BTG Pactual – Earnings Release

First Quarter 2015

May 6, 2015

Highlights

Rio de Janeiro, Brazil, May 6, 2015 - Banco BTG Pactual S.A. ("Banco BTG Pactual") and BTG Pactual Participations Ltd. ("BTGP", and together with Banco BTG Pactual and their respective subsidiaries, "BTG Pactual") (BM&FBOVESPA: BBTG11 and Euronext: BTGP) today reported combined adjusted total revenues of R$1,961.1 million and combined net income of R$854.0 million for the quarter ended March 31, 2015.

Net income per unit, and annualized return on average shareholders' equity (ROAE) of BTG Pactual, were R$0.94 and 18.0%, respectively, for the quarter ended March 31, 2015.

As of March 31, 2015, total assets for BTG Pactual were R$224.1 billion, a 3% increase when compared to December 31, 2014, and the BIS capital ratio for Banco BTG Pactual was 16.7%.

BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited)	**Quarter**		
(in R$ million, unless otherwise stated)	**1Q 2014**	**4Q 2014**	**1Q 2015**
Total revenues	1,706	1,586	1,961
Operating expenses	(647)	(673)	(791)
Of which fixed compensation	(159)	(197)	(215)
Of which variable compensation	(225)	(242)	(172)
Of which non compensation	(263)	(234)	(404)
Net income	**832**	**848**	**854**
Net income per unit (R$)	0.92	0.94	0.94
Annualized ROAE	**20.2%**	**18.4%**	**18.0%**
Cost to income ratio	38%	42%	40%
Shareholders' equity	**16,908**	**18,678**	**19,215**
BIS Capital Ratio (Banco BTG Pactual only)	17.1%	17.5%	16.7%
Total assets (in R$ billion)	193.9	218.3	224.1
AuM and AuA (in R$ billion)	188.5	201.4	215.4
WuM (in R$ billion)	68.2	81.0	87.2

Performance

For 1Q 2015, we achieved an annualized ROAE of 18.0% and net income of R$854.0 million. In the quarter, revenues were up 24% and net income remained stable, when compared to 4Q 2014. When compared to 1Q 2014, revenues were up 15% and net income increased 3%.

During the quarter, we had solid performance in (i) Sales & Trading, where most FICC desks had strong revenue contribution and we recorded our best performing quarter since 2010 and (ii) Corporate Lending, where we had lower provisions and credit recovery in our NPL portfolios. On the other hand, (i) Investment Banking presented lower revenues, due to no significant M&A transactions and continuing weak capital markets activity and (ii) Principal Investments posted negative revenues of R$443.8 million, mainly related to an impairment charge in one of our equity investments, which absorbed the positive contribution from Real Estate.

Our costs continued to be well controlled. In 1Q 2015, our operating expenses reached R$790.6 million, an 18% increase when compared to 4Q 2014, mainly attributable to higher expense for taxes on revenues. Operational expenses, other than tax on revenues, decreased 7% in the quarter when compared to 4Q 2014. Consequently, in 1Q 2015, our cost to income ratio was 40.3% and our compensation ratio was 19.7%.

For 1Q 2015 our pre-tax profit was R$1,170.5 billion, a 28% increase when compared to 4Q 2014. In the quarter our effective income tax rate was 27.0%, compared to the 7.1% recorded in 4Q 2014. As a result, our net income reached R$854.0 million in 1Q 2015.

Our shareholder's equity grew 3% from R$18.7 billion at end of 4Q 2014 to R$19.2 billion at end of 1Q 2015. When compared to 1Q 2014, our shareholder's equity grew 14%, after distribution of dividends and JCP of R$852.8 million in the period. The Basel index for Banco BTG Pactual was 16.7%.

BTG Pactual's AuM and AuA ended 1Q 2015 at R$215.4 billion, representing growth of 7% when compared to end of 4Q 2014, and our WuM ended the period at R$87.2 billion, representing 8% growth when compared to 4Q 2014.

"We are pleased with our performance in 1Q 2015. Macroeconomic environment has been challenging in LatAm, with most countries facing slower economic growth, low levels of business confidence, and rising interest rates. In face of that, capital markets and investment banking activity has been weak, and market prices volatile – especially for local currencies. Even in such conditions, we have presented solid results, with record total revenue, and strong returns from many of our businesses. In particular, outsized returns came from our Corporate Lending business, in which we have been maintaining quality of the portfolio and comfortable levels of reserves, while benefiting from credit recovery in our NPL portfolios, and from our Sales and Trading business, which has once again presented growing revenues from commodities, while maintaining market leadership in Rates and FX. On the other hand, in our Merchant Banking portfolio, our quarter results were negatively impacted by a relevant mark down in our equity stake in Sete Brasil. While maintaining the conservative accounting approach in our books, especially to our long term investments in equity, we have still been able to deliver adequate results in the first quarter, and remain confident in our ability to deliver a good performance for our shareholders in 2015, a year that will certainly be challenging for our industry, but that may also present significant opportunities for our clients and shareholders." said André Esteves, CEO of BTG Pactual.

Relevant Events

On February 26, 2015, BTG Investments, Brookfield Property Group and Fundo de Investimento Imobiliário – FII Prime Portfolio declared the intent to carry out a voluntary takeover offer for the acquisition of a minimum interest corresponding to 85% interest in BR Properties for the price of R$12.00 per share. The price per share represented a premium of approximately 35% to the weighted average closing price over 30 auctions. The execution and the consummation of the takeover offer are subject to several precedent conditions.

During the quarter, we recorded a provision for the impairment to our proprietary investment in Sete Brasil equivalent to approximately 25% of its book value, which had a gross negative impact to our revenues of R$280 million.

As part of the BSI acquisition, and as disclosed in the July 14, 2014 material fact, BTG Pactual is expected to issue a number of shares equivalent to CHF 300 million, or approximately 3% of its capital, as of March 31, 2015. The number of shares will be calculated based on the volume weighted average closing price of our unit for the prior 20 consecutive full trading day window; and in any case limited to 5%.

Global Market and Economic Analysis

First quarter was once again marked by appreciation of the dollar. Growth disappointment in some advanced economies and a further decline in commodities prices, especially oil and iron ore, explain the result. Oil prices declined 8% (Brent) in Q1 2015 (followed by 37% fall in Q4 2014) while iron ore declined 28%.

Concerns about (i) low inflation in Euro Area due to decline in oil prices and (ii) growth disappointment in Q4 led European Central Bank (ECB) to announce a large quantitative easing program at the end of January. ECB program consisted in buying EUR60bn of assets, including government bonds, until at least September 2016.

ECB announcement which was more aggressive than expected drove interest rate of government bonds down, affecting the yield curve in other countries as well, mainly in US. In fact, many Central Banks eased its monetary policy in Q1 on the back of weak growth and low inflation. The 10 year bond yield declined 36 basis points in Germany, 26bp in US, 46bp in Canada (where Central Bank reduced interest rate unexpectedly at the end of January) and 44bp in Australia (another country that reduced interest rate in Q1). In Emerging Markets countries, movement was much less aggressive as 10 year yield declined 9bp in Mexico (Swap) and 4bp in Chile (Swap) with Central Banks more hawkish than expected. In Brazil, on the other hand, the DI contract expiring on Jan 21 went up by 64bp in Q1 due to increase in the sovereign risk premium.

EUR depreciated 11.3% against the dollar in Q1, reflecting more accommodative monetary policy. Canadian dollar and Australian dollar also depreciated sharply (-8.4% and -7%, respectively). MXN declined 3.4% and YEN declined only 0.3%. Swiss Franc, however, appreciated 2.2% as Central Bank decided to remove peg with EUR in January. BRL was the highlight as it declined 16.9% against the dollar in Q1.

Regarding equity prices, the DAX soared in Q1 (22%) due to quantitative announcement by ECB and Nikkei posted a 10% increase, reflecting currency depreciation and monetary stimulus injected by the BOJ in October. S&P500, however, posted a small decline (-0.6%) in Q1 due to dollar strength and growth disappointment. Ibovespa rose 2.3%, despite the country risk premium increase, in part due to BRL depreciation.

Regarding the Brazilian economy, GDP grew 0.1% in 2014 and consensus forecast for 2015 points to a contraction of 1%. Confidence levels (of both consumer and business) continued to decline, reflecting deterioration in fundamentals: increase in interest rate, high inflation, fiscal contraction and slowdown of the labor market.

Brazilian CDS (a proxy for sovereign risk premium) increased significantly in Q1, reflecting the Petrobras scandal, political uncertainty, power and water rationing risks and risk of a rating downgrade by the rating agencies. CDS rose from 200 basis points at the end last year to 306 points in mid-March, ending Q1 at 283bp. These levels are consistent with countries that are not in investment grade category. At the end of quarter, however, the risks started to abate with the expectation that Petrobras would release its audited statement (which indeed occurred in April 22), power and water rationing were avoided, political articulation improved with the nomination of the Vice President as one of most important political leaders of the government and S&P reaffirmed a stable outlook for Brazilian sovereign rating, signaling that Brazil would maintain investment grade for at least next 12 months.

On the inflation front, 12 month inflation accelerated from 6.41% at the end 2014 to 8.13% in March due to realignment of administered prices (mainly gasoline, bus fare and energy tariffs) which are set to rise slightly more than 13% this year. 2015 inflation is expected to be 8.2%, slowing down to 5.6% in 2016. Central Bank continued to increase the Selic rate on the back of higher inflation pressures. Interest rate went from 11.75% in December 2014 to 12.75% in March 2015 and it is expected to rise further in Q2 as the Central Bank has been indicating that it wants to bring inflation back to the middle of target band (4.5%) at the end of 2016.

On the fiscal side, revenues continued to disappoint due to weak economic activity but spending growth slowed down, although it remained high compared to GDP growth. Joaquim Levy, finance minister, announced several measures at the end of 2014 and beginning of 2015 in order to meet primary surplus target of 1.2% of GDP.

On the external front, current accounted deficit reached 4.4% of GDP at the end of 2014 (under new methodology) and increased to 4.5% (accumulated in 12 months) in March 2015. Current account deficit is expected to decline only very gradually back to the more sustainable levels of 2.5%/3%.

Combined Adjusted Revenues

Revenues in 1Q 2015 increased 24% when compared with 4Q 2014 and were up 15% when compared to 1Q 2014, mainly as a result of Sales and Trading and Corporate Lending.

Combined Adjusted Revenues (unaudited)	Quarter			1Q 2015 % change to	
(in R$ million, unless otherwise stated)	1Q 2014	4Q 2014	1Q 2015	1Q 2014	4Q 2014
Investment Banking	70	72	41	-42%	-43%
Corporate Lending	197	97	318	62%	227%
Sales and Trading	874	527	1,168	34%	122%
Asset Management	350	445	270	-23%	-39%
Wealth Management	93	108	109	18%	1%
Principal Investments	(115)	(132)	(444)	n.a.	n.a.
Pan	(27)	(2)	(25)	n.a.	n.a.
Interest and Other	264	471	524	98%	11%
Total revenues	**1,706**	**1,586**	**1,961**	**15%**	**24%**

Investment Banking

The tables below present details related to announced transactions in which BTG Pactual participated:

BTG Pactual Announced Transactions (unaudited)	Number of Transactions(1),(3)			Value(2),(3) (US$ mln)		
	1Q 2014	4Q 2014	1Q 2015	1Q 2014	4Q 2014	1Q 2015
Financial Advisory (M&A)(4)	12	12	5	7,020	13,676	6,131
Equity Underwriting (ECM)	4	-	1	233	-	157
Debt Underwriting (DCM)	6	13	4	604	2,768	574

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

Note:

(1) Equity underwriting and debt underwriting represent closed transactions. Financial advisory represents announced M&A deals, which typically generate fees upon their subsequent closing.

(2) Local DCM transactions were converted to U.S. Dollars using the end of quarter exchange rates.

(3) Market data from previous quarters might vary in all products, due to potential inclusion and exclusions.

(4) M&A market data for previous quarters may vary because: (i) deal inclusions might be delayed in any moment, (ii) canceled transactions will be withdrawn from the rankings, (iii) transaction value might be revised and (iv) transaction enterprise values might change due to debt inclusion, which usually occurs some weeks after the transaction is announced (mainly for non-listed targets)

Investment Banking 1Q 2015 market share highlights

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

1Q 2015 vs. 4Q 2014

Investment Banking revenues decreased 43% compared to 4Q 2014. Decrease in revenues was mainly attributable to lower Financial Advisory revenues, as a consequence of a smaller number of transactions concluded in the period. Announced transactions were also low, but we see a positive trend for M&A activity in 2015 in LatAm, especially in Brazil. Despite that, we maintained our leading market share in Brazil and LatAm. Our equity and debt underwriting revenues remained relatively stable at low levels, negatively impacted by continued weak activity in capital markets in LatAm, especially in Brazil.

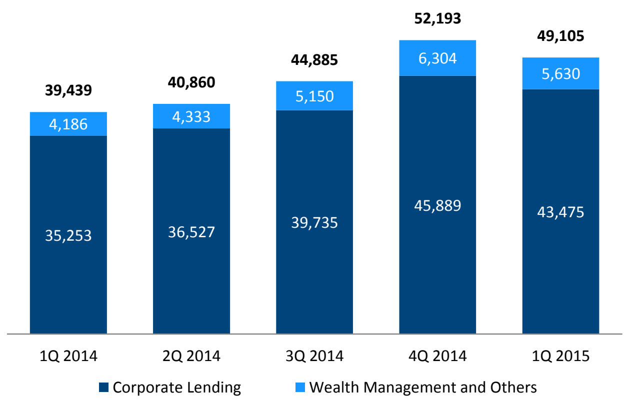
1Q 2015 vs. 1Q 2014

Revenues in the quarter decreased 42% when compared to the same period of last year, mainly due to Financial Advisory, as a consequence of a drop in the number of concluded transactions. Our equity underwriting business, although slightly improved from a weak performance in the 1Q 2014, remains at low levels, and our debt underwriting revenues remained stable, both as a result of the continuing weak capital markets activity.

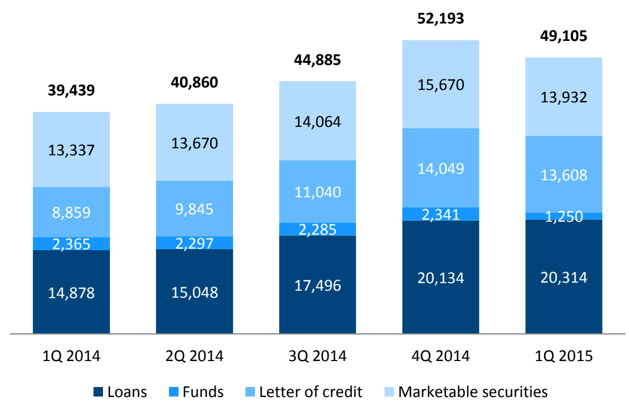
Corporate Lending

BTG Pactual Broader Credit Portfolio

Broader Credit Portfolio Breakdown By Area
(in R$ million)



Broader Credit Portfolio By Product
(in R$ million)

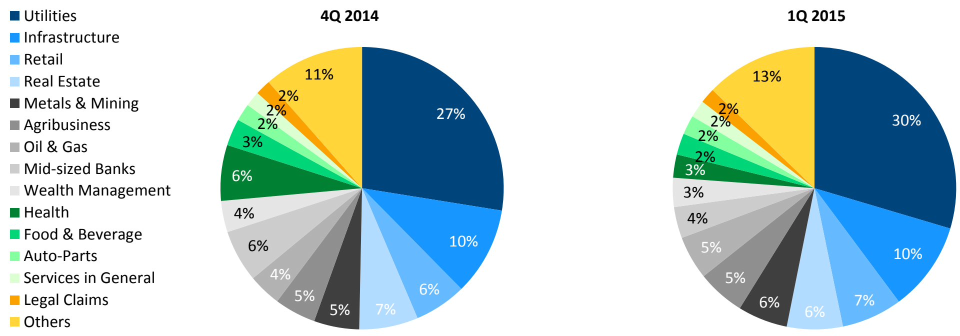


Notes:

(1) Other: includes interbank deposits, Merchant Banking structured transactions and others

(2) Wealth Management impacts WM results, other impacts Sales and Trading and Merchant Banking results

Broader Credit Portfolio By Industry
(% of total in values)

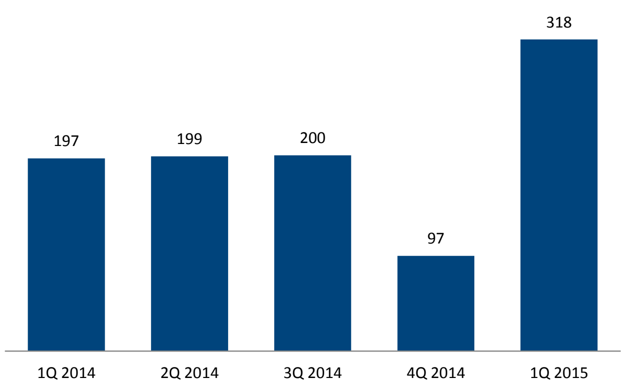


Our broader credit portfolio is composed of loans, receivables, advances in foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

At quarter end, the balance of our broader credit portfolio decreased 6% when compared with the end of 4Q 2014, primarily due to (i) higher credit standards being applied to renewals, and (ii) a higher than usual number of on-balance-sheet lending transactions maturing in the period. We continued to strengthen our provisioning levels to reflect the macro environment, maintained portfolio quality and diversification, increased our average gross spreads, and continued to apply an opportunistic approach to the portfolio growth.

Corporate Lending Detailed Results

Revenues
(in R$ million)



1Q 2015 vs. 4Q 2014

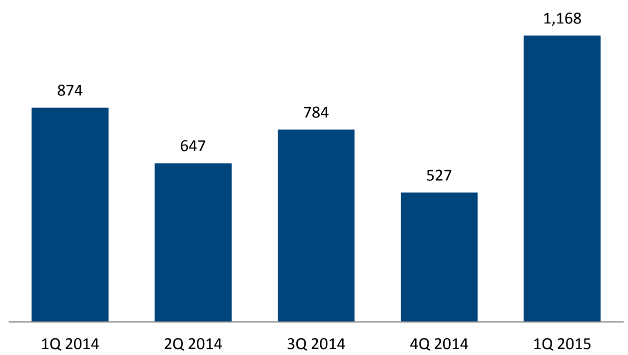
Revenues from Corporate Lending increased 227% from R$97.1 million in 4Q 2014 to R$317.8 million in 1Q 2015. Revenues were mainly impacted by (i) credit recovery in our NPL portfolios, and (ii) the normalization of revenue levels, which had been impacted on 4Q 2014 by a significant amount of provisions. In the quarter, our gross spreads increased, but net spreads remained slightly below historical levels.

1Q 2015 vs. 1Q 2014

Revenues from Corporate Lending increased 62%, from R$196.6 million to R$317.8 million, mainly due to positive contribution from credit recovery in our NPL portfolios in 1Q 2015, as mentioned above.

Sales and Trading

Revenues
(in R$ million)



1Q 2015 vs. 4Q 2014

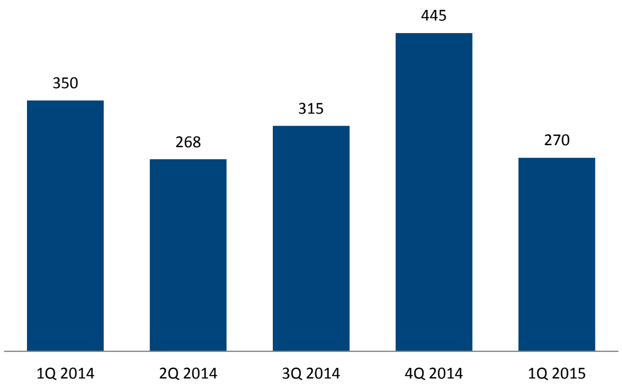
Sales and Trading revenues reached their highest level in a quarter since 2010. The R$1,168.2 million in revenues represents a 122% increase when compared to 4Q 2014. Revenue growth was mainly attributable to strong contribution from commodities desks, especially metals and grains. Rates and FX desks continue to present good client flows, delivering good performance in line with the previous periods. Our equities desks also performed well in the quarter, following the recovery of equity markets, and reverting the negative trend from previous periods.

1Q 2015 vs. 1Q 2014

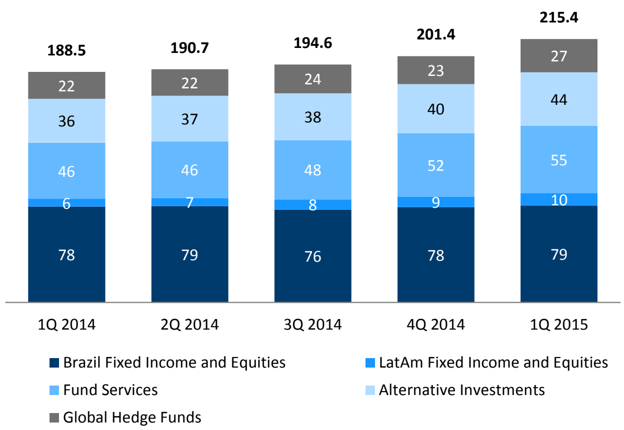
Sales and Trading revenues increased 34%, from R$873.9 million to R$1,168.2 million. The increase reflects (i) the robust performance of our global commodities desks in both quarters and (ii) a positive contribution from our equity desks in 1Q 2015.

Asset Management

Revenues
(in R$ million)



AuM & AuA by Asset Class
(in R$ billion)



1Q 2015 vs. 4Q 2014

Revenues from Asset Management decreased 39%, from R$444.6 million to R$270.5 million. The decrease was mainly due to recognition of performance fees, especially from our alternative investment funds, which were higher in 4Q 2014 when compared to 1Q 2015. Management fees, mainly from our global hedge funds, were positively impacted by the appreciation of the dollar in the quarter.

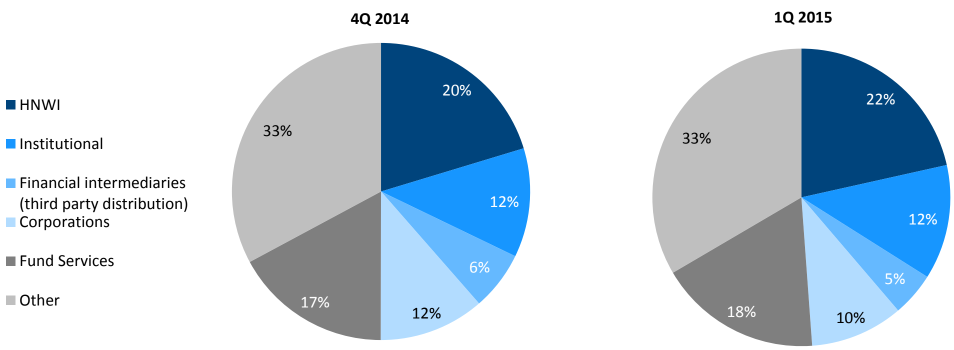
Net new money was negative R$0.9 billion in the quarter, primarily due to outflows in LatAm Fixed Income & Equities funds, especially in Brazil.

1Q 2015 vs. 1Q 2014

Revenues from Asset Management decreased 23%, from R$350.3 million to R$270.5 million. The decrease was mainly due to lower recognition of performance fees, mostly from global hedge funds, which were higher in 1Q 2014, partially offset by an increase in management fees, in line with the 14% growth of our AuM/AuA.

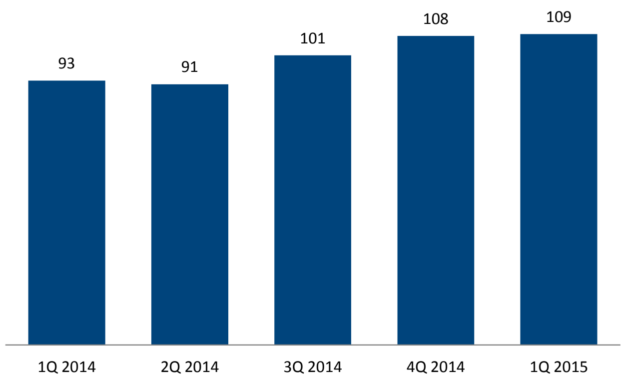
AuM and AuA by Type of Client

(%)

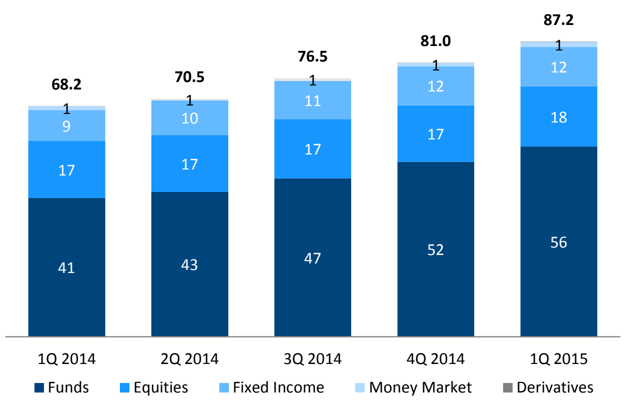


Wealth Management

Revenues
(in R$ million)



WuM by Class of Asset
(in R$ billion)



1Q 2015 vs. 4Q 2014

Revenues from Wealth Management remained stable in 1Q 2015 at R$109.2 million, compared to R$108.2 million in 4Q 2014, with slightly lower client trading activities, in line with a more volatile scenario in financial markets. WuM closed the period at R$87.2 billion, an 8% increase when compared to the end of the previous period.

NNM was positive R$0.3 billion in the quarter.

1Q 2015 vs. 1Q 2014

Revenues from Wealth Management increased 18%, from R$92.5 million to R$109.2 million, mainly due to the 28% increase in WuM in the period, from R$68.2 billion in the 1Q 2014 to R$87.2 billion in the 1Q 2015.

Principal Investments

Principal Investments Revenues (unaudited)	**Quarter**		
(in R$ million, unless otherwise stated)	**1Q 2014**	**4Q 2014**	**1Q 2015**
Global Markets	84	(597)	(35)
Merchant Banking	(35)	485	(537)
Real Estate	(163)	(20)	128
Total	**(115)**	**(132)**	**(444)**

1Q 2015 vs. 4Q 2014

Principal Investments revenues varied from losses of R$132.0 million in 4Q 2014 to losses of R$443.8 million in 1Q 2015, mainly due to negative contributions from Global Markets and Merchant Banking, partially offset by the positive contribution from Real Estate.

In the quarter, Global Markets continued to navigate the challenging trading scenario, maintaining VaR at low historical levels. In Merchant Banking, we posted negative results mainly due to (i) the 25% impairment provision recorded over our original R$ 1,118 million equity exposure in Sete Brasil and (ii) the allocation of the cost of funding to the division. We had a positive contribution from Real Estate, due to the appreciation of our investment in BR Properties in the period, following the increase in the market price of that company's shares.

1Q 2015 vs. 1Q 2014

Revenues from Principal Investments varied from losses of R$114.8 million in 1Q 2014 to losses of R$443.8 million in 1Q 2015. The change reflects (i) the positive performance of Global Markets in 1Q 2014, compared to losses in 1Q 2015, (ii) a significant negative contribution from Merchant Banking in 1Q 2015, mainly related to the Sete Brasil impairment charge discussed above and (iii) strong revenues from Real Estate in the quarter due to the increase in the market price of BR Properties' shares.

Pan

After the acquisition of Pan Seguros and Pan Corretora, concluded in 4Q 2014, we decided continue to report our share of their results together with Banco Pan's share of profits, as Pan.

1Q 2015 vs. 4Q 2014

Pan presented a loss of R$25.5 million, compared to a loss of R$2.1 million recorded in previous quarter. The negative contribution is composed of (i) loss of R$29.7 million from our share in Banco Pan, and (ii) gains of R$4.2 million from Pan Seguros and Pan Corretora.

1Q 2015 vs. 1Q 2014

Losses recognized from our investment in Pan in 1Q 2015 were smaller when compared to 1Q 2014, decreasing from a loss of R$26.9 million from Banco Pan in 1Q 2014, to a loss of R$25.5 million in 1Q 2015, as detailed above.

Interest and Other

1Q 2015 vs. 4Q 2014

Interest and Other revenues were R$523.8 million in 1Q 2015, compared to R$470.6 million in 4Q 2014. Revenues growth is in line with the increase of the average base interest rate of the Brazilian Central Bank, from 11.75% in 4Q 2014 to 12.75% in 1Q 2015, applied to the average shareholders' equity, which presented a 3% growth in the quarter.

1Q 2015 vs. 1Q 2014

Revenues from Interest and Other increased in the period, in line with (i) the increase in the average interest rate of the Central Bank of Brazil, from 10.75% in 1Q 2014 to 12.75% in 1Q 2015 and (ii) the 15% growth of our average shareholders' equity in the period.

Combined Adjusted Operating Expenses

Combined Adjusted Operating Expenses (unaudited)	Quarter			1Q 2015 % change to	
(in R$ million, unless otherwise stated)	1Q 2014	4Q 2014	1Q 2015	1Q 2014	4Q 2014
Bonus	(225)	(242)	(172)	-24%	-29%
Salaries and benefits	(159)	(197)	(215)	35%	9%
Administrative and other	(178)	(251)	(239)	34%	-5%
Goodwill amortization	(46)	(34)	(46)	0%	36%
Tax charges, other than income tax	(39)	51	(119)	206%	n.a.
Total operating expenses	**(647)**	**(673)**	**(791)**	**22%**	**18%**
Cost to income ratio	38%	42%	40%	6%	-5%
Compensation ratio	23%	28%	20%	-12%	-29%
Total number of employees	2,877	3,277	3,421	19%	4%
Partners and associate partners	208	203	247	19%	22%
Employees	2,539	2,899	2,999	18%	3%
Other	130	175	175	35%	0%

Bonus

Bonus expense was R$171.5 million in 1Q 2015, 29% lower than the previous quarter and 24% lower when compared to 1Q 2014. Such decrease is attributable to higher operating expenses, partially offset by higher operating revenues in the period (i.e., net of Interest and Other revenues, which we do not include in the bonus pool calculation). Our bonuses are determined in accordance with our profit-sharing program, and are calculated as a percentage of our adjusted, or operating, revenues (which exclude Interest and Other revenues), reduced by our operating expenses. The calculation methodology was consistently applied in all periods.

Salaries and benefits

Staff costs increased 35% and 9%, when compared to 1Q 2014 and 4Q 2014, respectively. The growth reflects (i) the appreciation of the dollar, especially in 1Q 2015 and (ii) the increase in total number of employees from 2,539 in 1Q 2014 and 2,899 in 4Q 2014 compared to 2,999 in 1Q 2015. Expenses related to salaries and benefits were R$159.1 million in 1Q 2014 and R$197.4 million in 4Q 2014, compared to R$215.3 million in 1Q 2015.

Administrative and other

Total administrative and other expenses decreased 5% in the quarter from R$250.5 million in the 4Q 2014 to R$238.7 million in the 1Q 2015, mainly due to a decrease in consultancy fee and T&E expenses, partially offset by higher FX and premises expenses related to the maintenance of our offices.

Goodwill amortization

In the 1Q 2015 we recorded amortization expenses totaling R$46.5 million, in connection with the goodwill from the acquisitions of Celfin and Bolsa y Renta. Goodwill amortization was in line with the 4Q 2014 and the 1Q 2014.

Tax charges, other than income tax

Tax charges, other than income tax, were R$118.6 million in the quarter, in line with a less favorable revenues mix, with more revenues subject to tax charges in the period. In 4Q 2014, tax charges, other than income tax were positive R$51.2 million impacted by reversal of a provision for tax contingency in Brazil, arising from a tax dispute which we won, and R$38.8 million in 1Q 2014.

Combined Adjusted Income Taxes

Combined Adjusted Income Tax (unaudited) *(in R$ million, unless otherwise stated)*	**Quarter**		
	1Q 2014	**4Q 2014**	**1Q 2015**
Income before taxes	1,059	913	1,171
Income tax and social contribution	(227)	(65)	(317)
Effective income tax rate	**21.5%**	**7.1%**	**27.0%**

Our effective income tax rate went from 7.1% (an expense of R$64.6 million) in 4Q 2014 to 27.0% (an expense of R$316.5 million) in 1Q 2015, mainly due to (i) the computation of interest on equity (JCP) in 4Q 2014 in the amount of R$298.2 million and (ii) a more favorable revenue mix in 4Q 2014, with proportionally lower pre-tax income subject to corporate taxes.

Balance Sheet

Our total assets increased 3% from R$218.3 billion in the end of 4Q 2014 to R$224.1 billion in the end of 1Q 2015, mainly due to an increase in our derivative financial instruments portfolio, mostly related to forward contracts which are booked on a gross basis. There was also an increase in our trade settlement balances accounts, included in other receivables. Our leverage ratio was 11.7x at the end of the 1Q 2015.

Following the changes in our assets, there was an increase in derivative financial instruments portfolio in the liability side, mostly related to forward contracts. Our shareholders' equity increased 3%, from R$18.7 billion at the end of 4Q 2014 to R$19.2 billion at the end of 1Q 2015, mainly due to net income of R$854.0 million for quarter ended March 31, 2015, partially offset by R$210.7 million negative impact of OCI (other comprehensive income).

Risk and Capital Management

There were no significant changes in the risk and capital management framework in the quarter.

Market Risk – Value-at-risk

Value-at-risk (unaudited) *(in R$ million, unless otherwise stated)*	Quarter		
	1Q 2014	4Q 2014	1Q 2015
Total average daily VaR	**89.3**	**87.1**	**110.9**
Average daily VaR as a % of average equity	0.54%	0.47%	0.59%

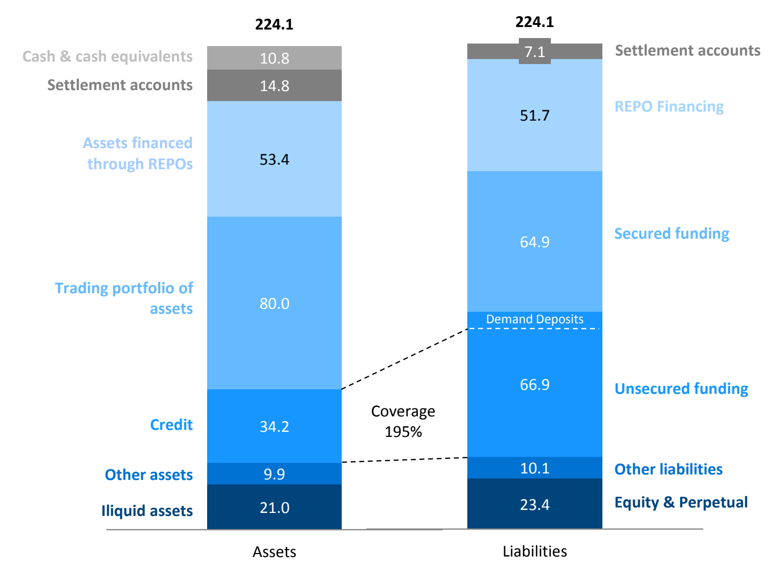
Our total average daily VaR as a percentage of our average shareholders' equity increased. This is mostly due to increase in market risk from our commodities desks in Sales and Trading, partially compensated by reduction of our risk exposures especially in Global Markets. As we have outlined in the past, that is a characteristic of our business model, in which our average VaR may vary, from time to time, due to our perceptions concerning capital deployment opportunities in the various markets in which we operate.

Liquidity Risk Analysis

The chart below summarizes the composition of assets and liabilities as of March 31, 2015:

Summarized Balance Sheet (unaudited)

(in R$ billion)



Note:

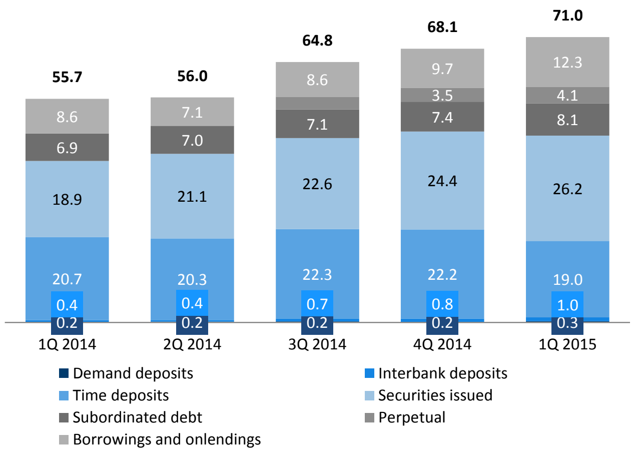
(1) From 1Q 2013 on, unsecured funding includes secured funding that uses credit or illiquid asset as collateral

Unsecured Funding Analysis

The chart below summarizes the composition of our unsecured funding base evolution:

Unsecured Funding Evolution (unaudited)

(in R$ billion)



Note:

(1) From 1Q 2013 on, time deposits includes secured funding that uses credit or illiquid asset as collateral

Our total unsecured funding increased 4% in the quarter, primarily due to (i) the issuance of private securities, (ii) increase in borrowing and onlendings and (iii) exchange rate variation in the period.

Credit Risk

The following table sets forth the distribution, by credit rating, of our credit exposures as of March 31, 2015. The rating shown below reflects our internal ratings assessment, consistently applied following the Brazilian Central Bank standard ratings scale:

Rating (unaudited) *(in R$ million)*	**1Q 2015**
AA	23,186
A	13,438
B	7,466
C	2,111
D	502
E	1,875
F	206
G	38
H	282
Total	**49,105**

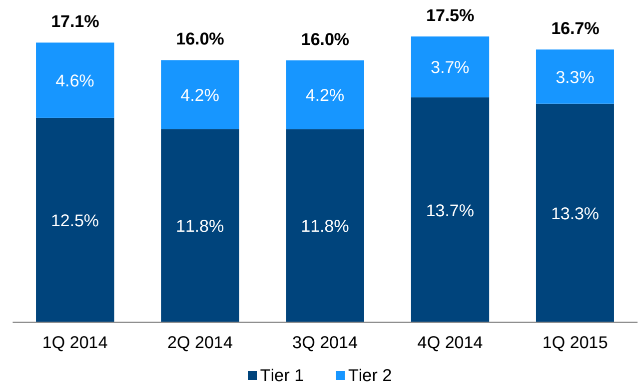
Capital Management

Banco BTG Pactual must comply with capital requirements standards established by the Brazilian Central Bank that are consistent to those proposed by the Basel Committee on Banking Supervision, under the Basel Capital Accord. Our Basel capital ratios, calculated in accordance with the Brazilian Central Bank standards and regulations, are applicable only to Banco BTG Pactual.

The Basel ratio decreased from 17.5% at the end of 4Q 2014 to 16.7% at the end of 1Q 2015. The decrease in Basel index reflects (i) an increase in market risk weighted assets mainly from our commodities desks and (ii) an increase in credit risk weighted assets, impacted by the appreciation of the dollar in the quarter.

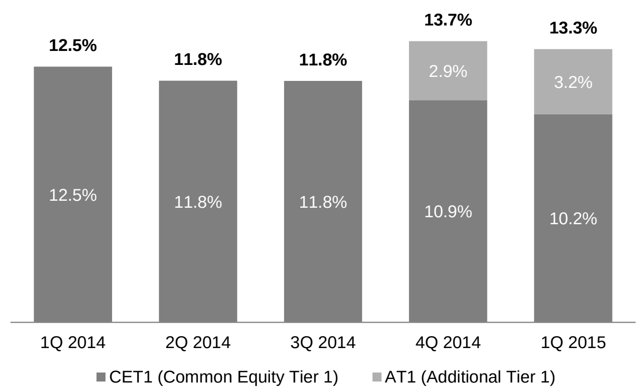
Basel Ratio (unaudited)

(%)



Tier 1: CET1 & AT1 (unaudited)

(%)



Other Matters

This document should be read together with the interim financial information of Banco BTG Pactual S.A. and BTG Participations Ltd. for the quarter ended March 31, 2015. Both the earnings release and the interim financial information are available online in the Investor Relations section at www.btgpactual.com/ir.

Exhibits

Basis for Presentation

Except where otherwise noted, the information concerning our financial condition presented in this document is based on our Combined Balance Sheet, which is prepared in accordance with Brazilian GAAP. Except where otherwise noted, the information concerning our results of operations presented in this document is based on our Combined Adjusted Income Statement, which represents a revenue breakdown by business unit net of funding costs and financial expenses allocated to such unit, and a reclassification of certain other expenses and costs.

Our Combined Adjusted Income Statement is derived from the same accounting information used for preparing our Combined Income Statement in accordance with Brazilian GAAP. The classification of the line items in our Combined Adjusted Income Statement is unaudited and materially differs from the classification and presentation of the corresponding line items in our Combined Income Statement. As explained in the notes to the Combined Financial Statements of BTG Pactual, our combined financial statements are presented with the exclusive purpose of providing, in a single set of financial statements and in one GAAP, information related to the operations of the Group and represents the combination of transactions from (i) Banco BTG Pactual S.A. and its subsidiaries, and (ii) BTG Investments LP and its subsidiaries.

Key Performance Indicators ("KPIs") and Ratios

The key performance indicators (KPIs) and ratios are monitored by management and pursued to be achieved across financial periods. Consequently, key indicators calculated based on annual results across financial periods may be more meaningful than quarterly and of any specific date results. KPIs are calculated annually and adjusted, when necessary, as part of the strategic planning process and to reflect regulatory environment or significant adverse market conditions.

This section contains the basis for presentation and the calculation of selected KPIs and ratios presented in this report.

KPIs and Ratios	Description
AuM and AuA	Assets under management and assets under administration consist of proprietary assets, third party assets, wealth management funds and/or joint investments managed or administrated among a variety of assets classes, including fixed income, equities, money market accounts, multi-market funds and private equity funds.
Cost to income ratio	It is computed by dividing the combined adjusted total operating expenses by combined adjusted total revenues.
Coverage ratio	It is computed by dividing the combined adjusted fee revenues by the sum of combined adjusted salaries and benefits and administrative and other expenses. Combined adjusted fee revenues are computed by adding the combined adjusted total revenues from investment banking, asset management and wealth management units to brokerage fees from the sales and trading unit.
Effective income tax rate	It is computed by dividing the combined adjusted income tax and social contribution or (expense) by the combined adjusted income before taxes.
Net income per unit	Net income per unit for periods before 2Q 2012 represents the combined net income divided by total pro-forma number of units pre-offering. The total pro-forma number of units pre-offering considers the combined capital of Banco BTG Pactual and BTGP comprised solely of units. Each pro-forma unit is comprised of 3 different classes of shares of Banco BTG Pactual and BTGP, which is consistent with the units offered in the IPO of April 2012, and therefore the combined capital would be comprised of 800 million units. Net Income per unit for 2Q12 and the following periods, including 6M 2012, represents the combined net income divided by total number of units in the end of period (the combined capital is

KPIs and Ratios	Description
	comprised of 905 million). This item is a non-GAAP measurement and may not be comparable to similar non-GAAP measures used by other companies.
ROAE	Annualized ROE for the periods are computed by dividing annualized combined net income by the combined average shareholders' equity. We determine the average shareholders' equity based on the initial and final net equity for the quarter.
VaR	The VaR numbers reported are calculated on a one-day time horizon, a 95.0% confidence level and a one-year look-back window. A 95.0% confidence level means that there is a 1 in 20 chance that daily trading net revenues will fall below the VaR estimated. Thus, shortfalls from expected trading net revenues on a single trading day greater than the reported VaR would be anticipated to occur, on average, about once a month. Shortfalls on a single day can exceed reported VaR by significant amounts and they can also occur more frequently or accumulate over a longer time horizon, such as a number of consecutive trading days. Given its reliance on historical data, the accuracy of VaR is limited in its ability to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate predictions of future market risk. Different VaR methodologies and distributional assumptions can produce materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day. "Stress Test" modeling is used as a complement of VaR in the daily risk management activities.
WuM	Wealth under management consists of private wealth clients' assets that we manage across a variety of asset classes, including fixed income, money market, multi-asset funds and merchant banking funds. A portion of our WuM is also allocated to our AuM to the extent that our wealth management clients invest in our asset management products.
Leverage Ratio	Leverage Ratio is computed by dividing the total assets by the combined shareholders' equity.

Selected Combined Financial Data

Balance Sheet (unaudited) (in R$ million, unless otherwise stated)	Quarter			1Q 2015 % change to	
	1Q 2014	4Q 2014	1Q 2015	1Q 2014	4Q 2014
Assets					
Cash and bank deposits	709	1,674	2,399	238%	43%
Interbank investments	37,760	44,435	41,080	9%	-8%
Marketable securities and derivatives	92,106	107,159	108,092	17%	1%
Interbank transactions	401	1,164	1,133	183%	-3%
Loans	14,561	18,147	18,422	27%	2%
Other receivables	41,716	37,730	43,529	4%	15%
Other assets	65	220	239	267%	9%
Permanent assets	6,621	7,796	9,196	39%	18%
Total assets	**193,939**	**218,326**	**224,089**	**16%**	**3%**
Liabilities					
Deposits	18,058	18,086	15,111	-16%	-16%
Open market funding	65,950	70,731	66,409	1%	-6%
Funds from securities issued and accepted	18,922	25,013	26,983	43%	8%
Interbank transactions	7	3	9	32%	209%
Loans and onlendings	8,619	9,709	12,325	43%	27%
Derivatives	19,465	34,832	39,554	103%	14%
Subordinated liabilities	6,858	10,916	12,202	78%	12%
Other liabilities	38,706	29,418	31,514	-19%	7%
Deferred income	113	171	182	60%	6%
Shareholders'equity	**16,908**	**18,678**	**19,215**	**14%**	**3%**
Non-controlling interest	332	768	585	76%	-24%
Total liabilities	**193,939**	**218,326**	**224,089**	**16%**	**3%**

Combined Adjusted Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			1Q 2015 % change to	
	1Q 2014	4Q 2014	1Q 2015	1Q 2014	4Q 2014
Investment banking	70	72	41	-42%	-43%
Corporate lending	197	97	318	62%	227%
Sales and trading	874	527	1,168	34%	122%
Asset management	350	445	270	-23%	-39%
Wealth management	93	108	109	18%	1%
Principal investments	(115)	(132)	(444)	n.a.	n.a.
Pan	(27)	(2)	(25)	n.a.	n.a.
Interest and other	264	471	524	98%	11%
Total revenues	**1,706**	**1,586**	**1,961**	**15%**	**24%**
Bonus	(225)	(242)	(172)	-24%	-29%
Salaries and benefits	(159)	(197)	(215)	35%	9%
Administrative and other	(178)	(251)	(239)	34%	-5%
Goodwill amortization	(46)	(34)	(46)	0%	36%
Tax charges, other than income tax	(39)	51	(119)	206%	n.a.
Total operating expenses	**(647)**	**(673)**	**(791)**	**22%**	**18%**
Income before taxes	**1,059**	**913**	**1,171**	**11%**	**28%**
Income tax and social contribution	(227)	(65)	(317)	39%	390%
Net Income	**832**	**848**	**854**	**3%**	**1%**

Selected Individual Financial Data

The information presented on the tables below is based on the consolidated financial statements of Banco BTG Pactual prepared in accordance with Brazilian GAAP ("BR GAAP") and BTG Investments LP ("BTGI"), a subsidiary of BTGP, prepared in accordance with International Financial Reporting Standards (IFRS):

Balance Sheet (unaudited)	**Banco BTG Pactual S.A.**		**BTG Investments LP.**	
(in R$ million, unless otherwise stated)	**4Q 2014**	**1Q 2015**	**4Q 2014**	**1Q 2015**
Assets				
Cash and bank deposits	1,585	2,281	1,299	1,201
Interbank investments	37,172	35,733	8,796	6,541
Marketable securities and derivatives	67,738	76,001	36,104	30,718
Interbank transactions	1,164	1,133	-	-
Loans	16,203	15,851	2,194	2,726
Other receivables	32,282	37,930	5,467	5,885
Other assets	220	239	0	0
Permanent asset	6,299	7,788	1,434	1,337
Total assets	**162,663**	**176,956**	**55,294**	**48,409**
Liabilities				
Deposits	19,292	17,153	-	-
Open market funding	38,400	41,704	33,863	25,899
Funds from securities issued and accepted	20,784	22,375	4,406	5,044
Interbank transactions	3	9	-	-
Loans and onlendings	6,869	9,003	2,670	3,151
Derivatives	30,075	36,127	1,598	1,130
Subordinated liabilities	10,916	12,202	-	-
Other liabilities	20,826	22,300	8,608	9,236
Deferred income	171	182	-	-
Shareholders' equity	**14,733**	**15,522**	**3,973**	**3,740**
Non-controlling interest	593	377	175	207
Total liabilities	**162,663**	**176,956**	**55,294**	**48,409**

Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	Banco BTG Pactual S.A.		BTG Investments LP.	
	4Q 2014	1Q 2015	4Q 2014	1Q 2015
Financial income	3,021	4,168	(86)	190
Financial expenses	(3,309)	(5,392)	(219)	(415)
Gross financial income	**(288)**	**(1,224)**	**(305)**	**(225)**
Other operating income (expenses)	662	1,014	186	(171)
Operating income	**374**	**(210)**	**(119)**	**(396)**
Non-operating income/(expenses)	34	0	(17)	-
Income before taxes and profit sharing	**408**	**(210)**	**(136)**	**(396)**
Income and social contribution taxes	431	1,221	(5)	(0)
Statutory profit sharing	(274)	(152)	-	-
Non-controlling interest	**193**	**79**	**-**	**-**
Net income	**758**	**937**	**(141)**	**(396)**

The table below presents the consolidation adjustments, IFRS adjustments and effects of the reclassification of the net exposure to US Dollar (conversion adjustment) from the combined income statement to the shareholders' equity in order to eliminate gain and losses resulting from the conversion process of the consolidated financial statements of BTGI, as it is explained in the notes to the Combined Financial Statements of BTG Pactual.

Reconciliation (unaudited) *(in R$ million, unless otherwise stated)*	Balance Sheet		Income Statement	
	4Q 2014	1Q 2015	4Q 2014	1Q 2015
Banco BTG Pactual - BR GAAP	162,663	176,956	758	937
BTG Investments - IFRS	55,294	48,409	(141)	(396)
Total	217,956	225,365	617	541
Conversion adjustments from IFRS to BR GAAP	3,312	2,460	(111)	(338)
Consolidation and conversion adjustments	(2,943)	(3,736)	343	651
Combined balances	**218,326**	**224,089**	**848**	**854**

Selected Presentation Differences

The table presents a summary of certain material differences between the Combined Adjusted Income Statement and the Combined Income Statement prepared in accordance to the BR GAAP:

	Combined Adjusted Income Statement	Combined Income Statement
Revenues	• Revenues segregated by business unit, which is the functional view used by our management to monitor our performance • Each transaction allocated to a business unit, and the associated revenue, net of transaction and funding costs (when applicable), is reported as generated by such business unit	• Revenues are presented in accordance with BRGAAP and standards established by COSIF • Segregation of revenues follows the contractual nature of the transactions and is aligned with the classification of the assets and liabilities - from which such revenues are derived • Revenues are presented without deduction of corresponding financial or transaction costs
Expenses	• Revenues are net of certain expenses, such as trading losses, as well as transaction costs and funding costs • Revenues are net of cost of funding of our net equity (recorded at “interest and other”) • SG&A expenses incurred to support our operations are presented separately	• Breakdown of expenses in accordance with COSIF • Financial expenses and trading losses presented as separate line items and not deducted from the financial revenues with which they are associated • Transactions costs are capitalized as part of the acquisition cost of assets and liabilities in our inventory • SG&A expenses incurred to support our operations are presented separately in our combined income statement
Principal Investments Revenues	• Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations • Revenues are reduced by associated transaction costs and by management and performance fees paid	• Revenues included in different revenue line items (marketable securities, derivative financial income and equity pick-up up from subsidiaries) • Losses, including trading losses and derivative expenses, presented as financial expenses
Sales and Trading Revenues	• Revenues net of funding costs (including cost of net equity) and of trading losses, including losses from derivatives and from foreign exchange variations • Revenues deducted from transaction costs	• Revenues included in numerous revenue line items (marketable securities, derivative financial income, foreign exchange and compulsory investments) • Losses, including trading losses, derivative expenses and funding and borrowings costs, presented as financial expenses
Corporate Lending Revenues	• Revenues net of funding costs (including cost of net equity)	• Revenues included in certain revenue line items (credit operations, marketable securities and derivative financial income) • Losses, including derivative expenses, presented as financial expenses
Banco Pan Revenues	• Revenues consist of the equity pick-up from our investment, presented net of funding costs (including cost of net equity)	• Revenues from equity pick-up recorded as equity pickup from subsidiaries
Salaries and Benefits	• Salaries and benefits include compensation expenses and social security contributions	• Generally recorded as personnel expenses
Bonus	• Bonus include cash profit-sharing plan expenses (% of our net revenues)	• Generally recorded as employees’ statutory profit-sharing
Administrative and Other	• Administrative and Others are consulting fees, offices, IT, travel and entertainment expenses, as well as other general expenses	• Generally recorded as other administrative expenses, and other operating expenses
Goodwill amortization	• Goodwill amortization of investments in operating subsidiaries other than merchant banking investments	• Generally recorded as other operating expenses
Tax charges, other than income tax	• Tax expenses are comprised of taxes applicable to our revenues not considered by us as transaction costs due to their nature (PIS, Cofins and ISS)	• Generally recorded as tax charges other than income taxes
Income tax and social contribution	• Income tax and other taxes applicable to net profits	• Generally recorded as income tax and social contribution

The differences discussed above are not exhaustive and should not be construed as a reconciliation of the Combined Adjusted income statement to the combined income statement or combined financial statements. The business units presented in the Combined Adjusted income statement should not be presumed to be operating segments under IFRS because our management does not solely rely on such information for decision making purposes. Accordingly, the Combined Adjusted income statement contains data about the business, operating and financial results that are not directly comparable to the combined income statement or the combined financial statements and should not be considered in isolation or as an alternative to such combined income statement or combined financial statements. In addition, although our management believes that the Combined Adjusted income statement is useful for evaluating our performance; the Combined Adjusted income statement is not based on Brazilian GAAP, IFRS, U.S. GAAP or any other generally recognized accounting principles.

Forward-looking statements

This document may contain estimates and forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements may appear throughout this document. These estimates and forward-looking statements are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result you should not make any investment decision on the basis of the forward-looking statements contained herein.

Rounding

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.

Glossary

Alternext	Alternext Amsterdam
BM&FBOVESPA	The São Paulo Stock Exchange (BM&FBOVESPA S.A. – *Bolsa de Valores, Mercadorias e Futuros*).
BR Properties	BR Properties S.A.
CMN	The Brazilian National Monetary Council (Conselho Monetário Nacional).
ECB LTRO	European central Bank Long-term repo operation.
ECM	Equity Capital Markets.
Euronext	NYSE Euronext Amsterdam
HNWI	High net worth individuals
IPCA	The inflation rate is the Consumer Price Index, as calculated by the IBGE.
M&A	Mergers and Acquisitions.
NNM	Net New Money
GDP	Gross Domestic Product.
Selic	The benchmark interest rate payable to holders of some securities issued by the Brazilian government.

Earnings Release - First Quarter 2015

May 6, 2015 (after market closes)

English Conference Call
May 7, 2015 (Thursday)
12:00 PM (New York) / 1:00 PM (Brasília)
Phone: +1 (412) 317-6776

Code: BTG Pactual

Replay until 05/13: +1 (412) 317-0088

Code: 10064212

Portuguese Conference Call
May 7, 2015 (Thursday)
10:00 AM (New York) / 11:00 AM (Brasília)
Phone: +55 (11) 2188-0155
Phone: +55 (11) 3193-8000

Code: BTG Pactual

Replay until 05/13: +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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