Earnings Release
Second Quarter 2016

Conference Call Presentation

August 10th, 2016

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

English Conference Call

August 10, 2016 (Wednesday)

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

Phone: +1 (412) 317-5446

Code: BTG Pactual

Replay: +1 (412) 317-0088

Code: 10089074

Portuguese Conference Call

August 10, 2016 (Wednesday)

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

Phone: +55 (11) 2188-0155

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.

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Performance Summary

2Q 2016

1 **For 2nd quarter, total revenues and net income reached R$2.6 billion and R$940 million, respectively**

- Annualized ROAE of 16.1%
- Net income R$1.07 per unit

2 **Labor and admin cost reduction successfully implemented – partial impact already reflected on costs**

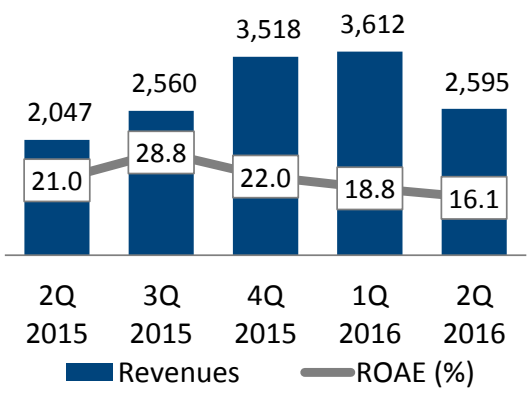
- Cost to income ratio at 61% for the quarter (BTG Pactual stand alone ratio at 44%)
- Compensation ratio at 33% for the quarter (BTG Pactual stand alone ratio at 25%)
- Extraordinary BSI expenses related to (i) divestment and (ii) legal

3 **Total assets at R$213.3 billion, 9% lower than 1Q 2016 and 20% lower than 4Q 2015**

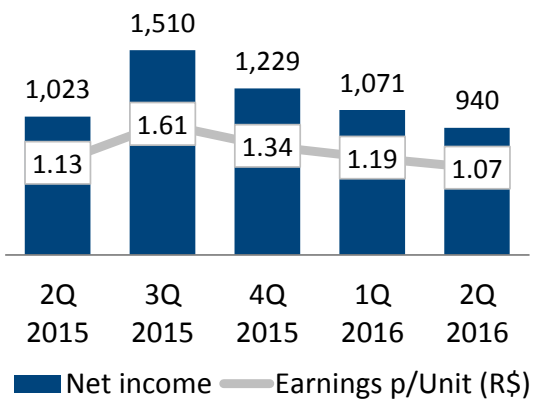
Basel ratio was 14.2% and Liquidity Coverage Ratio at 138% at quarter end

- Avg VaR in the quarter decreased to R$223.8 million, or 0.96% of average shareholders' equity
- Book value of R$26.58 per unit

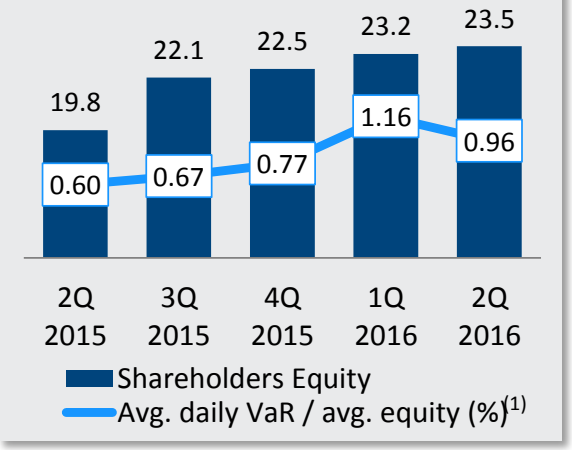
Revenues (R$ million)



Net Income (R$ million)



Shareholders' Equity (R$ billion)



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) Incudes BSI's VaR since September 15th, 2015

Performance Summary

1st Half 2016

Solid 1H results, on the back of business restructuring with significant cost reduction and balance sheet deleverage

1 Good performance during the year

- Revenues and net income reached R$6.2 billion and R$2.0 billion, respectively
- Year to date annualized ROAE of 17.5%

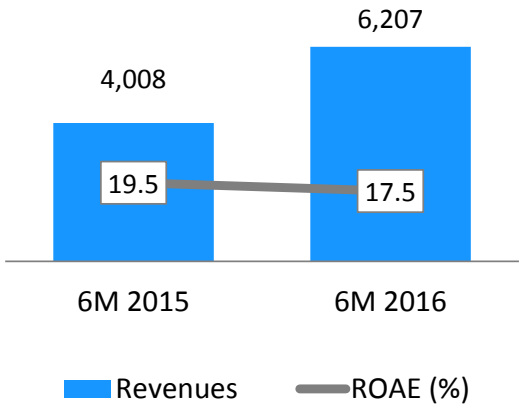
2 Main ratios in line with recent past

- Cost to income ratio at 55% (BTG Pactual stand alone ratio at 46%)
- Compensation ratio at 31% (BTG Pactual stand alone ratio at 26%)
- Net margin at 47%

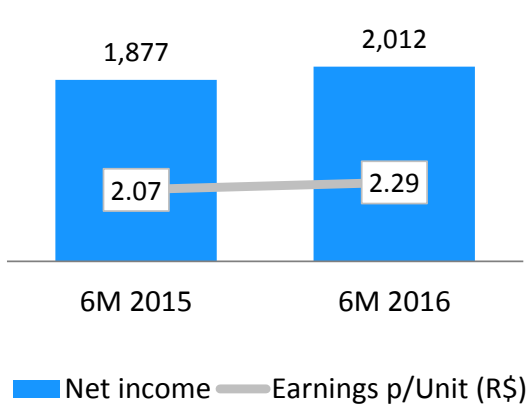
3 Total dividend/JCP pay out of R$500.0 million

4 Shareholders' equity increased 19% year on year to R$23.5 billion

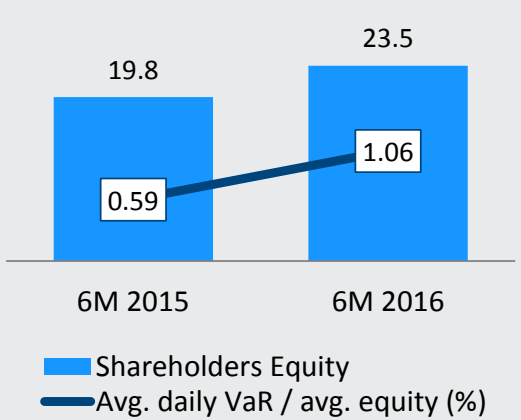
Revenues (R$ million)



Net Income (R$ million)



Shareholders' Equity (R$ billion)



Note:
(1) Balance sheet items represents end of period data

Total Revenues

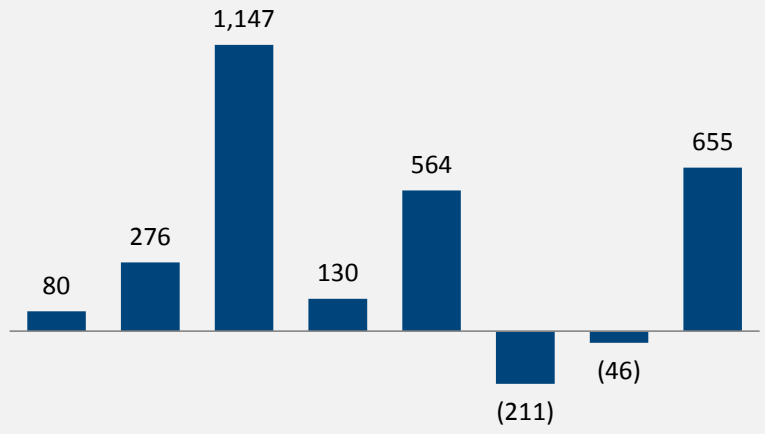
Business Units Breakdown

Corporate Lending and Sales and Trading continue to outperform

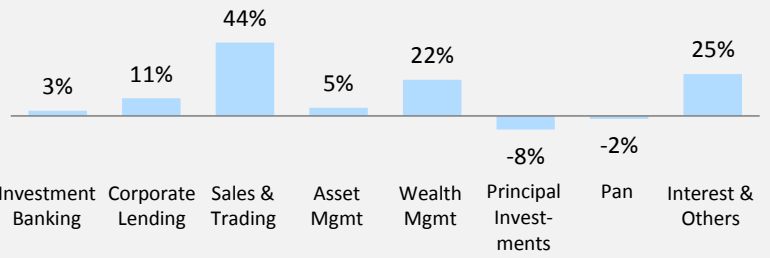
2nd Quarter 2016

Total Revenues = R$2.6 billion

(R$mm)



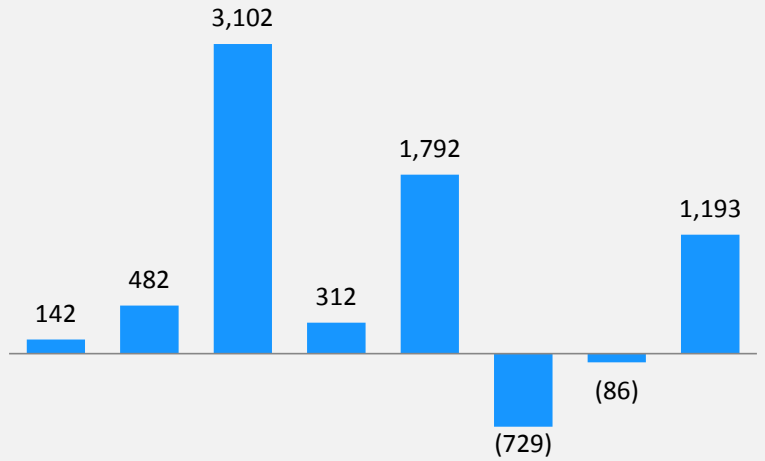
(% of total)



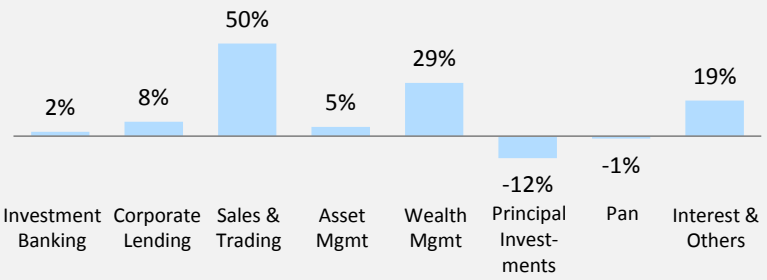
1st Half 2016

Total Revenues = R$6.2 billion

(R$mm)



(% of total)



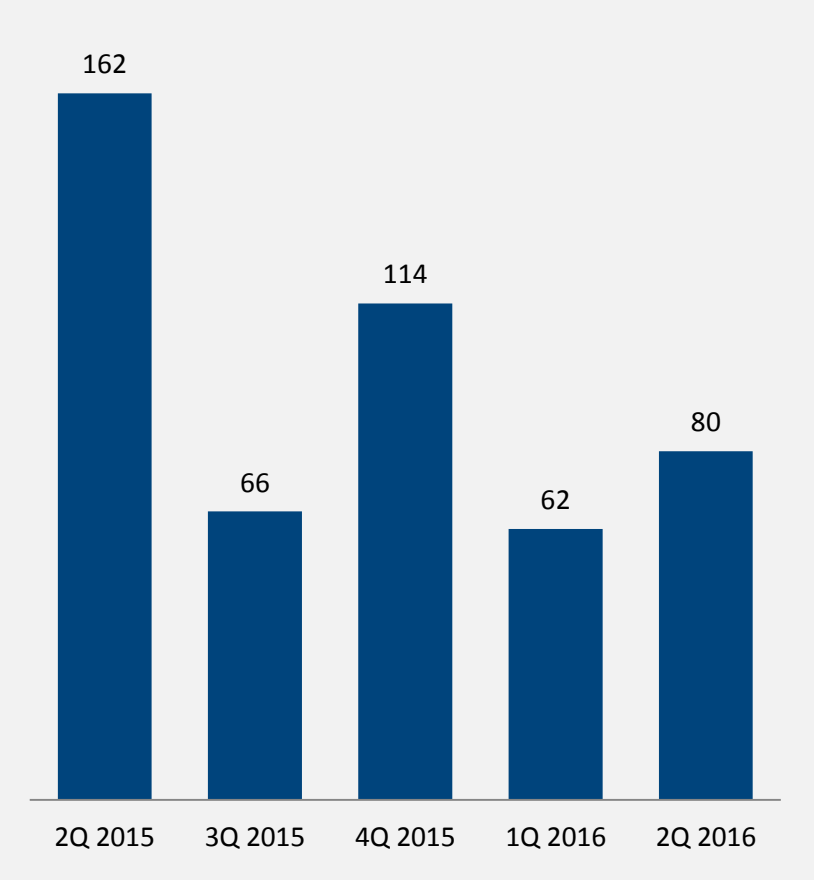
Section 1

Business Areas

Investment Banking

Increase in revenues mainly attributable to financial advisory. We continue to lead M&A markets in LatAm

Revenues (R$ million)



Overview of 2Q 2016

- Performance from Financial Advisory increased due to higher volume of concluded transactions in the quarter. We continued to lead M&A markets across LatAm.
- Revenues in equity and debt underwriting remained at low levels, impacted by continued weak activity in capital markets in LatAm, especially in Brazil.

Market Positioning Highlights
(6M 2016)

M&A: #1 in transaction volumes and #2 in announced transactions, both in Brazil and Latin America

ECM: #6 in number of transactions in Latin America

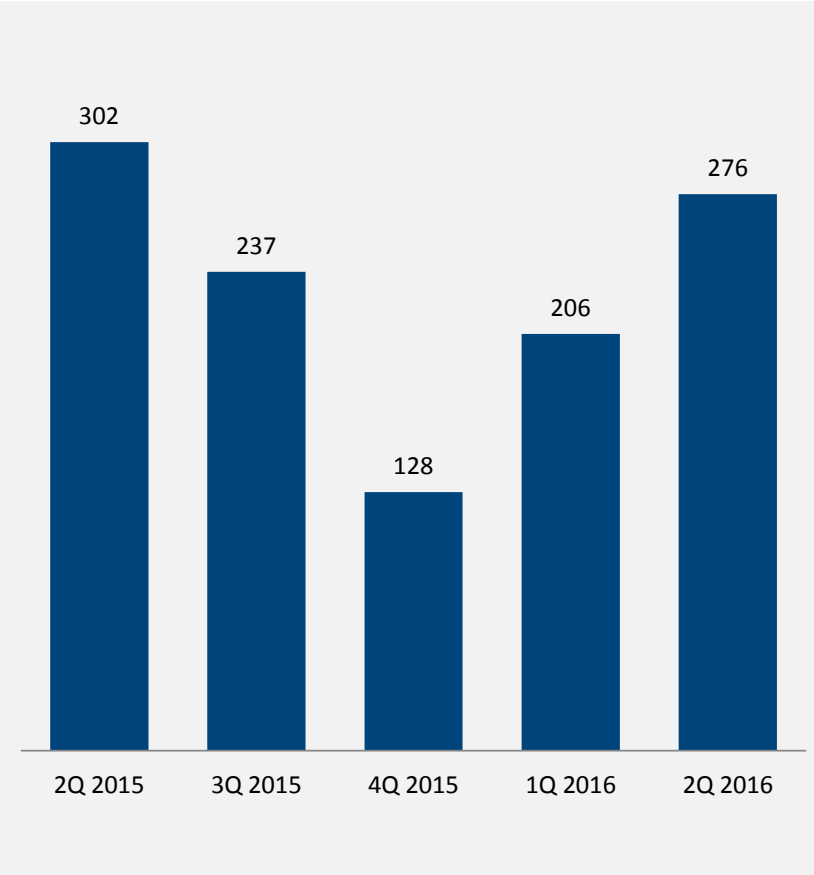
DCM: #6 in transaction volumes in Brazil

BTGPactual

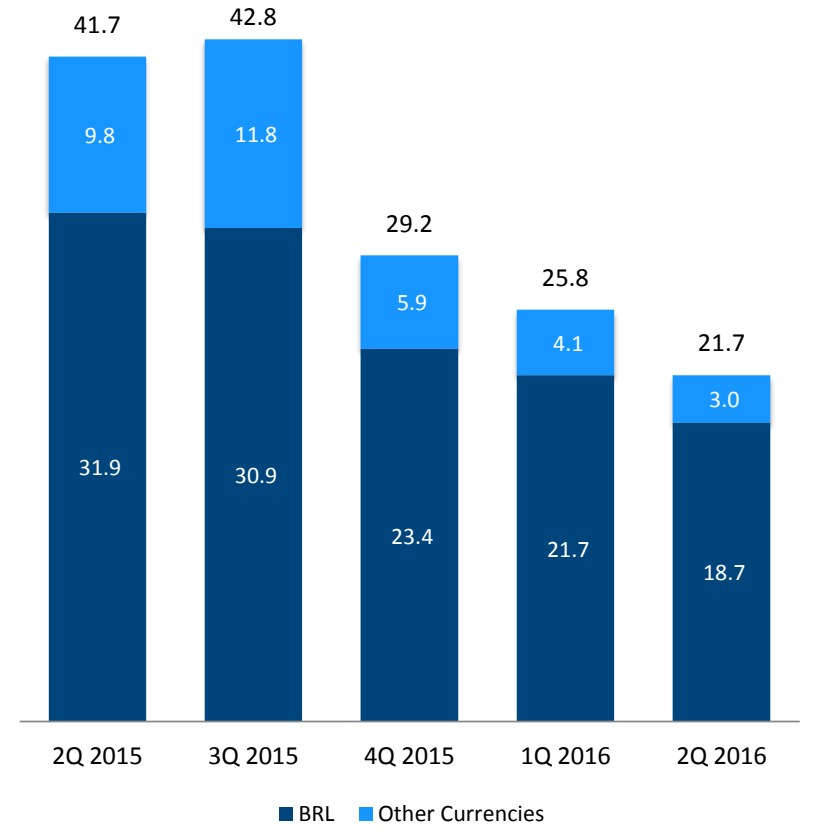
Corporate Lending

Revenues were positively impacted by the credit recovery in our NPL portfolios, and higher spreads on Corporate Lending book

Revenues (R$ million)



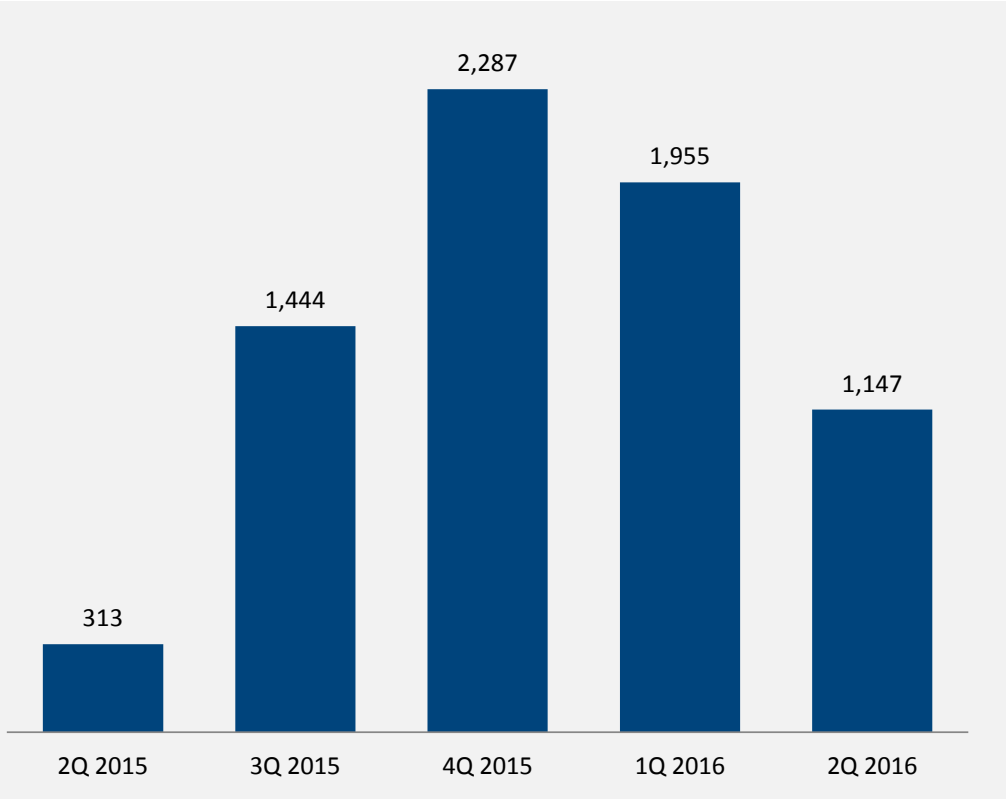
Corporate Lending Portfolio (R$ billion)



Sales & Trading

Solid Sales and Trading performance, especially from our rates and commodities desks

Revenues (R$ million)



Sales & Trading revenues were driven by:

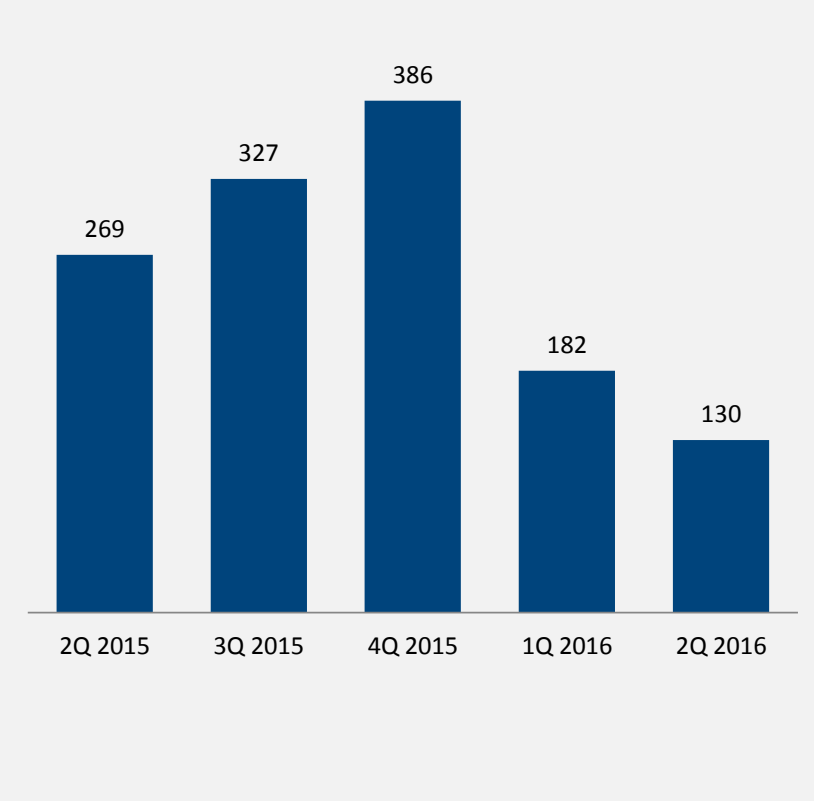
- Rates desk had strong revenue contribution on the quarter
- Solid performance from global commodities
- Lower revenue contribution especially from FX and Brazil Energy

Very liquid balance sheet will further increase our ability to benefit from flows and market volatility

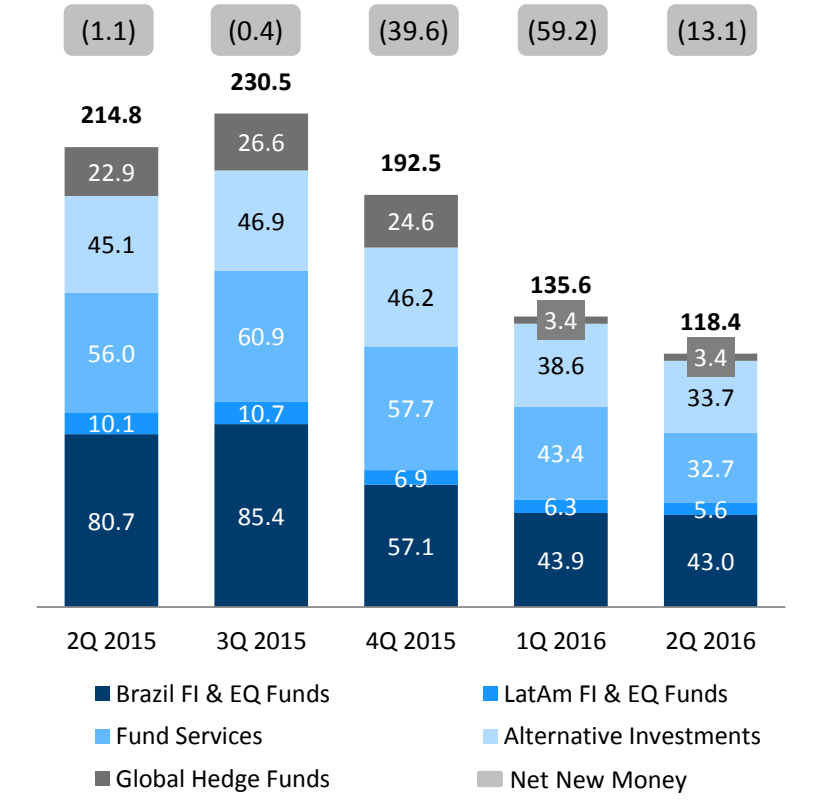
Asset Management

Revenue decrease mainly reflects drop in AuM. 2Q 2016 NNM impacted by redemptions requests from 4Q 2015, mostly in Fund Services

Revenues (R$ million)



AuM and AuA (R$ billion)

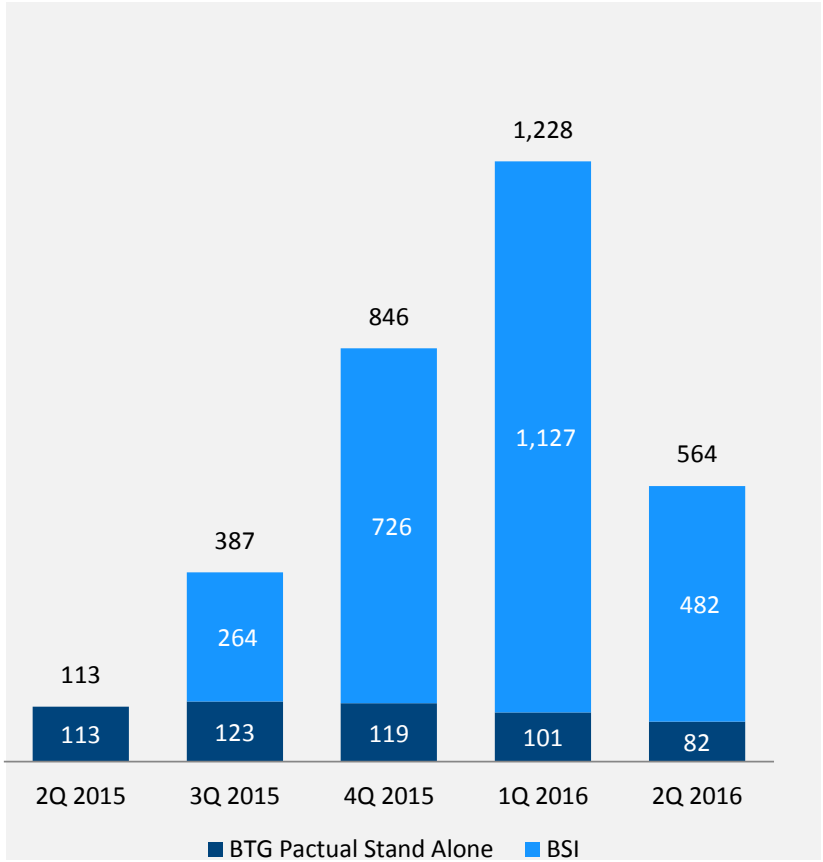


June with positive inflows of R$1.1 bn

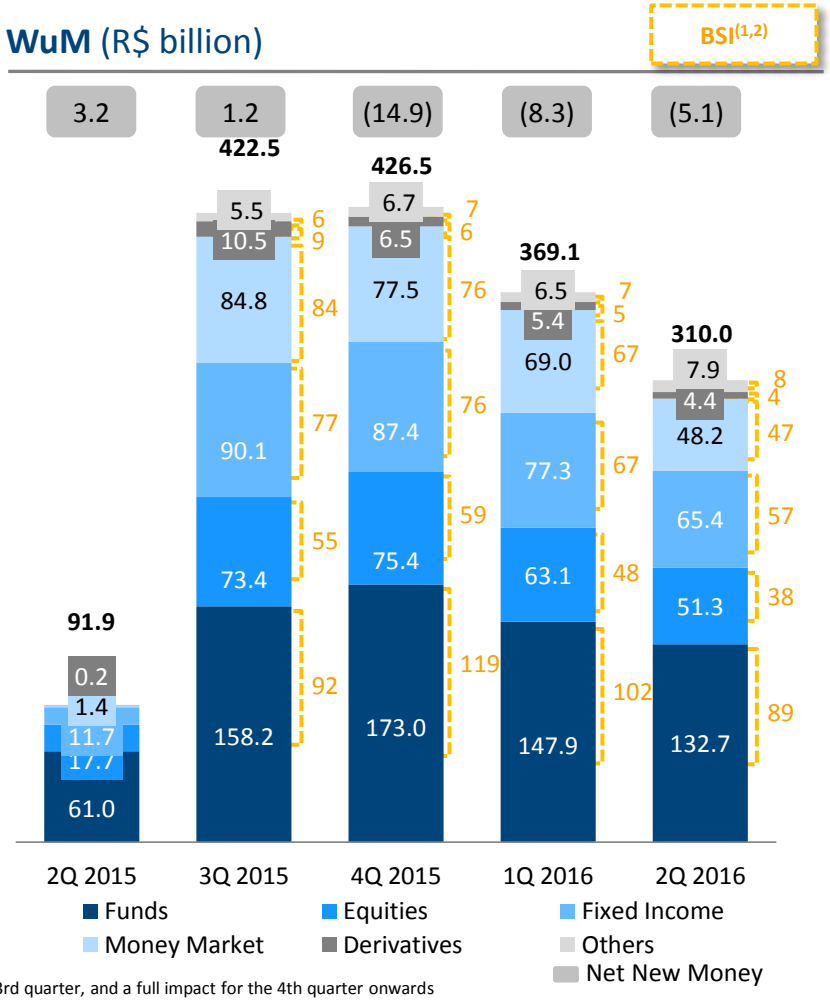
Wealth Management

WuM negatively impacted by execution of redemptions requests during 4Q 2015 and the appreciation of the Real. ROA for BTG Pactual stand alone remained in line with historical average.

Revenues (R$ million)



WuM (R$ billion)

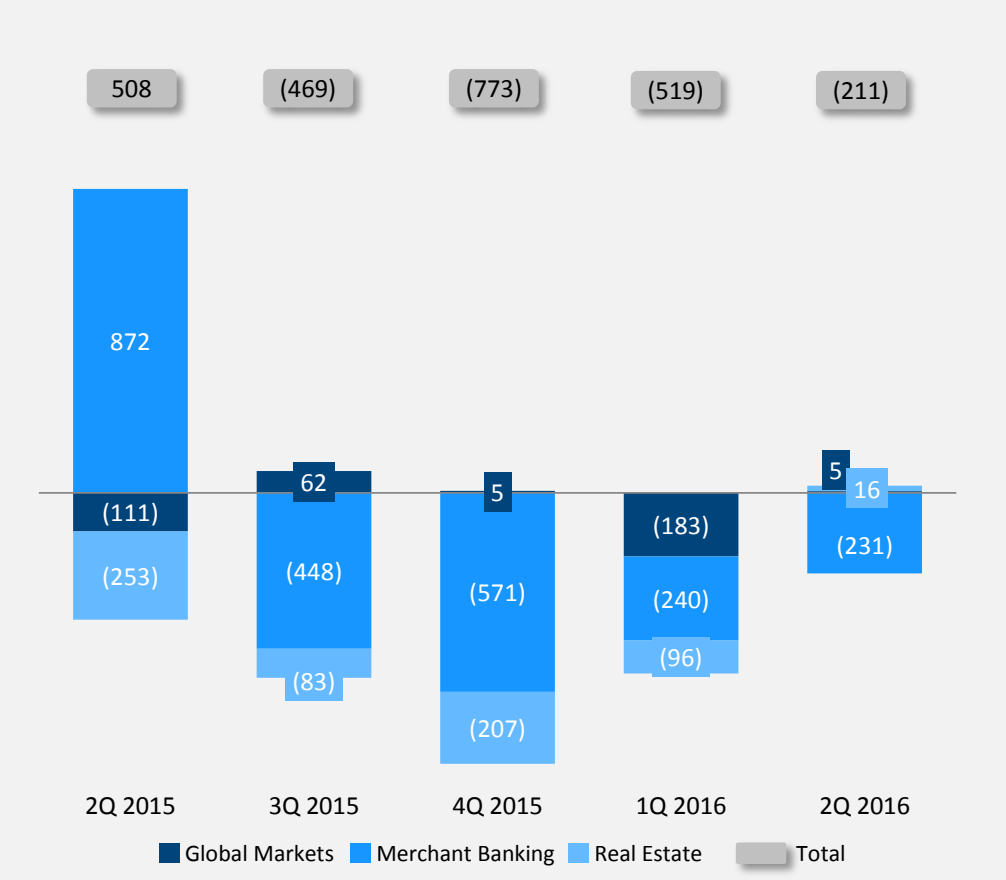


Note:
* Includes BSI from September 1st onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter onwards
** BTG Pactual stand alone NNM
(1) BSI's total WuM for 4Q 2015 was R$342.6Bn, for 1Q 2016 was R$294.6Bn and for 2Q 2016 R$242.6
(2) BSI's WuM from 4Q 2015 on includes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

Principal Investments

Further exposure reduction in Merchant Banking, in line with our strategy to reduce balance sheet risk.

Revenues (R$ million)



In Global Markets revenues were mainly driven by positive contribution from global rates and equities strategies, compensated by internal funding cost allocation

Negative results in Merchant Banking, mainly due to further impairment of investments and the internal funding cost allocation

Real Estate revenues reflect the partial sale of our stake in BRPR, partially compensated by impairments in real estate assets.

Section 2

Expenses

Expenses and Main Ratios

(in R$ mm, unless stated)	Quarter			2Q 2016 % change to		Full Year		6M 2016 % change to
	2Q 2015	1Q 2016	2Q 2016	2Q 2015	1Q 2016	6M 2015	6M 2016	6M 2015
Bonus	(394)	(502)	(354)	-10%	-29%	(566)	(856)	51%
Salaries and benefits	(228)	(569)	(500)	120%	-12%	(443)	(1,069)	141%
Administrative and other	(227)	(554)	(574)	153%	4%	(466)	(1,128)	142%
Goodwill amortization	(50)	(55)	(54)	8%	-1%	(97)	(109)	13%
Tax charges, other than income tax	(116)	(134)	(94)	-19%	-30%	(235)	(229)	-3%
Total operating expenses	**(1,016)**	**(1,814)**	**(1,578)**	**55%**	**-13%**	**(1,806)**	**(3,392)**	**88%**
Cost to income ratio	50%	50%	61%			45%	55%	
Compensation ratio	30%	30%	33%			25%	31%	
Income tax and social contribution	**(8)**	**(727)**	**(77)**	**918%**	**-89%**	**(324)**	**(804)**	**148%**
Effective income tax rate	0.7%	40.4%	7.5%			14.7%	28.5%	

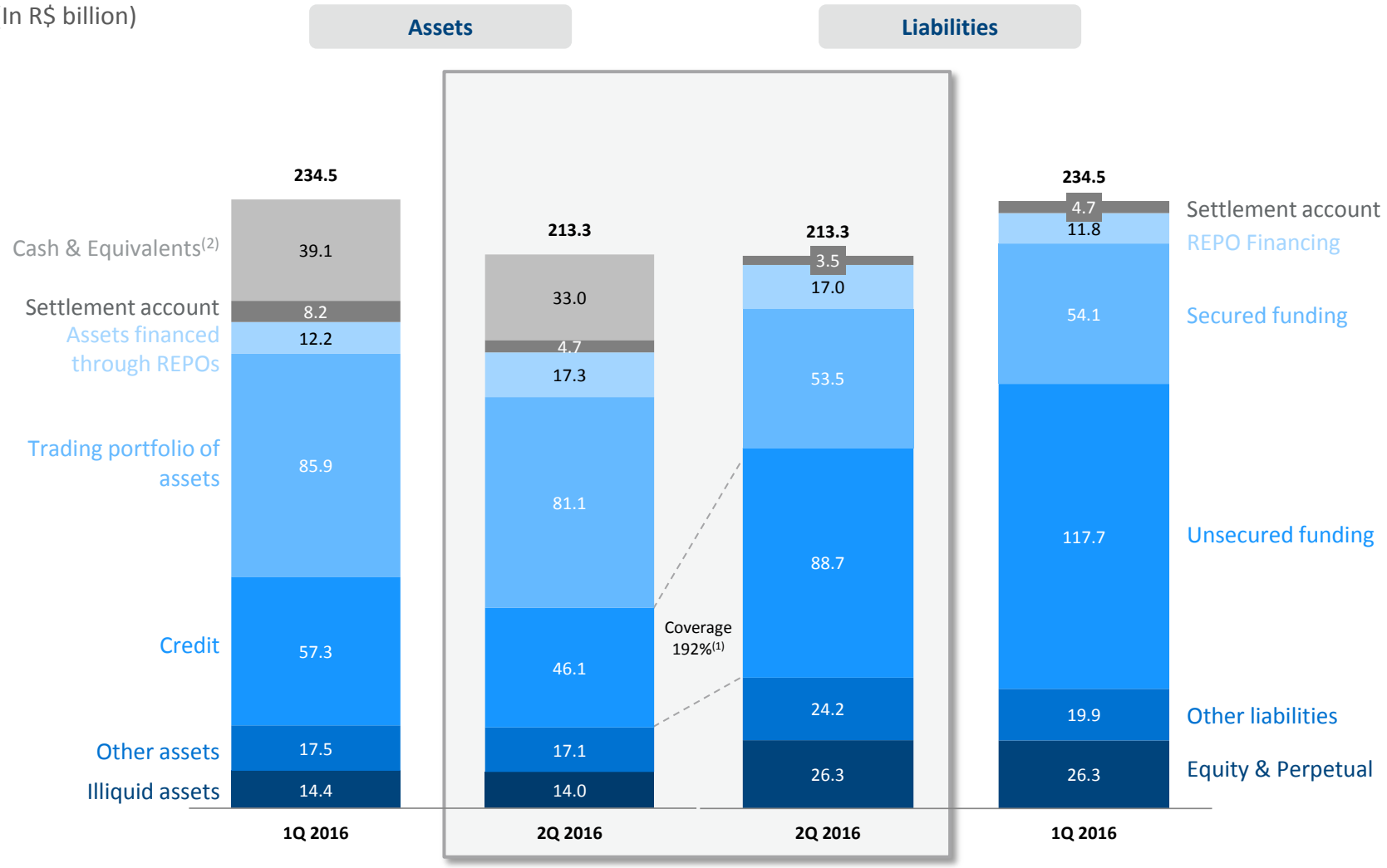
	BSI		BTG Pactual Stand Alone					
	1Q 2016	2Q 2016	1Q 2016	2Q 2016	% Change to 2Q 2015	% Change to 1Q 2016	6M 2016	% Change to 6M 2015
Bônus	(99)	(65)	(403)	(289)	-27%	-28%	(693)	22%
Salários e benefícios	(286)	(260)	(283)	(241)	6%	-15%	(524)	18%
Administrativas e outras	(247)	(312)	(307)	(263)	16%	-14%	(570)	22%
Amortização de ágio	-	-	(55)	(54)	8%	-1%	(109)	13%
Despesas tributárias, exceto imposto de renda	(12)	(11)	(122)	(83)	-28%	-32%	(205)	-13%
Despesas operacionais totais	**(644)**	**(647)**	**(1.170)**	**(931)**	**-8%**	**-20%**	**(2.100)**	**16%**
Índice de eficiência	57%	134%	47%	44%			46%	
Índice de remuneração	34%	67%	28%	25%			27%	

Section 3

Balance Sheet

Balance Sheet Analysis

(In R$ billion)

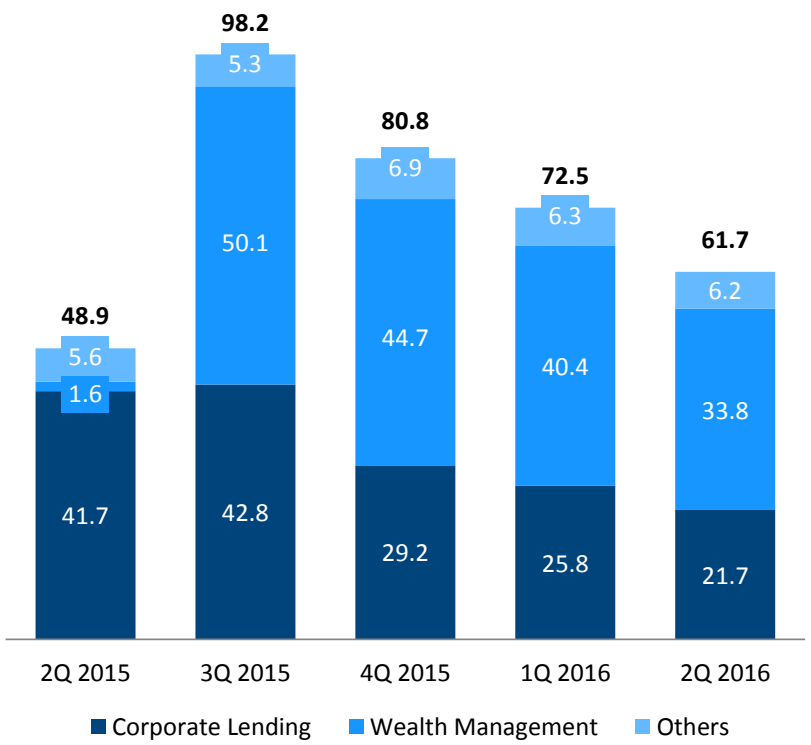


Note:
1) Excludes demand deposits from BTG Pactual stand alone
2) Includes high quality liquid assets

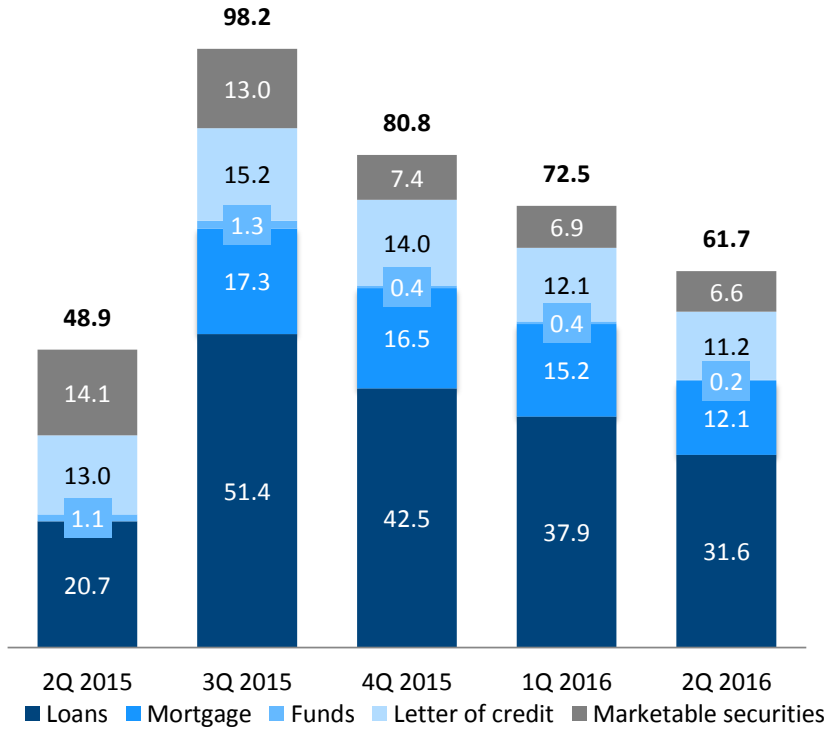
Broader Credit Portfolio

Broader credit portfolio decreased, mainly due to actions taken to reduce LatAm exposure and FX impacts

Broader Credit Portfolio by Area (R$ billion)



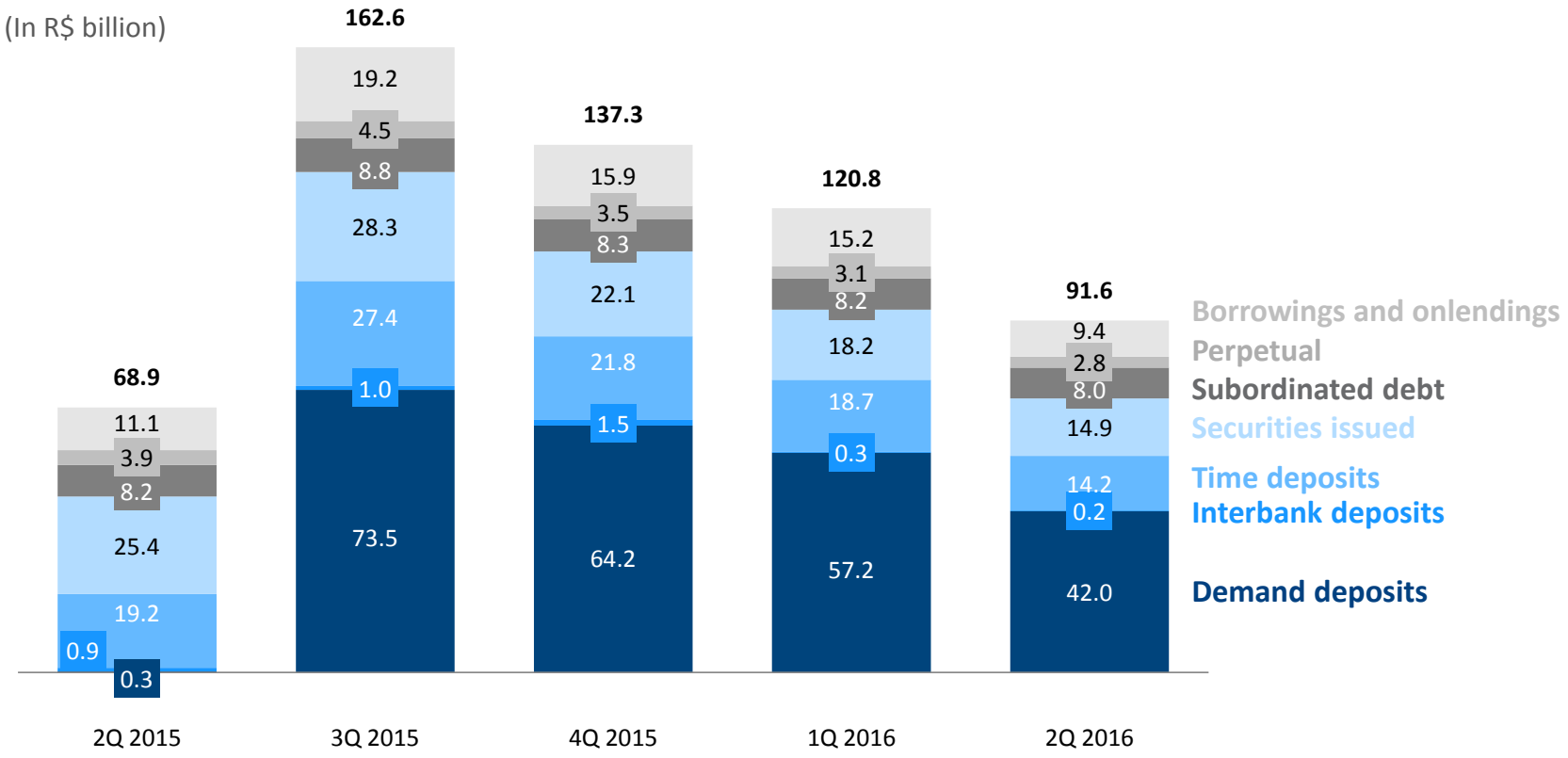
Broader Credit Portfolio by Product (R$ billion)[1]



Note:
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(1) Mortgages are related to BSI only

Unsecured Funding Base

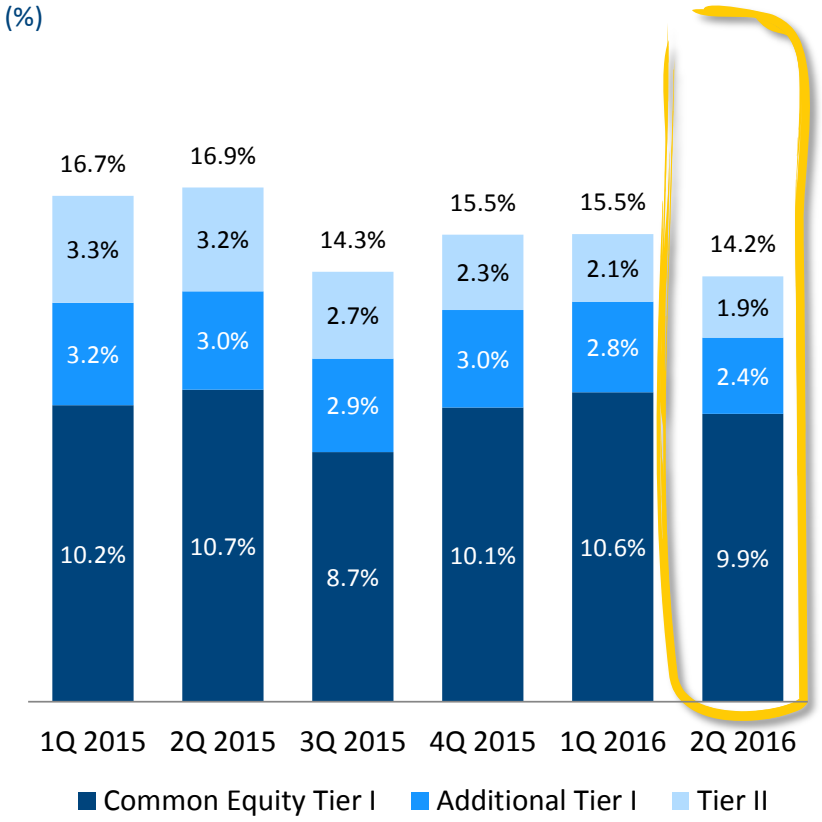


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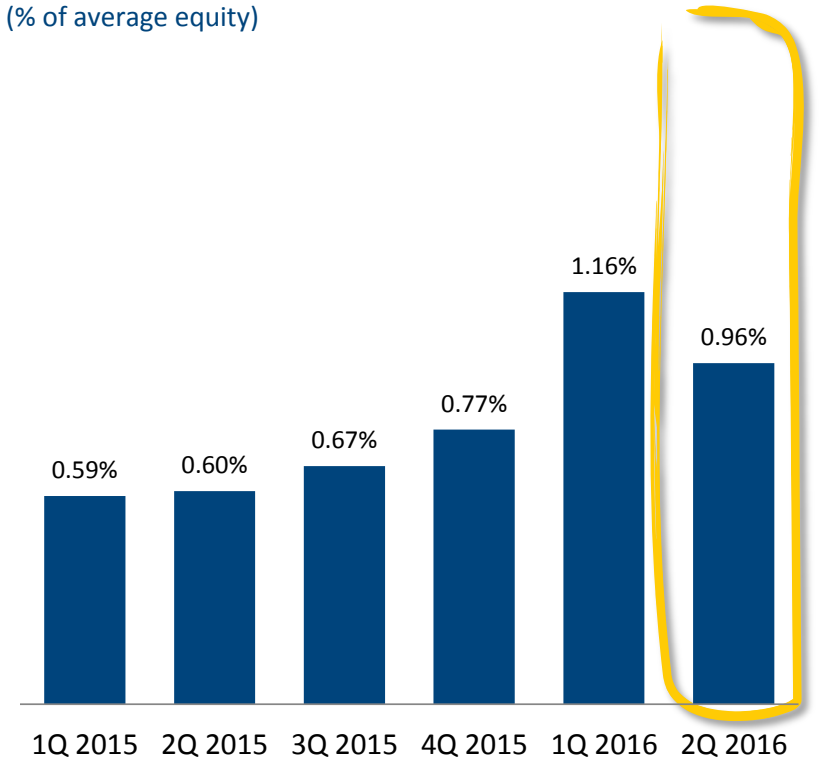
Basel Ratio and VaR

Banco BTG Pactual Basel ratio reached 14.2%. Average VaR decreased mainly due to lower FX exposure in the quarter

Basel Ratio



Daily Average VaR



Note:
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