



BANCO BTG PACTUAL S.A.
Publicly-held Company
CNPJ 30.306.294/0001-45

MATERIAL FACT

BANCO BTG PACTUAL S.A. ("Bank" or "BTG Pactual"), in compliance with the Brazilian Securities and Exchange Commission ("Comissão de Valores Mobiliários" or the "CVM") Rule No. 358 of January 3, 2012, as amended, hereby informs its shareholders and to the market in general, as follows:

1. Development of a tech-enabled retail unit:

BTG Pactual announces the launch of a business unit which consolidates digital initiatives in the retail segment under a single leadership aiming to become a full service retail unit. This unit includes:

- (i) Investment solutions, bank accounts and transactional banking, through BTG Pactual Digital,
- (ii) Financial services to small and medium enterprises (SMEs), including credit, via digital platform,
- (iii) Consumer finance and banking services, through the corporate interest held in Banco Pan,
- (iv) Insurance platform through the corporate interests held in Too Seguros, BIT Pagg and BIT Seguros,
- (v) Data analysis training, performance marketing and user experience through services provided by Decode, and
- (vi) boostLAB, the scale-ups accelerator and business originator within the digital ecosystem.

BTG Pactual informs this unit will be led by Mr. Amos Genish, who will join BTG Pactual as a senior partner in the *Partnership*.

2. Potential Implementation Secondary Public Offering of Units:

The Bank and BTG Pactual Holding SA ("BTG Pactual Holding") intend to carry out a secondary public offering of Units BPAC11 ("Units") of BTG Pactual held by BTG Pactual Holding involving approximately R\$ 2 billion in the basic offering, pursuant to CVM Rule No 476 dated January 16, 2009, as amended ("Offering"). BTG Pactual expects the intended Offering results in the increase of its free float and consequently in the greater liquidity of the Units listed and traded in B3 S.A. - Brazil, Bolsa, Balcão ("B3"), and in the entry to the special Corporate Governance Level 2 listing segment. For this purpose, BTG Pactual has already engaged local and international financial institutions (Banco BTG Pactual S.A., Banco Morgan Stanley S.A., Banco Bradesco BBI S.A., BB-Banco de Investimento S.A. and UBS Brasil Corretora de Câmbio, Títulos and Valores Mobiliários S.A.) to act as coordinators of the potential Offering.

3. Application for Level 2 Adherence:

In order to reaffirm its commitment to continuous improvement of its governance and alignment with best practices in the market, BTG Pactual requested B3 to join B3's special Corporate Governance Level 2 listing segment ("Level 2 Adherence"). B3 approved the potential entry to Level 2, conditioned to (i) the conclusion of the Offering, (ii) Units, in free circulation,



representing at least 21% of its capital stock, and (iii) the free float recomposition, as necessary, within 18 months from the date of the Material Fact release regarding the conclusion of the Offering and the Level 2 Adherence.

BTG Pactual will convene an Extraordinary General Meeting in due course, to be held before the conclusion of the Offering, to approve the amendment of its Bylaws in order to adapt it to the Level 2 Regulation and, in parallel, perform the other usual procedures before B3.

4. Transfer of Participation in EFG:

The Bank and BTG Pactual Holding intend to transfer approximately 25% of the common equity of EFG International AG, a listed Swiss financial institution ("EFG"), currently held by the Bank to BTG Pactual Holding ("Transfer of Participation in EFG"). After this transaction, the Bank will hold approximately 5% of EFG's common equity. The transaction is subject to the applicable regulatory approvals, which will be in two stages:

- (i) approval for the transfer of a portion corresponding to approximately 10% of EFG's common equity, along with Bank liabilities of approximately R\$830 million, the terms and conditions of which are already being analyzed by the applicable regulatory authorities, not subject to the conclusion of the offer, and
- (ii) approval for the transfer of an additional portion of approximately 15% of EFG's common equity, after submission to the applicable regulatory authorities, subject to the conclusion of the Offering.

The intended Transfer of Participation in EFG, as well as of its liabilities, to BTG Pactual Holding, will be made at their respective book values registered in the Bank's balance sheet, at the time of the effectiveness of such transfer. Therefore, no impact on the financial Bank's results is expected. The Transfer of Participation in EFG includes all potential inherent rights and obligations, including those arising from the arbitration procedure involving the Bank and Generali, in the scope of the acquisition of BSI S.A..

The intended transaction allows a clearer perception of the performance and risks inherent in BTG Pactual's business, as well as a substantial increase in the Bank's regulatory capital ratios, especially its Core Tier 1 Equity, estimated from current 10.2% to 13.4% for the base date of March 31, 2019. It is expected that the increase in regulatory capital will also allow the Bank to benefit sharply from the significant growth opportunities of its core businesses in the markets of Latin America.

General considerations:

The effective implementation of the Offering is still under review by the Bank and BTG Pactual Holding, and until now, the evaluation and final approvals regarding the launch of the Offering, as well as the definition of its terms and conditions, are still pending. The intended Offering is also subject to the conditions of the Brazilian and international capital markets, the applicable regulatory approvals and the Bank's and the BTG Pactual Holding's corporate approvals. Any public offering of Units will be performed in accordance with applicable regulations and legislation.

The effectiveness of the reorganization described above, including the conclusion of the Transfer of Participation in EFG, is subject to the relevant corporate and regulatory approvals, as applicable.



BTG Pactual will keep its shareholders and the market informed on the progress of the Offering, the Level 2 Adherence and the Transfer of Participation in EFG, through the release of a notice to the market or a material fact on the CVM web pages (www.cvm.gov.br), B3 (www.b3.com.br) and BTG Pactual (<http://ri.btgpactual.com>).

This Material Fact does not constitute an offer to sell securities, in Brazil, in the United States of America or in any other jurisdiction, having an informative character only, under the terms of the legislation in force, and should not be considered like, in any circumstance, as, nor constitute a recommendation of investment, offer to sell, promotion or offer to purchase securities of BTG Pactual in Brazil, in the United States of America or in any other jurisdiction. Any information contained here should not be taken, transmitted, disclosed, distributed, or disseminated in the United States of America. The announcement of placement, offering and sale of securities in certain jurisdictions may be prohibited by law. No securities of BTG Pactual may be offered or sold in the United States of America without registration or exemption from registration under the Securities Act.

LEGAL WARNING. This Material Fact contains forward-looking statements identified by terms and phrases such as "prospect", "expect", "continue", "believe", "intend", "expect", "expect", "project", "plan", "forecast", "must" and similar expressions and are the main expectations of BTG Pactual and estimative and future events. These prospective strategies are subject to certain risks and uncertainties, which may change from time to time. It is impossible for BTG Pactual to predict how forward-looking statements may be affected by such risks and uncertainties and the Bank has no duty to, and does not intend to, update or revise the forward-looking statements in this Material Fact, except as required by law.

São Paulo, May 28, 2019

BANCO BTG PACTUAL S.A.
Pedro Bueno da Rocha Lima
Investor Relations Officer