



Banco BTG Pactual | BPAC11

First Quarter 2017

Conference Call Presentation

May 10, 2017

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

Earnings Release

First Quarter 2017

English Conference Call

May10, 2017 (Wednesday)

12:00 am (New York) / 01:00 pm (Brasília)

Phone: +1 (412) 317-5446

Code: BTG Pactual

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Code: 10097702

Portuguese Conference Call

May 10, 2017 (Wednesday)

10:00 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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1Q 2017 Key Highlights

1

- Solid profitability, ROAE of 18.7%

2

- Highly conservative balance sheet with low leverage – Basel ratio at 19.5%

3

- Unsecured funding base stable

4

- Significant performance of AM and WM
- WM with historically high NNM

5

- Leading investment bank franchise performed well on the back of market pick-up

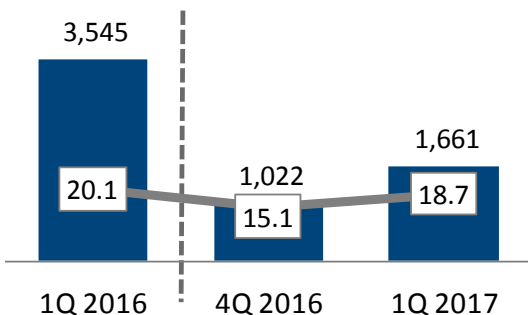
Performance Summary

1Q 2017

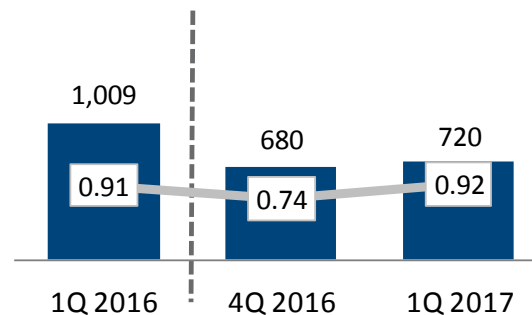
We continue to operate with high capitalization and liquidity levels, low leverage and a strong balance sheet

- 1** For 1Q 2017, total revenues and net income reached R\$1,661 million and R\$720 million, respectively
 - Annualized ROAE⁽¹⁾ of 18.7%
 - Net income per unit⁽¹⁾ of R\$0.92
 - Adjusted net income of R\$843 million
- 2** Cost income ratio in line with our historic average
 - Cost to income ratio at 42% for the quarter
 - Compensation ratio at 20% for the quarter
- 3** Total assets at R\$125.2 billion. Basel ratio for BTG Pactual was 19.5%. Shareholders' equity at R\$18.3 billion
 - Avg VaR in the quarter decreased to R\$117.0 million, or 0.65% of average shareholders' equity

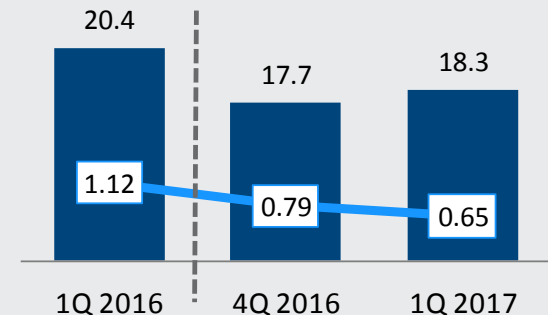
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders' Equity (R\$ billion)



■ Revenues — ROAE (%) ⁽¹⁾
 Prior to ECTP and BSI transactions

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

■ 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

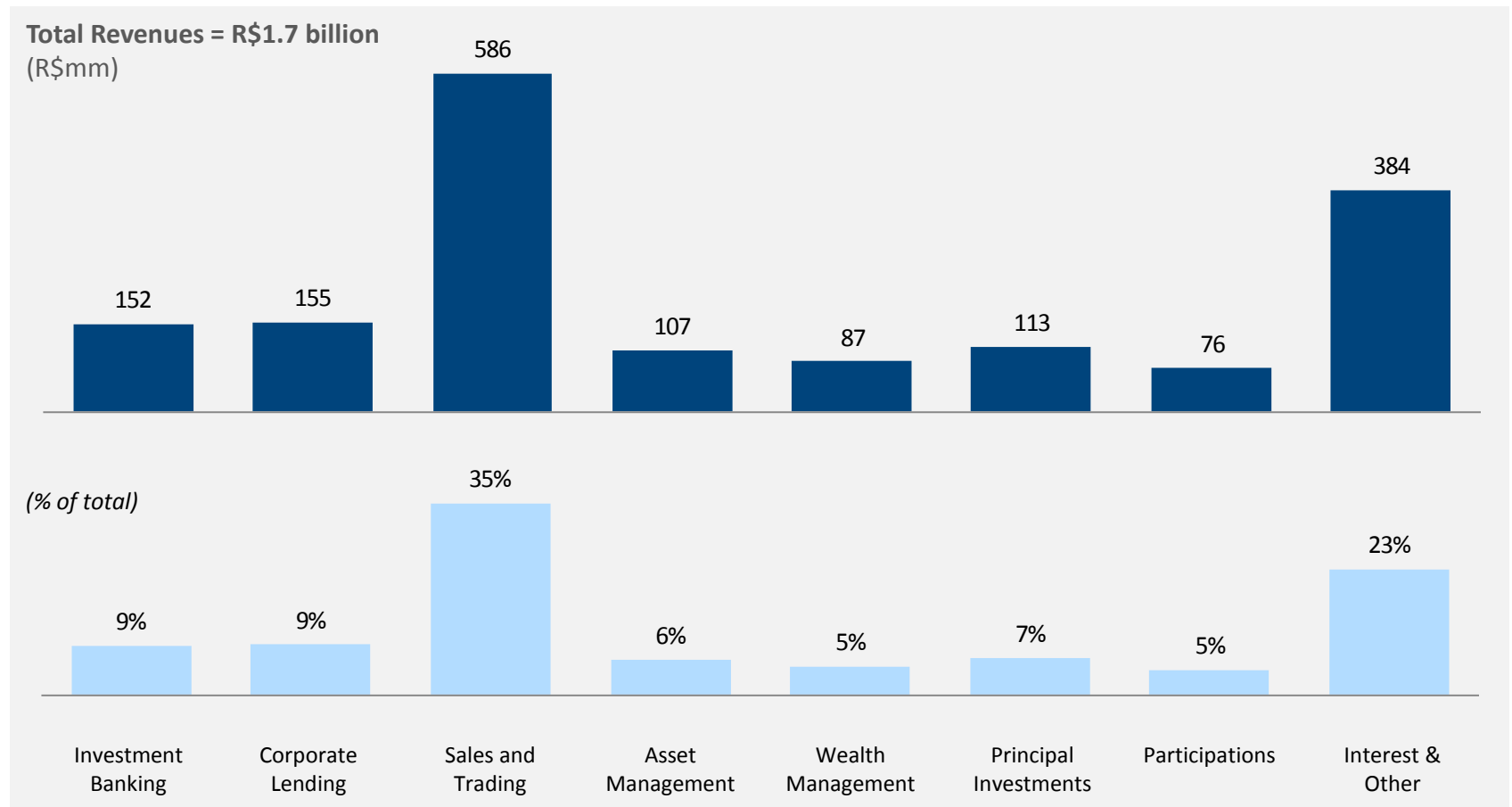
(1) Annualized ROAE and net income per unit considers the adjusted net income as reference for the calculations starting 1Q 2017

Total Revenues

Business Units Breakdown

Revenue breakdown; strong contribution from Sales & Trading and Investment Banking

1st Quarter 2017





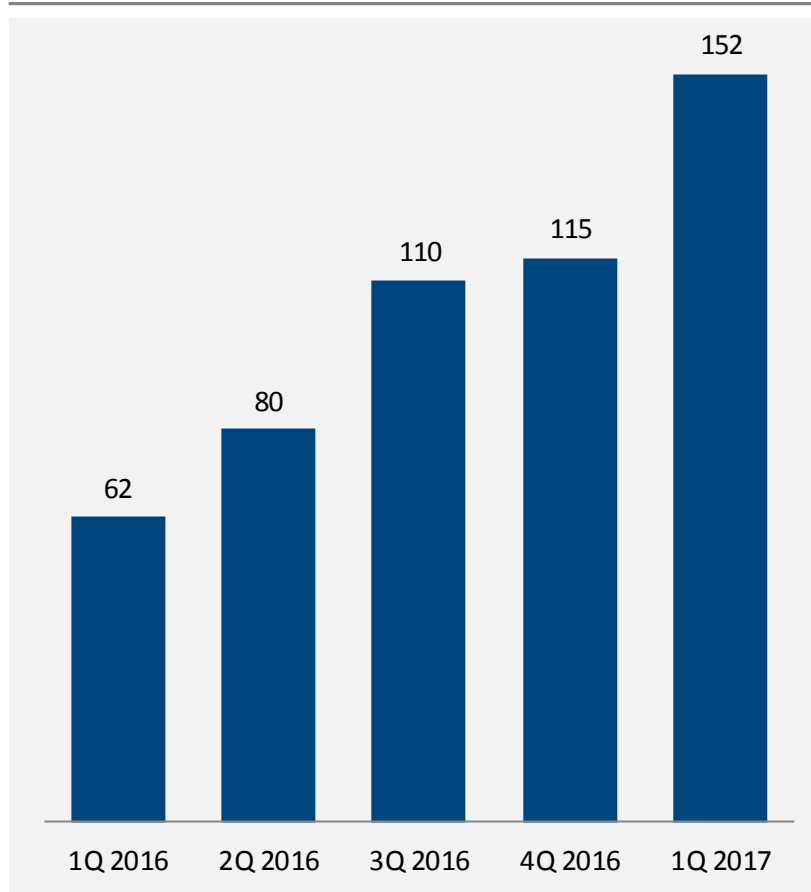
Section 1

Business Areas

Investment Banking

Increase in revenues mainly attributable to capital markets in Latam. We continue to maintain our leading market share.

Revenues (R\$ million)



Overview of 1Q 2017

- Financial Advisory revenues decreased compared to last quarter, due to lower volume transactions in the period
- Significant increase in ECM and DCM revenues as market activity in the region picked up

Market Positioning Highlights (1Q 2017)

M&A: #3 in number of transactions in Brazil

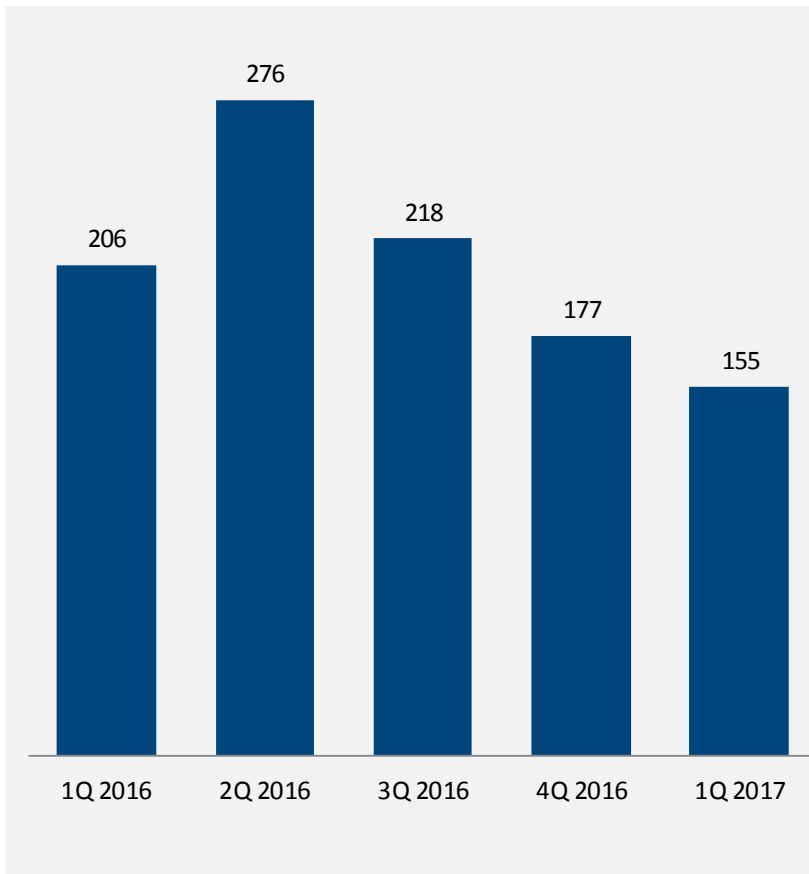
ECM: #1 in number of transactions in Brazil and #2 in Latin America

ECM: #3 in transactions volumes in Brazil

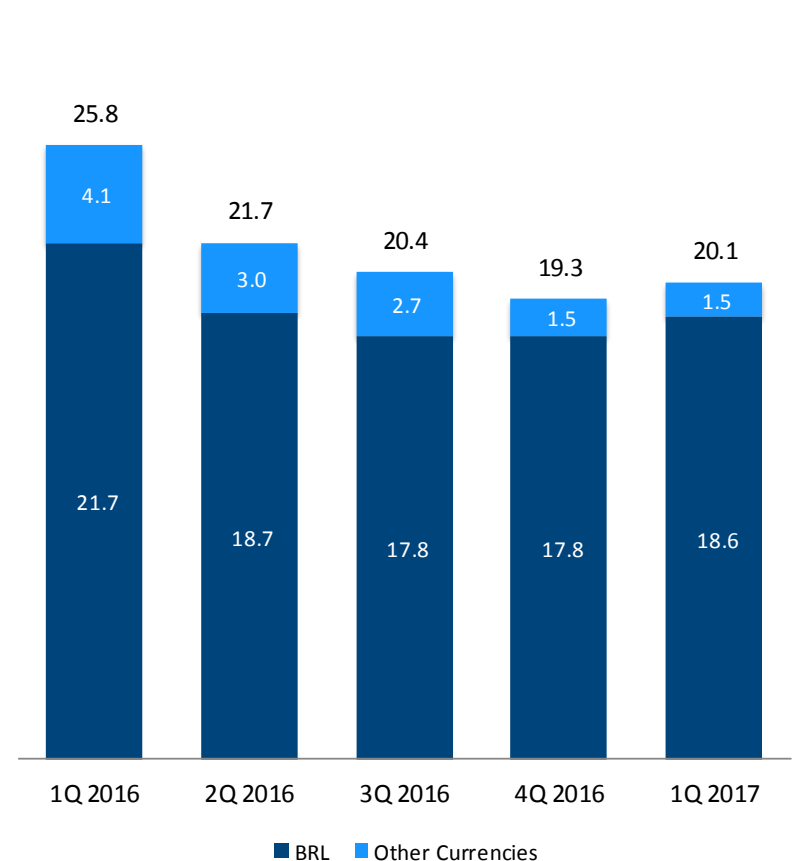
Corporate Lending

Corporate spreads continue above historical average. NPL portfolio had lower contribution to revenues in this quarter.

Revenues (R\$ million)



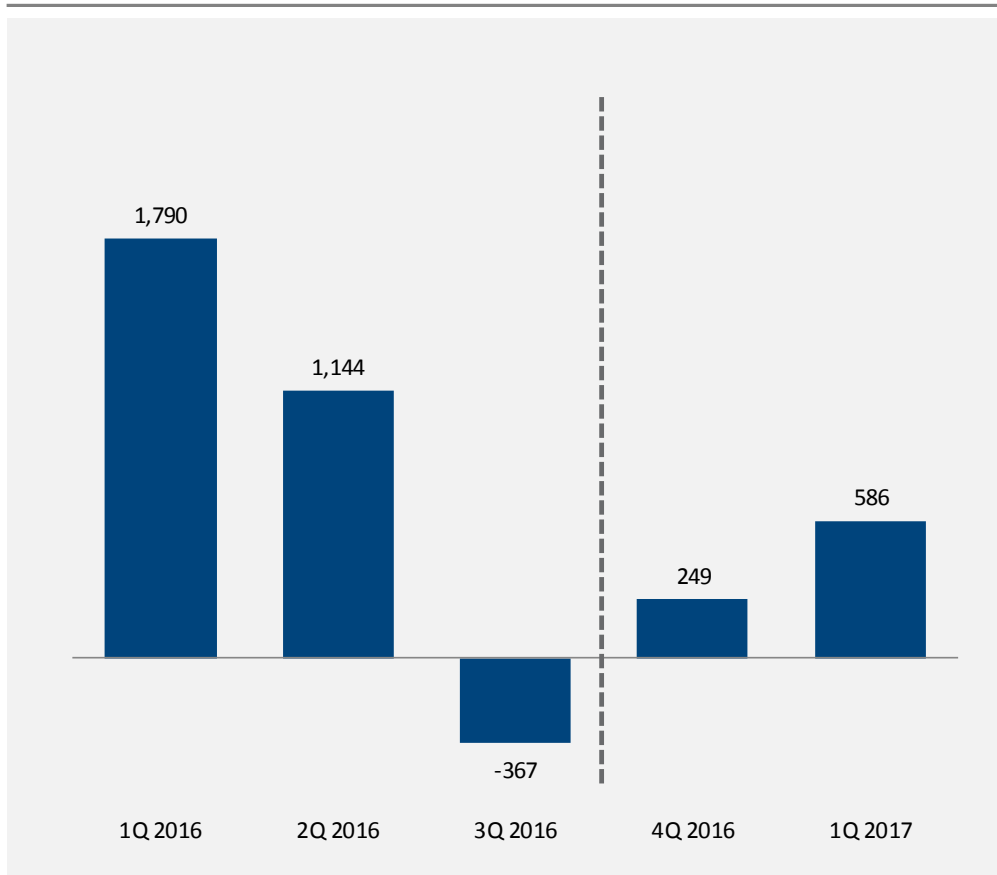
Corporate Lending Portfolio (R\$ billion)



Sales & Trading

Sales & Trading performance benefited from growth in trading volumes in the region. Rates desk presented strong performance in the period

Revenues (R\$ million)



Sales & Trading Revenues:

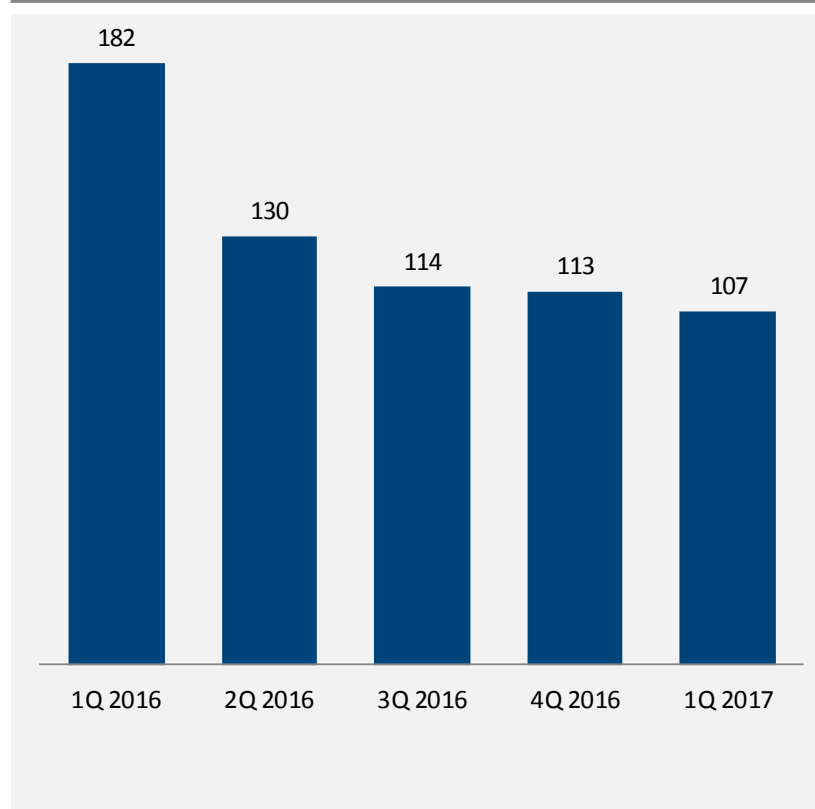
- Rates desk was the main revenue contributor
- FX and Equities desks also had a good performance in the quarter
- Weaker performance from our Brazilian Energy desk

--- Prior to ECTP and BSI transactions

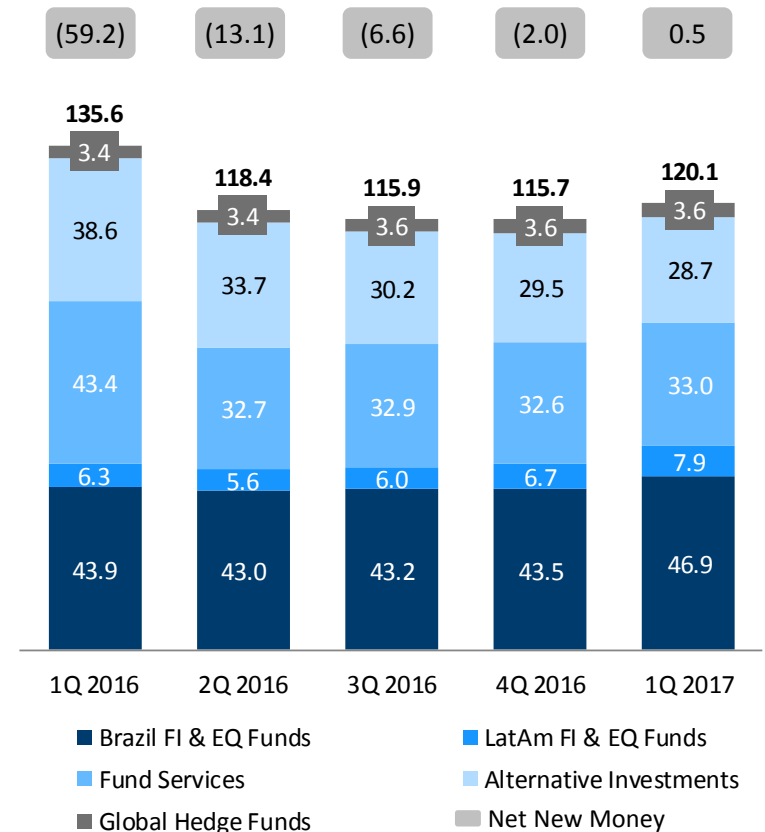
Asset Management

Revenues decreased marginally, and are composed mainly of management fees. Positive NNM in 1Q 2017, including R\$2.1 bn in LatAm Fixed income and Equities.

Revenues (R\$ million)



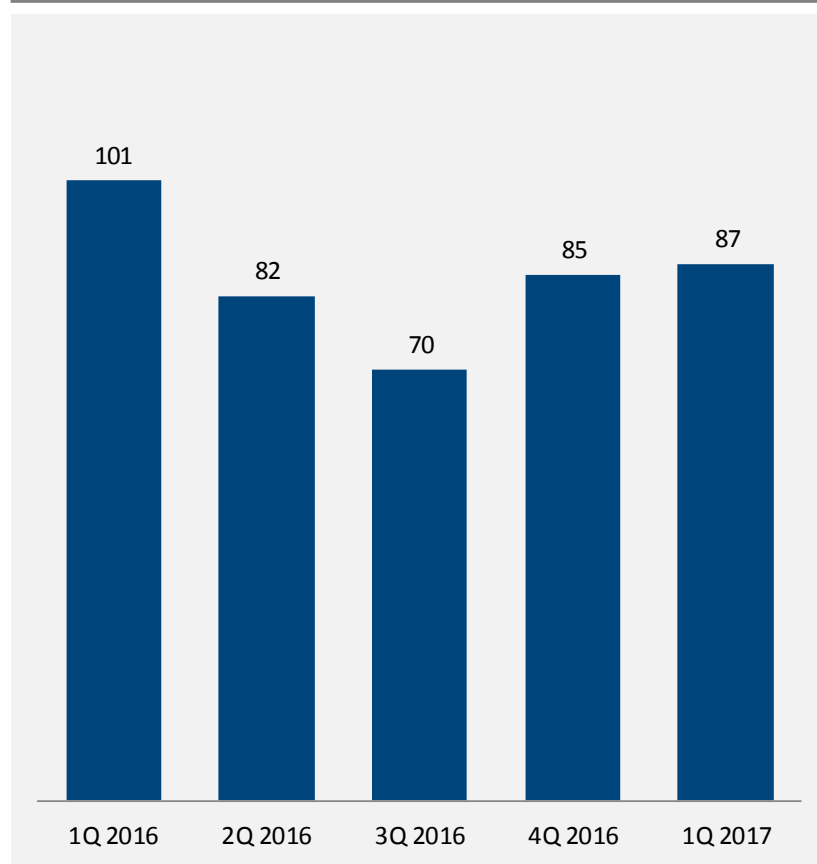
AuM and AuA (R\$ billion)



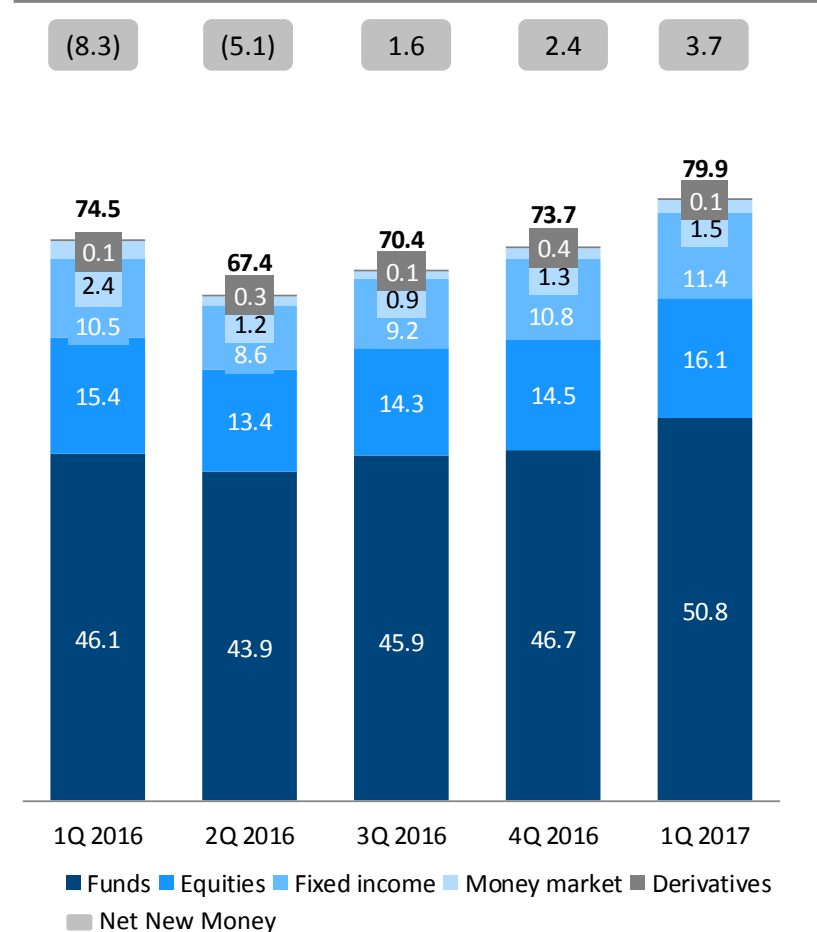
Wealth Management

WuM increased 8% in the quarter. We had very strong NNM.

Revenues (R\$ million)



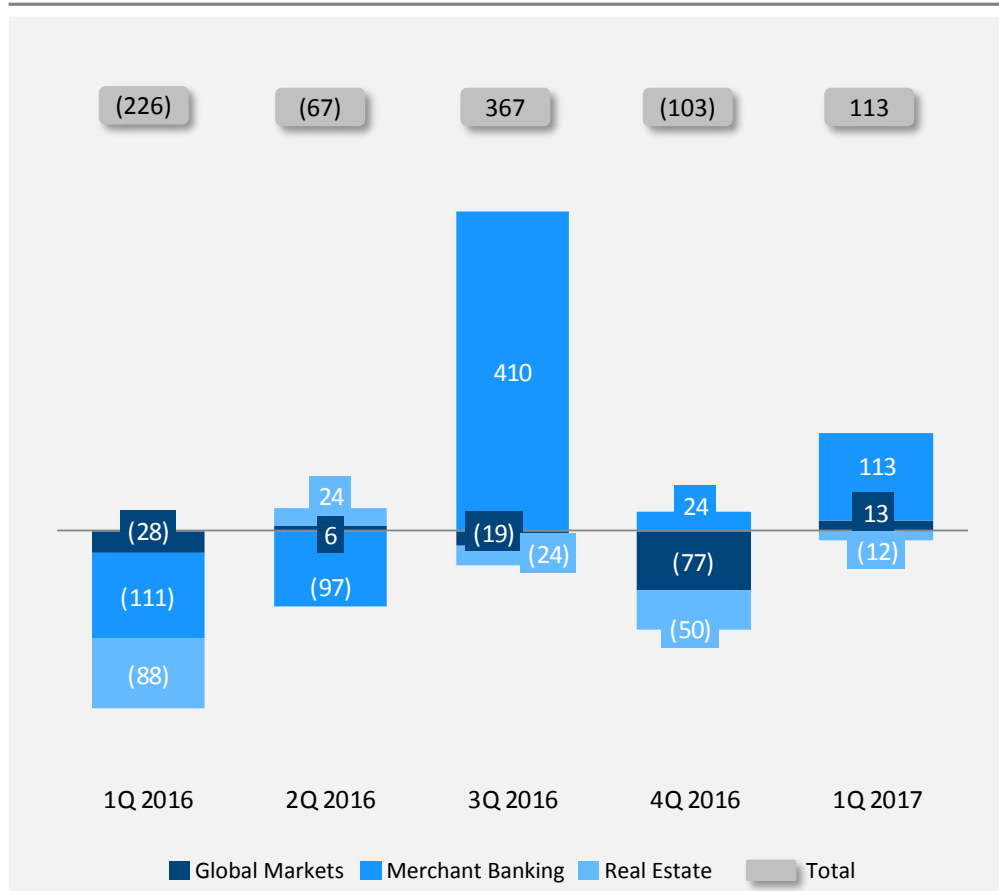
WuM (R\$ billion)



Principal Investments

Merchant Banking revenues reflect positive mark to market of investments.

Revenues (R\$ million)



Main revenue contribution 1Q 2017:

In Global Markets, positive revenues concentrated in LatAm rates and equities strategies

Results in Merchant Banking mainly due to positive mark to market in Eneva

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



Section 2

Expenses

Expenses and Main Ratios

Cost income ratio of 42% and compensation ratio of 20%, reflect adequate efficiency levels. Bank still has cushion of operational leverage as we expected for market activity to recover in the region

<i>(in R\$ mm, unless stated)</i>	Quarter			1Q 2017 % change to	
	1Q 2016	4Q 2016	1Q 2017	1Q 2016	4Q 2016
Bonus	(500)	(102)	(204)	-59%	99%
Salaries and benefits	(569)	(131)	(132)	-77%	1%
Administrative and other	(551)	(189)	(180)	-67%	-5%
Goodwill amortization	(55)	(85)	(97)	78%	14%
Tax charges, other than income tax	(134)	(19)	(89)	-34%	362%
Total operating expenses	(1,809)	(527)	(702)	-61%	33%
Cost to income ratio	51%	52%	42%		
Compensation ratio	30%	23%	20%		
Income tax and social contribution	(727)	185	(239)	-67%	-229%
Effective income tax rate	41.9%	-37.4%	24.9%		

--- Prior to ECTP and BSI transactions

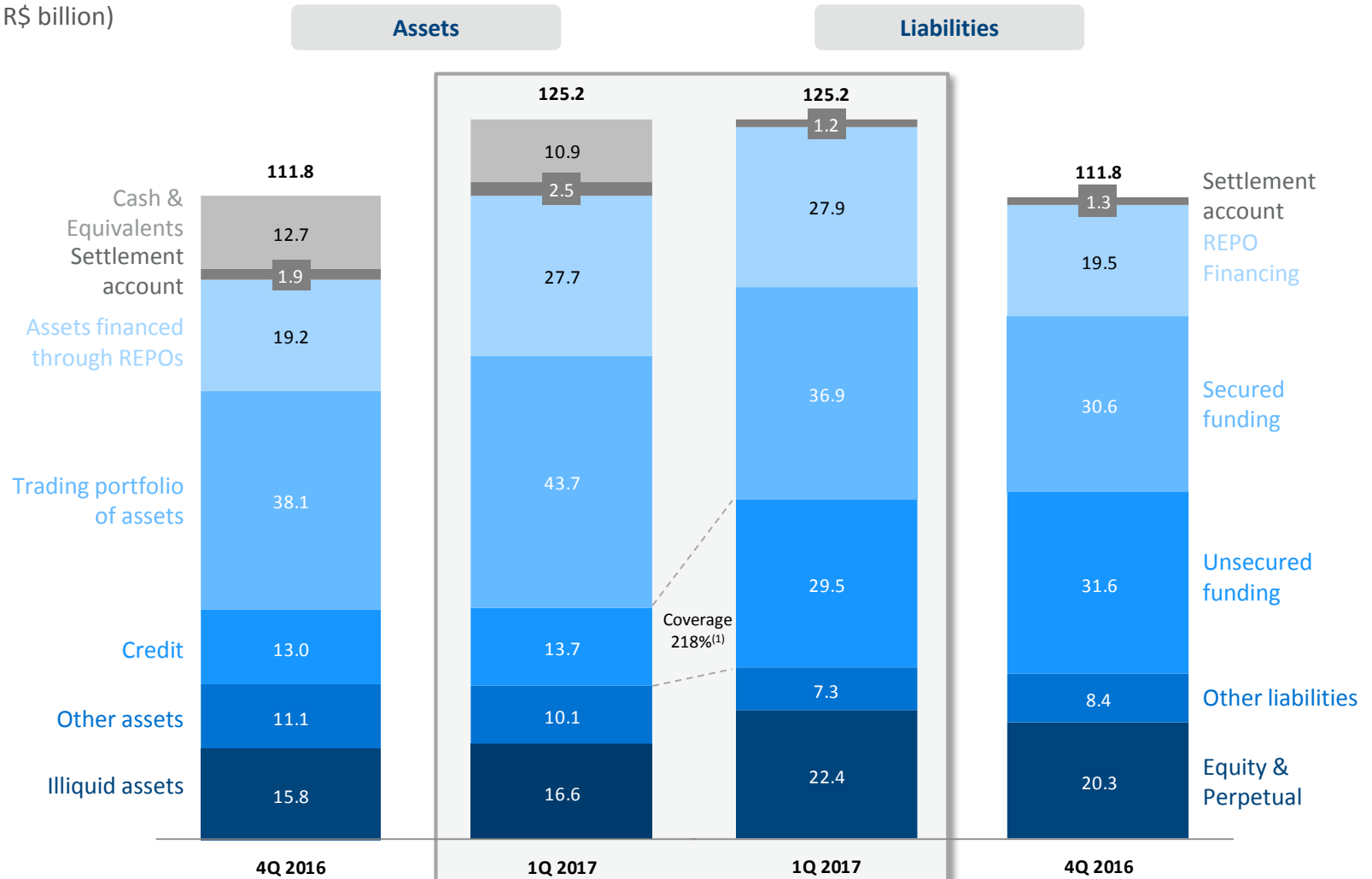


Section 3

Balance Sheet

Balance Sheet Analysis

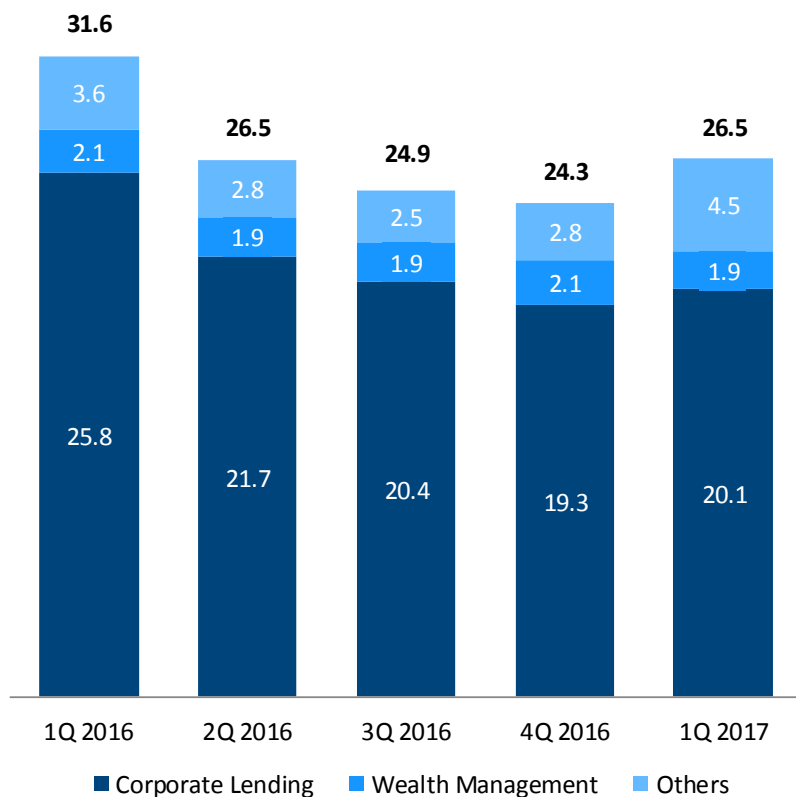
(In R\$ billion)



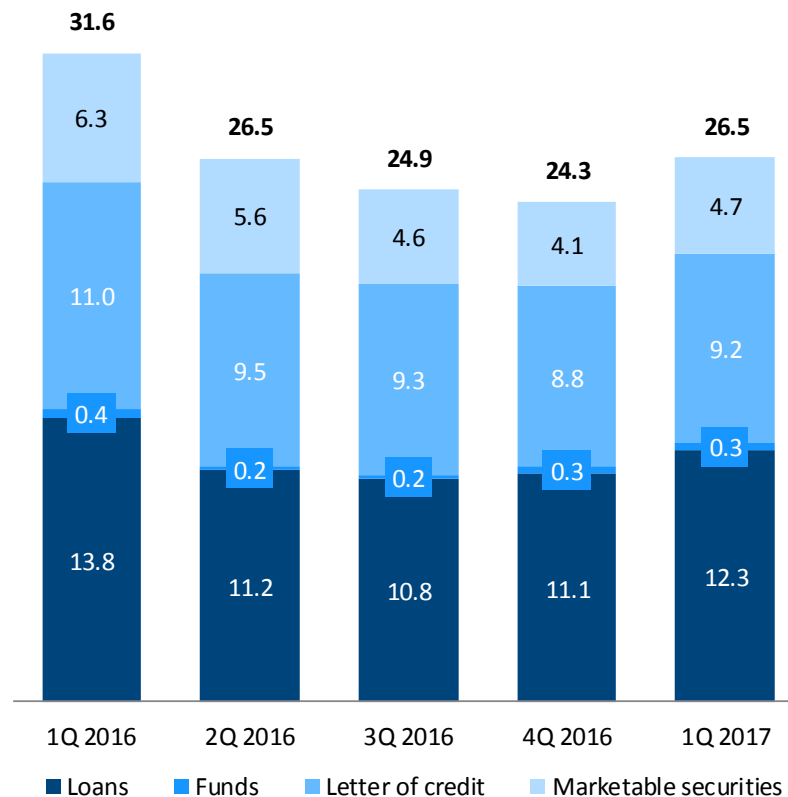
Broader Credit Portfolio (BTG Pactual Ex-BSI)

Broader credit portfolio had a small increase

Broader Credit Portfolio by Area (R\$ billion)



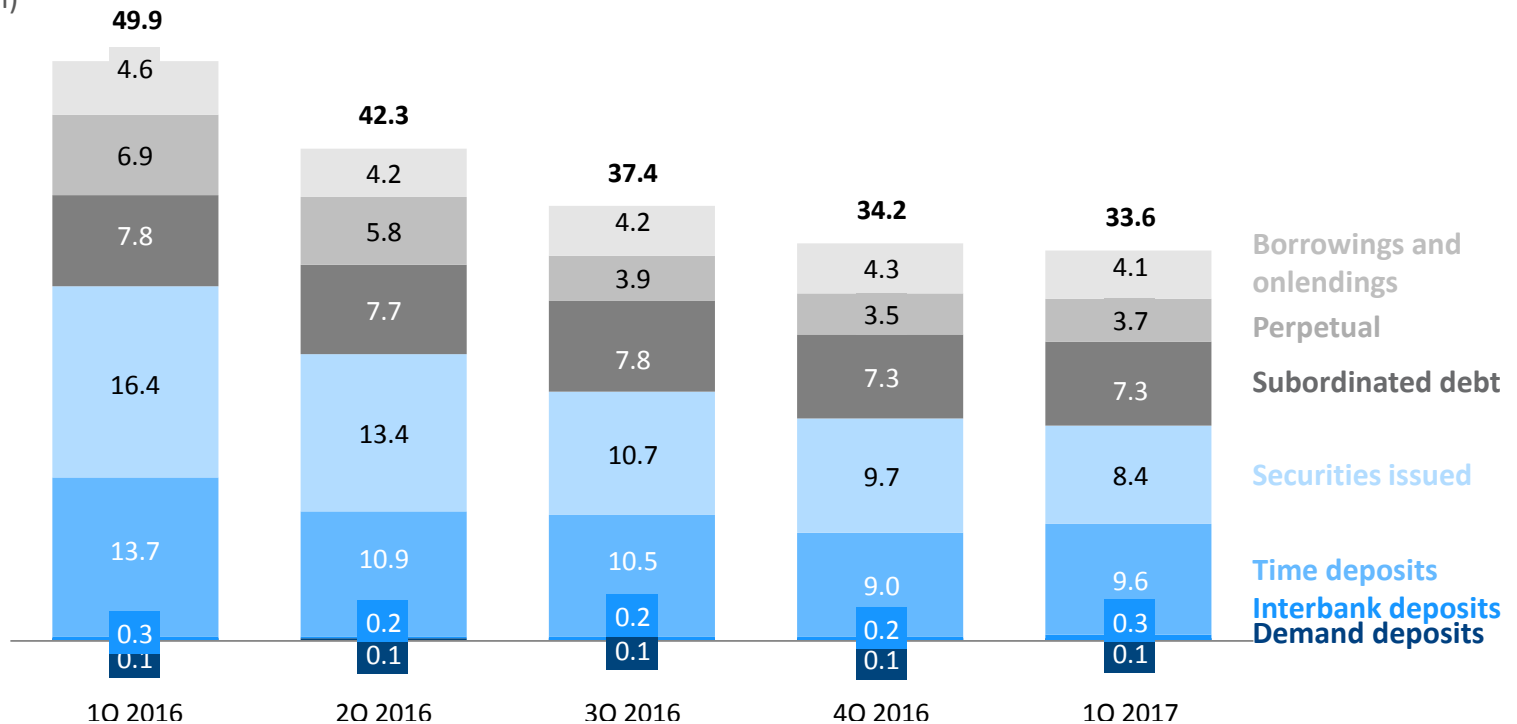
Broader Credit Portfolio by Product (R\$ billion)⁽¹⁾



Unsecured Funding Base (BTG Pactual Ex-BSI)

Stability of funding base reflects our lower appetite for capital deployment, despite a constant and stable flow of renewals across all funding instruments and sources.

(In R\$ billion)

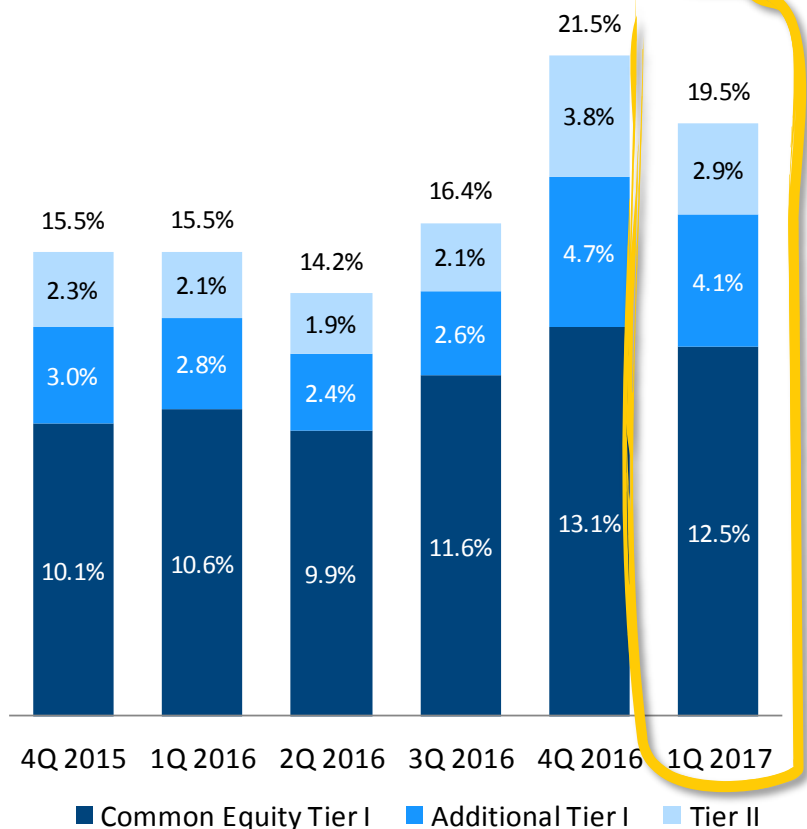


Basel Ratio and VaR

Basel index ended the quarter at 19.5%. Average VaR as a percentage of the average equity decreased in the quarter

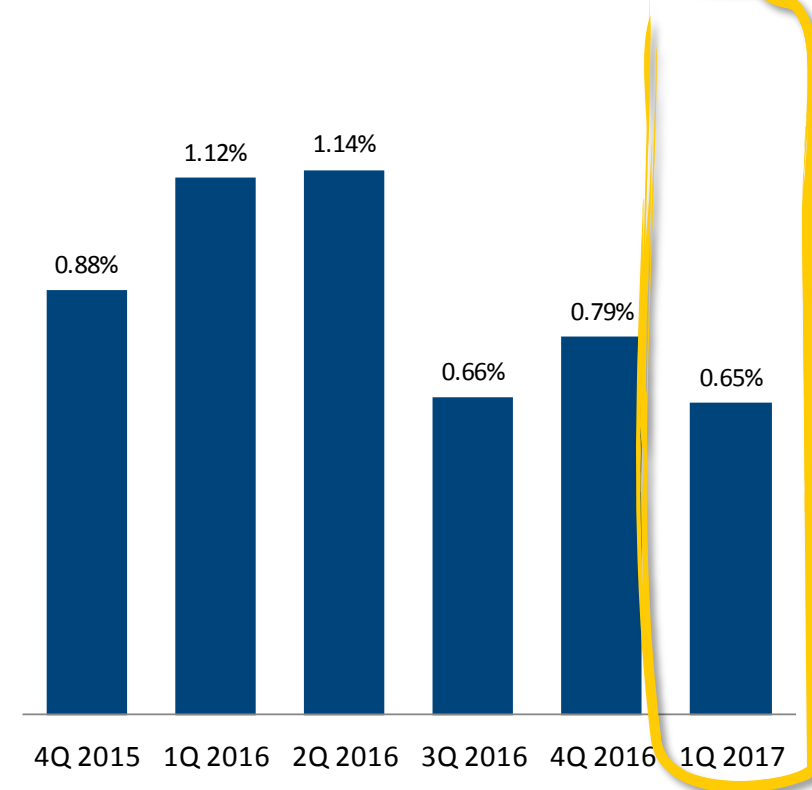
Basel Ratio

(%)



Daily Average VaR

(% of average equity)



Disclaimer

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