Second Quarter Earnings Release

Conference Call Presentation

August 10, 2012

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Earnings Release – Second Quarter 2012

English Conference Call

August 10, 2012 (Friday)

12:00 PM (New York) / 1:00 PM (Brasília)

Phone: +1 (412) 317-6776

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Code: 10016727

Portuguese Conference Call

August 10, 2012 (Friday)

10:00 AM (New York) / 11:00 AM (Brasília)

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Replay: +55 (11) 2188-0155

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.

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2Q 2012 Highlights

1 **For the 2nd Quarter 2012, BTG Pactual total revenues reached R$1.6 billion and net income R$822 million**

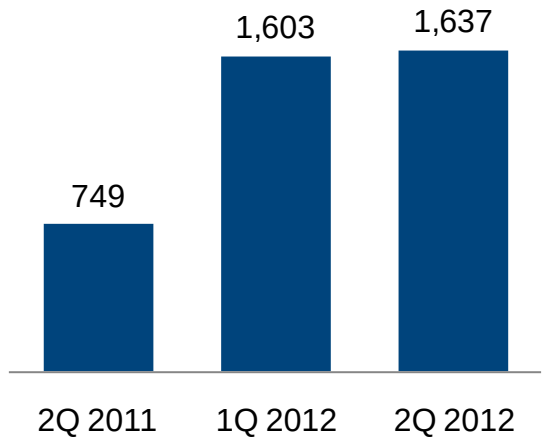
- ROAE of 30.4%, including the IPO proceeds impact
- Net income per share at R$0.93 per unit

2 **Costs remained stable**

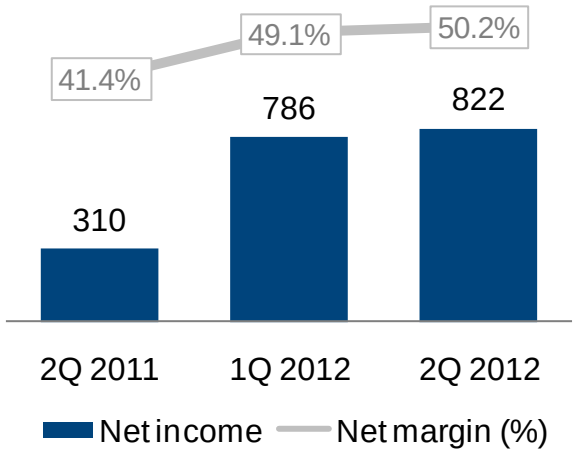
- Cost to income ratio at 45% (31%, if adjusted by IPO and goodwill amortization expenses)
- Coverage ratio at 167% (215%, if adjusted by IPO expenses)

3 **Total assets reached R$136.9 billion, up from R$134.2 billion from the previous quarter, and the Basel ratio is at 18.5%**

Revenues (R$ million)



Net Income (R$ million)



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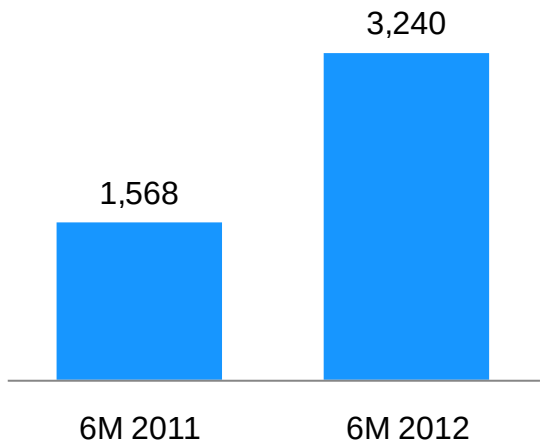
Performance Summary 1st Half 2012

1st half 2012 presented solid performance when compared with the same period in 2011

1 **Solid performance in the quarter contributed to strong overall results for the first half 2012, in comparison to first half 2011**

- Total revenues growth of 107%, reaching R$3.2 billion vs. R$1.6 billion
- Net income growth of 152%, reaching R$1.6 billion vs. R$0.6 billion
- ROAE of 30.8% and net income p/unit of R$1.82 vs. 16.9% and R$0.80, respectively

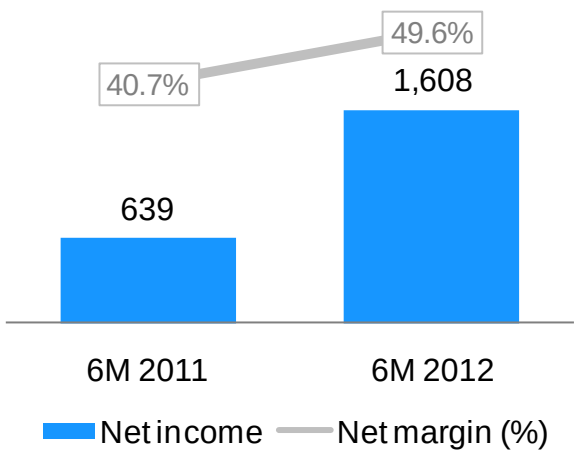
Revenues (R$ million)



2 **Solid performance and even better KPIs**

- Cost to income ratio is at 39% (32%, if adjusted by IPO and goodwill amortization expenses), down from 42% in the 1st half 2011
- Coverage ratio at 183% (212%, if adjusted by IPO) vs. 222% in the 1st half 2011
- Other from bonus, adjusted by IPO expenses and extra goodwill amortization, costs remained stable (12% above 1st half 2011)
- Net margin at 50%, up from 41% in the 1st half 2011

Net Income (R$ million)



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Relevant Events

Significant achievements recently announced by BTG Pactual

May 28	**Acquisition of Leader Participações**
Jun 14	**Acquisition of Bolsa Y Renta, a B&D in Colombia, enhancing our Latam strategy**
Jun 22	**Strategic cooperation agreement with VTB**
July 4	**Sale of interest in STR Projetos e Participações for R$699.7 million**
July 12	**Creation of B&A in partnership with AGN**
Aug 8/9	**Ranked #1 research team from Institutional Investor both in Latam and Brazil, #1 in Trading Services and best Sales Force in Brazil**

Markets Review

Challenging environment in the 2Q 2012

1. **Continued uncertainties in the political front in the Eurozone, reflecting in instability in financial markets**

2. **Economic activity deteriorated across the globe - including in Brazil**

3. **Stock markets with weak performance**
   - Ibovespa down 16%
   - Most markets also with NIKKEI -11%, DAX -8%, FTSE -3% and S&P 500 -3%

4. **Brazilian Central Bank continued reducing interest rates reaching 8.5%, yield on the pre-DI 360-day swap slumped by approximately 140 bps to end the quarter at 7.6%**

5. **Brazilian Real depreciated 11% against the U.S. Dollar during the quarter**

6. **Brazilian investment banking market improved slightly**
   - ECM market with 3 IPOs and 4 follow-on offerings, but still below potential
   - M&A broadly sustained levels and DCM, in spite of reducing, still in healthy levels

Section 1

Business Areas

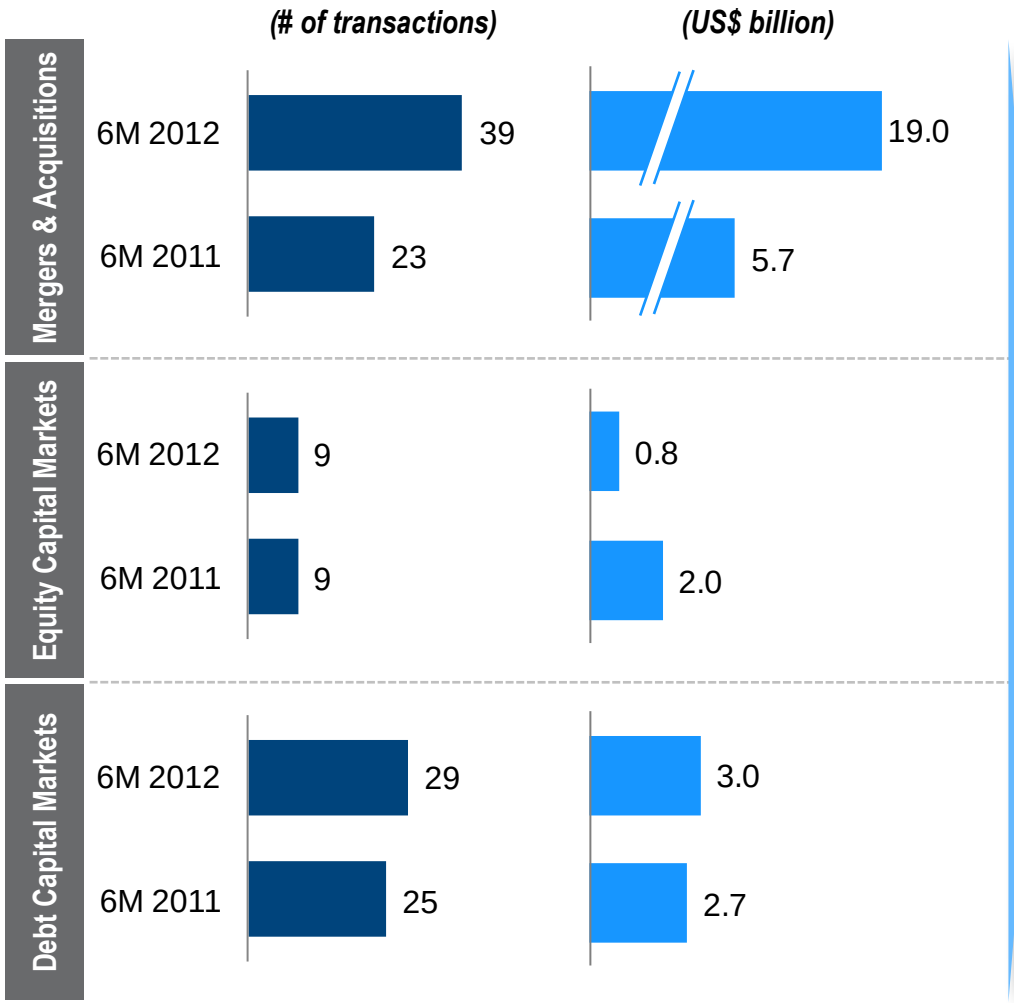
Revenues Performance

BTG Pactual revenues grew 119% in the 2Q 2012 to the same quarter 2011 and remained in line with 1Q 2012

(in R$ mm, unless stated)	Quarter			2Q 2012 % change to		Year to Date		6M 2012 % change to
	2Q 2011	1Q 2012	2Q 2012	2Q 2011	1Q 2012	6M 2011	6M 2012	6M 2011
Investment banking	132	50	129	-3%	156%	237	179	-25%
Corporate lending	119	102	140	17%	37%	188	242	29%
Sales and trading	147	562	334	127%	-41%	357	896	151%
Asset management	113	171	178	57%	4%	225	349	55%
Wealth management	41	37	36	-14%	-3%	73	72	-2%
PanAmericano	24	(21)	(98)	n.a.	n.a.	24	(119)	n.a.
Principal investments	22	572	687	2963%	20%	164	1,259	666%
Interest and other	150	130	232	54%	79%	299	362	21%
Total revenues	**749**	**1,603**	**1,637**	**119%**	**2%**	**1,568**	**3,240**	**107%**

Investment Banking

BTG Pactual maintained leadership in Brazilian Investment Banking market for the 1st half 2012



M&A

- Brazil #1 in number of transactions
- Brazil #2 in announced transaction value

Equity Capital Markets

- Brazil #1 and Latam #1 in number of transactions
- Brazil #1 and Latam #1 in announced transaction value

Debt Capital Markets

- Brazil #2 in announced transaction value

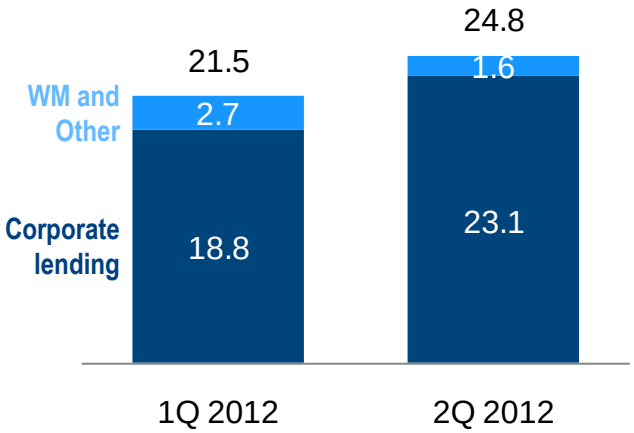
Source: Dealogic for M&A and ECM, Anbima for DCM

Corporate Lending

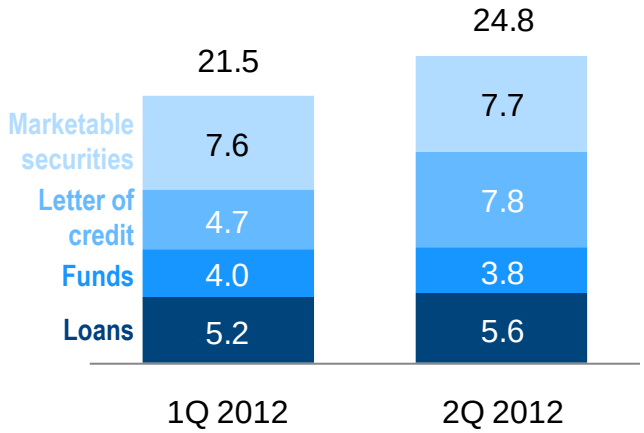
Net disbursement of more than R$4 billion in the 2Q 2012

Broader Credit Portfolio Breakdown

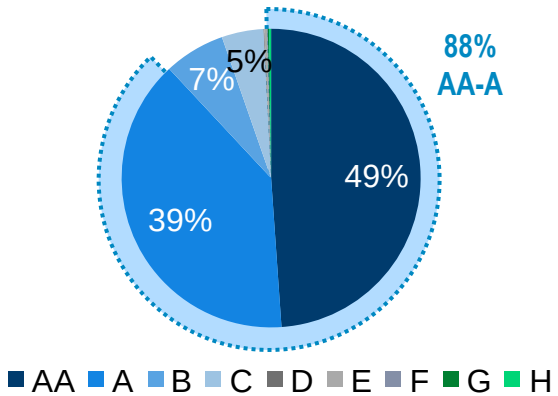
By business *(R$ bn)*



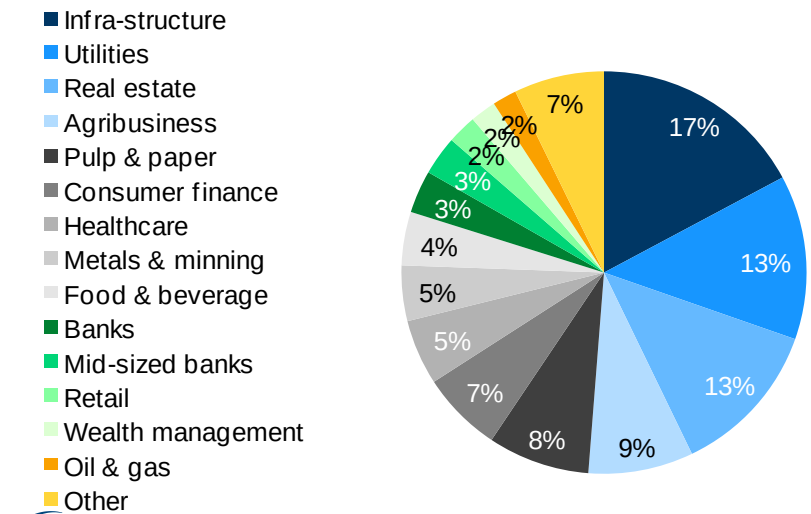
By product *(R$ bn)*



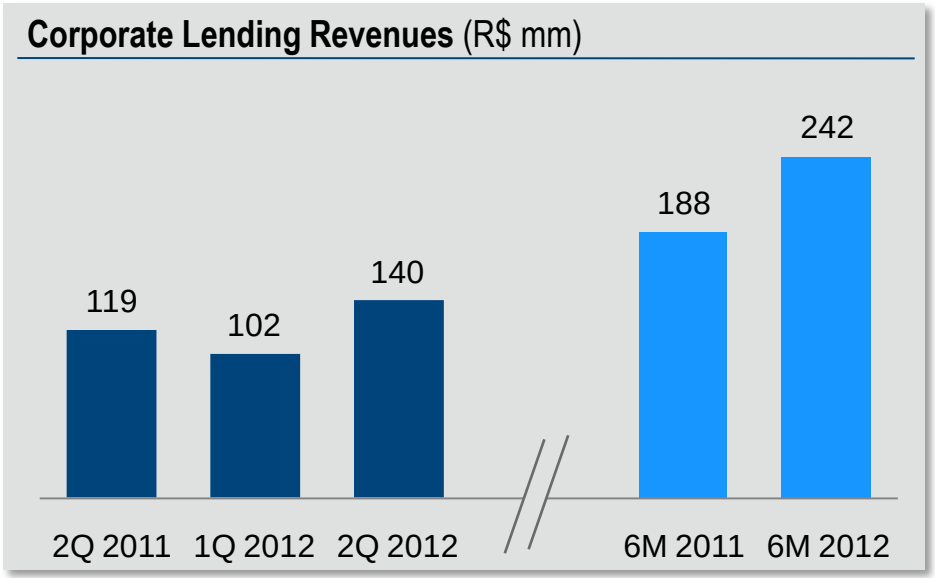
By rating 2Q 2012 *(% in values)*



Broader Credit Portfolio Breakdown (2Q 2012 % in values)



Corporate Lending Revenues (R$ mm)



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Sales and Trading

Sales and Trading revenues continued to have a strong performance in the 2Q 2012

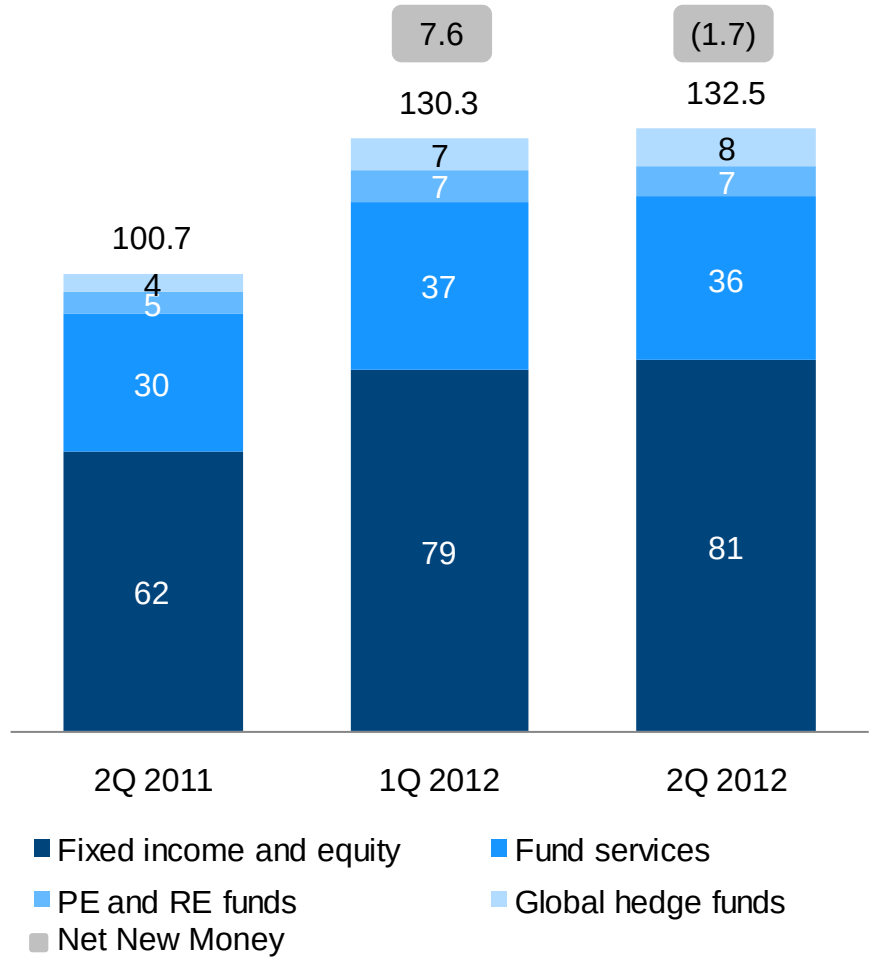
Revenues (R$ million)



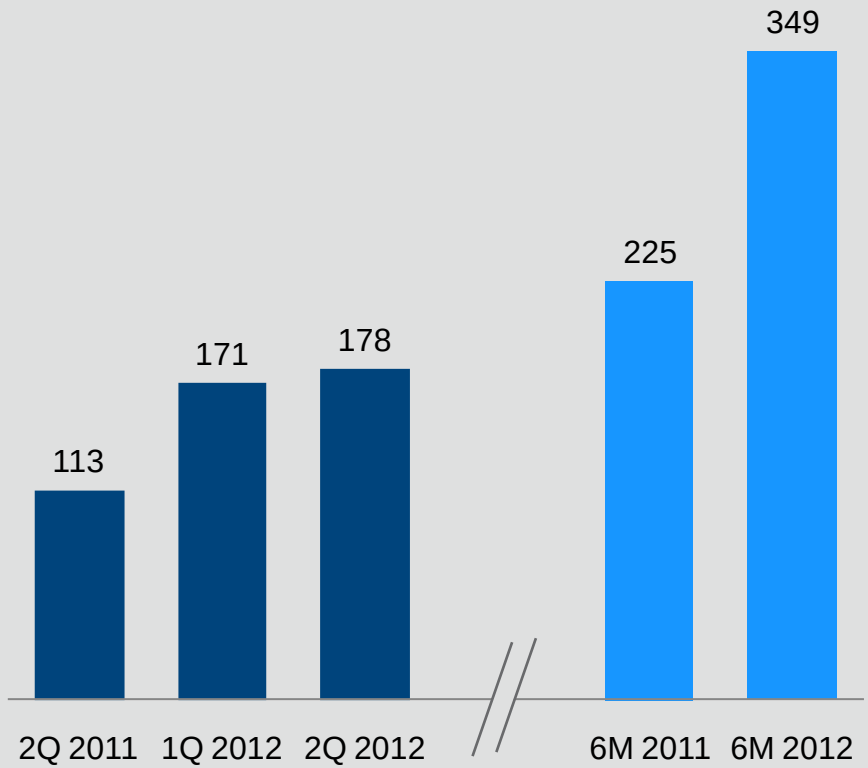
Asset Management

Asset management revenues grew more than 55% half on half. Net new money was negative in R$1.7 billion the 2Q 2012, concentrated in low margin products, while revenue running rate has improved

AuM and AuA (R$ billion)



Revenues (R$ million)

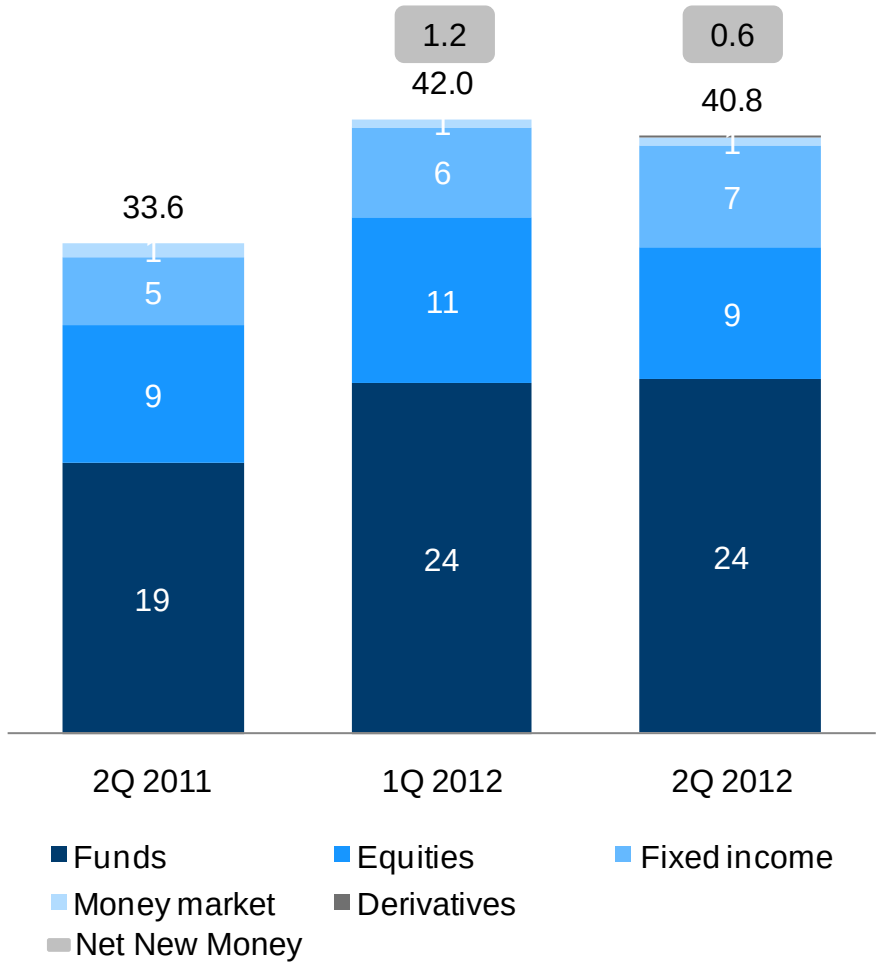


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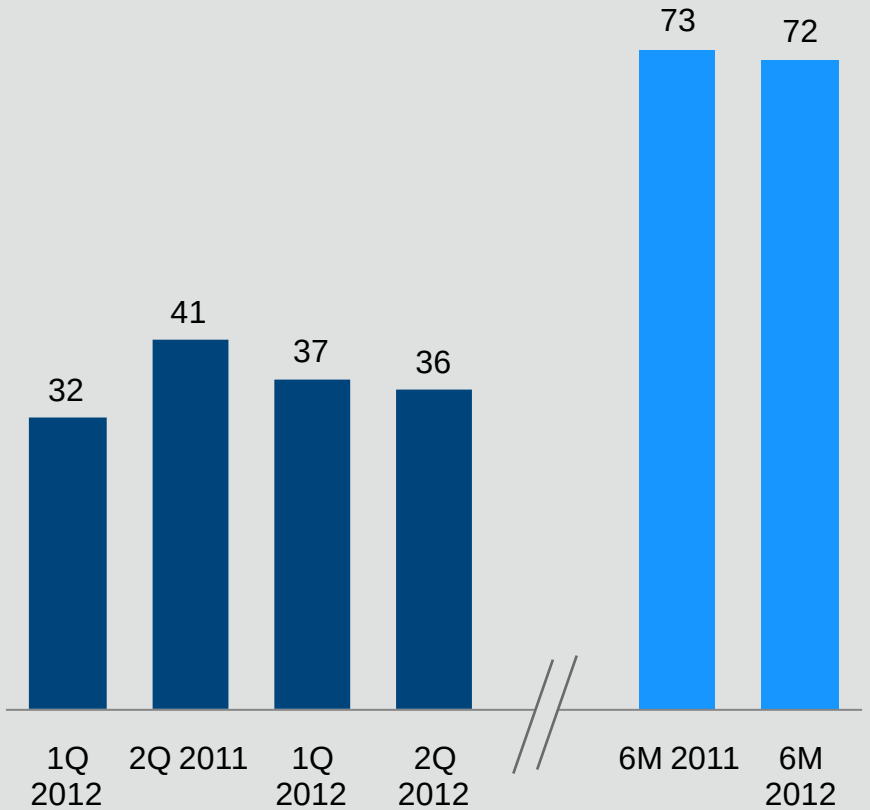
Wealth Management

Revenues were in line with previous periods, driven by the increase in WuM, offset by an increase in credit provisioning

WuM (R$ billion)



Revenues (R$ million)



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Principal Investments

Strong revenue growth for the 1st half 2012 driven by good performance in Global Markets and Real Estate

(in R$ mm, unless stated)	Quarter			Year to Date	
	2Q 2011	1Q 2012	2Q 2012	6M 2011	6M 2012
Global Markets	35	570	362	208	932
Merchant Bank	1	23	17	(17)	41
Real Estate	(13)	(21)	308	(26)	287
Total revenues	**22**	**572**	**687**	**164**	**1,259**

Section 2

Expenses

Expenses and Main Ratios

Expenses continue to be under control

- 1H 2012 non revenue related expenses 12% above 1H 2011[(1),(2)]
- Coverage ratio above 2x our fixed cost

(in R$ mm, unless stated)	Quarter			2Q 2012 % change to		Year to Date		6M 2012 % change to
	2Q 2011	1Q 2012	2Q 2012	2Q 2011	1Q 2012	6M 2011	6M 2012	6M 2011
Bonus	(113)	(333)	(280)	148%	-16%	(262)	(612)	134%
Retention expenses	(15)	(6)	-	-100%	-100%	(32)	(6)	-82%
Salaries and benefits	(55)	(70)	(74)	35%	5%	(109)	(144)	33%
Administrative and other	(85)	(68)	(150)	77%	122%	(153)	(218)	42%
Goodwill amortization	(8)	(5)	(170)	1930%	3033%	(17)	(175)	947%
Tax charges, other than income tax	(45)	(50)	(58)	30%	17%	(87)	(108)	24%
Total operating expenses	**(320)**	**(532)**	**(732)**	**129%**	**38%**	**(660)**	**(1.264)**	**92%**
Adjusted for extraordinary expenses	(312)	(527)	(511)	64%	-3%	(643)	(1.038)	61%
Adjusted for extraordinary expenses and bonus	(199)	(194)	(232)	16%	20%	(381)	(426)	12%
Cost to income ratio	43%	33%	45%	5%	35%	42%	39%	-7%
Coverage ratio	**220%**	**208%**	**167%**	**-24%**	**-20%**	**222%**	**183%**	**-18%**
Coverage ratio (adjusted for non-recurring)	220%	208%	215%	-2%	3%	222%	212%	-5%

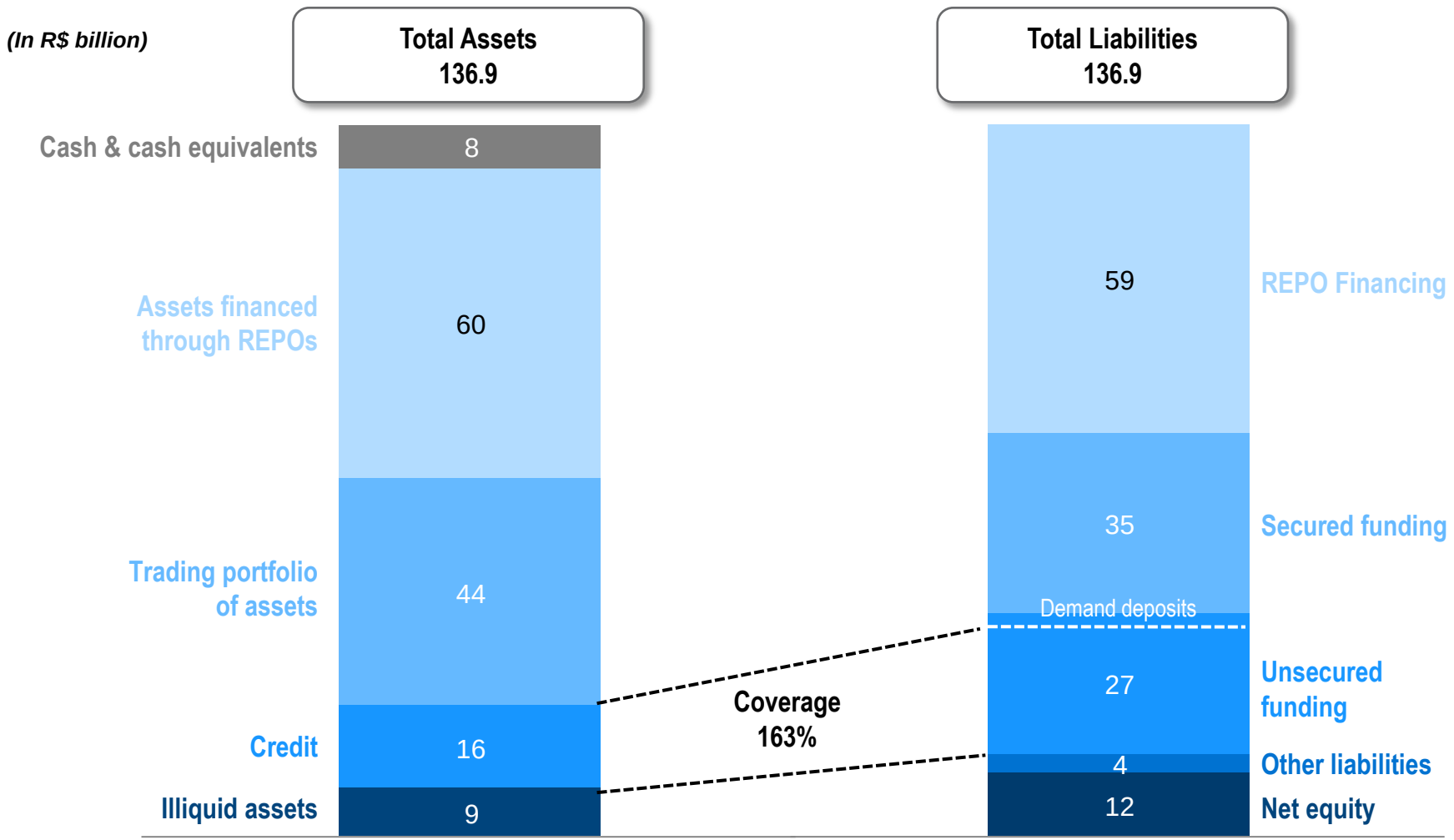
Note:
(1) Adjusted for goodwill amortization expenses
(2) Adjusted for IPO expenses

Section 3

Balance Sheet

Balance Sheet Analysis

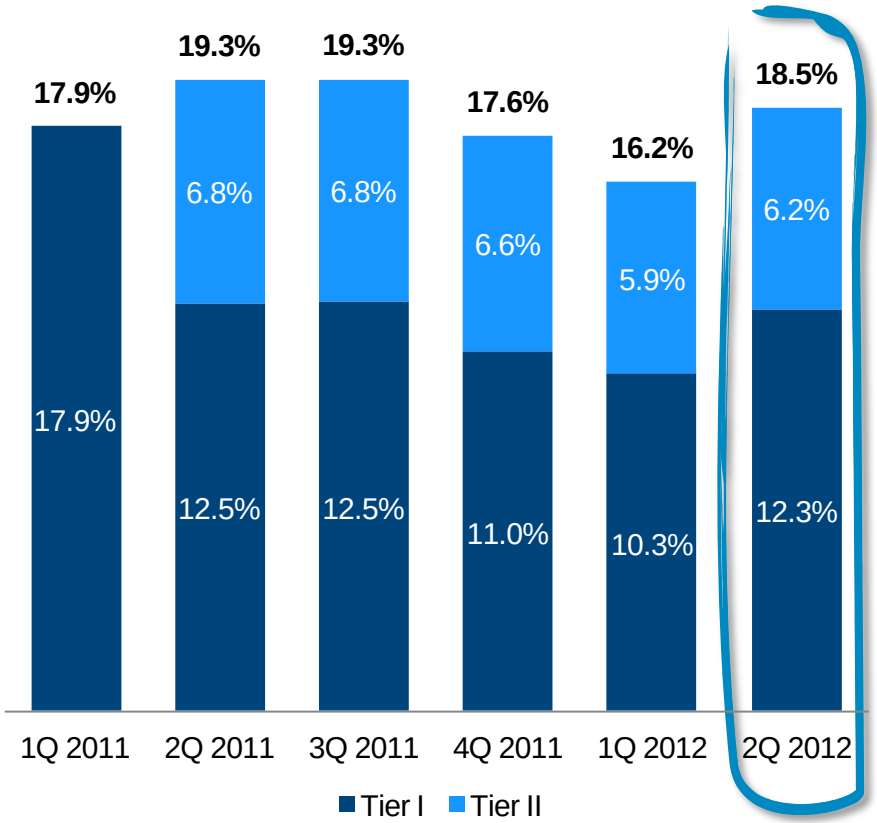
Conservative approach towards liquidity



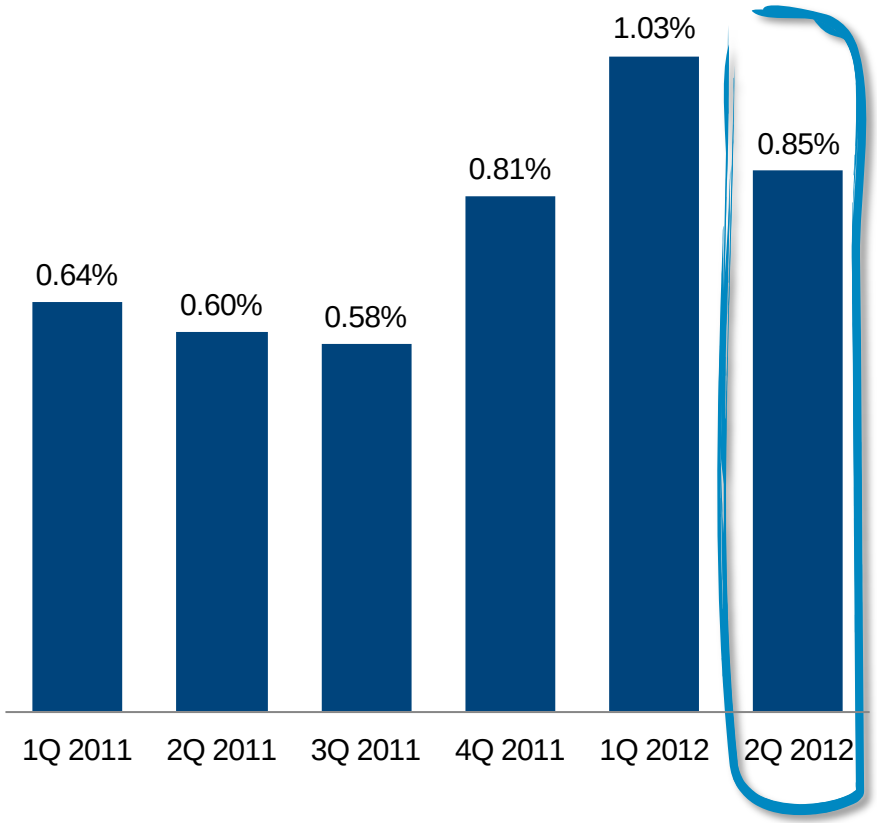
Basel Ratio and VaR

In the end of the quarter our Basel Ratio was at 18.5%

Basel Ratio (%)



Daily Average VaR (% of average equity)



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