



Earnings Release Fourth Quarter 2014

Conference Call Presentation
February 26, 2015

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Earnings Release – Fourth Quarter 2014

English Conference Call

February 26, 2015 (Thursday)

11:00 am (New York) / 01:00 pm (Brasília)

Phone: +1 (412) 317-6776

Code: BTG Pactual

Replay: +1 (412) 317-0088

Code: 10060738

Portuguese Conference Call

February 26, 2015 (Thursday)

09:00 am (New York) / 11:00 am (Brasília)

Phone: +55 (11) 2188-0155

Code: BTG Pactual

Replay: +55 (11) 3193-8150

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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

Email: ri@btgpactual.com

Phone: +55 (11) 3383-2000

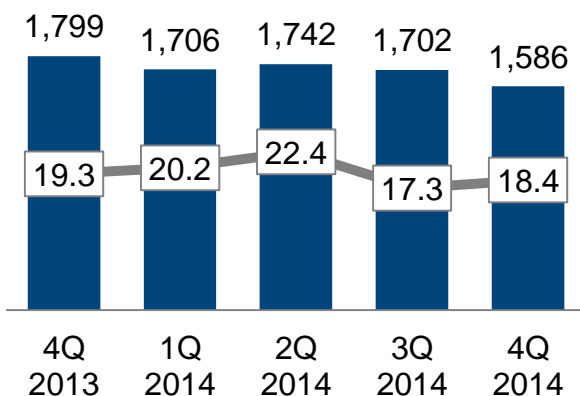
Fax: +55 (11) 3383-2001

Performance Summary | 4Q 2014

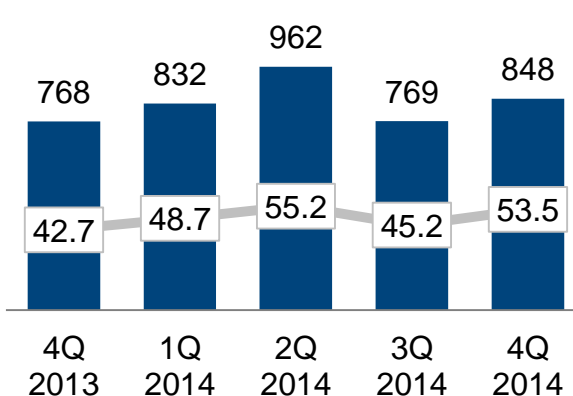
4Q 2014 net income 10% above 3Q 2014 and 4Q 2013

- 1** For the 4th quarter, total revenues and net income reached R\$1.6 billion and R\$848 million, respectively
 - Annualized ROAE of 18.4%
 - Net income at R\$0.94 per unit
- 2** Expenses remain under control
 - Cost to income ratio at 42% for the quarter
 - Compensation ratio at 28% for the quarter
- 3** Total assets at R\$218.3 billion, 7% higher when compared to 3Q 2014, and our Basel ratio was 17.5%
 - VaR in the quarter remained stable at R\$87.1 million, or 0.47% of average shareholders equity, keeping historically low levels

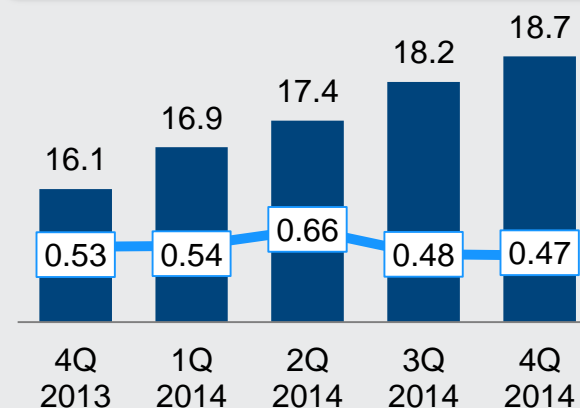
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders Equity (R\$ billion)



Revenues ROAE (%)

Net income Net margin (%)

Shareholders Equity
Avg. daily VaR / avg. equity (%)



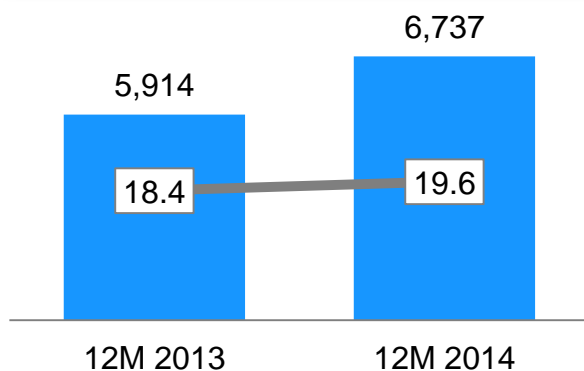
Notes:
* Balance sheet items represents end of period data

Performance Summary | Full Year 2014

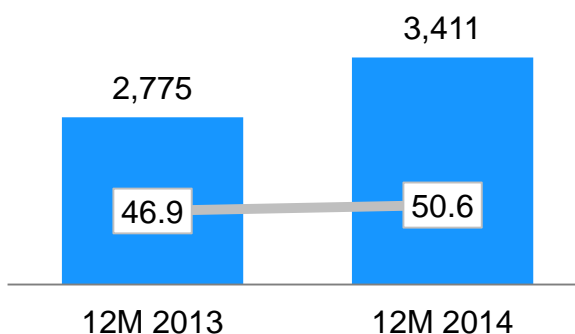
ROAE remained at sound levels in a challenging year for LatAm Principal Investments and Corporate Lending

- 1 Solid revenue growth during the year**
 - Total revenues and net income reaching R\$6.7 billion and R\$3.4 billion, respectively
 - Year to date annualized ROAE of 19.6%
- 2 Maintenance of strong KPIs in line with our expectations**
 - Cost to income ratio remained stable at 41% when compared to 2013
 - Compensation ratio at 23%
 - Net margin at 51%
- 3 Shareholders' equity increased 16% year on year**

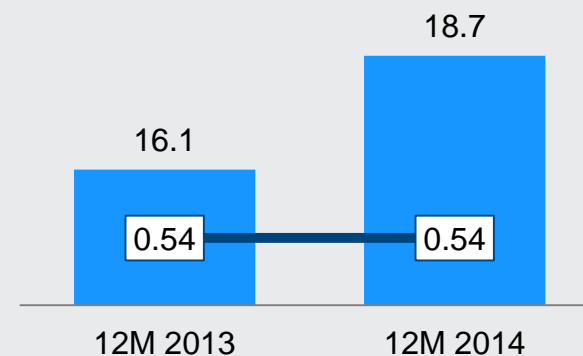
Revenues (R\$ million)



Net Income (R\$ million)



Shareholders Equity (R\$ billion)



Revenues ROAE (%)

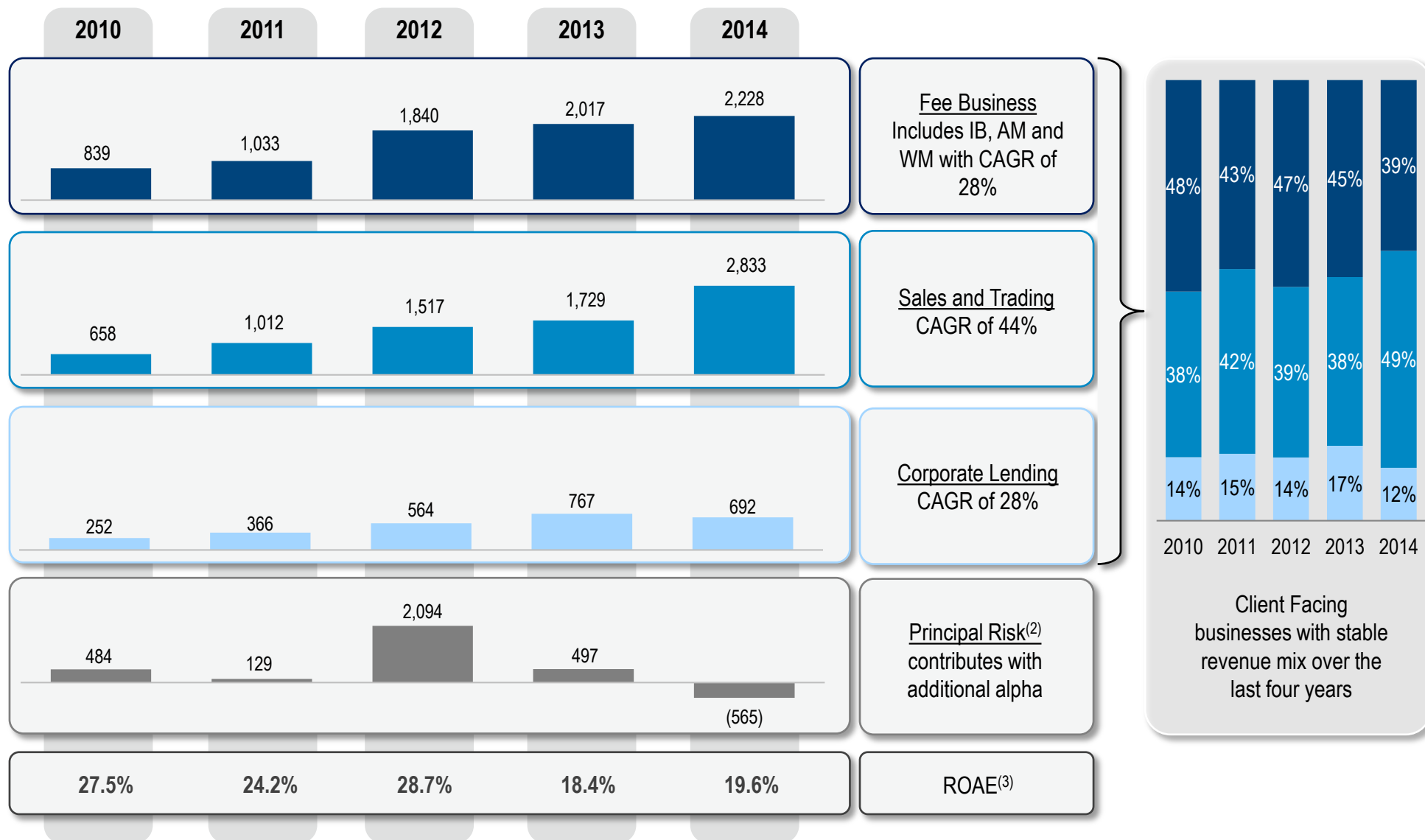
Net income Net margin (%)

Shareholders Equity
Avg. daily VaR / avg. equity (%)



Notes:
* Balance sheet items represents end of period data

Revenue Mix



Note:

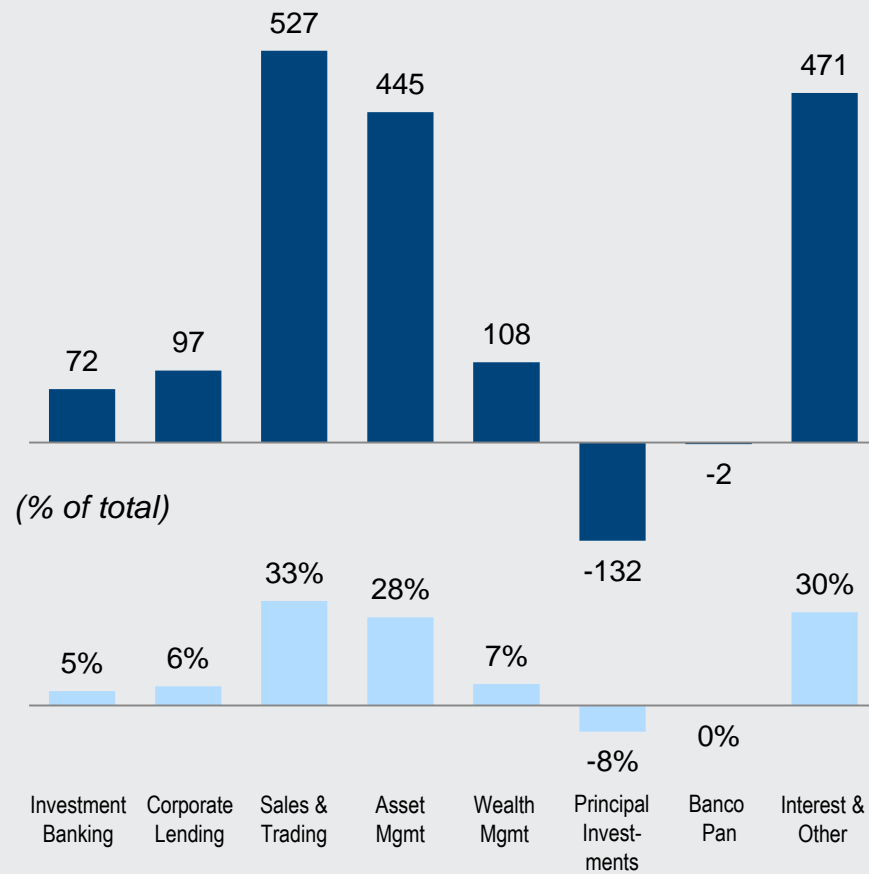
- * Revenue mix does not consider revenues from Interest and Others
- (1) Principal Risk revenues includes our Principal Investment unit and revenues from Banco Pan
- (2) Return on average equity for BTG Pactual

Total Revenues | Business Units Breakdown

Good performance from our franchise businesses

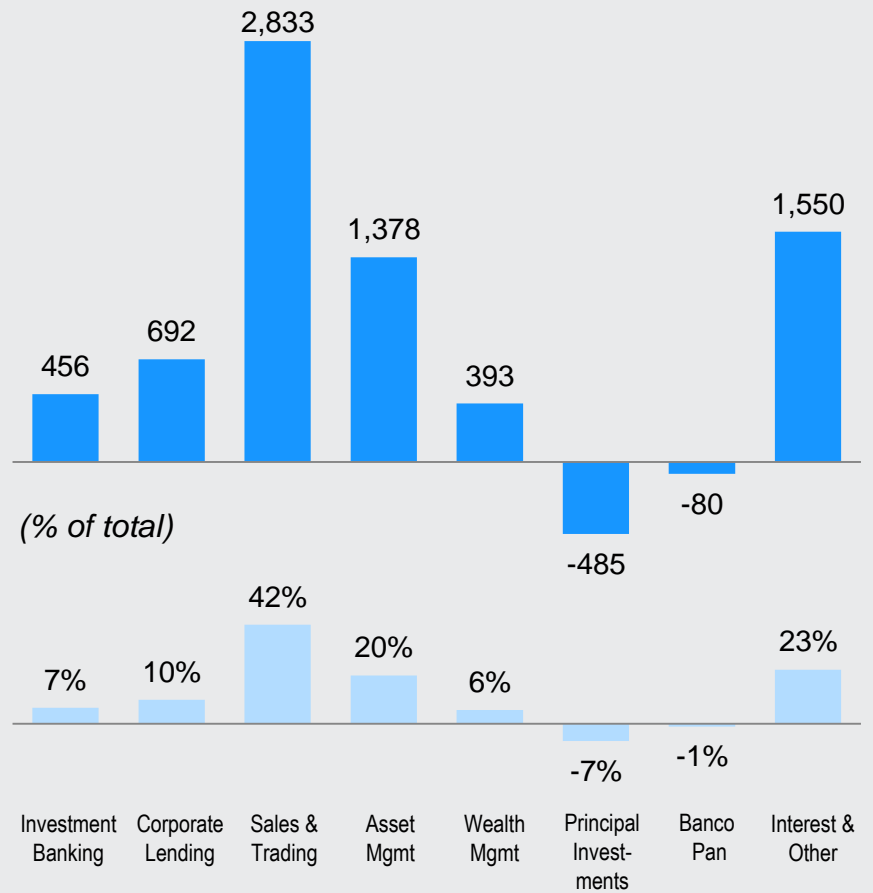
4th Quarter 2014

Total Revenues = R\$1.6 billion
(R\$m)



Full Year 2014

Total Revenues = R\$6.7 billion
(R\$m)





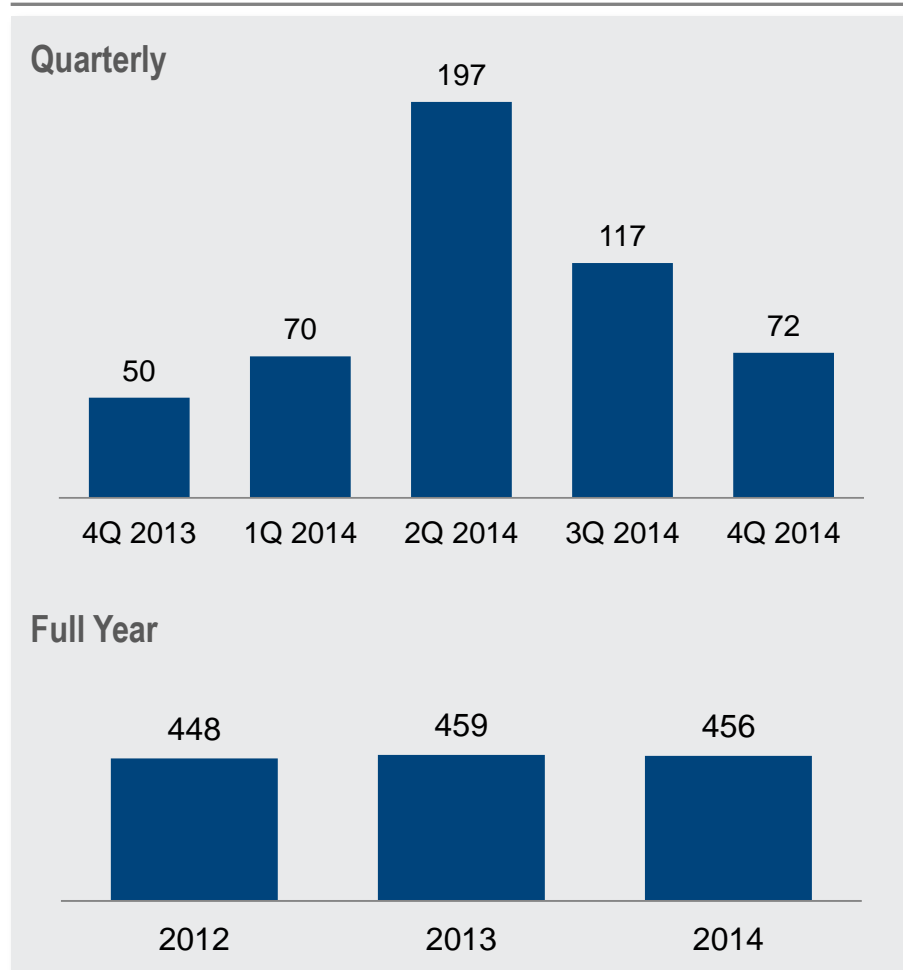
Section 1

Business Areas

Investment Banking

Solid revenues in the year driven by Financial Advisory, while capital markets activity in LatAm continues weak.

Revenues (R\$ million)



Overview of 4Q 2014

- Financial Advisory revenues were lower in the quarter, but we continue to see sound market activity, and to keep a strong market share.
- Lower revenues in equity and debt underwriting, as a result of weaker activity in capital markets in LatAm, especially in Brazil.

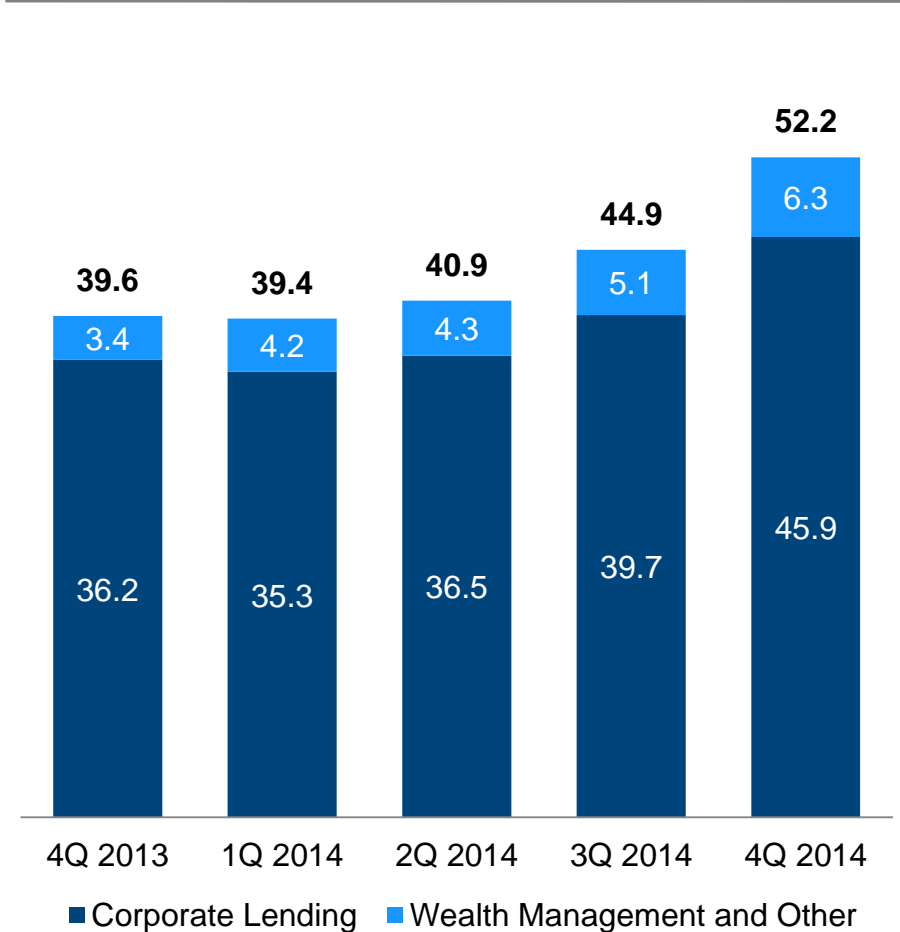
Corporate Lending

Corporate Lending revenues were mainly impacted by the increase in our allowance for loan losses, mostly related to a specific event. On the other hand, credit portfolio had strong growth, due to increased demand in the period.

Corporate Lending Revenues (R\$ mm)



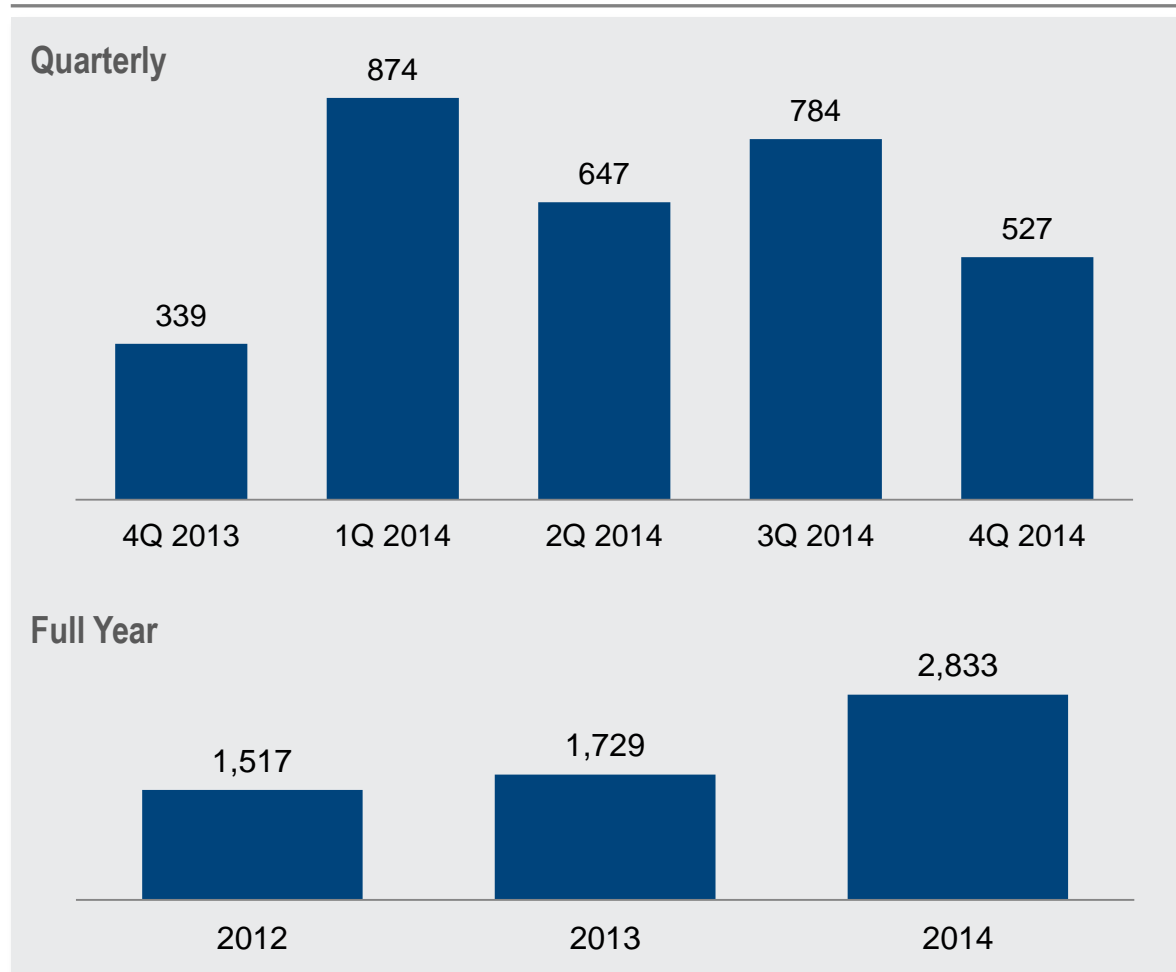
Broader Credit Portfolio Breakdown (R\$ bn)



Sales and Trading

Continuing strong Sales and Trading performance mainly driven by FICC desks, especially in Commodities and FX.

Revenues (R\$ million)



Sales and Trading revenues were driven by:

- Strong performance from our commodities desks, especially in grains and metals
- FX and Rates desks continued to perform benefiting from trading volumes and volatility
- Equities desks presented weak performance especially due to certain block trades

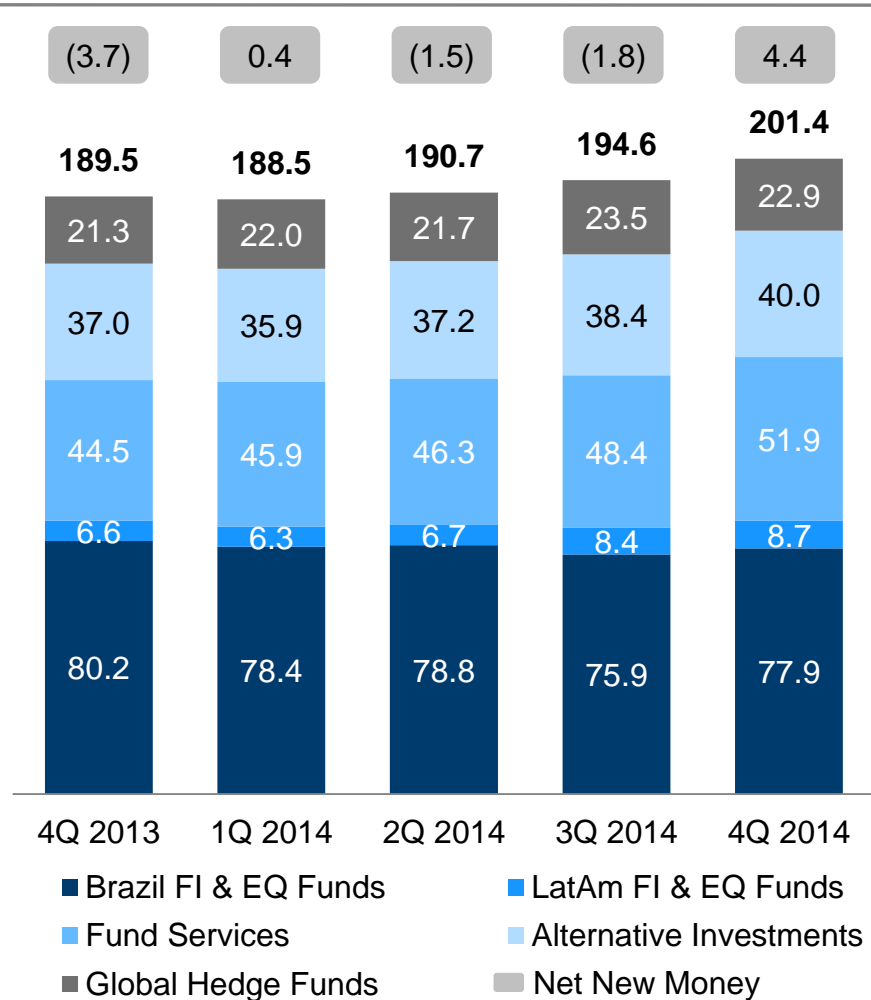
Asset Management

Revenue growth in the quarter is mainly due to performance fees from Alternative Investment funds. Strong Net New Money in the quarter, especially in Brazil Fixed Income & Equities funds and Fund Services.

Revenues (R\$ million)



AuM and AuA (R\$ billion)



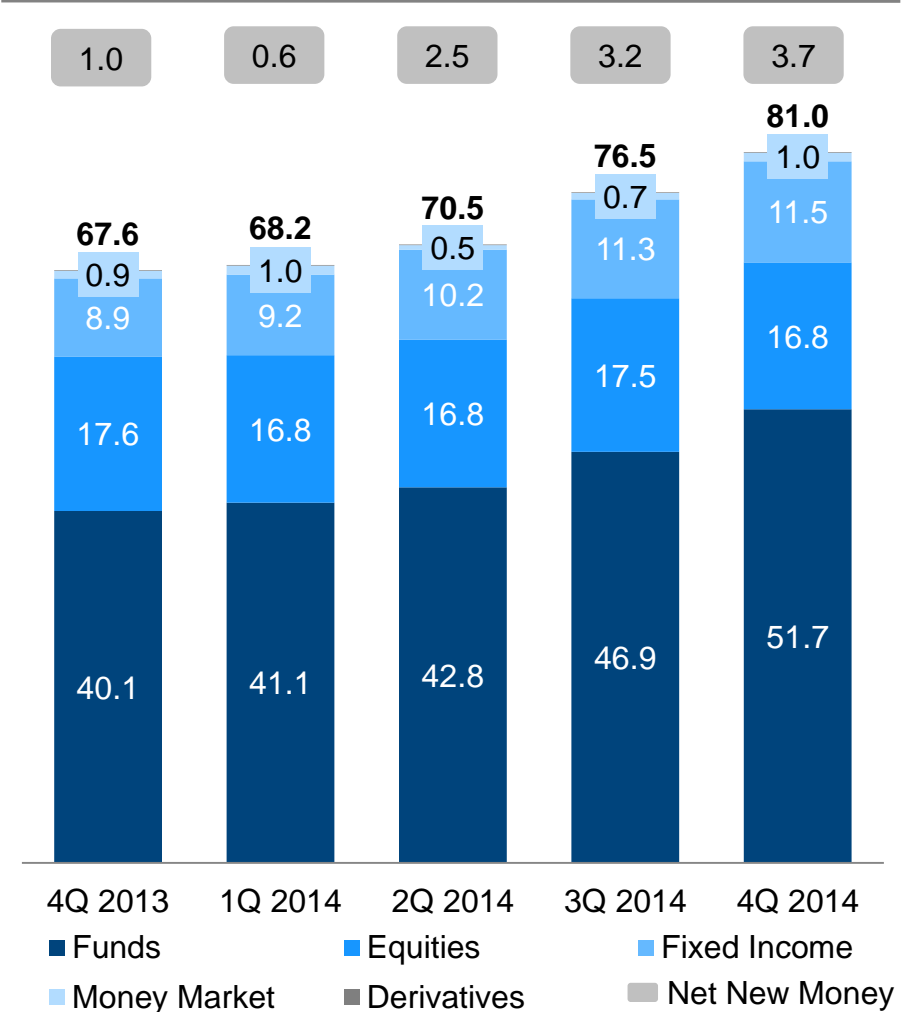
Wealth Management

Good performance in Wealth Management, mainly due to growth in WuM and higher fees from trading activities
 – WuM presented consistent growth in 2014.

Revenues (R\$ million)



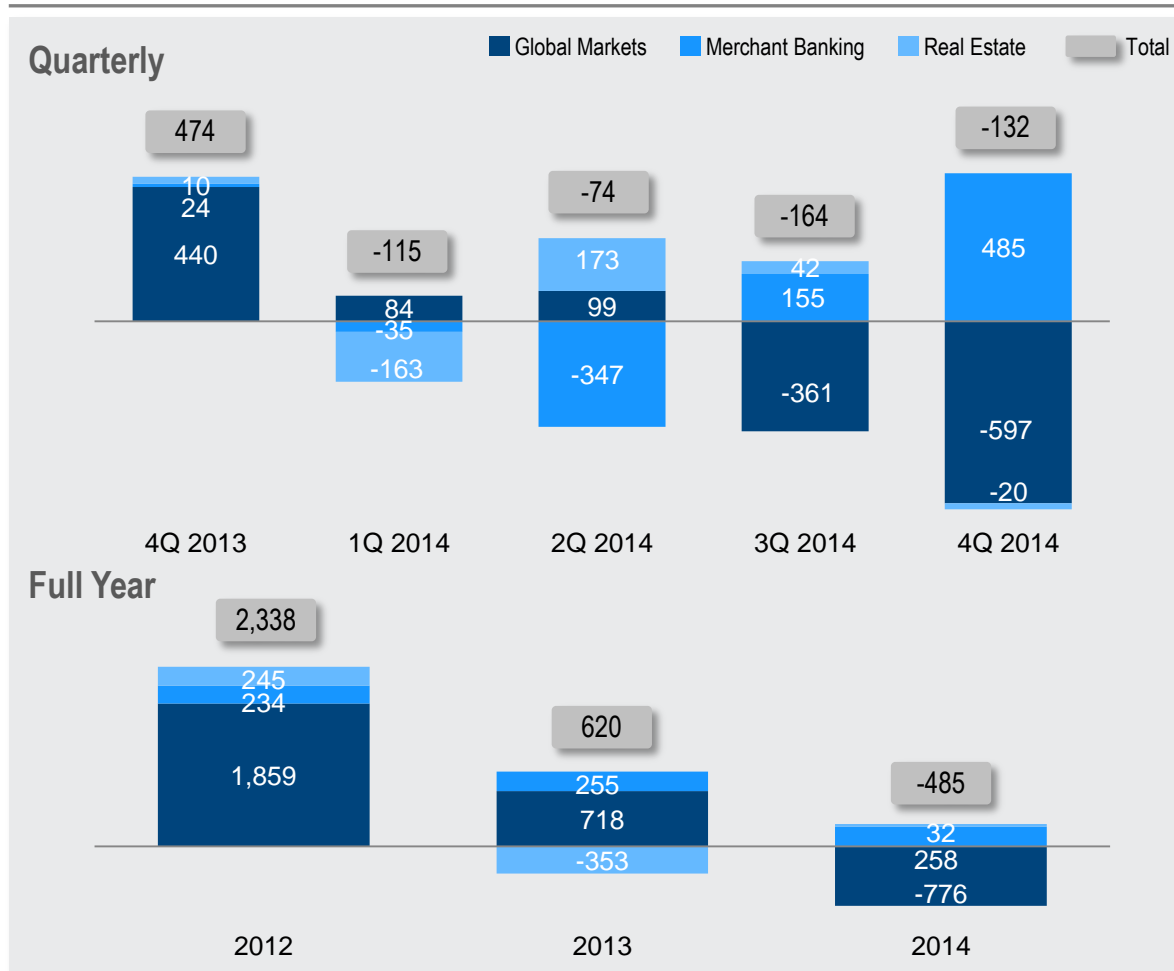
WuM (R\$ billion)



Principal Investments

Performance for the 4Q 2014 reflects negative contribution from Global Markets, partially compensated by positive contribution from Merchant Banking.

Revenues (R\$ million)



Negative results in Global Markets especially from our credit fixed income strategies in emerging and global portfolios.

Positive Merchant Banking revenues, impacted by the sale of our investment in *Túneis de Barcelona*, and gains from an equity kicker held by BTG Investments.

Real Estate revenues reflect the net effect of the decrease in the average share price, offset by the reversal of the pricing reserve, on our investment in BR Properties.



Section 2

Expenses

Expenses and Main Ratios

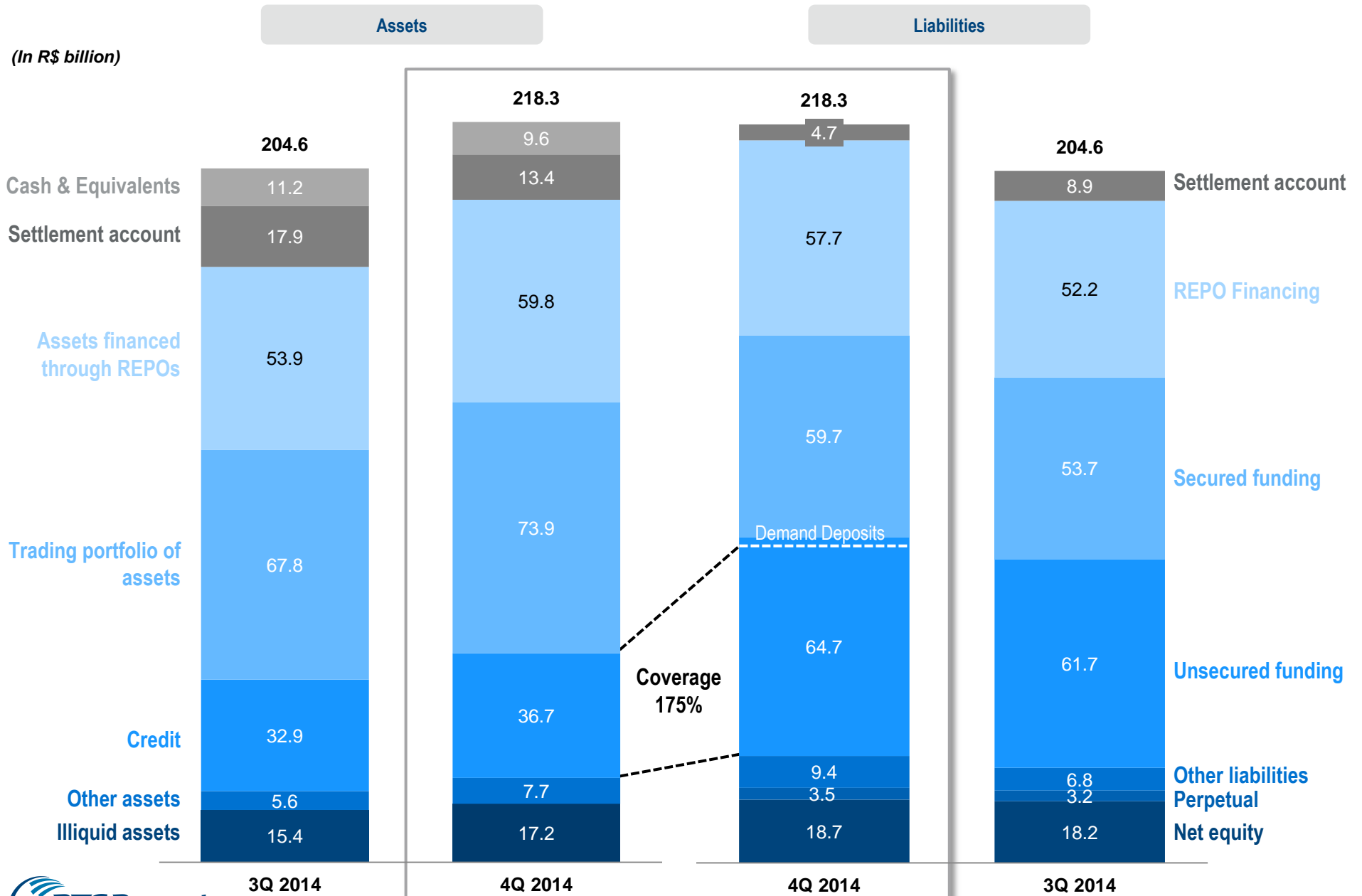
<i>(in R\$ mm, unless stated)</i>	Quarter			4Q 2014 % change to		Full Year		2014 % change to
	4Q 2013	3Q 2014	4Q 2014	4Q 2013	3Q 2014	2013	2014	2013
Bonus	(400)	(145)	(242)	-40%	66%	(947)	(845)	-11%
Salaries and benefits	(135)	(175)	(197)	47%	13%	(494)	(695)	41%
Administrative and other	(204)	(259)	(251)	23%	-3%	(648)	(904)	39%
Goodwill amortization	(53)	(41)	(34)	-35%	-16%	(192)	(161)	-16%
Tax charges, other than income tax	(88)	(82)	51	-158%	-162%	(267)	(155)	-42%
Total operating expenses	(880)	(702)	(673)	-24%	-4%	(2,548)	(2,759)	8%
Cost to income ratio	49%	41%	42%			43%	41%	
Compensation ratio	30%	19%	28%			24%	23%	
Income tax and social contribution	(151)	(231)	(65)	-57%	-72%	(591)	(567)	-4%
Effective income tax rate	16.4%	23.1%	7.1%			17.5%	14.2%	



Section 3

Balance Sheet

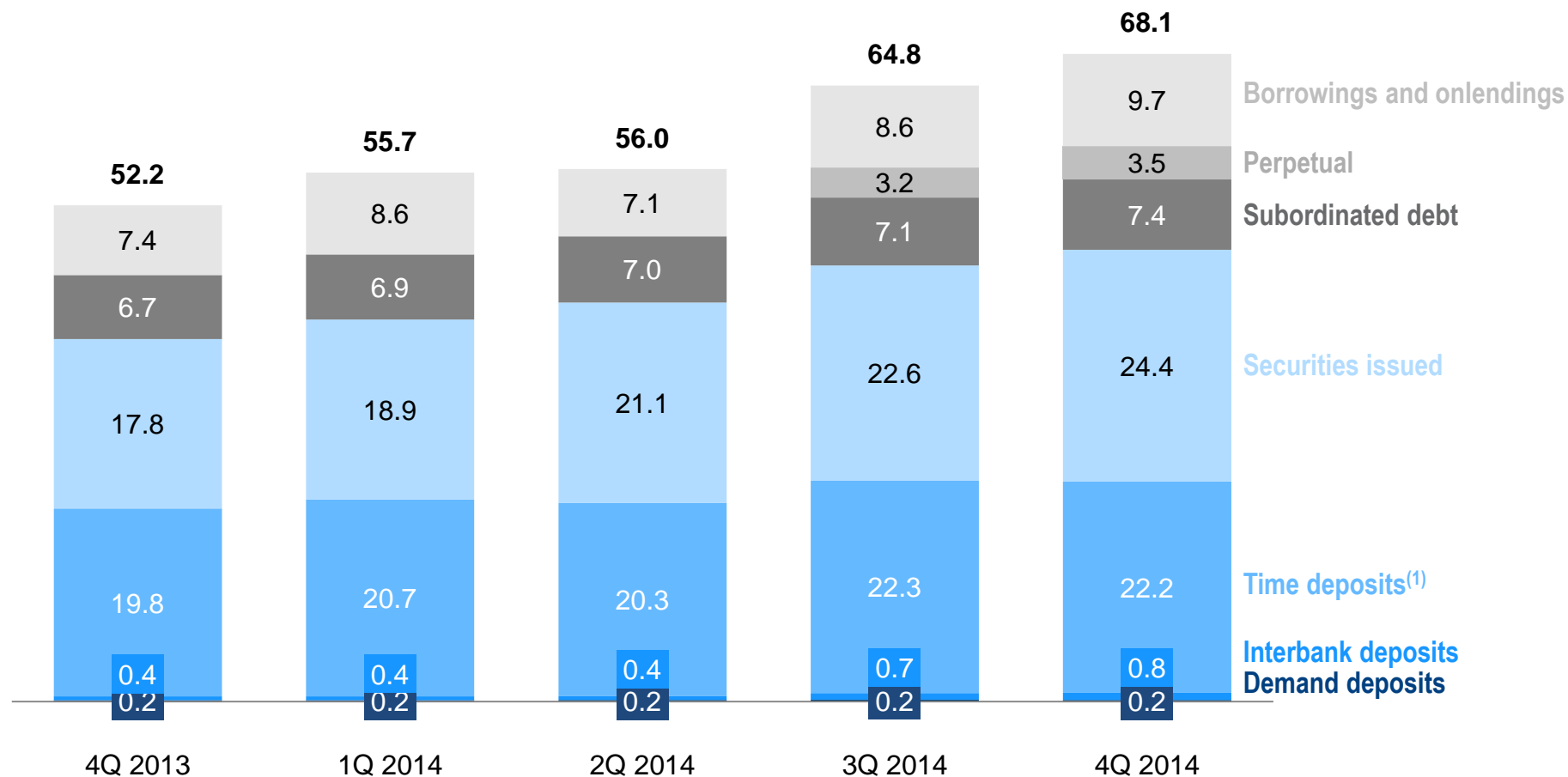
Balance Sheet Analysis



Unsecured Funding Base

In the 4Q 2014 our unsecured funding base increased 5%, mainly due to the issuance of private securities, increase in borrowing and onlendings and exchange rate variation in the period.

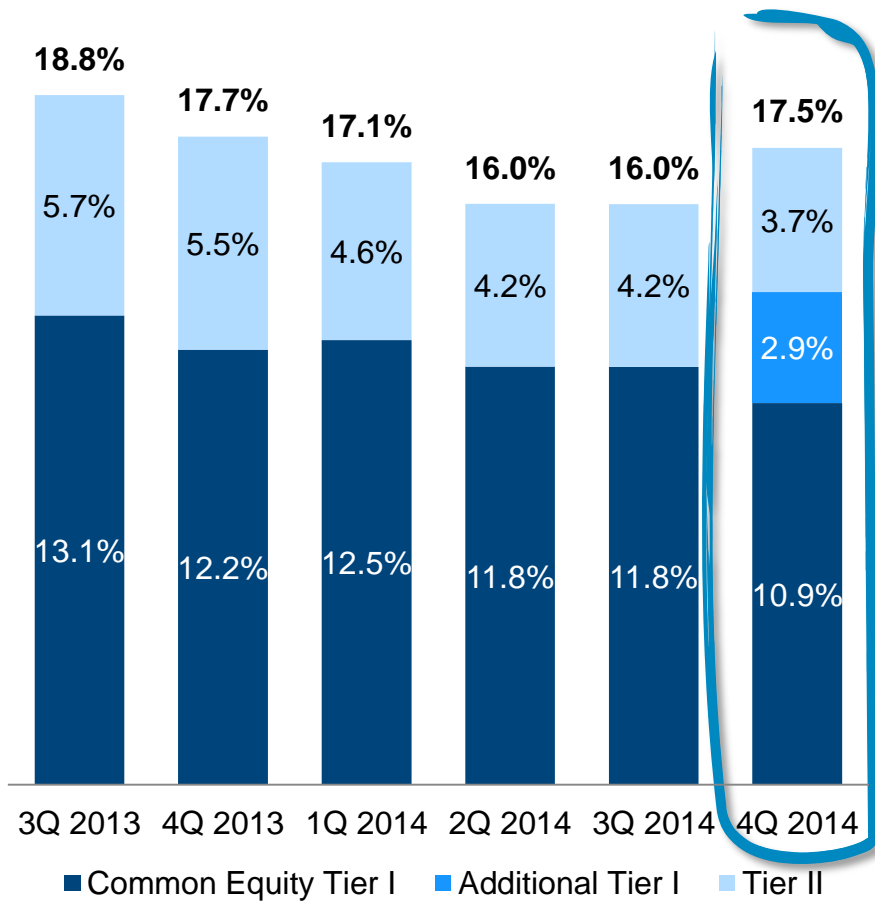
(In R\$ billion)



Basel Ratio and VaR

At quarter end Banco BTG Pactual's Basel Ratio increased to 17.5%, mainly due to the perpetual notes approved to qualify as Tier 1 Capital. Average daily VaR remained stable at 0.47% of average equity, keeping historically low levels.

Basel Ratio (%)



Daily Average VaR (% of average equity)

