

## **MATERIAL FACT**

### **BANCO BTG PACTUAL S.A.**

Publicly-held Company  
Corporate Taxpayer's ID (CNPJ/MF) 30.306.294/0001-45  
Praia de Botafogo, 501, 6<sup>th</sup> floor  
Rio de Janeiro, RJ, Brazil

Banco BTG Pactual S.A. ("BTG Pactual"), in compliance with CVM Instruction 358 dated January 3<sup>rd</sup>, 2002, as amended, and in connection with the Notice to the Market of BTG Pactual dated as of May 14, 2014, hereby informs its shareholders and the market in general about the execution of a binding agreement to acquire all of the shares of BSI SA, a Swiss private bank indirectly owned by Assicurazioni Generali S.p.A. ("Seller"). The total purchase consideration envisaged for the transaction, subject to potential adjustments in accordance with the terms of the agreement, is CHF 1.5 billion ("Consideration"), to be paid in the proportion of 80% in cash and 20% in BBTG11 Units. In order to implement such payment structure, on the closing date (i) BSI shares representing 84% of the Consideration will be directly acquired by an international subsidiary of Banco BTGP ("International Subsidiary"); and (ii) a Brazilian vehicle owned by the Seller and holding BSI shares representing 16% of the Consideration will be merged into BTG Pactual. Upon the authorization of the Brazilian Central Bank in relation to such merger, (i) the shares issued by BTG Pactual in the context of the merger shall be used by the Seller to form BBTG11 Units; and (ii) the remaining part of BSI shares owned by BTG Pactual as a result of the merger shall be contributed to the International Subsidiary, which will be the owner of the totality of BSI's share capital.

BSI will become BTG Pactual's global wealth management platform and will continue to operate under the BSI brand and identity. BSI brings 140 years of private banking heritage, around US\$100 billion in client assets, and a global presence with approximately 2,000 employees in more than 10 countries around the world.

The combination of BTG Pactual and BSI creates an international wealth and asset management business with more than US\$200 billion in Assets under Management present in most major financial centers. The transaction creates an international private banking platform with a strong capital base that can offer its clients innovative and tailored investment solutions, global reach and a premier client service.

The conclusion and closing of the transaction are subject to the customary conditions for this type of transaction, including the obtaining of all necessary Brazilian and non-Brazilian regulatory approvals, including the Brazilian Central Bank approval. Lastly, we clarify that the transaction will not be subject to the shareholders' approval provided in Article 256 of the Brazilian Corporate Law in accordance with the rules and proceedings established by the CVM (Oficio-Circular CVM/SEP/N.º01/2014).

Rio de Janeiro, July 14<sup>th</sup>, 2014

**João Marcello Dantas Leite**  
Investor Relations Officer