BTG Pactual – Earnings Release

Second Quarter 2015

August 5, 2015

Highlights

Rio de Janeiro, Brazil, August 5, 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$2,046.6 million and combined net income of R$1,023.3 million for quarter ended June 30, 2015.

Net income per unit, and annualized return on average shareholders’ equity (ROAE) of BTG Pactual, were R$1.13 and 21.0%, respectively, for the quarter ended June 30, 2015.

As of June 30, 2015, total assets for BTG Pactual were R$209.0 billion, a 7% decrease when compared to March 31, 2015, and the BIS capital ratio for Banco BTG Pactual was 16.9%.

BTG Pactual Financial Summary and Key Performance Indicators

Highlights and KPIs (unaudited)	**Quarter**			**Year to Date**	
(in R$ million, unless otherwise stated)	**2Q 2014**	**1Q 2015**	**2Q 2015**	**6M 2014**	**6M 2015**
Total revenues	1,742	1,961	2,047	3,449	4,008
Operating expenses	(737)	(791)	(1,016)	(1,384)	(1,806)
Of which fixed compensation	(163)	(215)	(228)	(323)	(443)
Of which variable compensation	(233)	(172)	(394)	(458)	(566)
Of which non compensation	(341)	(404)	(394)	(604)	(798)
Net income	**962**	**854**	**1,023**	**1,794**	**1,877**
Net income per unit (R$)	1.06	0.94	1.13	1.98	2.07
Annualized ROAE	**22.4%**	**18.0%**	**21.0%**	**21.4%**	**19.5%**
Cost to income ratio	42%	40%	50%	40%	45%
Shareholders' equity	**17,424**	**19,215**	**19,754**		
BIS Capital Ratio (Banco BTG Pactual only)	16.0%	16.7%	16.9%		
Total assets (in R$ billion)	192.4	224.1	209.0		
AuM and AuA (in R$ billion)	190.7	215.4	214.8		
WuM (in R$ billion)	70.5	87.2	91.9		

Performance

For 2Q 2015, we achieved an annualized ROAE of 21.0% and net income of R$1,023.3 million. In the quarter, revenues were up 4% and net income was 20% higher when compared to 1Q 2015. When compared to 2Q 2014, revenues were up 17% and net income increased 6%.

During the quarter, we had strong performance in (i) Merchant Banking, mainly related to the landmark Rede D'Or transaction, (ii) Investment Banking, where we saw relevant M&A revenues, confirming the expected trend for the year and (iii) Corporate Lending, where we continue to have good resilience on our credit book, despite challenging economic environment, and credit recovery in our NPL portfolios. Sales & Trading delivered lower revenues, especially from equities and commodities desks, but still resulting in a good performance for the half year period. The Asset Management and Wealth Management businesses continue to perform in line with our expectations.

Our costs continued to be well controlled during the quarter, with our operating expenses reaching R$1,015.7 million, a 28% increase when compared to 1Q 2015, which is mainly attributable to higher bonus expenses. Consequently, in 2Q 2015, our cost to income ratio was 49.6% and our compensation ratio was 30.4%.

As a result, our net income reached R$1,023.3 million in 2Q 2015, up 20% from the 1Q 2015, and 6% compared to the 2Q 2014. Our effective income tax rate for the quarter was 0.7%.

Our shareholders' equity grew 3% from R$19.2 billion at the end of 1Q 2015 to R$19.8 billion at the end of 2Q 2015, taking into account distribution of JCP of R$422.0 million in the period. When compared to 2Q 2014, our shareholders' equity grew 13%. The Basel index for Banco BTG Pactual was 16.9%.

BTG Pactual's AuM and AuA ended 2Q 2015 at R$214.8 billion, stable when compared to end of 1Q 2015, and our WuM ended the period at R$91.9 billion, representing 5% growth when compared to 1Q 2015.

"In 2Q 2015 we are presenting solid results to our shareholders, achieving record revenues and the highest net income since we became public. This is a particularly important achievement given the significant economic downturn of Latin American economies, especially in Brazil. In this extremely challenging scenario, we have, more than ever, been partnering with our clients, helping them navigate through the financial difficulties. While we remain confident in the long term outlook of the LatAm economies, we also remain vigilant and active in taking advantage of the opportunities that the prevailing market conditions presents, which reaffirms our ability to grow and deliver ROAE of over 20% for our investors. Our platform has a diversified revenue base, a client oriented nature and a meaningful fee base, combined with principal capital allocation, which has proven to be resilient and profitable on a long term basis." said André Esteves, CEO of BTG Pactual.

Relevant Events

During the quarter, we recognized revenues of approximately R$1.3 billion in our interest in Rede D'Or as a result of equity pick up and capital gains from the sale of 7.2% of our stake. We still retain a remaining equity interest of 12% in Rede D'Or, about 50% of our original participation, which is marked at cost.

Global Market and Economic Analysis

The second quarter was marked by an increase in commodities prices, which reversed part of the sharp decline that took place at the beginning of the year, suggesting that inflation had probably bottomed out. The oil price (Brent) increased 15% in Q2 (to $64) while the iron ore price rose 12% (to $62).

US economic activity bounced back in Q2 after a weak Q1 print. The dollar index, however, was little changed in the quarter. G10 currencies, on balance, appreciated against the USD, while some Emerging Markets (EM) currencies depreciated. The EUR appreciated 3.9%, the British Pound appreciated 6% and the Canadian Dollar appreciated 1.5% while the YEN depreciated 1.9%. On EM, the Russian Ruble appreciated 5.1% (on the rise of the oil prices) and the Brazilian Real appreciated 3% due to the significant decline in risks related to Petrobras, rationing and on the back of the increase in commodity prices. On the other hand, the Mexican peso depreciated 3% against the dollar and Chilean Peso depreciated 2.2%. Overall, the EM currencies suffered at the end of the quarter, reflecting the increase in the risk aversion mode because of the debt crisis in Greece. Concerns about the possibility of the Greek exit of the Euro Zone strengthened the USD against the EM currencies.

The increase in commodity prices reduced the necessity of further easing measures in some countries, as the ECB (European Central Bank), for instance, which targets the headline inflation, could be influenced by the oil prices. As a result, the 10 year yield in Germany increased 58 basis points (bps) to 0.76%, 43bps in the US to 2.3% (in part influenced by the increase in the Germany yield), 69bps in Australia (where the Central Bank delivered less easing than expected as inflation surprised on the upside), 35bps in Mexico (swap) and 25bps in Colombia and 16bps in Chile. In Brazil, on the other hand, the DI contract expiring on Jan 21 went down by 26bps in Q2 due to decline in the sovereign risk premium.

In terms of global stock markets, the DAX was the highlight as it declined 8.5% (after a 22% rise in Q1), reflecting: (i) the decrease in the probability of further easing measures by the Euro Zone (or increase in the chances of an earlier end of QE due to the increase in oil prices and improvement in the economic activity) and (ii) the Greek debt crisis which intensified at the end of the quarter when the Prime Minister decided to hold a referendum on whether the country should accept the terms of the proposal to extend the bailout package. On the other hand, The S&P500 was roughly flat (-0.2%), Ibovespa rose 3.8% and the Nikkei increased 5.4%.

Regarding the Brazilian economy, GDP declined 0.2% in Q1. While the decline was smaller than expected, the consensus forecasts for 2015 continued to move down as the indicators were pointing to a much larger contraction in Q2. The median forecast for the GDP growth in 2015 went down from -1% at the end of March to -1.8% at the end of July and from +1% for 2016 (in March) to +0.2% (at the end of July). Factors such as the further decline in confidence levels, the increase in the interest rate and the credit slowdown have all weighed on GDP growth.

The unemployment rate went up from 5.1% at the end of 2014 to 5.9% in March and to 6.5% in June, the highest level since August 2010. The payroll has been negative for 7 months in a row, the worst result of the historical series (which started in 1999). The rate of unemployment rate in expected to increase further in the coming 12 months.

On the inflation front, the outlook for the short-term deteriorated while long-term inflation expectations declined. The market forecast for 2015 increased from 8.18% at the end of March to 9.01% at the end of June and 9.3% at the end of July. The larger than expected increase in the controlled prices and the acceleration of food prices explain the result. Expected inflation for 2016 declined from 5.5% to 5.4%. The CPI (IPCA) reached 8.99% in June, up from 8.13% in March and 6.4% from 2014.

The Central Bank raised the Selic rate by more 100bps to 13.75% in Q2 due to the higher than expected inflation prints. The Central Bank is close to the end of the tightening cycle as economic activity has been much weaker than expected and long-term inflation expectations have declined. The revision of the primary surplus target for this year and the next two years reduced the risks to the inflation scenario, suggesting that the tightening cycle could last longer and/or the easing cycle would take longer to materialize.

There has been an improvement in external accounts. The current account deficit accumulated in 12 months declined from $105bn at the end of 2014 to $94bn in June (or from 4.5% of GDP in December 2014 to 4.36% of GDP in June) reflecting the improvement in trade balance, service and income accounts. The slowdown in the economic activity coupled with the depreciation of the BRL.

On the Fiscal side, the government revised down the primary surplus target for the coming years in part due to the disappointment in fiscal revenues which have been impacted by the weak economic activity. The primary surplus for 2015 was revised down from 1.1% of GDP to 0.15%, for 2016 it was revised to 0.7% (from 2%) and for 2017 it was revised to 1.3% from 2%.

Combined Adjusted Revenues

Revenues in 2Q 2015 increased 4% when compared to 1Q 2015 and were up 17% when compared to 2Q 2014, mainly as a result of stronger Principal Investments and Investment Banking performance.

Combined Adjusted Revenues (unaudited)	Quarter			2Q 2015 % change to		Year to Date		6M 2015 % change to
(in R$ million, unless otherwise stated)	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015	6M 2014	6M 2015	6M 2014
Investment Banking	197	41	162	-18%	295%	267	203	-24%
Corporate Lending	199	318	302	52%	-5%	395	619	57%
Sales & Trading	647	1,168	313	-52%	-73%	1,521	1,481	-3%
Asset Management	268	270	269	0%	0%	619	540	-13%
Wealth Management	91	109	113	23%	3%	184	222	21%
Principal Investments	(74)	(444)	508	n.a.	n.a.	(189)	64	n.a.
Pan	(24)	(25)	3	n.a.	n.a.	(51)	(22)	n.a.
Interest & Others	438	524	377	-14%	-28%	703	901	28%
Total revenues	**1,742**	**1,961**	**2,047**	**17%**	**4%**	**3,449**	**4,008**	**16%**

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)		
	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015	2Q 2015
Financial Advisory (M&A)[(4)]	12	3	11	5,339	3,674	3,010
Equity Underwriting (ECM)	2	1	2	474	157	187
Debt Underwriting (DCM)	12	4	9	1,743	574	2,352

BTG Pactual Announced Transactions (unaudited)	Number of Transactions[(1),(3)]		Value[(2),(3)] (US$ mln)	
	6M 2014	6M 2015	6M 2014	6M 2015
Financial Advisory (M&A)[(4)]	24	14	12,359	6,684
Equity Underwriting (ECM)	6	3	707	344
Debt Underwriting (DCM)	18	13	2,348	2,926

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 2Q 2015 market share highlights

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

2Q 2015 vs. 1Q 2015

Despite weak capital markets and slow economic activity in LatAm, Investment Banking posted strong performance during the quarter, with revenues of R$162.0 million, a 295% increase when compared to 1Q 2015. The revenues increase is mainly attributable to strong Financial Advisory activity, due to the closing of significant transactions in the period. Market activity continues to be weak, but we maintained our leading market share in Brasil and LatAm. In equity underwriting, our revenues, despite being weak, increased in the quarter, and our debt underwriting revenues remained stable, although also at low levels.

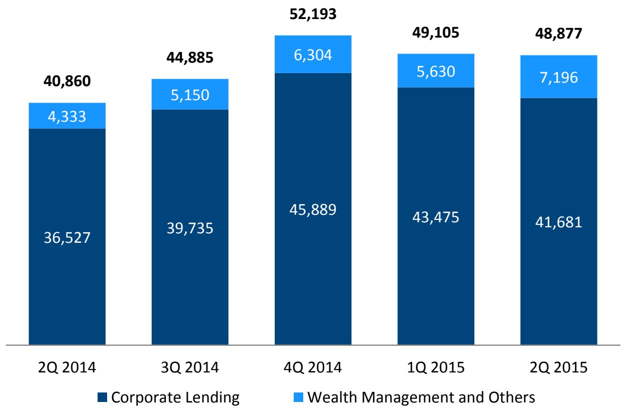
2Q 2015 vs. 2Q 2014

Revenues in the quarter decreased 18% when compared to the same period of last year, mainly due to very strong Financial Advisory performance in 2Q 2014. Our equity and debt underwriting revenues remained at low levels as a result of the continuing weak capital markets activity in LatAm.

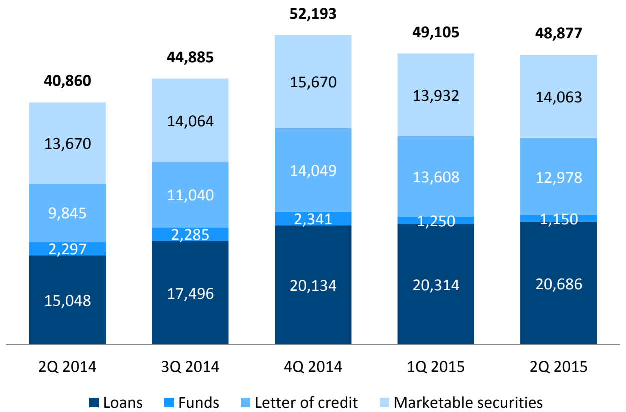
Corporate Lending

BTG Pactual Broader Credit Portfolio

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

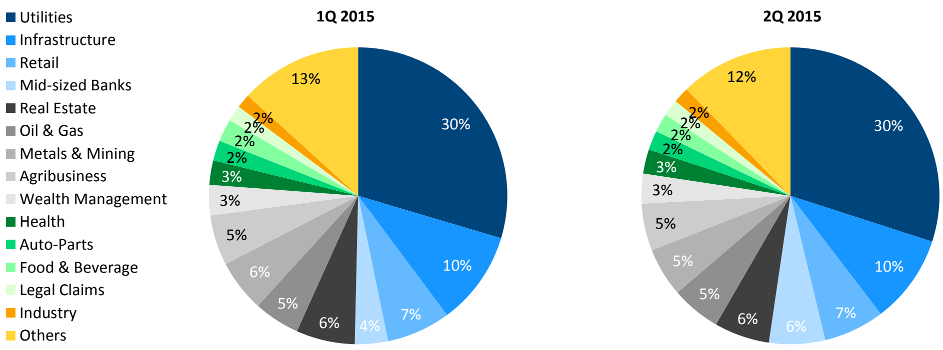


Broader Credit Portfolio By Product
(in R$ million)



Notes:
(1) Other: includes interbank deposits, Merchant Banking structured transactions and others
(2) Wealth Management impacts WM results, other impacts Sales & Trading and Merchant Banking results

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

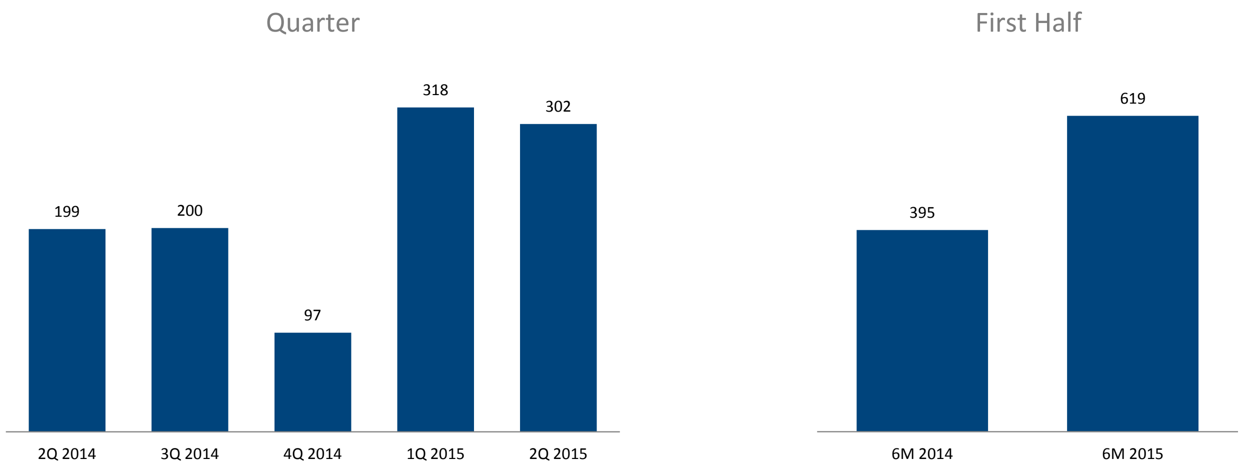


Our broader credit portfolio is comprised of loans, receivables, advances in foreign exchange contracts, letters of credit and marketable securities bearing credit exposures (including debentures, promissory notes, real estate bonds, and investments in credit receivable funds – FIDCs).

At quarter end, the balance of our broader credit portfolio slightly decreased when compared with the end of 1Q 2015. Our Corporate Lending book decreased 4%, in line with our strategy to be more conservative and continue to apply higher credit standards when analyzing transaction and renewals. The growth in the Wealth Management and Others credit exposure was specific to certain interbank transactions. 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 a conservative approach to the portfolio growth.

Corporate Lending Detailed Results

Revenues
(in R$ million)



2Q 2015 vs. 1Q 2015

Revenues from Corporate Lending decreased 5% from R$317.8 million in 1Q 2015 to R$301.6 million in 2Q 2015. Revenues reflects a good performance of our Corporate Lending portfolio with stabilized provisioning levels and were once again impacted by credit recovery in our NPL portfolios . In the quarter, our gross spreads continued to present a good performance.

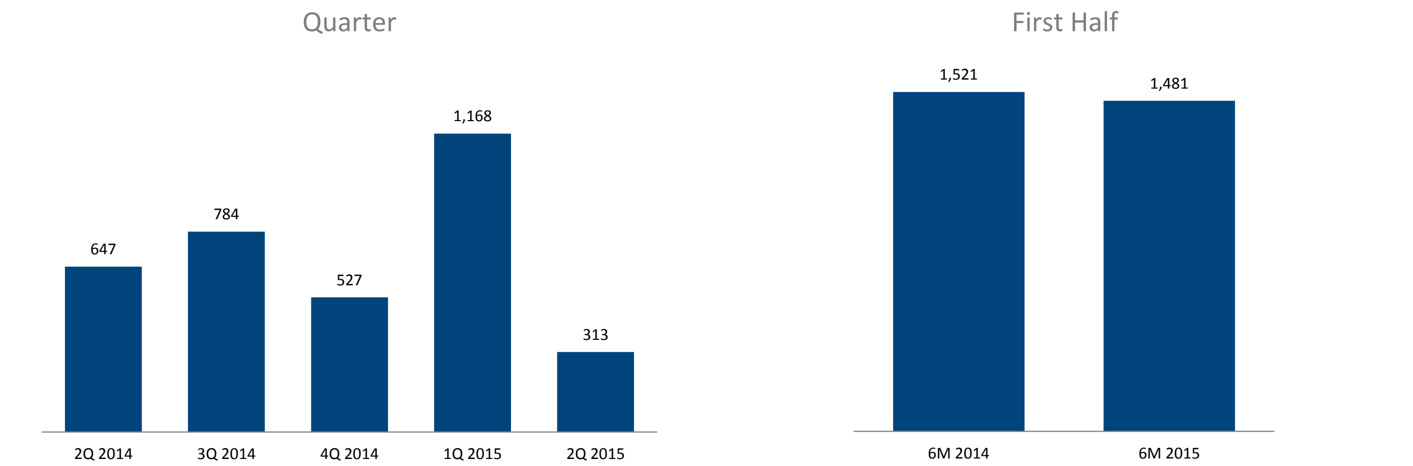
2Q 2015 vs. 2Q 2014

Revenues from Corporate Lending increased 52%, from R$198.6 million to R$301.6 million, mainly due to (i) an increase in the expanded credit portfolio, (ii) higher gross spreads and (iii) credit recovery in our NPL portfolios in 2Q 2015, as mentioned above.

Sales & Trading

Revenues

(in R$ million)



2Q 2015 vs. 1Q 2015

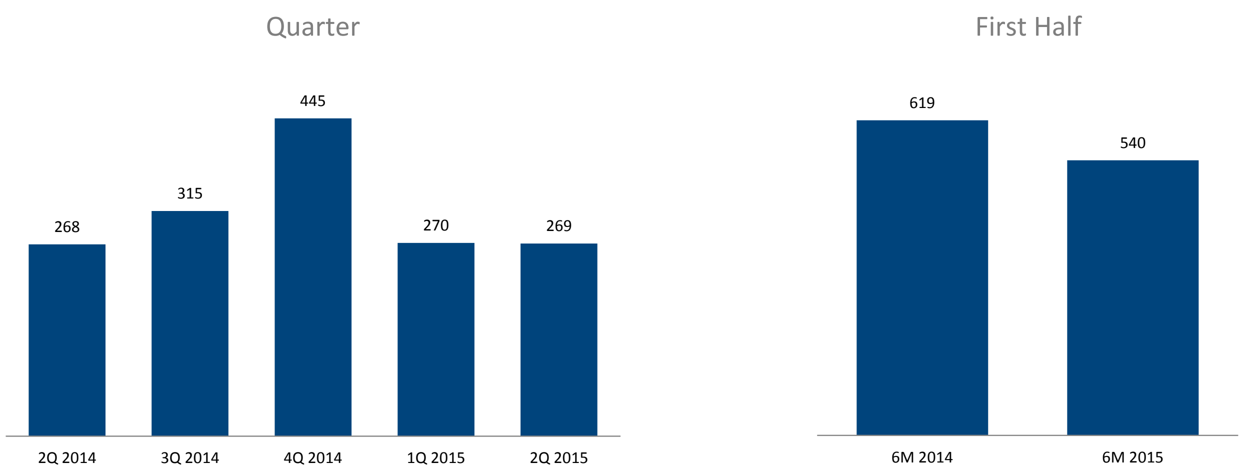
Sales & Trading revenues decreased 73%, from R$1,168.2 million to R$312.8 million. The decrease was mainly attributable to (i) below par performance from our equities platform, given the challenging market conditions, especially in equities cash in Brazil, and (ii) weaker contribution from our commodities desk, which had a particularly strong performance in the previous quarter. On the other hand, reduction was partially compensated by our Rates and FX desk, which presented strong client flows delivering good results in the quarter.

2Q 2015 vs. 2Q 2014

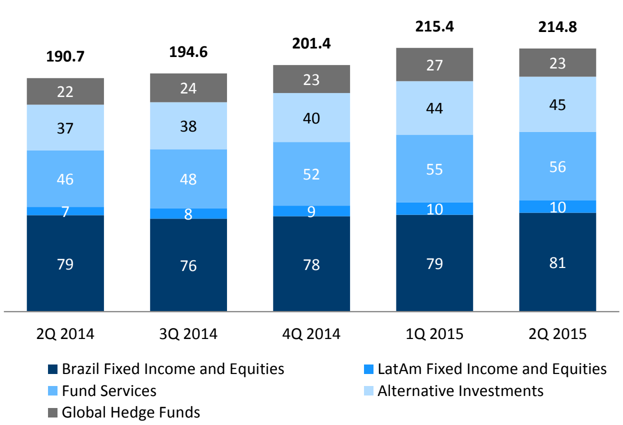
Sales & Trading revenues decreased 52%, from R$647.0 million to R$312.8 million. The decrease reflects (i) below par performance from our equity desks in 2Q 2015 and (ii) weaker contribution from our global commodities desks, that performed well in 2Q 2014, both as explained above. The decrease was partially offset by higher revenues from FX desk, which presented a solid performance in 2Q 2015.

Asset Management

Revenues
(in R$ million)



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



2Q 2015 vs. 1Q 2015

Revenues from Asset Management remained stable at R$269.5 million. Our revenues reflect the recognition of management fees in the quarter, a period when our AuM and RoA remained stable. The AuM of our Alternative Investments platform was positively impacted by the successful fundraising efforts for a global concentrated equity fund, which were compensated by redemptions in our Global Hedge funds. In our LatAm fixed income and equities platform, we also had negative NNM, mostly concentrated on Brazilian fixed income funds.

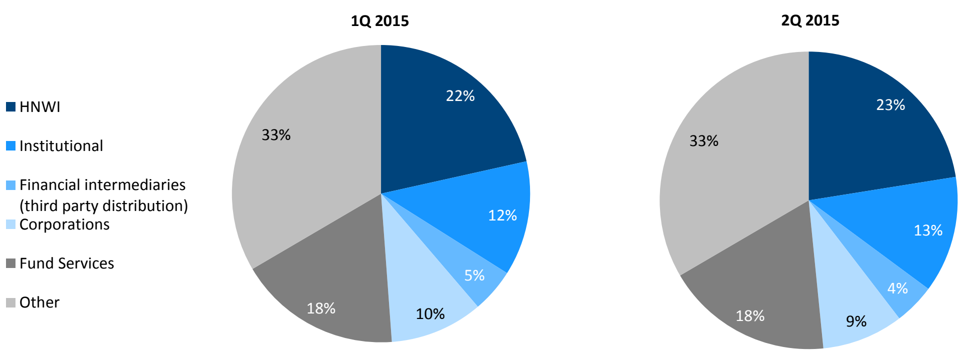
Net new money was negative R$1.1 billion in the quarter, primarily due to outflows in Global Hedge Funds and LatAm Fixed Income & Equities funds.

2Q 2015 vs. 2Q 2014

Asset Management revenues remained stable, when compared to 2Q 2014. In spite of lower recognition of performance fees, mostly from global hedge funds, which were higher in 2Q 2014, revenues were positively impacted by higher management fees, in line with the 13% growth of our AuM/AuA.

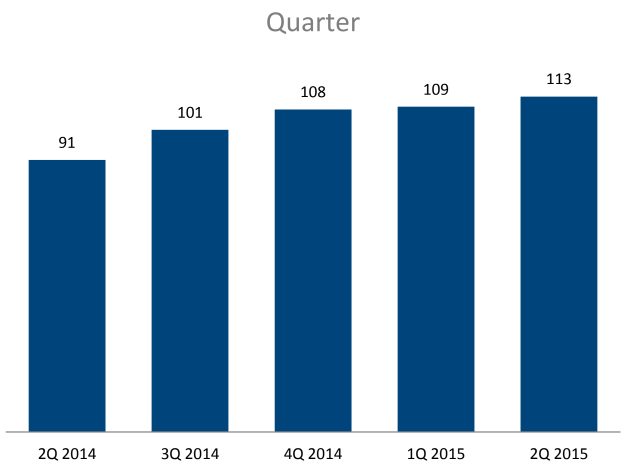
AuM and AuA by Type of Client

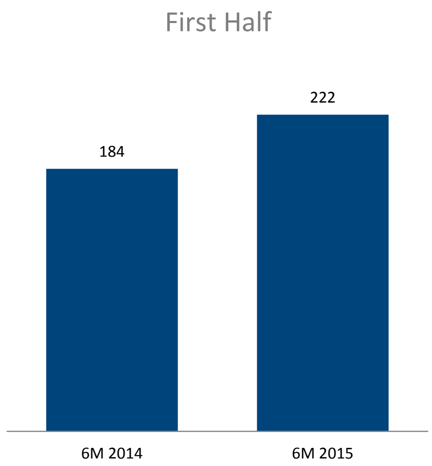
(%)



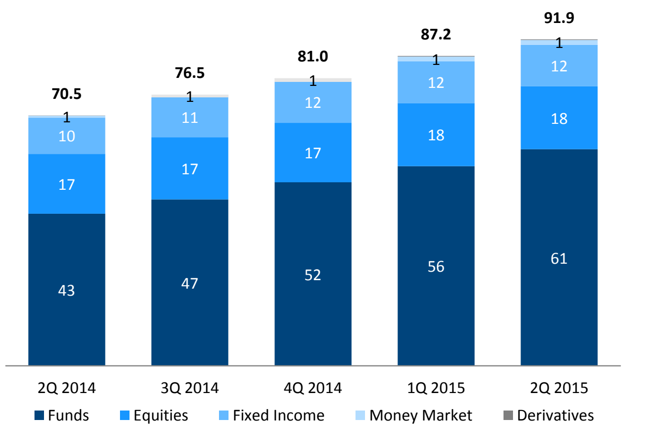
Wealth Management

Revenues
(in R$ million)





WuM by Class of Asset
(in R$ billion)



2Q 2015 vs. 1Q 2015

Revenues from Wealth Management increased 3% from R$109.2 million in 1Q 2015, compared to R$112.5 million in 2Q 2015, with higher fees from the distribution of investment funds and higher WuM, which continues with solid growth developing our revenue base. WuM closed the period at R$91.9 billion, a 5% increase when compared to the end of the previous period.

NNM was positive R$3.2 billion in the quarter, which shows the strength and development of our platform.

2Q 2015 vs. 2Q 2014

Revenues from Wealth Management increased 23%, from R$91.3 million to R$112.5 million, mainly due to the 30% increase in WuM in the period, from R$70.5 billion in the 2Q 2014 to R$91.9 billion in the 2Q 2015.

Principal Investments

Principal Investments Revenues (unaudited)	Quarter			2Q 2015 % change to		Full Year		6M 2015 % change to
(in R$ million, unless otherwise stated)	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015	6M 2014	6M 2015	6M 2014
Global Markets	99	(35)	(111)	n.a.	n.a.	183	(146)	n.a.
Merchant Banking	(347)	(537)	872	n.a.	n.a.	(382)	335	n.a.
Real Estate	173	128	(253)	n.a.	n.a.	10	(125)	n.a.
Total	**(74)**	**(444)**	**508**	**n.a.**	**n.a.**	**(189)**	**64**	**n.a.**

2Q 2015 vs. 1Q 2015

Principal Investments had positive revenues of R$507.6 million in 2Q 2015, compared to losses of R$443.8 million in 1Q 2015, mainly due to the positive contributions from Merchant Banking, partially offset by negative contribution from Global Markets and Real Estate

In Merchant Banking, we posted historically high revenues mainly due to the landmark Rede D'or transactions with approximately R$1.3 billion revenues. In the quarter, we decided to book provisions in other investments, concentrated in the Oil and Gas sector, in line with our conservative accounting approach. In the quarter, Global Markets continued to navigate the challenging trading scenario, maintaining VaR at low historical levels. Finally, in Real Estate, the negative contribution was mainly due to our investment in BR Properties, following the decrease in the market price of that company's shares in the period and to internal funding cost allocation.

2Q 2015 vs. 2Q 2014

Revenues from Principal Investments varied from losses of R$74.2 million in 2Q 2014 to gains of R$507.6 million in 2Q 2015. The change reflects (i) a significant positive contribution from Merchant Banking in 2Q 2015, mainly related to the Rede D'or transactions, as discussed above, (ii) the positive performance of Global Markets in 2Q 2014, compared to losses in 2Q 2015, and (iii) strong revenues from Real Estate in the 2Q 2014 due to the increase in the market price of BR Properties' shares in that quarter.

Pan

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

2Q 2015 vs. 1Q 2015

Pan presented revenues of R$3.2 million, compared to a loss of R$25.5 million recorded in previous quarter. The positive contribution is composed of (i) R$2.2 million from our share in Banco Pan, and (ii) gains of R$1.0 million from Pan Seguros and Pan Corretora.

2Q 2015 vs. 2Q 2014

Pan had positive revenues of R$2.5 million in 2Q 2015, compared to losses of R$24.0 million in 2Q 2014, as outlined above.

Interest & Others

2Q 2015 vs. 1Q 2015

Interest & Others revenues were R$377.4 million in 2Q 2015, compared to R$523.8 million in 1Q 2015. Revenues were below the normalized return due to volatility in certain hedging instruments.

2Q 2015 vs. 2Q 2014

Revenues from Interest & Others in the quarter were below the 2Q 2014 also due to the effect mentioned above.

Combined Adjusted Operating Expenses

Combined Adjusted Operating Expenses (unaudited)	Quarter			2Q 2015 % change to		Year to Date		6M 2015 % change to
(in R$ million, unless otherwise stated)	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015	6M 2014	6M 2015	6M 2014
Bonus	(233)	(172)	(394)	69%	130%	(458)	(566)	24%
Salaries and benefits	(163)	(215)	(228)	39%	6%	(323)	(443)	37%
Administrative and other	(216)	(239)	(227)	5%	-5%	(394)	(466)	18%
Goodwill amortization	(40)	(46)	(50)	26%	8%	(86)	(97)	12%
Tax charges, other than income tax	(85)	(119)	(116)	37%	-2%	(124)	(235)	90%
Total operating expenses	**(737)**	**(791)**	**(1,016)**	**38%**	**28%**	**(1,384)**	**(1,806)**	**31%**
Cost to income ratio	42%	40%	50%	17%	23%	40%	45%	12%
Compensation ratio	23%	20%	30%	34%	54%	23%	25%	11%
Total number of employees	3,054	3,421	3,488	14%	2%	3,054	3,488	14%
Partners and associate partners	205	247	245	20%	-1%	205	245	20%
Employees	2,713	2,999	3,054	13%	2%	2,713	3,054	13%
Other	136	175	189	39%	8%	136	189	39%

Bonus

Bonus expense was R$394.1 million in 2Q 2015, 130% higher than the previous quarter and 69% higher when compared to 2Q 2014. This increase is attributable to higher operating revenues in the period (i.e., net of Interest & Others 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 & Others revenues), reduced by our operating expenses.

Salaries and benefits

Staff costs increased 39% and 6%, when compared to 2Q 2014 and 1Q 2015, respectively. The growth reflects the increase in total number of employees from 3,054 in 2Q 2014 and 3,421 in 1Q 2015 compared to 3,488 in 2Q 2015. Expenses related to salaries and benefits were R$163.4 million in 2Q 2014 and R$215.3 million in 1Q 2015, compared to R$227.9 million in 2Q 2015.

Administrative and other

Total administrative and other expenses decreased 5% in the quarter from R$238.7 million in the 1Q 2015 to R$227.4 million in the 2Q 2015, mainly due to a decrease in consultancy fee, partially offset by higher premises expenses related to the maintenance of our offices.

Goodwill amortization

In the 2Q 2015 we recorded amortization expenses totaling R$50.0 million, in connection with the goodwill from the acquisitions of Celfin and Bolsa y Renta. Goodwill amortization was in line with the 1Q 2015 and the 2Q 2014.

Tax charges, other than income tax

Tax charges, other than income tax, were R$116.3 million, a decrease of 2% when compared to 1Q 2015, as a smaller part of the revenues were subject to tax charges in the period.

Combined Adjusted Income Taxes

Combined Adjusted Income Tax (unaudited)	Quarter			Year to Date	
(in R$ million, unless otherwise stated)	2Q 2014	1Q 2015	2Q 2015	6M 2014	6M 2015
Income before taxes	1,005	1,171	1,031	2,064	2,201
Income tax and social contribution	(43)	(317)	(8)	(271)	(324)
Effective income tax rate	**4.3%**	**27.0%**	**0.7%**	**13.1%**	**14.7%**

Our effective income tax rate went from 27.0% (an expense of R$316.5 million) in 1Q 2015 to 0.7% (an expense of R$7.5 million) in 2Q 2015, mainly due to (i) the computation of interest on equity (JCP) in 2Q 2015 in the amount of R$422.0 million, (ii) a small part of the Rede D'or transaction not subject to income taxes and (iii) a more favorable revenue mix in 2Q 2015, with proportionally lower pre-tax income subject to corporate taxes. Year to date, our effective income tax rate is 14.7%, in line with 6M 2014.

Balance Sheet

Our total assets decreased 7% from R$224.1 billion at the end of 1Q 2015 to R$209.0 billion at the end of 2Q 2015, mainly due to a decrease in our open market investments and in our foreign exchange portfolio (receivables from foreign currencies sold), included in other receivables. As a result, our leverage ratio declined to 10.6x at the end of the 2Q 2015.

Following the changes in our assets, there was a decrease in our repo financing and in our foreign exchange portfolio in the liability side (foreign currencies to be delivered). Our shareholders' equity increased 3%, from R$19.2 billion at the end of 1Q 2015 to R$19.8 billion at the end of 2Q 2015, mainly due to net income of R$1.0 billion for the quarter ended June 30, 2015, partially offset by R$ 422.0 million of interest on equity and R$62.1 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

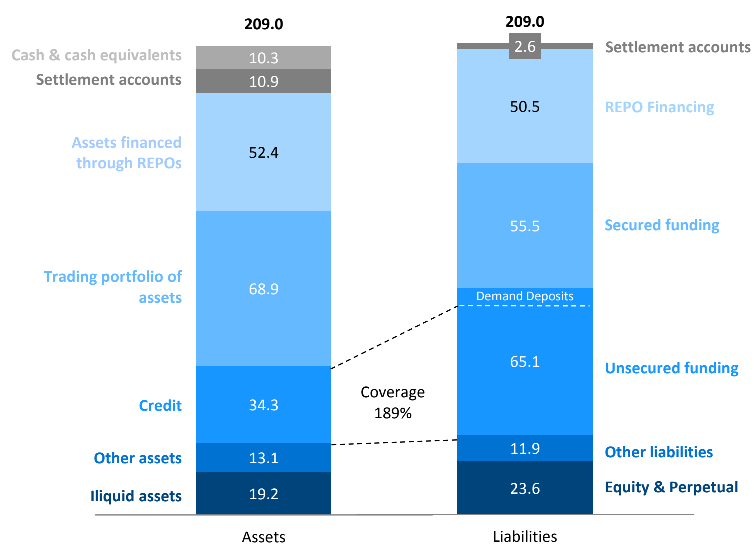
Value-at-risk (unaudited) *(in R$ million, unless otherwise stated)*	Quarter		
	2Q 2014	1Q 2015	2Q 2015
Total average daily VaR	**112.6**	**110.9**	**116.7**
Average daily VaR as a % of average equity	0.66%	0.59%	0.60%

Our total average daily VaR as a percentage of our average shareholders' equity remained stable when compared to 1Q 2015 and marginally decreased as a percentage of our equity, when compared to 2Q 2014. 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 June 30, 2015:

Summarized Balance Sheet (unaudited)
(in R$ billion)



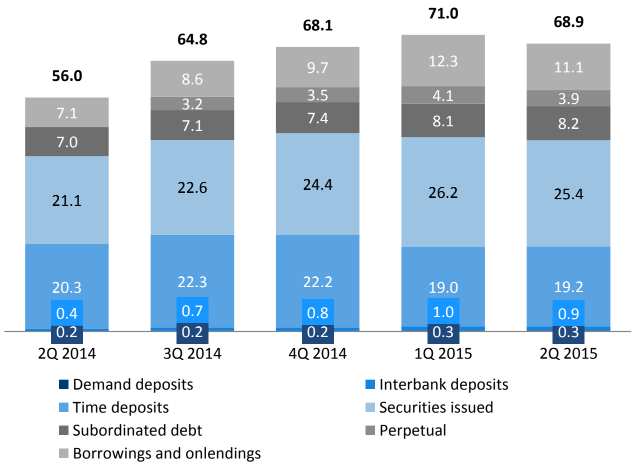
Note:
(1) From 1Q 2013 on, unsecured funding includes secured funding that uses credit or illiquid asset as collateral

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 decreased 3% in the quarter, primarily due to negative impact from exchange rate variation in the period. Excluding this impact, there was a decrease in securities issued and borrowing and onlendings, partially offset by an increase in time deposits.

Credit Risk

The following table sets forth the distribution, by credit rating, of our credit exposures as of June 30, 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)*	**2Q 2015**
AA	22,767
A	13,589
B	7,021
C	2,689
D	883
E	1,541
F	131
G	137
H	119
Total	**48,877**

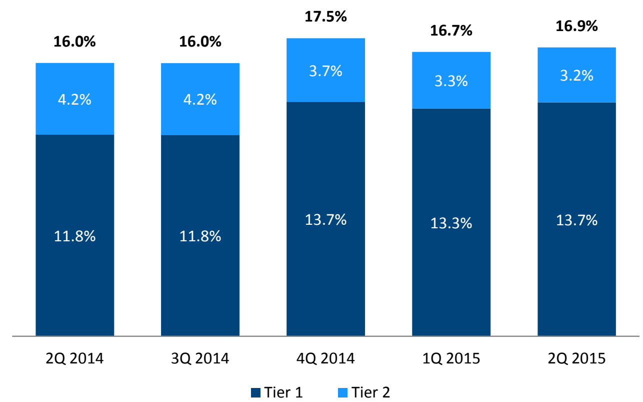
Capital Management

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 increased from 16.7% at the end of 1Q 2015 to 16.9% at the end of 2Q 2015. There was no specific event in the period that impacted our Basel Index, risk weighted assets remained basically flat and our core equity increased in line with Banco BTG Pactual's net income net of distributions.

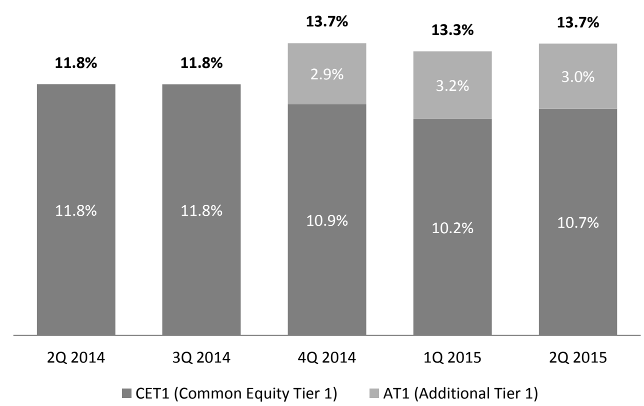
Basel Ratio (unaudited)

(%)



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 June 30, 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			2Q 2015 % change to	
	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015
Assets					
Cash and bank deposits	1,461	2,399	1,766	21%	-26%
Interbank investments	36,273	41,080	41,567	15%	1%
Marketable securities and derivatives	101,003	108,092	101,247	0%	-6%
Interbank transactions	358	1,133	1,292	261%	14%
Loans	14,427	18,422	18,516	28%	1%
Other receivables	33,155	43,529	34,785	5%	-20%
Other assets	40	239	188	366%	-21%
Permanent assets	5,645	9,196	9,684	72%	5%
Total assets	**192,362**	**224,089**	**209,045**	**9%**	**-7%**
Liabilities					
Deposits	17,202	15,111	15,826	-8%	5%
Open market funding	63,488	66,409	62,354	-2%	-6%
Funds from securities issued and accepted	21,063	26,983	26,096	24%	-3%
Interbank transactions	4	9	9	105%	-7%
Loans and onlendings	7,057	12,325	11,097	57%	-10%
Derivatives	27,936	39,554	38,952	39%	-2%
Subordinated liabilities	6,966	12,202	12,049	73%	-1%
Other liabilities	30,272	31,514	22,030	-27%	-30%
Deferred income	128	182	186	46%	2%
Shareholders'equity	**17,424**	**19,215**	**19,754**	**13%**	**3%**
Non-controlling interest	821	585	692	-16%	18%
Total liabilities	**192,362**	**224,089**	**209,045**	**9%**	**-7%**

Combined Adjusted Income Statement (unaudited)	Quarter			2Q 2015 % change to		Year to Date		6M 2015 % change to
(in R$ million, unless otherwise stated)	2Q 2014	1Q 2015	2Q 2015	2Q 2014	1Q 2015	6M 2014	6M 2015	6M 2014
Investment Banking	197	41	162	-18%	295%	267	203	-24%
Corporate Lending	199	318	302	52%	-5%	395	619	57%
Sales & Trading	647	1,168	313	-52%	-73%	1,521	1,481	-3%
Asset Management	268	270	269	0%	0%	619	540	-13%
Wealth Management	91	109	113	23%	3%	184	222	21%
Principal Investments	(74)	(444)	508	n.a.	n.a.	(189)	64	n.a.
Pan	(24)	(25)	3	n.a.	n.a.	(51)	(22)	n.a.
Interest & Others	438	524	377	-14%	-28%	703	901	28%
Total revenues	**1,742**	**1,961**	**2,047**	**17%**	**4%**	**3,449**	**4,008**	**16%**
Bonus	(233)	(172)	(394)	69%	130%	(458)	(566)	24%
Salaries and benefits	(163)	(215)	(228)	39%	6%	(323)	(443)	37%
Administrative and other	(216)	(239)	(227)	5%	-5%	(394)	(466)	18%
Goodwill amortization	(40)	(46)	(50)	26%	8%	(86)	(97)	12%
Tax charges, other than income tax	(85)	(119)	(116)	37%	-2%	(124)	(235)	90%
Total operating expenses	**(737)**	**(791)**	**(1,016)**	**38%**	**28%**	**(1,384)**	**(1,806)**	**31%**
Income before taxes	**1,005**	**1,171**	**1,031**	**3%**	**-12%**	**2,064**	**2,201**	**7%**
Income tax and social contribution	(43)	(317)	(8)	-83%	-98%	(271)	(324)	20%
Net Income	**962**	**854**	**1,023**	**6%**	**20%**	**1,794**	**1,877**	**5%**

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)	1Q 2015	2Q 2015	1Q 2015	2Q 2015
Assets				
Cash and bank deposits	2,281	1,637	1,201	210
Interbank investments	35,733	40,315	6,541	2,478
Marketable securities and derivatives	76,001	81,467	30,718	19,327
Interbank transactions	1,133	1,292	-	-
Loans	15,851	16,168	2,726	3,142
Other receivables	37,930	31,602	5,885	2,954
Other assets	239	188	0	0
Permanent asset	7,788	8,337	1,337	1,335
Total assets	**176,956**	**181,005**	**48,409**	**29,446**
Liabilities				
Deposits	17,153	16,934	-	-
Open market funding	41,704	49,141	25,899	14,439
Funds from securities issued and accepted	22,375	23,084	5,044	3,536
Interbank transactions	9	9	-	-
Loans and onlendings	9,003	8,084	3,151	2,843
Derivatives	36,127	36,906	1,130	420
Subordinated liabilities	12,202	12,288	-	-
Other liabilities	22,300	17,610	9,236	4,442
Deferred income	182	186	-	-
Shareholders' equity	**15,522**	**16,334**	**3,740**	**3,502**
Non-controlling interest	377	429	207	263
Total liabilities	**176,956**	**181,005**	**48,409**	**29,446**

Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	Banco BTG Pactual S.A.		BTG Investments LP.	
	1Q 2015	2Q 2015	1Q 2015	2Q 2015
Financial income	4,168	3,093	190	324
Financial expenses	(5,392)	(2,228)	(415)	(317)
Gross financial income	**(1,224)**	**866**	**(225)**	**7**
Other operating income (expenses)	1,014	129	(171)	(162)
Operating income	**(210)**	**994**	**(396)**	**(155)**
Non-operating income/(expenses)	0	1,051	-	(6)
Income before taxes and profit sharing	**(210)**	**2,045**	**(396)**	**(160)**
Income and social contribution taxes	1,221	(337)	(0)	(8)
Statutory profit sharing	(152)	(402)	-	-
Non-controlling interest	**79**	**(11)**	**-**	**-**
Net income	**937**	**1,294**	**(396)**	**(168)**

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	
	1Q 2015	2Q 2015	1Q 2015	2Q 2015
Banco BTG Pactual - BR GAAP	176,956	181,005	937	1,294
BTG Investments - IFRS	48,409	29,446	(396)	(168)
Total	225,365	210,451	541	1,126
Conversion adjustments from IFRS to BR GAAP	2,460	1,713	(338)	59
Consolidation and conversion adjustments	(3,736)	(3,119)	651	(161)
Combined balances	**224,089**	**209,045**	**854**	**1,023**

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 & others”) • 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 & 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 - Second Quarter 2015

August 5, 2015 (after market closes)

English Conference Call
August 6, 2015 (Thursday)
12:00 PM (New York) / 1:00 PM (Brasília)
Phone: +1 (412) 317-6776

Code: BTG Pactual

Replay until 08/12: +1 (412) 317-0088

Code: 10067745

Portuguese Conference Call
August 6, 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 08/12: +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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