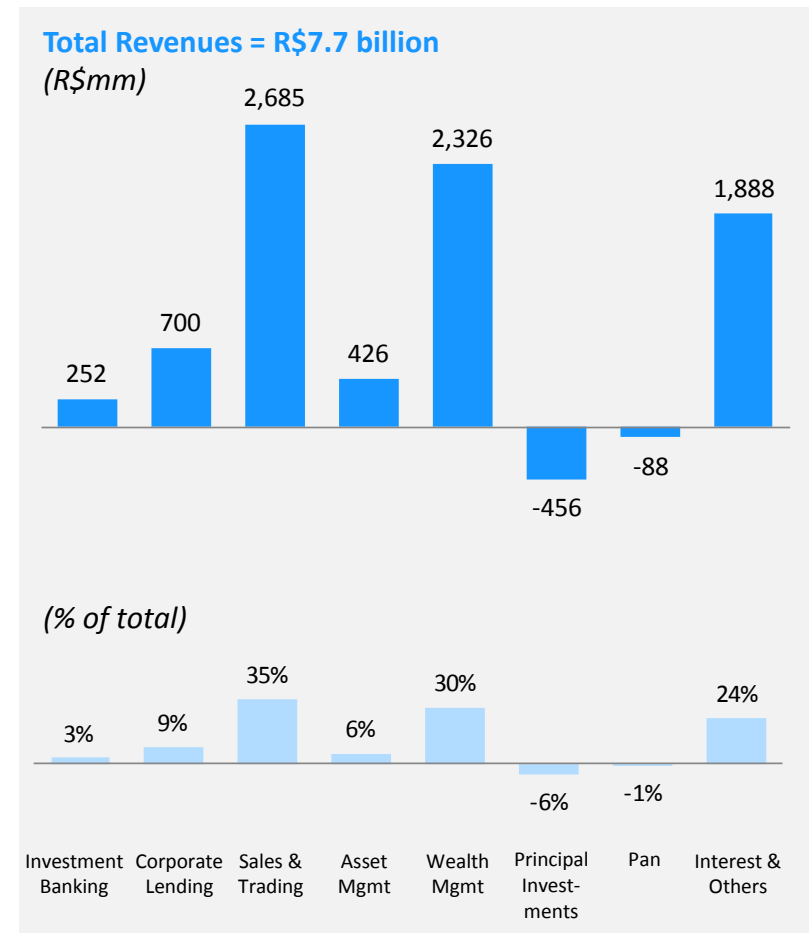
Total Revenues

Business Units Breakdown

3rd Quarter 2016



9 Months 2016





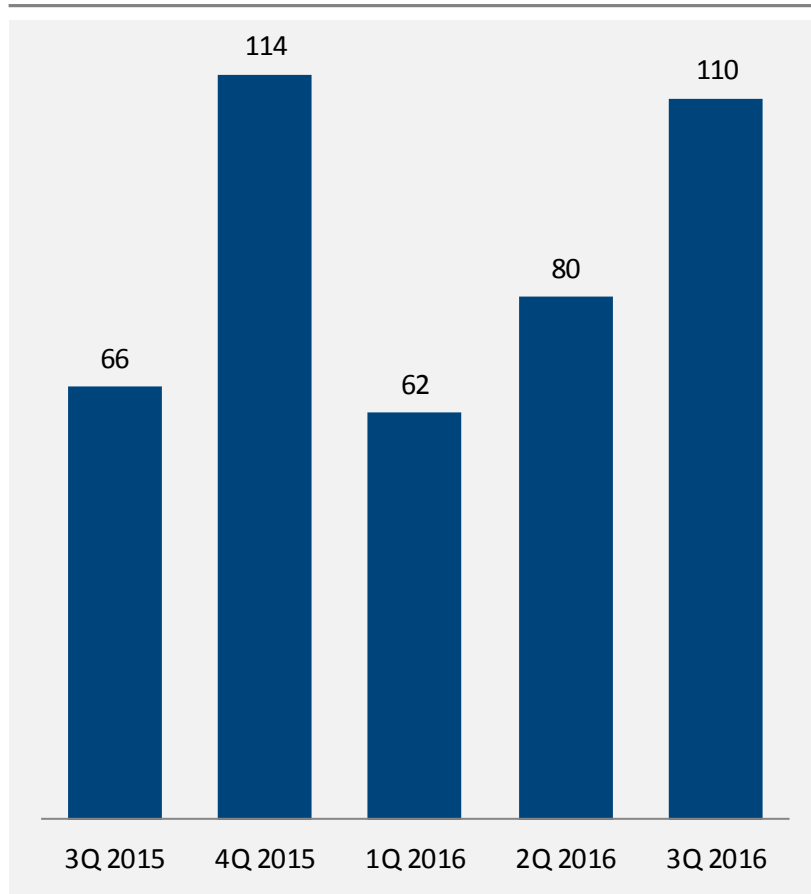
Section 1

Business Areas

Investment Banking

Increase in revenues mainly attributable to financial advisory and equity capital markets. We continue have leading positions ECM and M&A in LatAm

Revenues (R\$ million)



Overview of 3Q 2016

- Performance from Financial Advisory increased due to higher volume of concluded transactions in the quarter
- Higher revenues from ECM on increase of transactions
- Sound revenue contribution from DCM for the year, despite weak market activity

Market Positioning Highlights

(9M 2016)

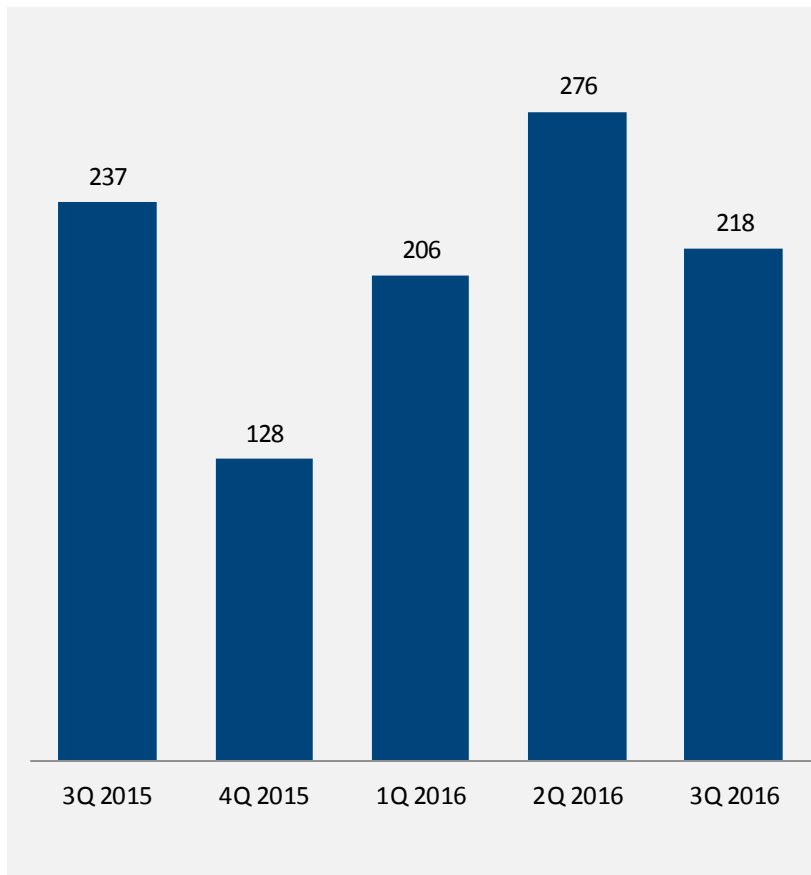
M&A: #2 in number of transactions in Latin America and Brazil

ECM: #1 in number of transactions in Latin America and Brazil

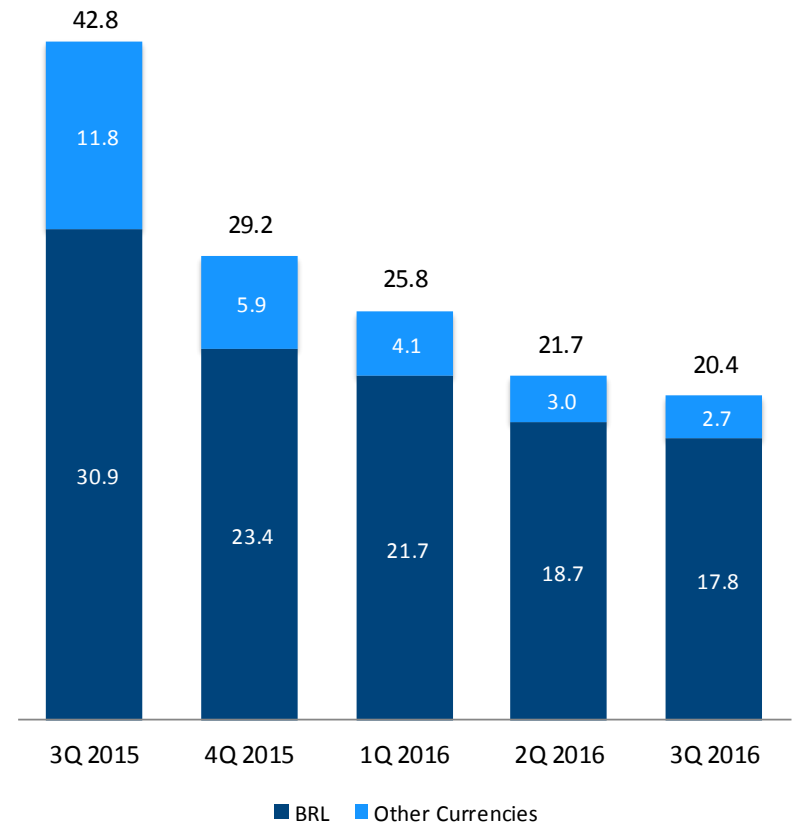
Corporate Lending

Spreads continue to grow in comparison to historical average, revenues were impacted by smaller contribution on credit recovery in our NPL portfolios

Revenues (R\$ million)



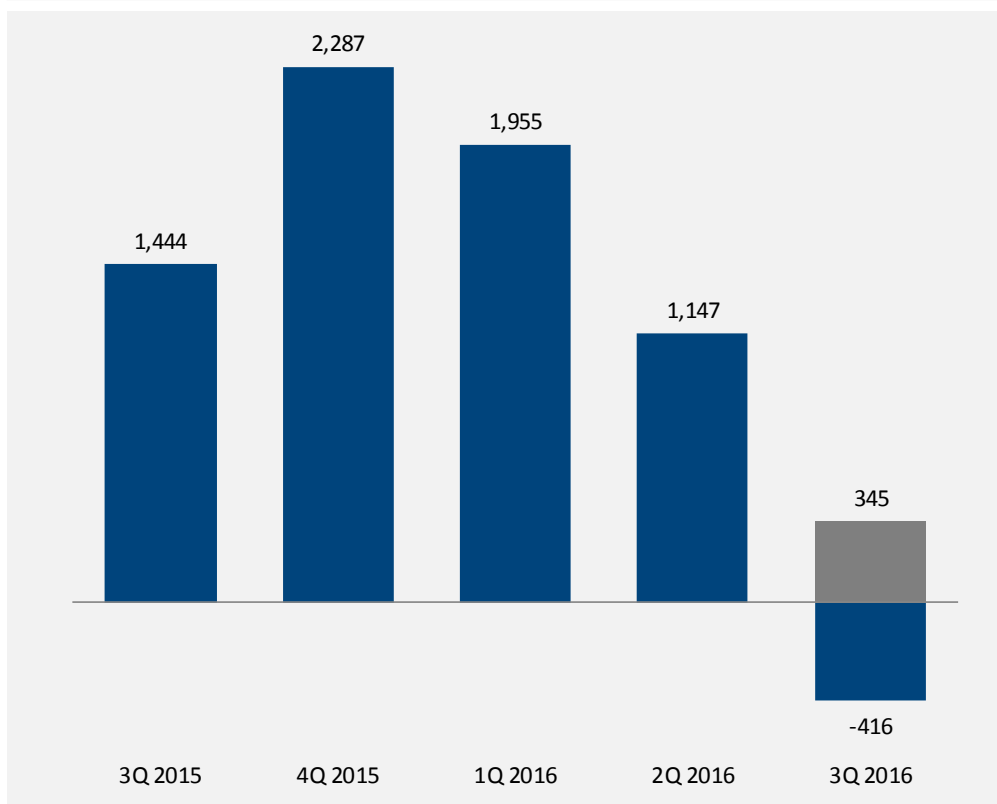
Corporate Lending Portfolio (R\$ billion)



Sales & Trading

Sales and Trading performance, impacted by negative results of ECTP

Revenues (R\$ million)



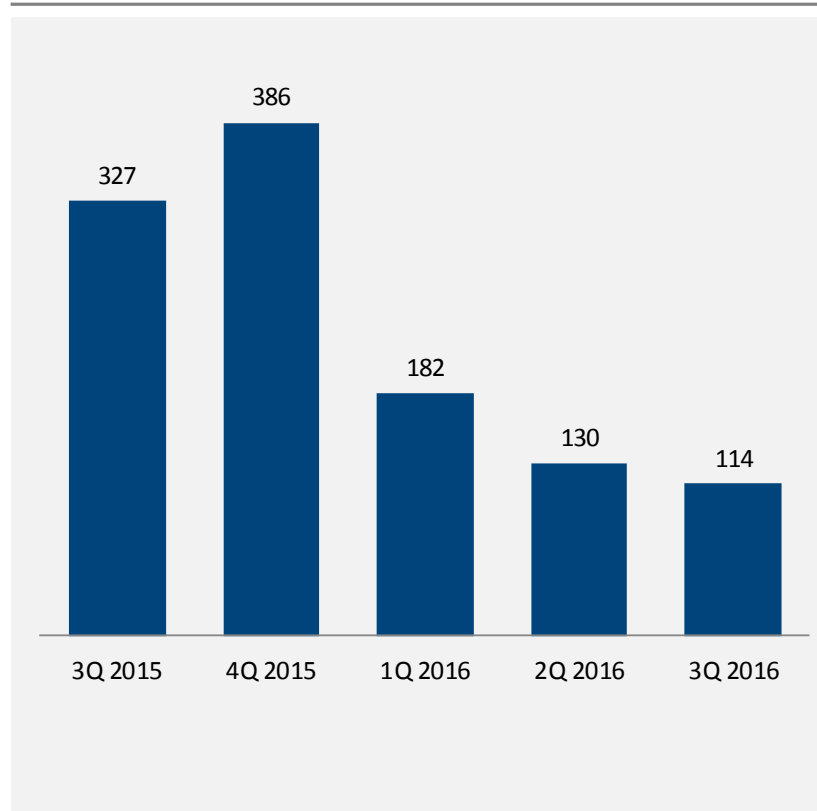
Sales & Trading revenues were driven by:

- Negative contribution of ECTP
- Solid revenues of our equities desk in 3Q 2016
- Strong revenue contribution of FX desk in the quarter
- Lower revenue contribution from rates and Brazil energy desks

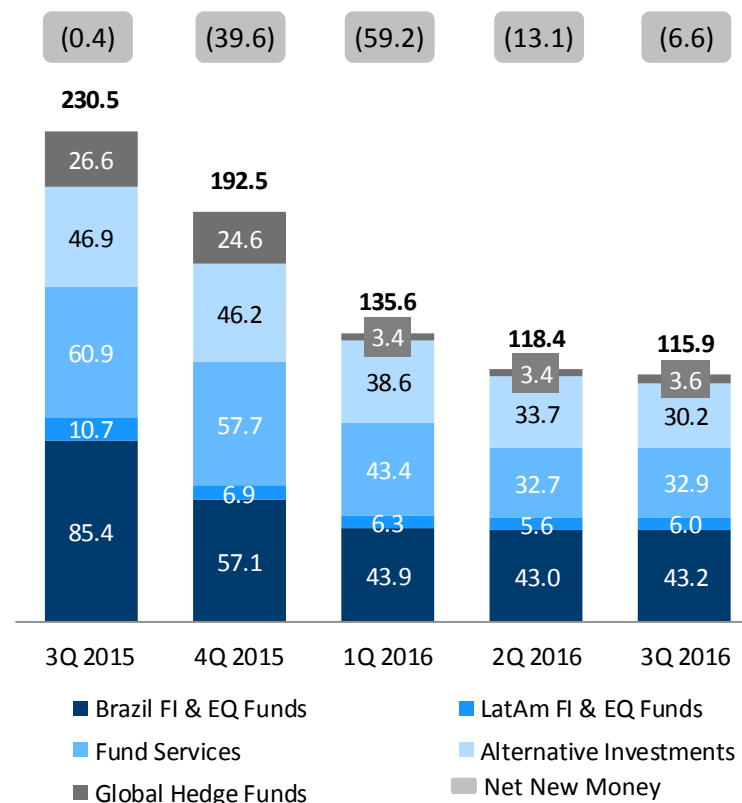
Asset Management

Revenue decrease mainly reflects drop in AuM. 3Q 2016 NNM still impacted by redemptions requested during 4Q 2015 and 1Q 2016, mostly in Fund Services/administration.

Revenues (R\$ million)



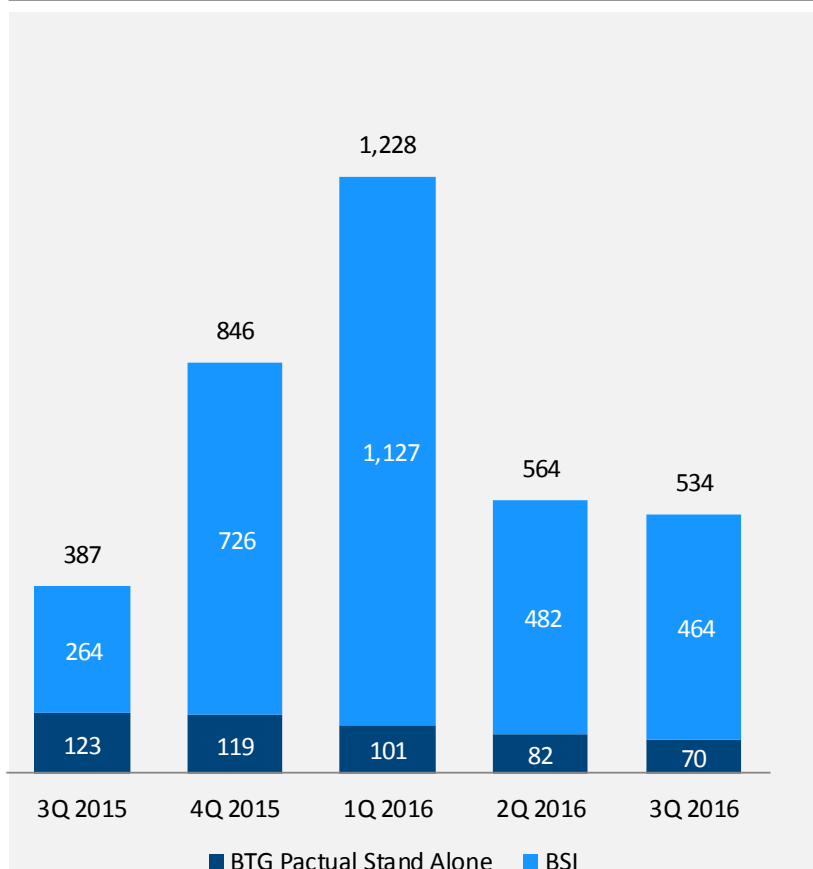
AuM and AuA (R\$ billion)



Wealth Management

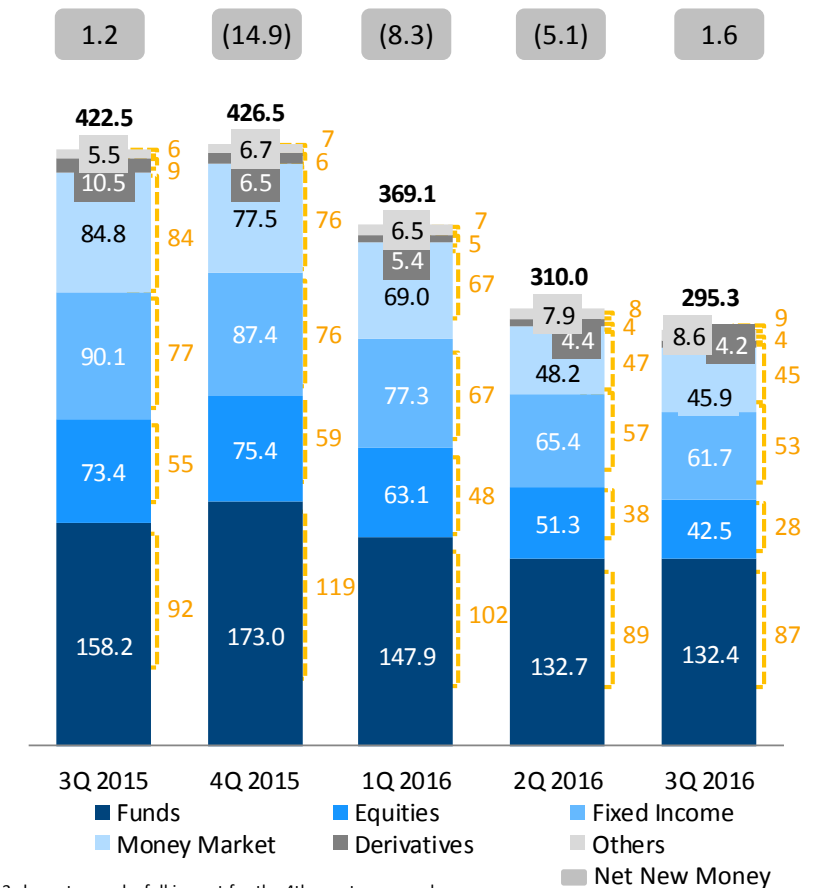
WuM negatively impacted by redemptions in BSI, partially offset by positive NNM in WM LatAm. Revenues for BTG Pactual stand alone impacted by one-off credit provision and weaker trading volumes

Revenues (R\$ million)



WuM (R\$ billion)

BSI^(1,2)



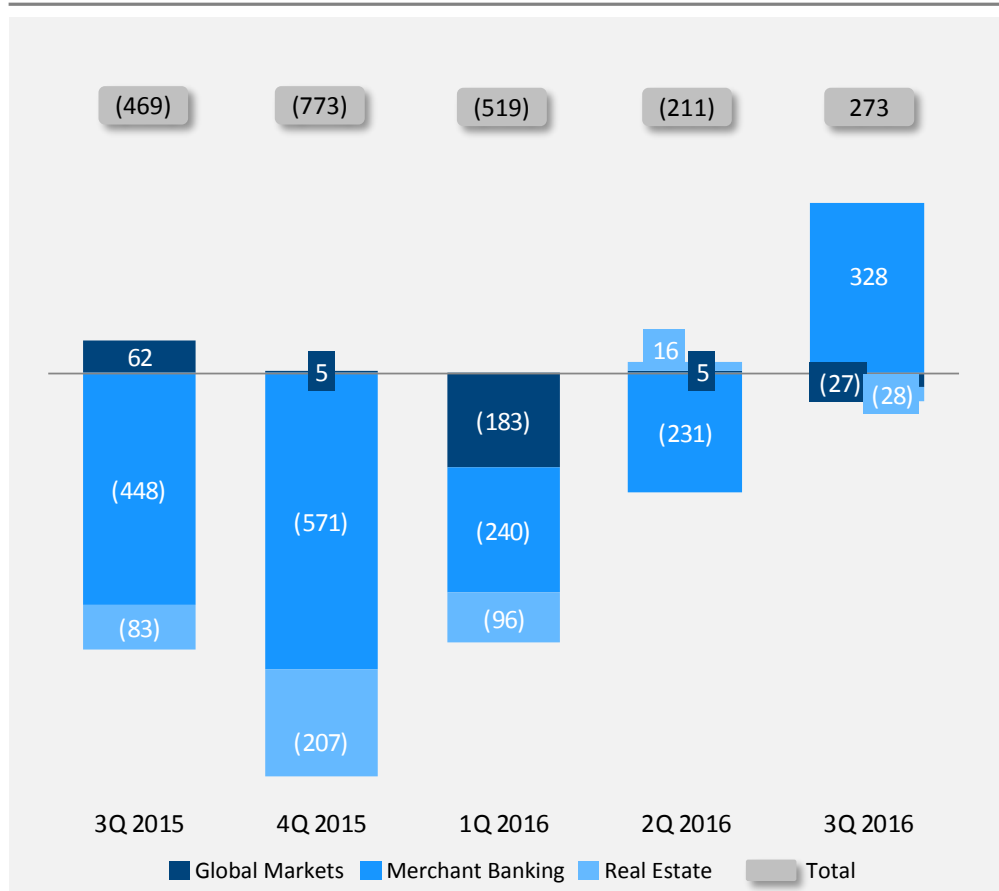
Note:

- * Includes BSI from September 1st onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter onwards
- ** BTG Pactual stand alone NNM
- (1) BSI's total WuM for 4Q 2015 was R\$342.6Bn, for 1Q 2016 was R\$294.6Bn, for 2Q 2016 R\$242.6 and for 3Q 2016 R\$224.9
- (2) BSI's WuM from 4Q 2015 on includes assets under custody

Principal Investments

Positive Merchant Banking revenues on positive equity pick up and appreciation in value of investments

Revenues (R\$ million)



In Global Markets revenues mainly reflect the internal funding cost allocation

Positive results in Merchant Banking, mainly due to positive equity pick up and appreciation in value of investments

Real Estate revenues mainly reflect the internal funding cost allocation.



Section 2

Expenses

Expenses and Main Ratios

Cost reduction initiatives successfully implemented during 1H 2016 and in full effect on 3Q 2016

(in R\$ mm, unless stated)	Quarter			3Q 2016 % change to		Full Year		9M 2016 % change to
	3Q 2015	2Q 2016	3Q 2016	3Q 2015	2Q 2016	9M 2015	9M 2016	9M 2015
Bonus	(520)	(354)	147	-128%	-142%	(1,086)	(709)	-35%
Salaries and benefits	(364)	(500)	(437)	20%	-13%	(807)	(1,506)	87%
Administrative and other	(333)	(574)	(399)	20%	-31%	(799)	(1,527)	91%
Goodwill amortization	(56)	(54)	(50)	-11%	-8%	(152)	(159)	4%
Tax charges, other than income tax	(99)	(94)	(123)	24%	30%	(334)	(351)	5%
Total operating expenses	(1,371)	(1,578)	(861)	-37%	-45%	(3,178)	(4,253)	34%
Cost to income ratio	54%	61%	56%			48%	55%	
Compensation ratio	35%	33%	19%			29%	29%	
Income tax and social contribution	321	(77)	(4)	-101%	-94%	(3)	(808)	23795%
Effective income tax rate	-27.0%	7.5%	0.6%			0.1%	23.2%	

	BSI		BTGPactual (ex. BSI)					
	2Q 2016	3Q 2016	2Q 2016	3Q 2016	% Change to 3Q 2015	% Change to 2Q 2016	9M 2016	% Change to 9M 2015
Bonus	(65)	(16)	(289)	163	-133%	-156%	(530)	-50%
Salaries and benefits	(260)	(223)	(241)	(214)	-17%	-11%	(738)	5%
Administrative and other	(312)	(153)	(263)	(246)	-7%	-6%	(816)	12%
Goodwill amortization	-	-	(54)	(50)	-11%	-8%	(159)	4%
Tax charges, other than income tax	(11)	(3)	(83)	(120)	28%	44%	(325)	-1%
Total operating expenses	(647)	(394)	(931)	(467)	-60%	-50%	(2,567)	-13%
Cost to income ratio	134%	85%	44%	44%			46%	
Compensation ratio	67%	51%	25%	5%			27%	

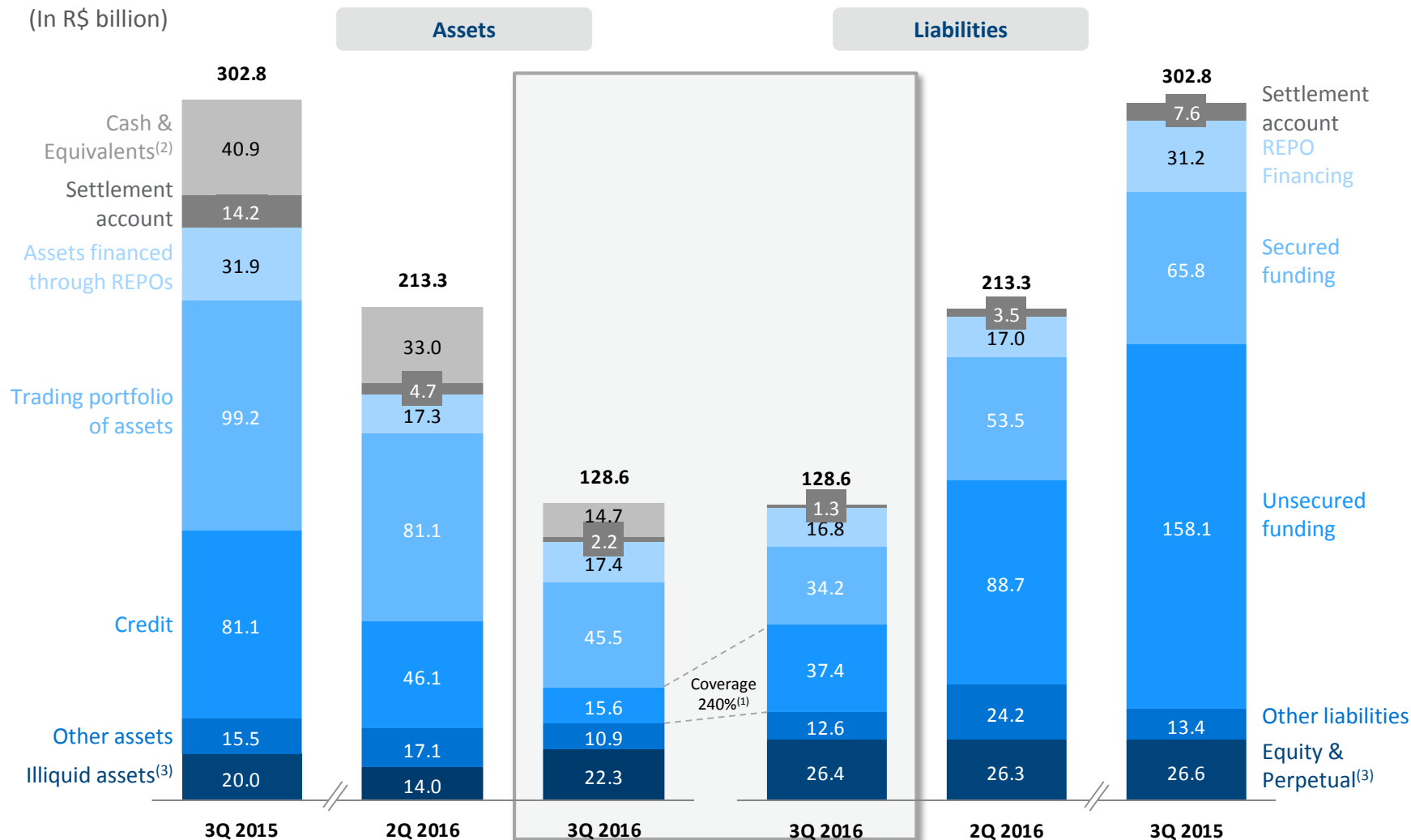


Section 3

Balance Sheet

Balance Sheet Analysis

(In R\$ billion)



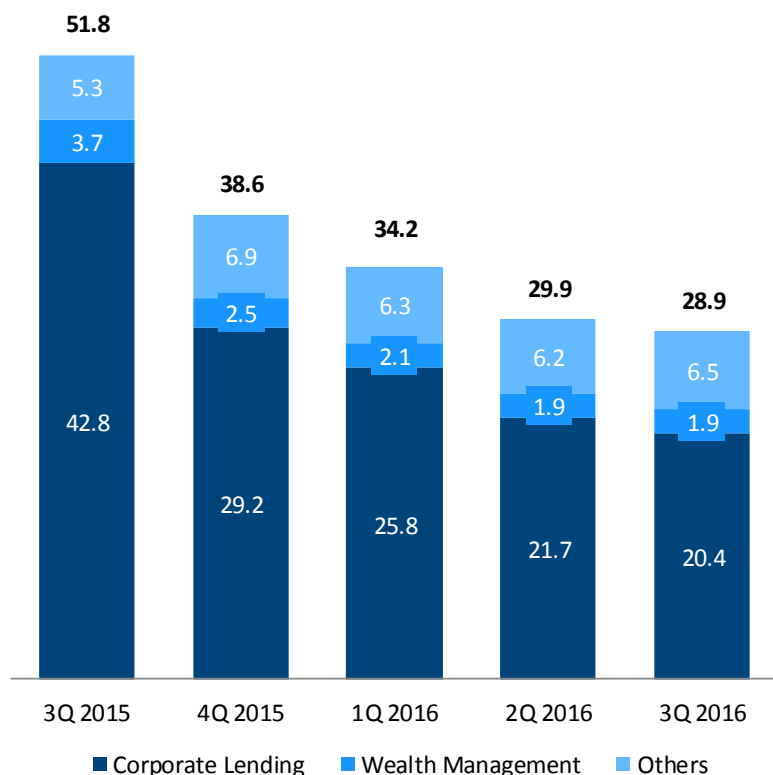
Note:

- (1) Excludes demand deposits from BTG Pactual stand alone
- (2) Includes high quality liquid assets and cash receivable on BSI sale
- (3) Includes full impact for BSI and ECTC. For ECTP approximately R\$3.1bn equity (on a fully diluted basis) will be distributed to shareholders,

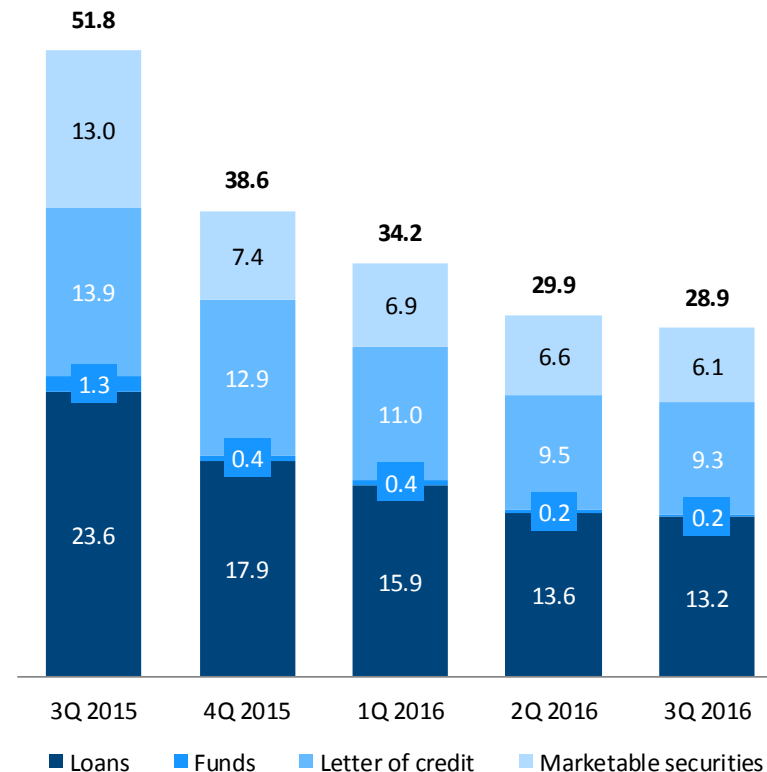
Broader Credit Portfolio (BTG Pactual Ex-BSI)

Broader credit portfolio continued to decrease, mainly due to actions taken to reduce LatAm exposure and BSI's deconsolidation

Broader Credit Portfolio by Area (R\$ billion)



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



Note:

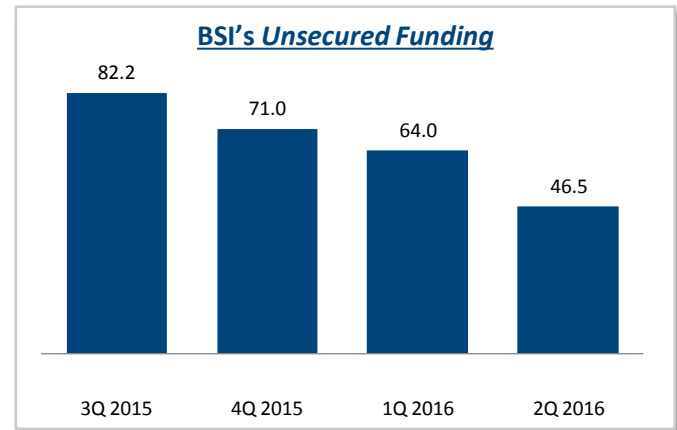
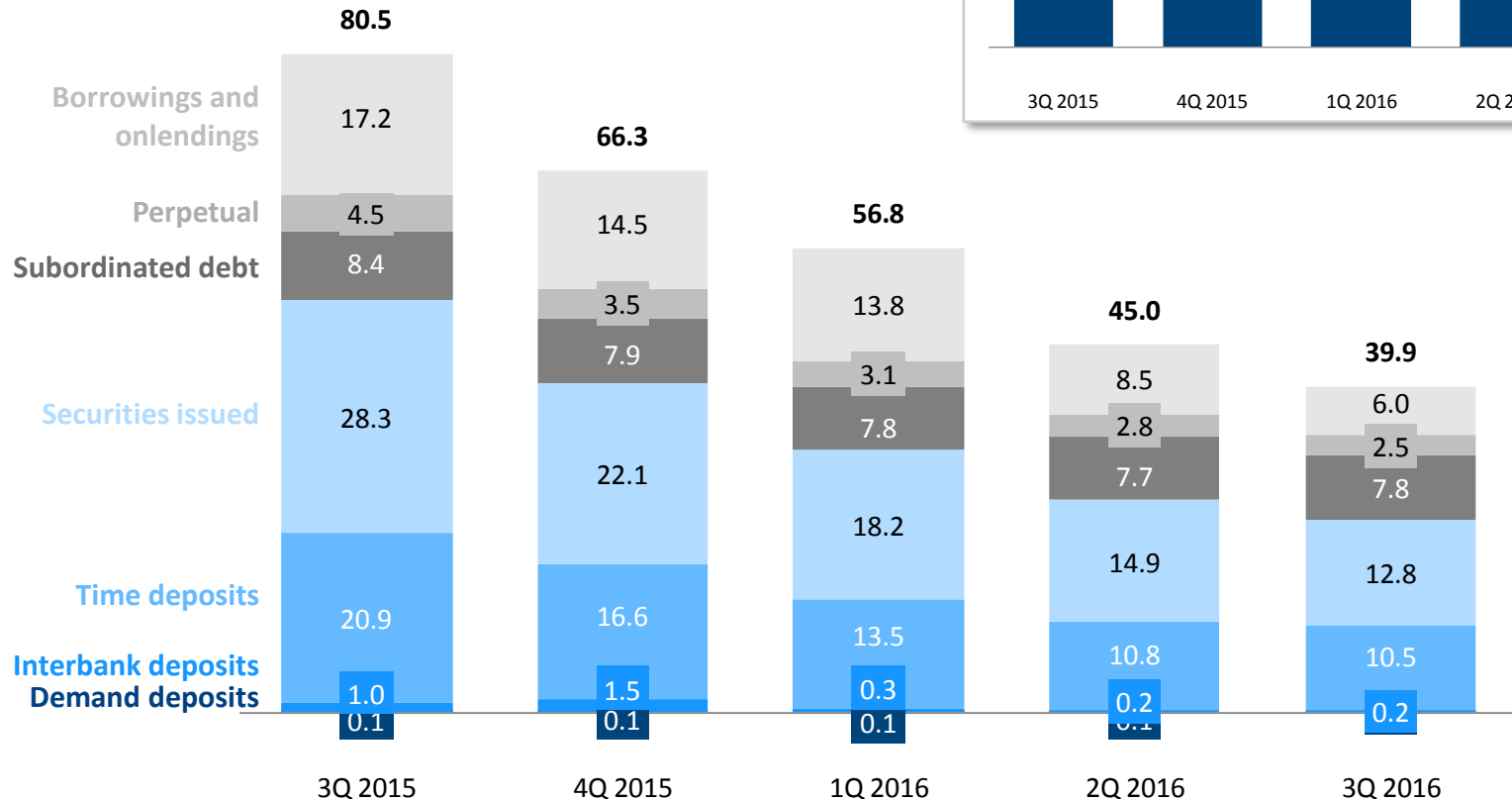
• Includes BSI from September 1st 2015 onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter

** BSI deconsolidated on 3Q 2016

(1) Mortgages are related to BSI only

Unsecured Funding Base (BTG Pactual Ex-BSI)

(In R\$ billion)



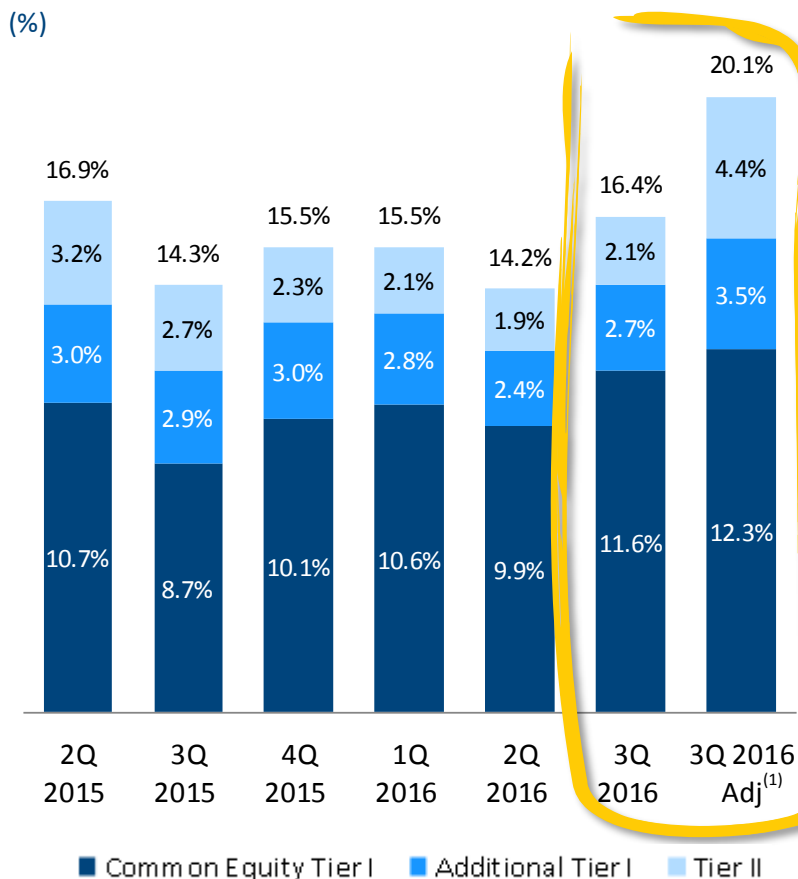
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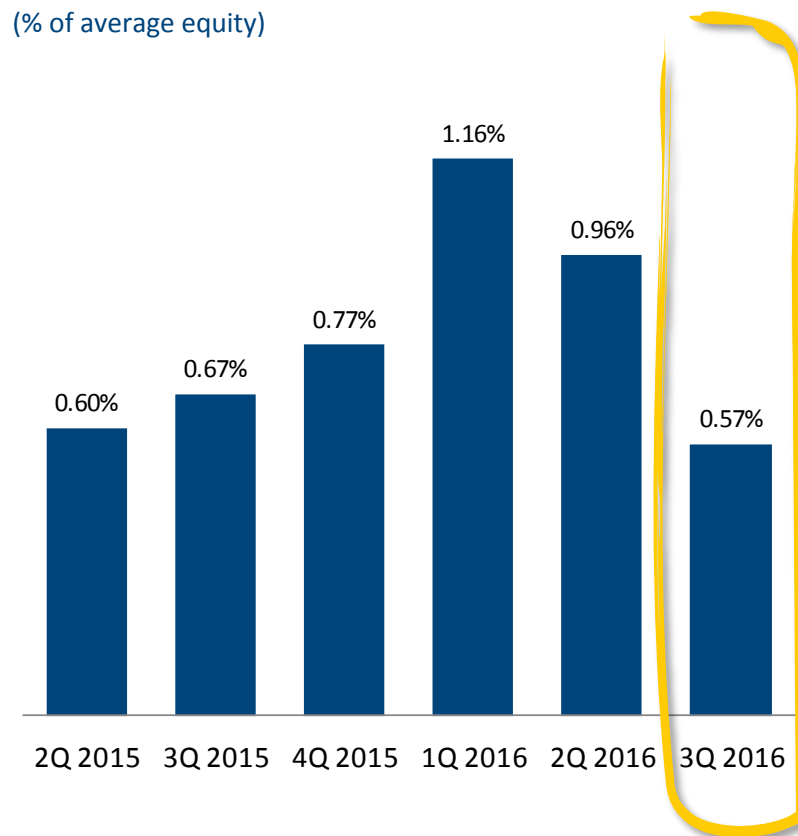
Basel Ratio and VaR

Banco BTG Pactual Basel ratio reached 16.4%. Average VaR decreased mainly due to lower commodities exposure in the quarter. Excluding BSI and ECTP, Basel ratio reached 20.1%

Basel Ratio



Daily Average VaR



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