



CONFERENCE CALL PRESENTATION

4th QUARTER 2018

Earnings Release

Fourth Quarter 2018

English Conference Call

- February 25, 2019 (Monday)
- 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

- February 25, 2019 (Monday)
- 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

- 1** AM and WM continued to expand significantly, with over 35% increase in managed assets and record NNM

- 2** IBD revenues grew 27% year on year, reaching its highest historical level ever

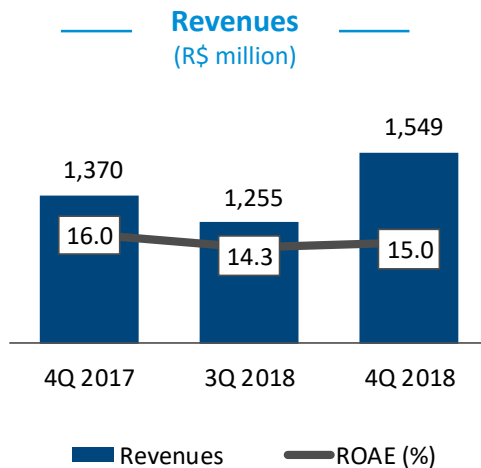
- 3** BTG Pactual digital launched its home broker in December, with the platform now fully fledged and at full speed in IFA's expansion

- 4** Rebound in Sales & Trading revenues, and soft results from Corporate Lending due to specific credit provision

Performance Summary

4Q 2018

We delivered 15.0% ROAE and revenues increased 23.5% when compared to 3Q 2018



1 Total revenues and adjusted net income were R\$1,549 million and R\$711 million, respectively

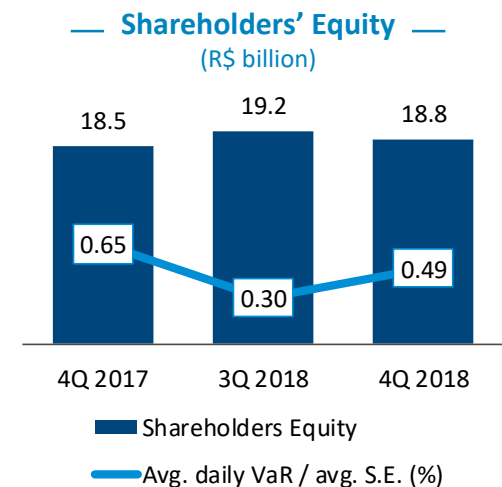
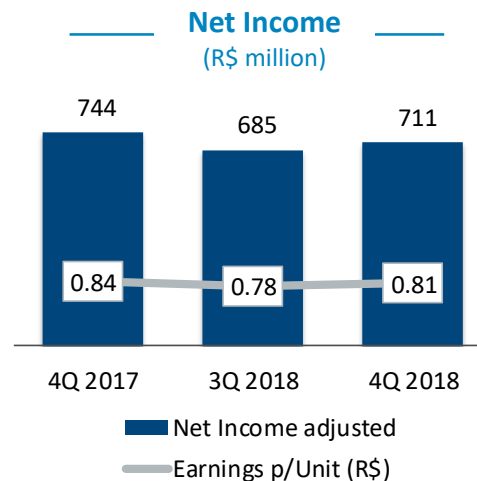
- Annualized ROAE⁽¹⁾ was 15.0%. Excluding EFG and Banco Pan, the annualized ROAE was 19.0%
- Net income per unit⁽¹⁾ was R\$0.81
- Accounting net income was R\$552 million

2 Cost income ratio was slightly above the historical average, mostly due to one-off expenses

- Cost to income ratio was 52%
- Compensation ratio was 29%

3 Total assets closed the quarter at R\$137.6 billion. Basel ratio of 16.6% and shareholders' equity of R\$18.8 billion

- Distribution of interest on capital in the amount of R\$604.5 million
- Average VaR in the quarter increased to R\$93.3 million or 0.49% of average shareholders' equity



Note:

* Balance sheet items present data as of the end of the period

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

Performance Summary

Full Year 2018

Solid client franchise and softer trading results

1 Total revenues and adjusted net income were R\$5,352 million and R\$2,741 million, respectively

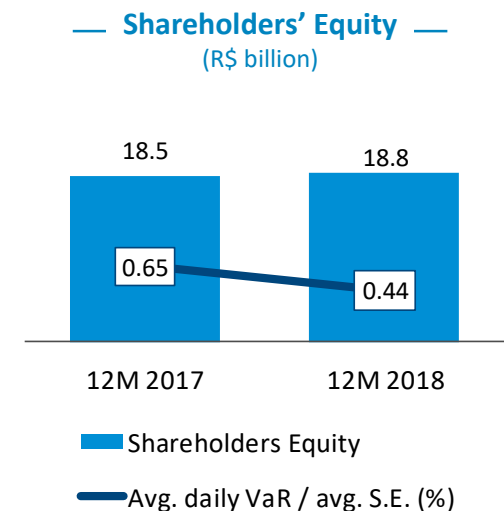
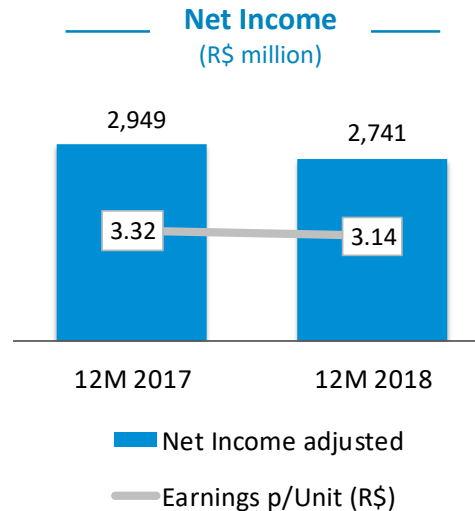
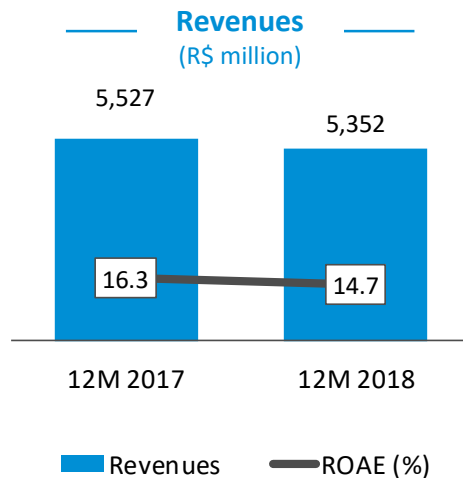
- Year to date annualized ROAE⁽¹⁾ was 14.7%. Excluding EFG and Banco Pan, annualized ROAE was 18.8%
- Accounting net income was R\$2,361 million

2 Cost income ratios were in line with historical average

- Cost to income ratio was 48%
- Compensation ratio was 24%

3 Shareholders' Equity flat and ended the period at R\$18.8 billion

- Distribution of interest on capital in the amount of R\$1,197 million
- Total share buy backs of 15,9 million units and approximately R\$320 million



Note:

* Balance sheet items present data as of the end of the period

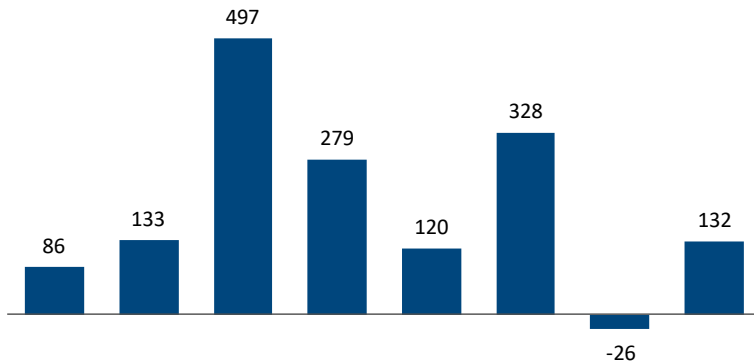
1. Annualized ROAE and net income per unit uses the adjusted net income as basis for the calculations

Business Areas Performance

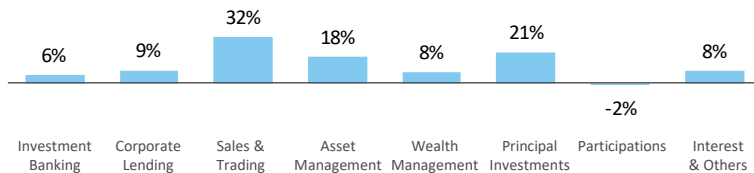
Revenue breakdown by business units

4Q 2018

Total Revenues = R\$1.5 billion
(R\$mm)

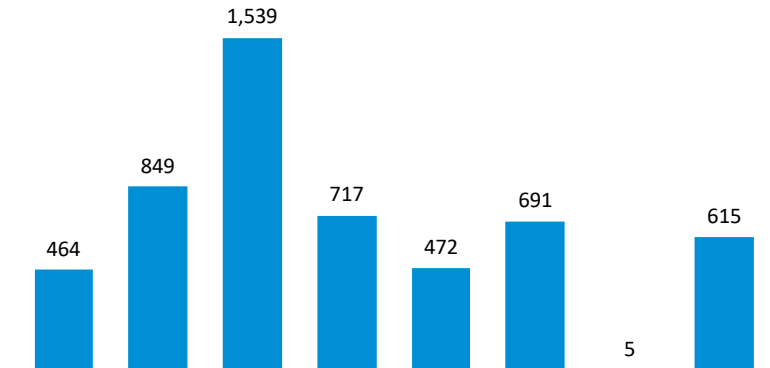


(% of total)

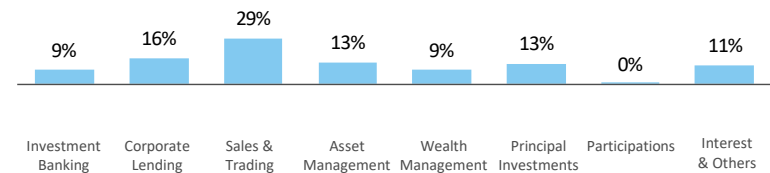


Full Year

Total Revenues = R\$5.4 billion
(R\$mm)

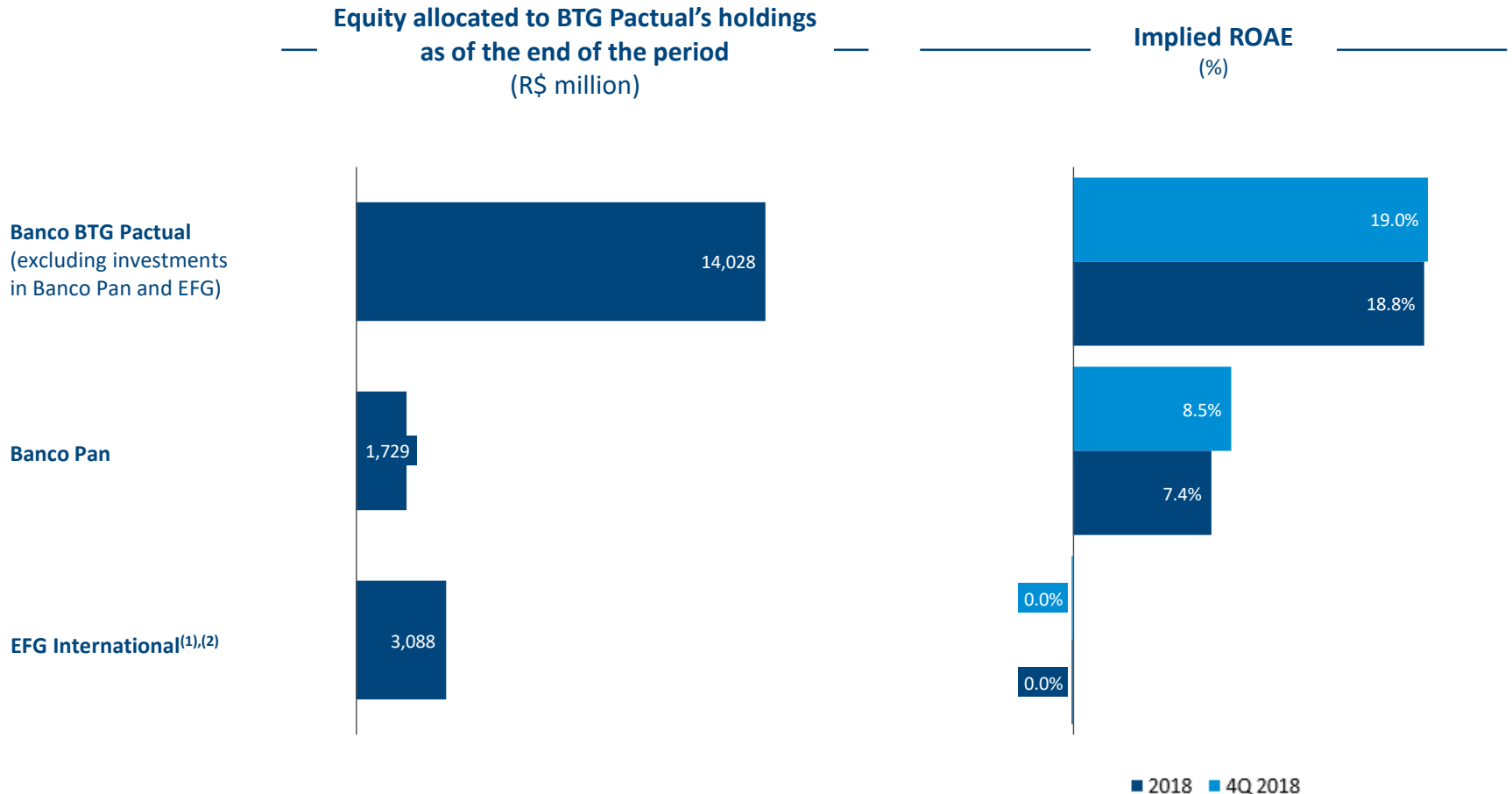


(% of total)



ROAE Components

BTG Pactual generated an ROAE of 19.0% in 4Q 2018 and 18.8% for the full year



Notes:

1. Includes investment and goodwill
2. Does not include the positive effects of the hedging back to Brazilian Real or any other adjustments, such as taxes

BTG PACTUAL BUSINESS UNITS



SECTION 1

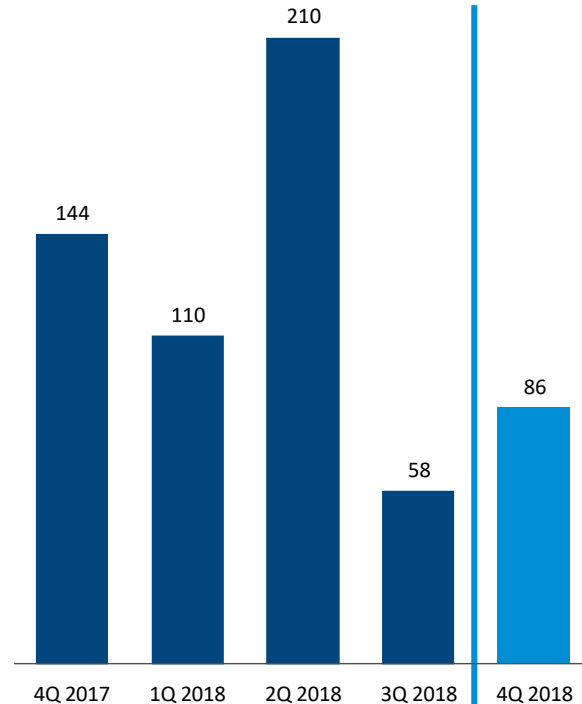
Investment Banking

Solid performance, reaching record full year revenue

Overview of 4Q 2018

- Financial Advisory had a strong performance, with the closing of significant transactions in Brazil and Latin America
- ECM had a weak performance mainly due to lower market activity in Brazil
- DCM continues to perform well

Revenues (R\$ million)



– Market Positioning Highlights – (2018)

M&A: #1 in volume of transactions in Brazil and LatAm, and #2 in number of transactions

ECM: #4 in number of transactions and #5 in volume of transactions in Brazil

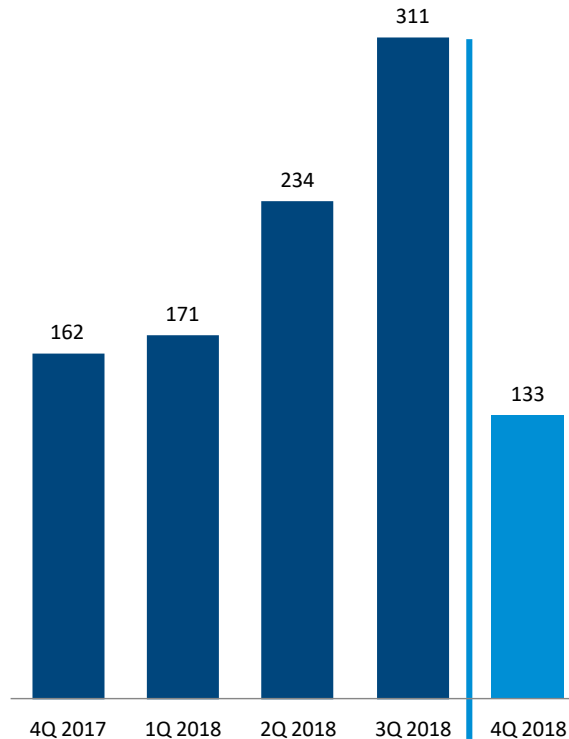
Corporate Lending

Portfolio continues to have sound expansion, despite soft quarter in revenues

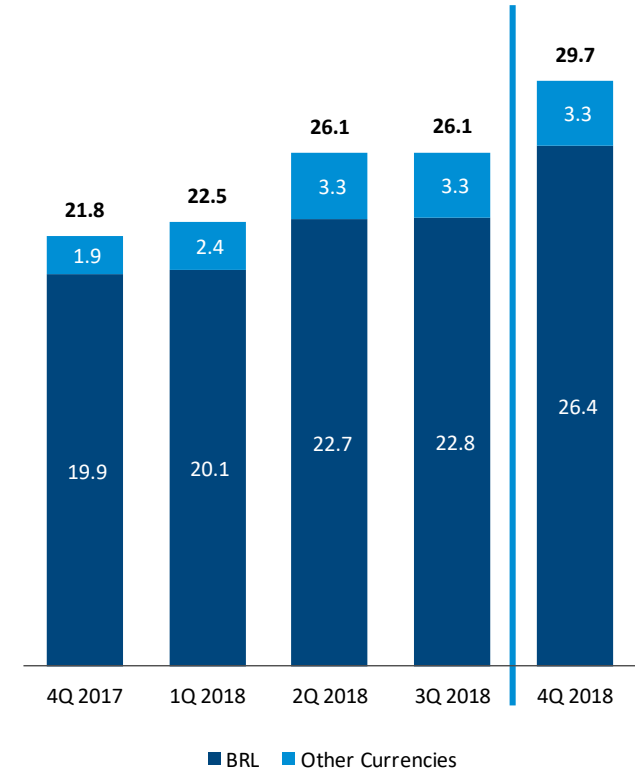
Overview of 4Q 2018

- Revenues from Corporate Lending decreased 57.1% when compared to 3Q 2018, with small contribution from our NPL/ Special Situations strategy and one-off provisions in the quarter
- Corporate Lending book increased 13.8% when compared to the previous quarter

Revenues (R\$ million)



— Corporate Lending Portfolio —
(R\$ billion)



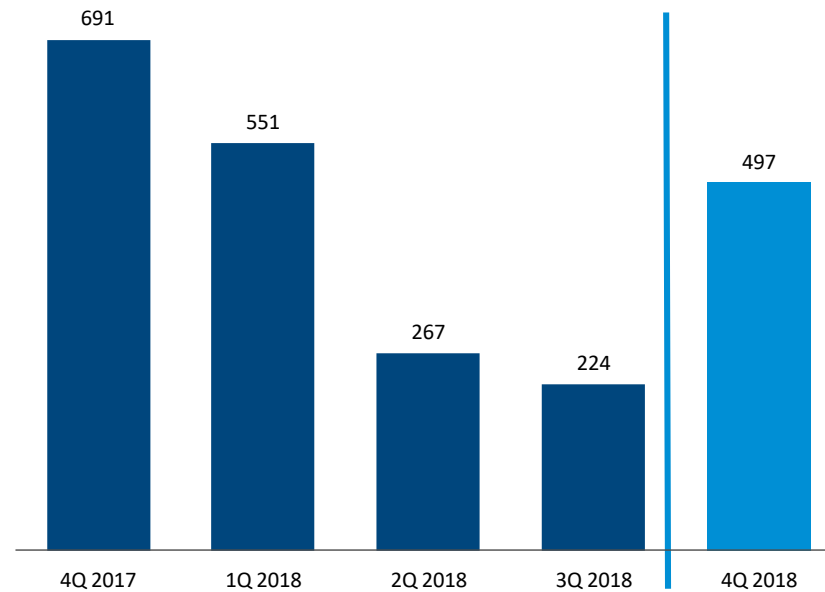
Sales & Trading

Better performance in the quarter, in line with a more benign market environment

Overview of 4Q 2018

- Revenues increased 121.4%, mostly due to strong performance of our rates desk and also good results from equities desk
- Energy and FX desks had a weak quarter
- Higher brokerage commissions when compared to previous quarter – Brokerage business growing 29% yoy

Revenues (R\$ million)



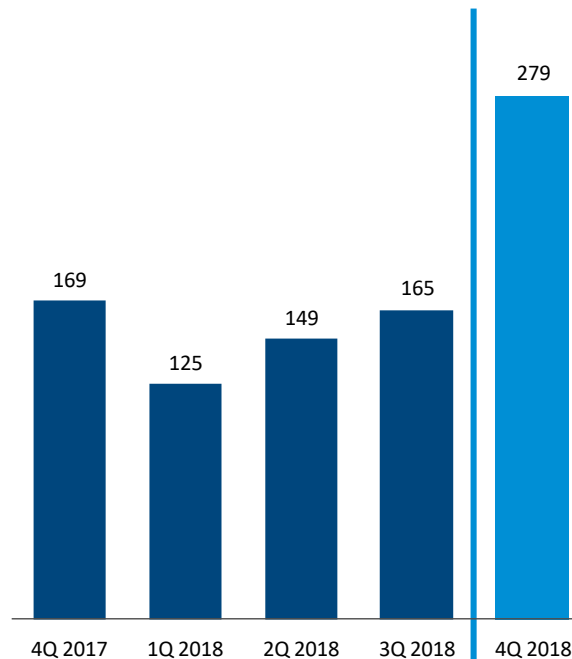
Asset Management

Higher revenues and record net new money for a quarter

Overview of 4Q 2018

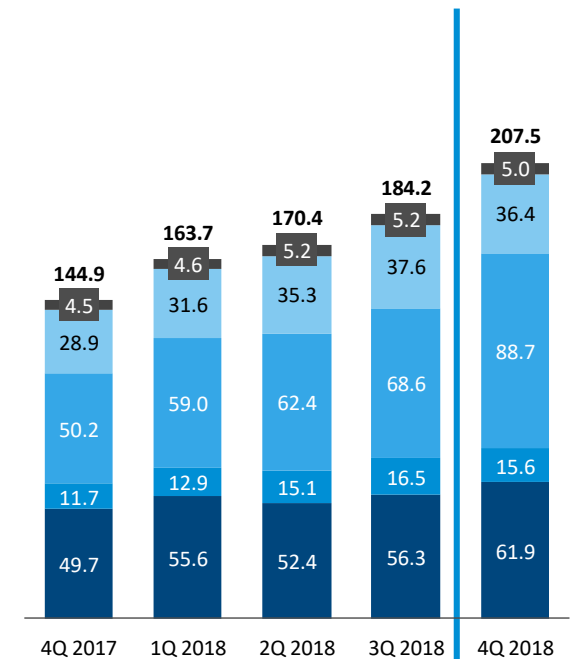
- Revenues grew 69.4% when compared to 3Q 2018, reaching R\$278.8 million - mainly due to performance fees, mostly in Fixed Income & Equities funds
- Record high NNM for a single quarter, of R\$20.9 billion
- Flows were positive across all lines, and particularly strong in Fund Services, and in Brazil Fixed Income & Equities Funds

Revenues (R\$ million)



AuM and AuA

(R\$ billion)



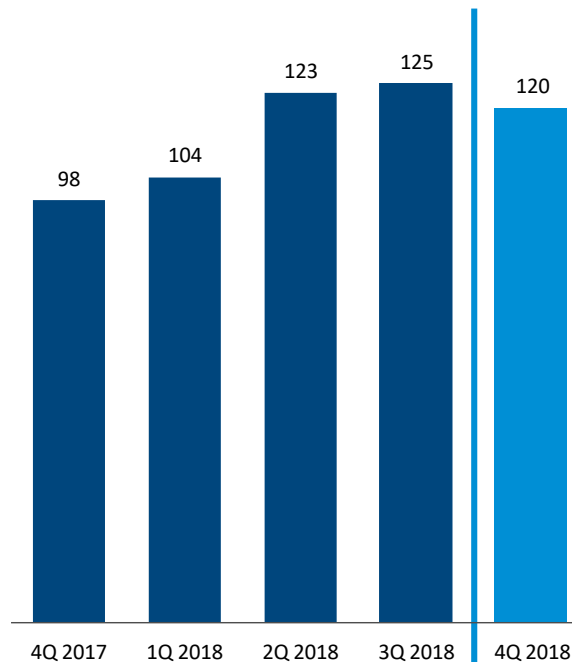
Wealth Management

Continued to receive significant inflows

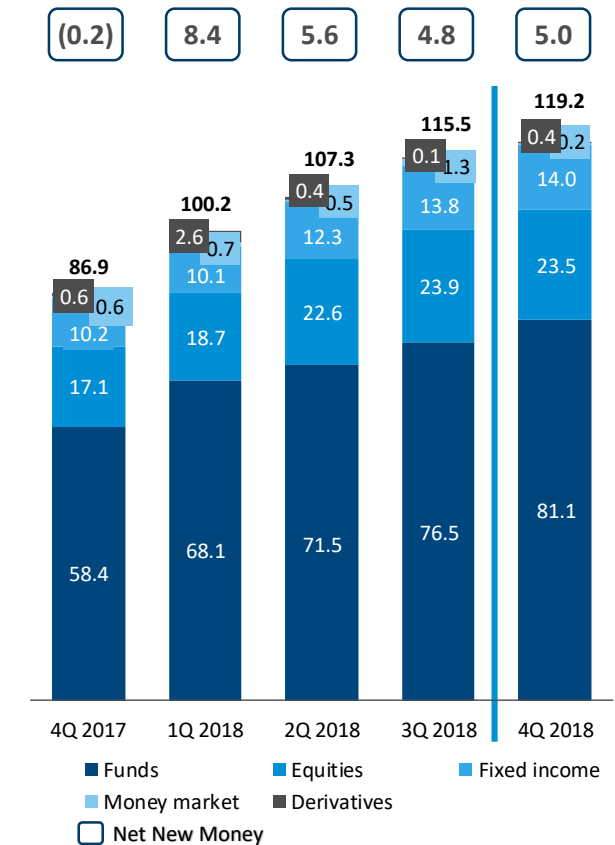
Overview of 4Q 2018

- WuM increased 3.2% in the quarter, reaching R\$119.2 billion
 - Record high NNM for a year, of R\$23.8 billion
- Revenues decreased 4.5% when compared to previous quarter, due to a smaller contribution from trading activities

Revenues (R\$ million)



WuM (R\$ billion)



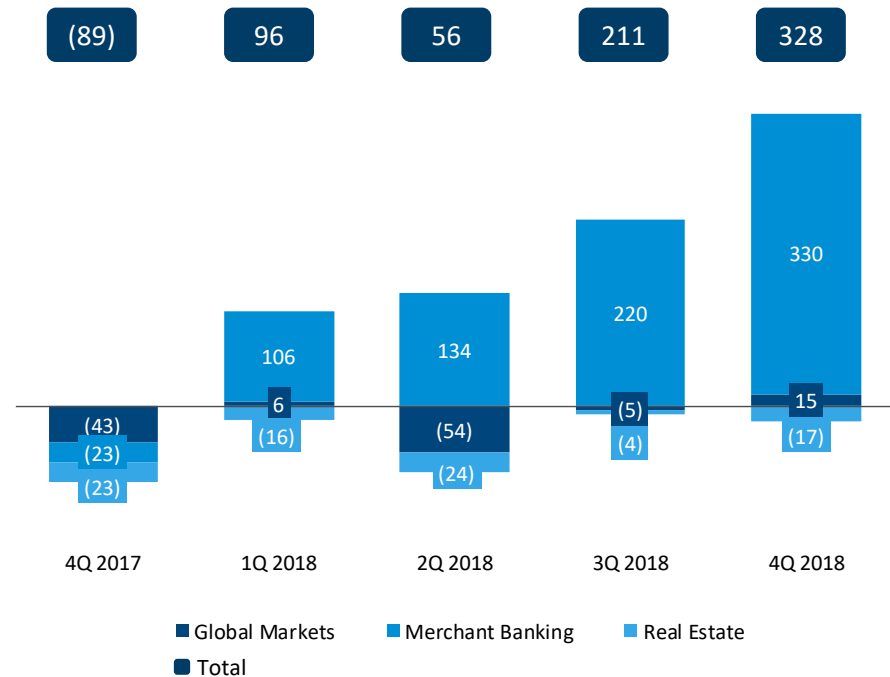
Principal Investments

Good performance, mainly due to equity pick-up in investments

Overview of 4Q 2018

- Principal Investments revenues increased 55.2% compared to 3Q 2018
- Results in Merchant Banking reflect positive equity pick-up and mark-to-market in investments
- Global Markets had gains, mainly due to gains in LatAm equities
- Real Estate continues to represent mostly internal funding allocation

Revenues (R\$ million)



EXPENSES



SECTION 2

Expenses and Main Ratios

Cost ratios were slightly above our historical averages in 4Q 2018, mostly due to one-off expenses

<i>(in R\$ mm, unless stated)</i>	Quarter			4Q 2018 % change to		Year to Date		2018 % change to
	4Q 2017	3Q 2018	4Q 2018	4Q 2017	3Q 2018	2017	2018	2017
Bonus	(241)	(121)	(298)	24%	146%	(746)	(685)	-8%
Salaries and benefits	(132)	(159)	(156)	19%	-2%	(529)	(615)	16%
Administrative and other	(250)	(188)	(229)	-8%	22%	(853)	(841)	-1%
Goodwill amortization	(54)	(40)	(40)	-26%	0%	(280)	(147)	-48%
Tax charges, other than income tax	(69)	(88)	(85)	24%	-3%	(244)	(273)	12%
Total operating expenses	(746)	(596)	(809)	8%	36%	(2,651)	(2,560)	-3%
Cost to income ratio	54%	47%	52%			48%	48%	
Compensation ratio	27%	22%	29%			23%	24%	
Income tax and social contribution	36	(74)	(188)			(492)	(432)	-12%
Effective income tax rate	-5.8%	11.2%	25.4%			17.1%	15.5%	

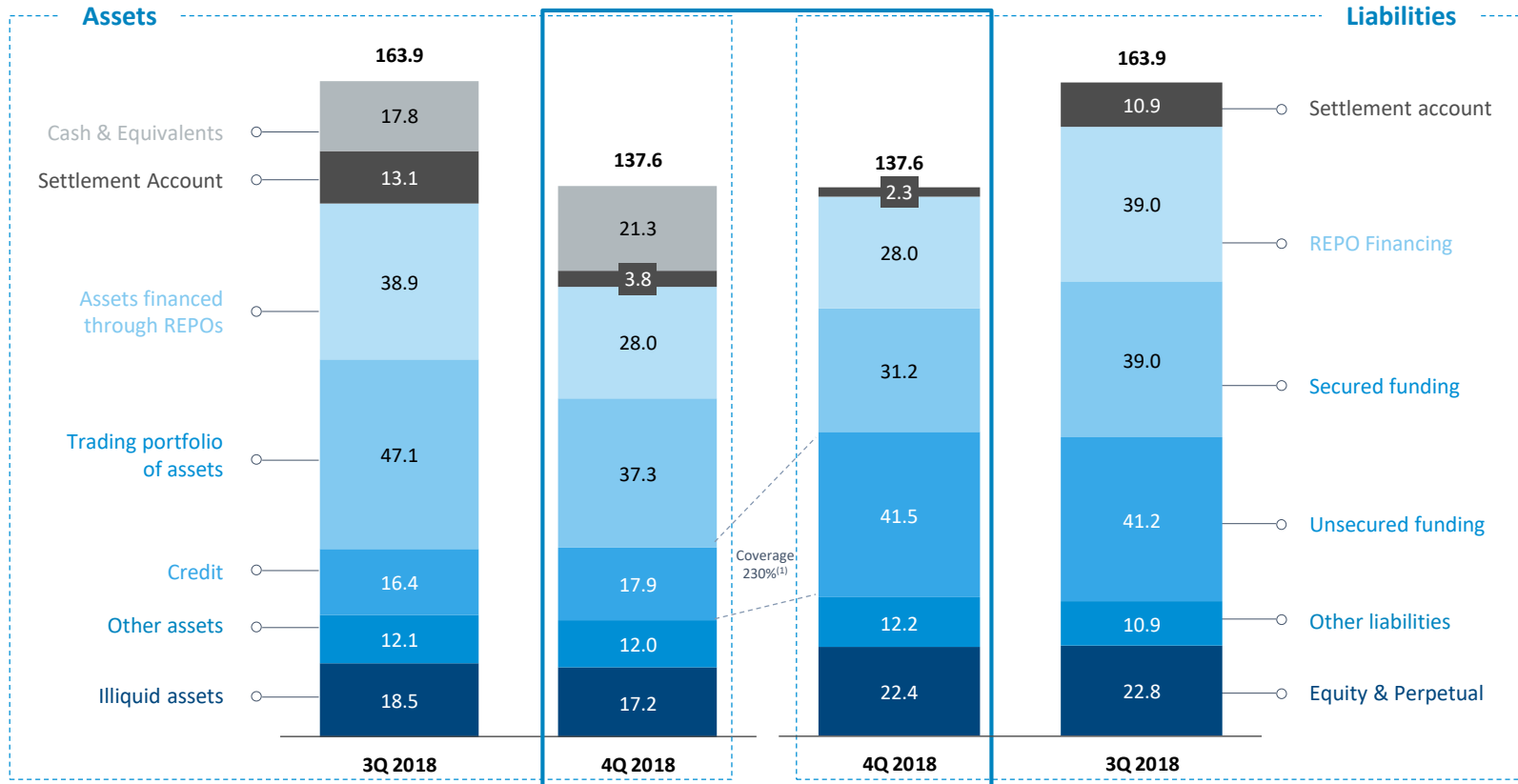
BALANCE SHEET

SECTION 3

Balance Sheet Analysis

Balance sheet reduction due to normal trading activities in government bonds

(In R\$ billion)

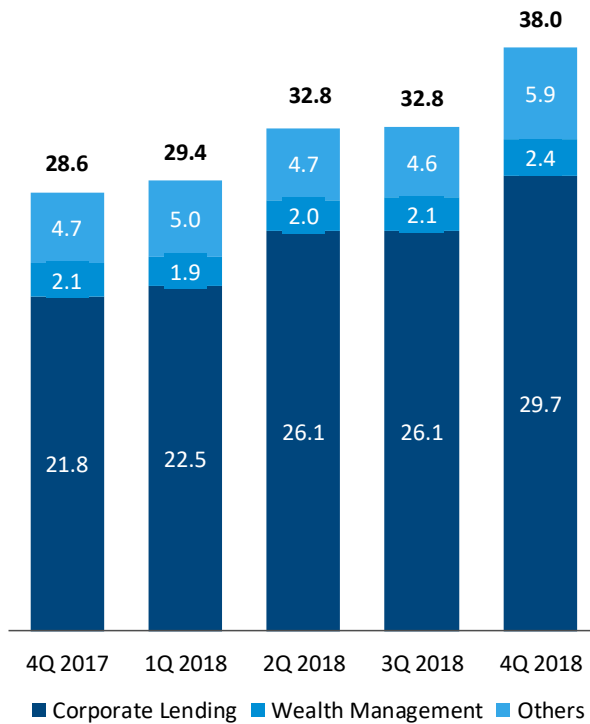


Note:

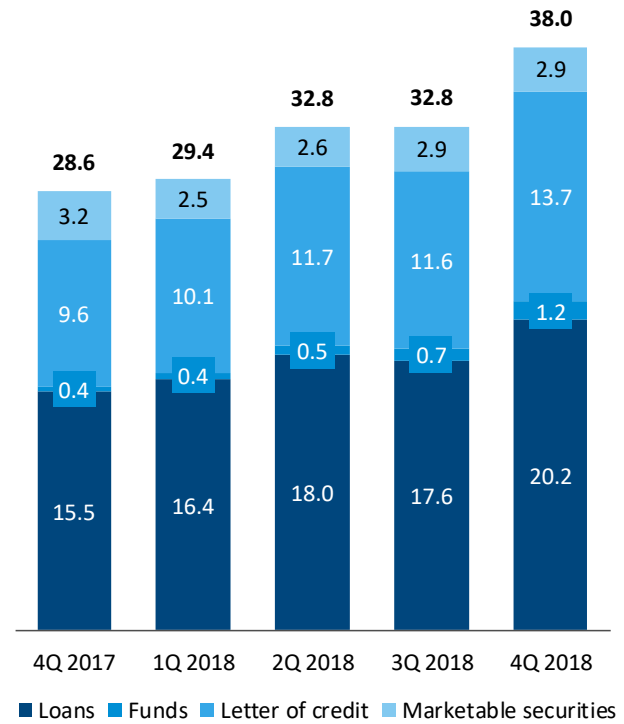
1. Excludes demand deposits

Broader Credit Portfolio

Broader Credit Portfolio by Area
(R\$ billion)



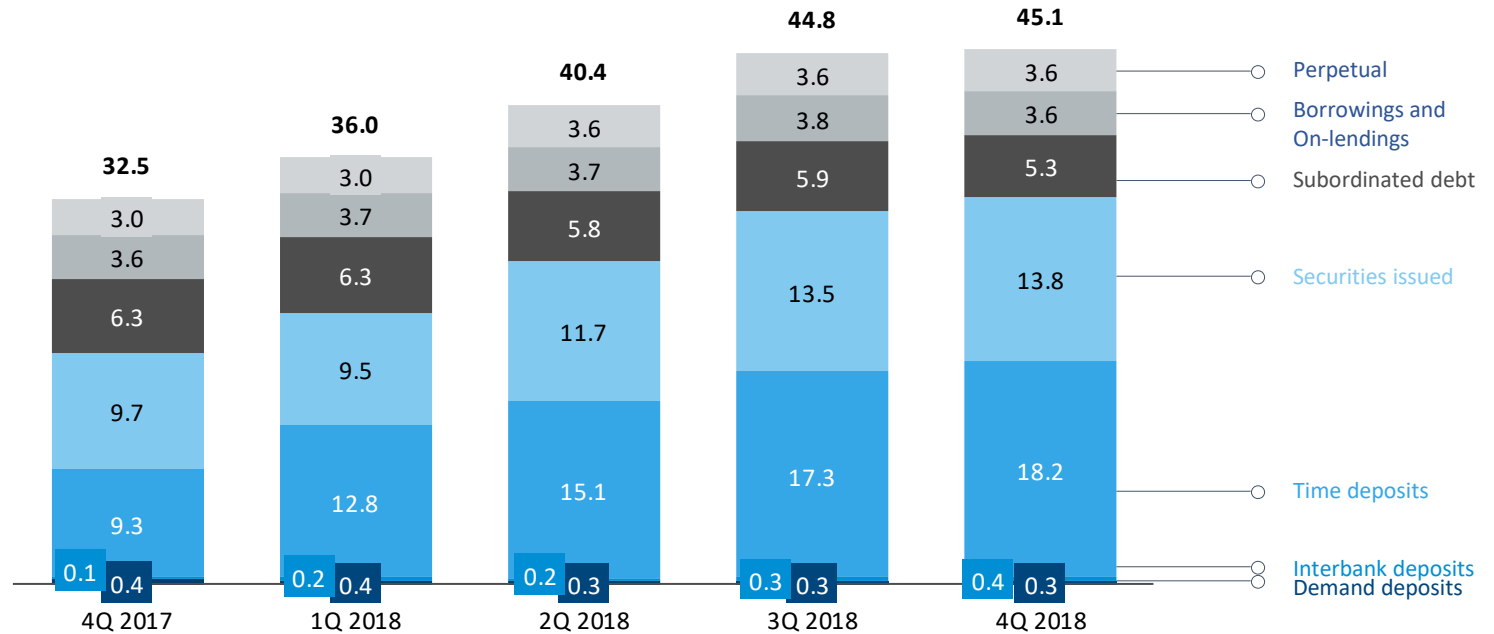
Broader Credit Portfolio by Product
(R\$ billion)



Unsecured Funding Base

Unsecured Funding Base slightly increased compared to previous quarter

(In R\$ billion)

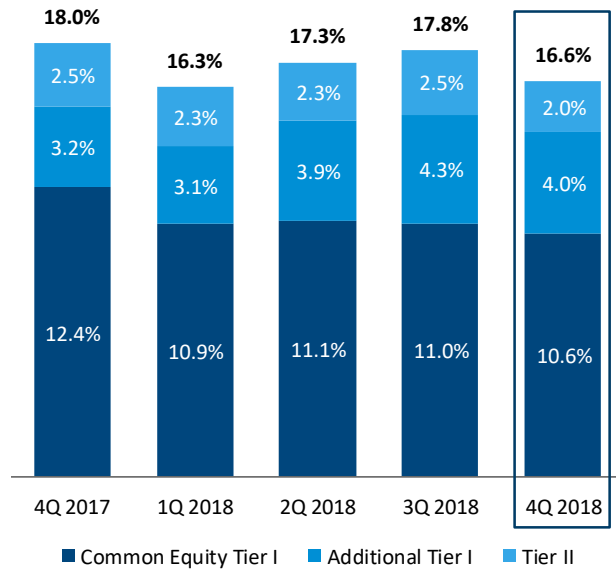


Basel Ratio and VaR

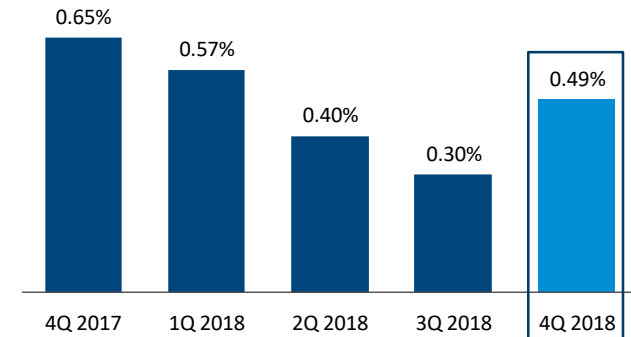
The BIS capital ratio decreased to 16.6% at the end of 4Q 2018

The total average daily VaR increased 61.7% when compared to 3Q 2018

Basel Ratio (%)



Average daily Trading VaR (% of average shareholders equity)



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