BTG Pactual – Earnings Release

Fourth Quarter 2015

February 21, 2016

Highlights

Rio de Janeiro, Brazil, February 21, 2016 - Banco BTG Pactual and BTG Pactual Participations (“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$3,517.8 million and combined net income of R$1,228.9 million for the quarter ended December 31, 2015. For the full year of 2015, combined adjusted total revenues were R$10,085.8 million, and combined net income was R$4,616.0 million.

Net income per unit, and annualized return on average shareholders’ equity (ROAE) of BTG Pactual, were R$1.34 and 22.0%, respectively, for the quarter ended December 31, 2015, and R$5.02 and 22.4%, respectively, for the year ended on such date.

As of December 31, 2015, total assets for BTG Pactual were R$266.1 billion, a 12% decrease when compared to September 30, 2015, and the BIS capital ratio for Banco BTG Pactual was 15.5%.

BTG Pactual Financial Summary and Key Performance Indicators[1]

Highlights and KPIs (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			Year to Date	
	4Q 2014	3Q 2015	4Q 2015	2014	2015
Total revenues	1,586	2,560	3,518	6,737	10,086
Operating expenses	(673)	(1,371)	(1,898)	(2,759)	(5,076)
Of which fixed compensation	(197)	(364)	(579)	(695)	(1,386)
Of which variable compensation	(242)	(520)	(514)	(845)	(1,600)
Of which non compensation	(234)	(487)	(805)	(1,219)	(2,090)
Net income	**848**	**1,510**	**1,229**	**3,411**	**4,616**
Net income per unit (R$)	0.94	1.61	1.34	3.77	5.02
Annualized ROAE	**18.4%**	**28.8%**	**22.0%**	**19.6%**	**22.4%**
Cost to income ratio	42%	54%	54%	41%	50%
Shareholders' equity	**18,678**	**22,119**	**22,511**		
BIS Capital Ratio (Banco BTG Pactual only)	17.5%	14.3%	15.5%		
Total assets (in R$ Billion)	218.3	302.8	266.1		
AuM and AuA (in R$ Billion)	201.4	230.5	192.5		
WuM (in R$ Billion)	81.0	422.5	426.5		

Note:

(1) Includes BSI from September 1st onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter

Reconciliation to Unaudited Financial Statements

The tables below present the changes to the unaudited combined balance sheet and income released on January 19th, 2016.

Balance Sheet	4Q 2015	4Q 2015	Change	
(in R$ million, unless otherwise stated)	Audited	Unaudited	Diff.	%
Assets				
Cash and bank deposits	20,491	20,491	(0)	0%
Interbank investments	32,587	32,587	(0)	0%
Marketable securities and derivatives	86,822	88,701	(1,879)	2%
Interbank transactions	1,921	1,921	0	0%
Loans	57,985	58,122	(137)	0%
Other receivables	57,706	56,017	1,690	-3%
Other assets	253	409	(156)	62%
Permanent assets	8,317	8,317	(0)	0%
Total assets	**266,082**	**266,564**	**(482)**	**0%**
Liabilities				
Deposits	86,008	86,000	8	0%
Open market funding	20,308	20,737	(429)	2%
Funds from securities issued and accepted	22,827	22,797	30	0%
Interbank transactions	7	7	(0)	0%
Loans and onlendings	15,877	16,014	(137)	1%
Derivatives	42,366	42,533	(167)	0%
Subordinated liabilities	11,842	11,871	(30)	0%
Other liabilities	43,797	43,554	243	-1%
Deferred income	310	310	0	0%
Shareholders'equity	**22,511**	22,511	0	**0%**
Non-controlling interest	229	229	-	0%
Total liabilities	**266,082**	**266,564**	**(482)**	**0%**

Combined Adjusted Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	4Q 2015 Audited	4Q 2015 Unaudited	Change Diff.	 %
Investment Banking	114	114	-	-
Corporate Lending	128	128	-	-
Sales & Trading	2,287	2,287	-	-
Asset Management	386	386	-	-
Wealth Management	846	846	-	-
Principal Investments	(773)	(773)	-	-
Pan	21	21	-	-
Interest & Others	510	510	-	-
Total revenues	**3,518**	**3,518**	**-**	**-**
Bonus	(514)	(514)	-	-
Salaries and benefits	(579)	(579)	-	-
Administrative and other	(651)	(651)	-	-
Goodwill amortization	(57)	(57)	-	-
Tax charges, other than income tax	(97)	(97)	-	-
Total operating expenses	**(1,898)**	**(1,898)**	**-**	**-**
Income before taxes	**1,620**	**1,620**	**-**	**-**
Income tax and social contribution	(391)	(391)	-	-
Net Income	**1,229**	**1,229**	**-**	**-**

Operational Context

Since November 25, 2015, BTG Pactual has been affected by a series of news regarding Mr. André Esteves, and has taken measures to ensure the Company's ability to function in the normal course of business. Even though BTG Pactual is not part of any investigation or accusation, the news impacted the price of our units and bonds, and led us to adopt a series of actions to reduce the use of balance sheet, conserve liquidity and preserve capital. We have also formed a Special Committee, consisting mostly of the independent members of the Board of Directors, which has appointed outside counsel to perform an independent investigation. The measures adopted have already resulted in significant improvement in our liquidity and solvency ratios, with important reduction in our liabilities (particularly short term deposits). We will continue to focus on strengthening our liquidity profile and on the divestiture of non-core assets and investments. For the time being, dividend distribution will be restricted to the minimum amount required by our by-laws (1% of earnings) and we will maintain a prudent, conservative and sound financial approach.

Performance

For 4Q 2015, we achieved an annualized ROAE of 22.0% and net income of R$1,228.9 million. In the quarter, revenues were up 37% and net income decreased 19%, when compared to 3Q 2015. When compared to 4Q 2014, revenues and net income increased 122% and 45%, respectively. During the quarter, we had solid performance in (i) Sales & Trading, where most FICC desks had strong revenue contribution and we recorded our best quarter ever, (ii) Investment Banking, which had good performance in a very challenging environment and (iii) Wealth Management, where BSI contributed with full quarter revenues and we continued to have good performance in Latin America. On the other hand, Principal Investments continued to perform below par, especially in Merchant Banking, and posted negative revenues.

For the full year 2015, our annualized ROAE was solid and reached 22.4%, revenues were up 50% and net income 35% when compared to the previous year.

Our operating expenses reached R$1,897.9 million, a 38% increase when compared to 3Q 2015, mainly attributable to full impact of BSI in the 4Q 2015. Consequently, in the quarter our cost to income ratio was 54.0% and our compensation ratio was 31.1%, and excluding BSI, 43.2% and 26.4%, respectively. For the full year 2015, such ratios were 50.3% and 29.6%, respectively, and excluding BSI, 45.9% and 27.4%, respectively.

As a result, our net income reached R$1,228.9 million in 4Q 2015 and R$4,616.0 million for the full year 2015, a 35% increase when compared to the previous calendar year. Our effective income tax rate for the year was 7.9%, mainly impacted by gains in 3Q 2015 on recognition of deferred tax assets, related to the rise of 5% in social contribution tax (CSLL) in Brazil.

Our shareholders' equity grew 2% from R$22,118.6 billion at the end of 3Q 2015 to R$22,510.6 billion at the end of 4Q 2015. When compared to 4Q 2014, our shareholders' equity grew 21%. 4Q 2015 Basel index for Banco BTG Pactual was 15.5%.

BTG Pactual's AuM and AuA ended 4Q 2015 at R$192.5 billion, a 16% decrease when compared to end of 3Q 2015, and our WuM ended the period at R$426.5 billion, stable when compared to 3Q 2015. At year end our total Assets and Wealth under Management and Administration were R$618.9 billion[1].

[1] *Total Assets and Wealth under Management and Administration is a simple sum and includes double counting.*

Relevant Events

As a result of the sequence of events that occurred following the detention of our former CEO and chairman on November 25, 2015, the management have adopted certain measures with the objective of (i) guaranteeing the normal functioning of our business, (ii) increasing the solvency and liquidity ratios of the bank and (iii) minimizing the effect of the risks, inherent to our businesses, in a stress scenario.

On November 29, 2015 we announced the following changes in management: (i) Mr. Persio Arida was appointed as Chairman of the Board of Directors, (ii) Mr. John Huw Jenkins Gwili was appointed as Vice-Chairman of the Board of Directors and (iii) Mr. Marcelo Kalim and Mr. Roberto Balls Sallouti were appointed as Co-Chief Executive Officers.

On December 2, 2015 we announced a change of our controlling shareholders, which resulted in the transfer of the control, characterized by the majority of the voting shares, to a holding company formed by the Top Seven Partners (seven larger shareholders). This change was approved by the Central Bank of Brazil in December 3, 2015.

Also on December 2, 2015, we sold our remaining shares of Rede D'Or São Luiz S.A., representing 11.3% equity interest. The sale price was R$2.2 billion and we recognized a gain of R$1.6 billion.

On December 4, 2015 the Banco BTG Pactual executed a Memorandum of Understanding with Fundo Garantidor de Créditos – FGC ("FGC") to extend a financial assistance line up to the amount of R$6.0 billion, guaranteed by part of BTG Pactual's loan portfolio and personally guaranteed by its controlling shareholders (Top Seven Partners). As of December 31, 2015, we had drawn down R$5.0 billion from such credit line.

Also on December 4, 2015 we announced the formation of a Special Committee, consisting mostly of the independent members of the Board of Directors, to conduct an internal investigation of all matters that they deem appropriate.

On December 8, 2015, BTGI sold 95% of its indirect interest in, and credit to, ATLL Concessionaria de La Generalitat de Catalunya S.A. ("ATLL") for a total amount of R$317.1 million, generating a loss in the amount of R$134.2 million.

On December 10, 2015 we sold 21.7% of our equity interest in BR Properties for a total amount of approximately R$564 million.

On December 31, 2015 we signed a sale agreement with Itaú Unibanco S.A. relating to our total interest (81.94%) in Recovery do Brasil Consultoria S.A. ("Recovery") and certain portfolios of non-performing loans. The sale price was approximately R$1.2 billion and we recognized a gain in the amount of approximately R$560 million.

We have also approved share buyback programs to acquire units of BBTG11 and we have been actively buying our traded loans notes. We recognized gains in the amount of approximately R$650 million relating to the notes acquired, below par, after November 25, 2015.

We have received indicative, non-binding offers from third parties for the sale of BSI and our Board of Directors has authorized such negotiation. In addition, we have also entered into exclusive negotiations with CNP Assurances, for the sale of our interest in Pan Seguros and Pan Corretora. For those negotiations, we cannot yet confirm if an agreement will be reached.

As of January 15, 2016, after taking into consideration all the measures implemented, the level of cash and equivalents of Banco BTG Pactual, excluding BSI, was above that was held on November 24, 2015 and our Liquidity Coverage Ratio (LCR) stands at 112%.

A comprehensive description of the measures we have implemented since November 25, 2015 is detailed towards the end of this document. It is important to note that currently there are no administrative, criminal or civil proceedings involving BTG Pactual relating to the events that took place on November 25, 2015.

Global Market and Economic Analysis

After a period of tightening in financial conditions, especially during the months of August and September, there was a relief in the global markets on the back of the easing provided by China and by the ECB (European Central Bank) indication that it was likely to cut the interest rate and extend the QE (quantitative easing) for at least six months at the end of the year. The fact that the Fed delayed the first rate hike from September to December also helped to ease financial conditions.

The S&P500, for instance, rose 7.5% in Q4 after a 7% decline in the previous quarter. In 2015, the S&P declined 0.8%. The DAX index rose 11.2% in the last quarter of last year after an 11.7% decline in Q3 (and +9.6% in 2015). During the quarter the DAX index accumulated an 18% gain. However, the ECB disappointed at its December monetary policy meeting, leading the EUR up and equity prices down. The market was expecting the ECB to cut the deposit rate by more than 10bp and to increase the monthly purchase of assets, nevertheless the ECB cut the deposit rate from -0.2% to -0.3% and it held the monthly amount of asset purchases constant, extending only the length of the program for six months. The Nikkei rose 9.5% in Q4.

At the end of the quarter, however, financial conditions deteriorated again with the sharp decline of the oil prices. Despite the high level of inventories, the OPEC members ended their scheduled meeting at the beginning of December without a decision to restrain oil production. The Brent oil price declined 16.4% in December and 23% in the quarter. In 2015, Brent declined 35%, ending the year at US$37.3. Iron ore also posted a sharp decline in Q4 and in 2015 (-23% and -39%, respectively). The CRB index (an index that contain 23 commodities) declined 7% in Q4 and 14% in 2015.

Equity prices in Emerging Markets underperformed in part due to the decline in the commodities prices. Equity prices in Colombia declined 5.3%, in Chile it was flat, in Mexico it rose only 0.9% and in Brazil, the Ibovespa declined 3.8%. In 2015, the Ibovespa declined 13.3%.

Along with the decline in commodities prices and with the easing by the ECB, the dollar appreciated against the major currencies. The DXY index rose 2.4% in Q4 (and 9.3% in 2015). The highlights were the Argentine Peso, which depreciated 27% against the dollar due to the measures adopted by the new President Mauricio Macri to remove the exchange rate controls, the Russian Ruble (-11.1%), the South African Rand (-10.4%) and the Canadian Dollar (-3.8%). The EUR depreciated 2.8%, the Mexican Peso depreciated 1.8% and the Brazilian Real depreciated 0.4% (or 33% in 2015). The Japanese Yen depreciated 0.4% in Q4.

In the Interest rate market, the 10 year Treasury Yield increased 23bp to 2.27% (or 10bp in 2015) due to the improvement in the US labor market and, consequently, on the back of the Federal Reserve's decision to increase the interest rate at the December monetary policy meeting. Although the Fed showed some concern about the excessively low inflation rate, the committee recognized the improvement in economic activity and maintained the forecast of more four interest rate hikes in 2016. In Germany, the 10yr interest rate rose 4bp, in Colombia 7bp and in Mexico it was unchanged. In Brazil, the DI contract expiring on Jan 21 increased 102bp because of the Central Bank indication that it was likely to resume the tightening cycle, but also due to the political and economic uncertainty.

Regarding the Brazilian economy, the economic outlook continued to deteriorate. The market forecast for the GDP growth in 2015 and 2016 declined. The market consensus for 2015 went down from -2.85% to -3.71% and for 2016 it went down from -1% to -2.95%. The business confidence index showed some tentative signs of stabilization, but the levels have remained depressed.

On the inflation front, the IPCA (main consumer price index) ended 2015 at 10.67%, reflecting the 18.1% increase in the controlled prices and the 8.5% rise in the free prices. Although inflation surprised slightly on the downside in December, it is likely to remain around 1% in the coming two months due to the bus fare increases in the main cities and due to the food prices that have continued to pressure inflation in part due to the El Niño. Inflation expectations for 2016 went up from 5.94% at the end of September to 6.87% in part reflecting the fact that the analysts started to take into account some tax increases, such as CIDE (tax on fuels), that could be necessary in case the Congress does not approve the CPMF (transaction tax). The increase in the 2016 median forecast coupled with the continued deterioration in the fiscal accounts impacted the inflation forecast for 2017 which went up from 4.83% to 5.2%.

Despite the weakness in economic activity, the Central Bank signaled in the last month of the year that it was likely to resume the tightening cycle at the January 2016 monetary policy meeting. The inflation report released at the end of last year showed that the Central Bank forecast for 2017 inflation increased to 4.8% in the reference scenario (in which the interest rate and exchange rate are held constant) which is above the mid-point of the target (4.5%). As the Central Bank is now focused on bringing the inflation back to the target in 2017, it indicated that an increase in the interest rate was necessary.

On the fiscal accounts, the government likely posted a primary deficit of 2% of the GDP in 2015 as it decided to pay the delayed expenses (which added R$57bn to the primary deficit). The fiscal spending declined around 3% in real terms from January to November 2015. However, the fiscal revenues declined around 7%. Given the correlation between the economic activity and the fiscal revenues, it will continue to be challenging to meet the primary surplus target for 2016 (+0.5% of GDP).

On the positive side, the external accounts improved significantly. The trade balance accumulated a US$19.6 billion surplus in 2015, the highest since 2011. The depreciation of the BRL coupled with the decline in the economic activity explains the result. The trade surplus is expected to increase to US$35 billion in 2016. The current account deficit is set to end 2015 around 3% of GDP (from -4.5% of GDP in 2014) and to decline to around 2% of GDP in 2016 (the risks are towards a 0% current account deficit).

Combined Adjusted Revenues

Revenues in 4Q 2015 increased 37% when compared to 3Q 2015 and were up 122% when compared to 4Q 2014. For the full year 2015, revenues were up 50% when compared to the previous year, mainly as a result of strong Sales & Trading performance and the consolidation of BSI.

Combined Adjusted Revenues (unaudited)	Quarter			4Q 2015 % change to		Year to Date		2015 % change to
(in R$ million, unless otherwise stated)	4Q 2014	3Q 2015	4Q 2015	4Q 2014	3Q 2015	2014	2015	2014
Investment Banking	72	66	114	58%	72%	456	383	-16%
Corporate Lending	97	237	128	32%	-46%	692	985	42%
Sales & Trading	527	1,444	2,287	334%	58%	2,833	5,212	84%
Asset Management	445	327	386	-13%	18%	1,378	1,252	-9%
Wealth Management	108	388	846	682%	118%	393	1,455	270%
Principal Investments	(132)	(469)	(773)	n.a.	n.a.	(485)	(1,178)	n.a.
Pan	(2)	8	21	n.a.	169%	(80)	6	n.a.
Interest & Others	471	560	510	8%	-9%	1,550	1,971	27%
Total revenues	**1,586**	**2,560**	**3,518**	**122%**	**37%**	**6,737**	**10,086**	**50%**

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)		
	4Q 2014	3Q 2015	4Q 2015	4Q 2014	3Q 2015	4Q 2015
Financial Advisory (M&A)[(4)]	12	12	18	13,676	1,903	9,030
Equity Underwriting (ECM)	-	-	1	-	-	59
Debt Underwriting (DCM)	13	4	3	2,768	305	453

BTG Pactual Announced Transactions (unaudited)	Number of Transactions[(1),(3)]		Value[(2),(3)] (US$ mln)	
	2014	2015	2014	2015
Financial Advisory (M&A)[(4)]	44	47	29,730	18,102
Equity Underwriting (ECM)	7	4	779	402
Debt Underwriting (DCM)	49	24	7,172	3,434

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 at 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 2015 market share highlights

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

ECM: #3 in number of transactions and transaction volumes in Brazil

DCM: #2 in transaction volumes in Brazil

4Q 2015 vs. 3Q 2015

Investment Banking revenues increased 72%, from R$66.1 million in 3Q 2015 to R$113.8 million in 4Q 2015. The increase was mainly attributable to strong Financial Advisory activity, due to the closing of significant transactions in the period. In addition we maintained our leading market share due to the number of announced transactions and respective volumes. In equity and debt underwriting, the market continues to be very challenging and with limited activity, in spite of that, revenues were higher than last quarter.

4Q 2015 vs. 4Q 2014

Revenues in the quarter increased 58% when compared to the same period of last year, especially due to higher Financial Advisory revenues. ECM and DCM also posted better revenues.

2015 vs. 2014

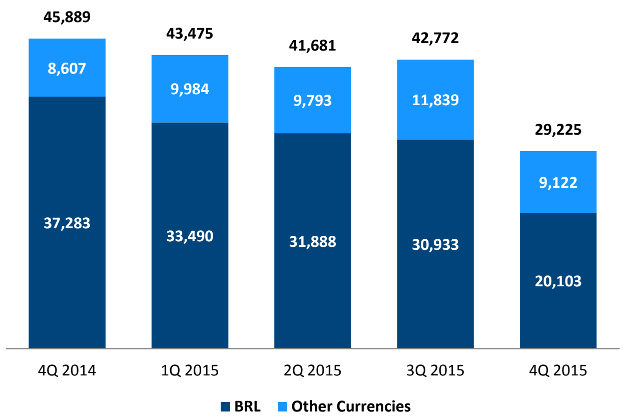
Revenues from Investment Banking were lower in 2015 at R$382.8 million, compared to R$456.1 million in 2014, with revenue declining in all three business lines. The results were mainly impacted by the strong deceleration in LatAm markets, which further deteriorated when compared to last year. Despite the scenario, we continued to perform well in Financial Advisory.

Corporate Lending

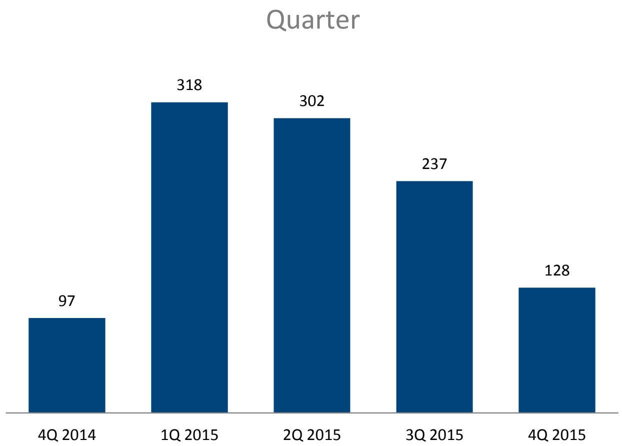
At quarter end, our Corporate Lending book decreased 32%, mainly as a consequence of divestments of credit portfolios in December, that were implemented to strengthen our liquidity levels, as previously described, and of the trend of reduction of our credit exposures, that was being gradually implemented during the year and in the quarter.

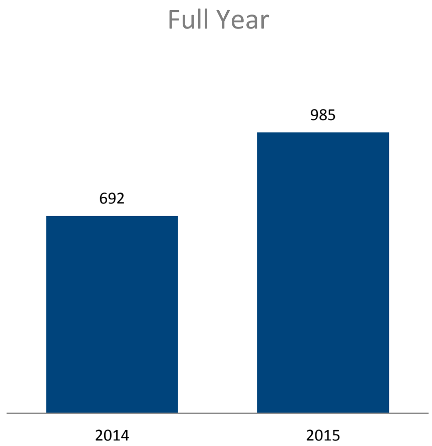
The decrease in the portfolio, through a series of sales and prepayment transactions, amounted to approximately R$10 billion. The average negative spreads applied of these transactions was immaterial, and the size of the portfolio reduction achieved in such a short period was very significant. Taking in consideration the negative economic scenario and prospects for the Brazilian economy, and the pace of implementation, we believe that the resulting financial impacts of the transactions implemented attest vigorously to the quality of our credit portfolios and the adequacy of our marks, which will continue to be applied in a prudent and conservative manner to the portfolio going forward.

Corporate Lending Portfolio
(in R$ million)



Revenues
(in R$ million)





4Q 2015 vs. 3Q 2015

Revenues from Corporate Lending decreased 46% from R$237.2 million in 3Q 2015 to R$128.1 million in 4Q 2015. Our revenues were negatively impacted by (i) losses that we absorbed on the sale or early repayments of parts of our credit portfolio, (ii) an increase in our allowance for loan losses, given the challenging macro environment in LatAm and the impacts in ratings of our counterparties and (iii) a one-off increase in our allowance for loan losses, to reflect potential additional liquidity discounts on future sales of credits, offset by the positive impact from the sale of Recovery in the quarter, with total gains of R$560 million.

4Q 2015 vs. 4Q 2014

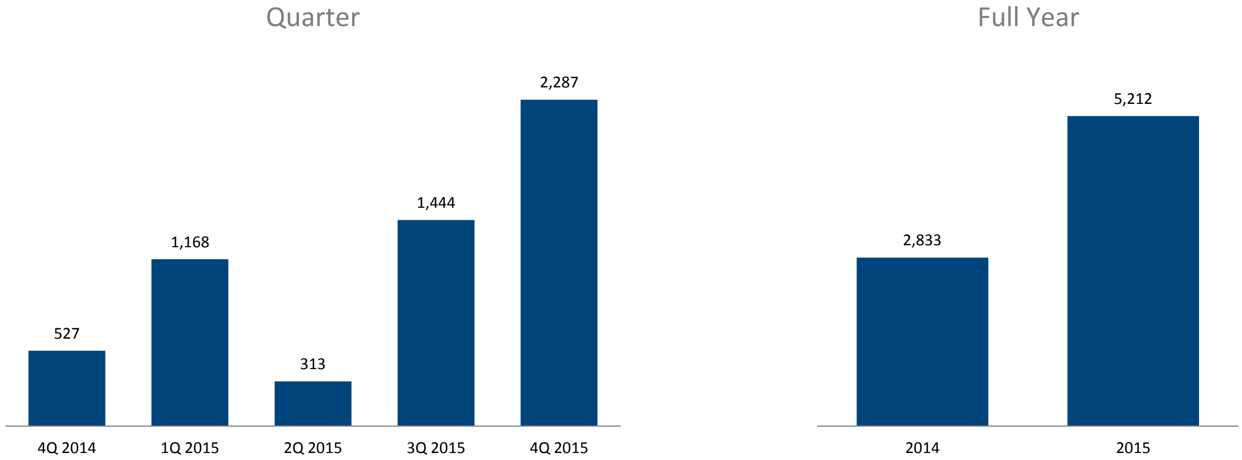
Revenues from Corporate Lending increased 32%, from R$97.1 million to R$128.1 million, mainly due to low revenues in 4Q 2014, impacted by a relevant provision on a specific credit exposure, and in 4Q 2015, due to the items explained above.

2015 vs. 2014

Revenues from Corporate Lending increased 42%, from R$691.9 million to R$984.7 million, mainly due to (i) larger average portfolio size, (ii) higher gross spreads, (iii) strong results from credit recovery in our NPL portfolios in 2015 and (iv) the sale of Recovery in 4Q 2015.

Sales & Trading

Revenues
(in R$ million)



4Q 2015 vs. 3Q 2015

Sales & Trading revenues increased 58%, from R$1,443.8 million to R$2,286.7 million, reaching the highest level in any quarter in our history. Revenue growth was mainly attributable to strong performance from commodities desks, good performance from our rates desk (which includes results from our repurchases of our own liabilities), and continuing good performance from our FX desk, offset by weak contribution from our equities desks.

4Q 2015 vs. 4Q 2014

Sales & Trading revenues increased 334%, from R$527.3 million to R$2,286.7 million. Revenue growth was mainly attributable to strong performance from our Rates, FX and commodities desks, which had significantly higher revenues in 4Q 2015. Our equities desks continued to perform below par, given the very challenging market conditions.

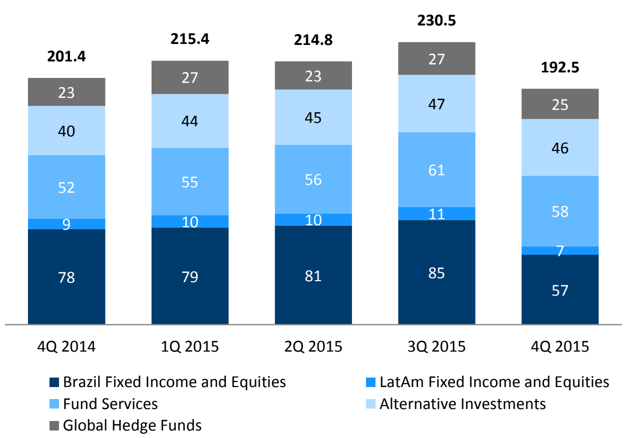
2015 vs. 2014

Sales & Trading revenues increased 84%, from R$2,832.7 million to R$5,211.5 million. Revenue growth was mainly attributable to our FICC desks as highlighted every quarter. The good performance is mostly explained by the higher volatility levels in most of the markets in which we operate.

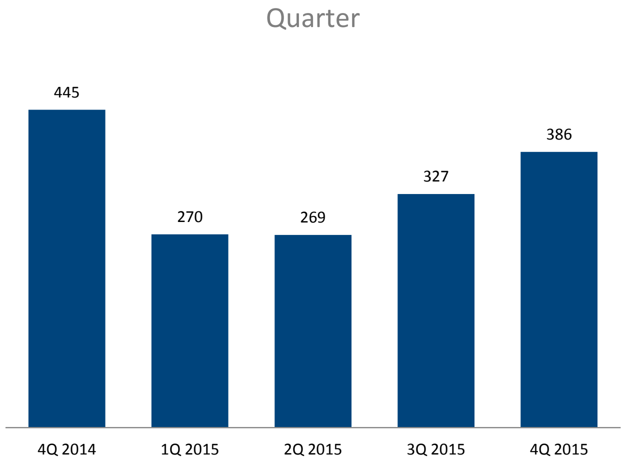
Asset Management

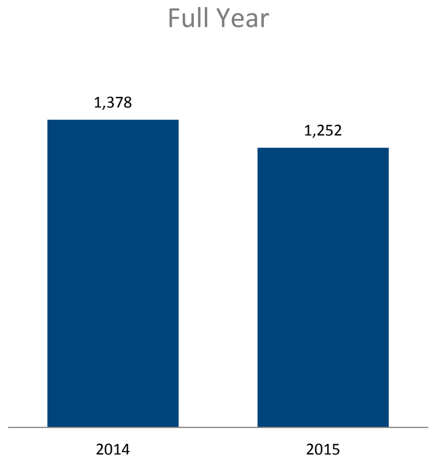
At quarter end, our Assets under Management and Assets under Administration decreased R$38.0 billion, from R$230.5 billion in 3Q 2015 to R$192.5 billion in 4Q 2015. Net new money was negative R$39.6 billion in the quarter, primarily due to outflows in Brazil Fixed Income and Equities and Fund Services. Negative AuM flows were concentrated in the 2 weeks following November 25, 2015 and have since then stabilized.

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



Revenues
(in R$ million)





4Q 2015 vs. 3Q 2015

Asset Management revenues increased 18% from R$326.7 million in 3Q 2015 to R$385.6 million in 4Q 2015. The increase was mainly due to the recognition of performance fees in the 4Q 2015, especially from our Brazil Fixed Income and Equities and Global Hedge funds.

4Q 2015 vs. 4Q 2014

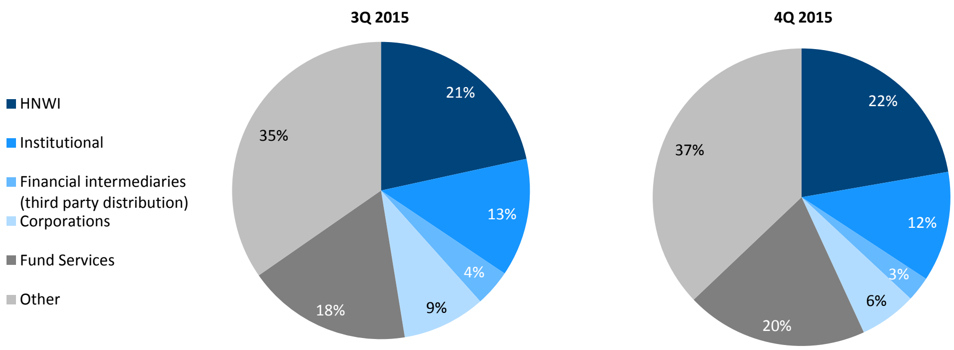
Asset Management revenues decreased 13% from R$444.6 million in 4Q 2014 to R$385.6 million in 4Q 2015. The decrease was mainly due to significantly higher performance fees from our Alternative Investments funds in 4Q 2014, partially compensated by higher performance fees from our Brazil Fixed Income and Equities and Global Hedge funds in 4Q 2015.

2015 vs. 2014

Asset Management revenues decreased 9% from R$1,378.3 million in 2014 to R$1,252.2 million in 2015. The decrease was mainly due to performance fees, mostly from Global Hedge and Alternative Investments funds, partially offset by (i) an increase in management fees and (ii) performance fees from our Brazil Fixed Income and Equities funds.

AuM and AuA by Type of Client

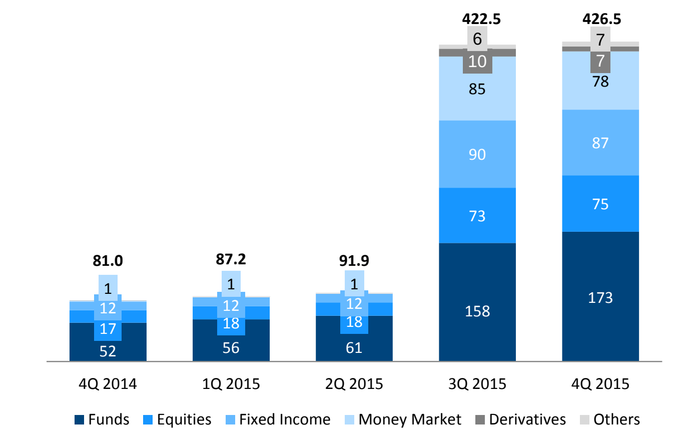
(%)



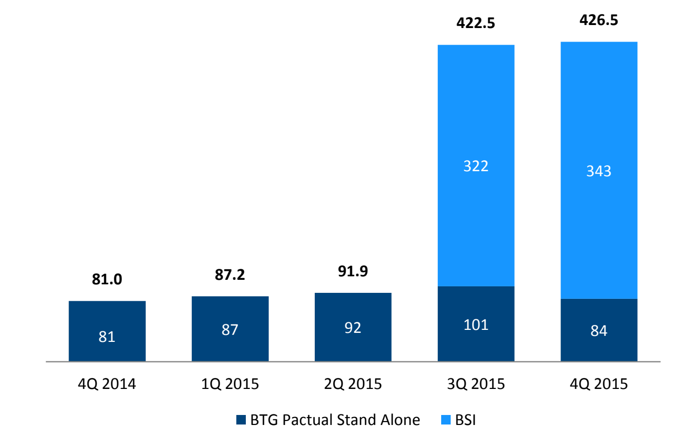
Wealth Management

At quarter end, our Wealth under Management remained stable at R$426.5 billion. In the quarter, our NNM was negative R$14.9 billion for BTG Pactual stand alone[2]. Negative WuM flows were concentrated in the 2 weeks following November 25, 2015 and have since then stabilized.

WuM by Class of Asset
(in R$ billion)

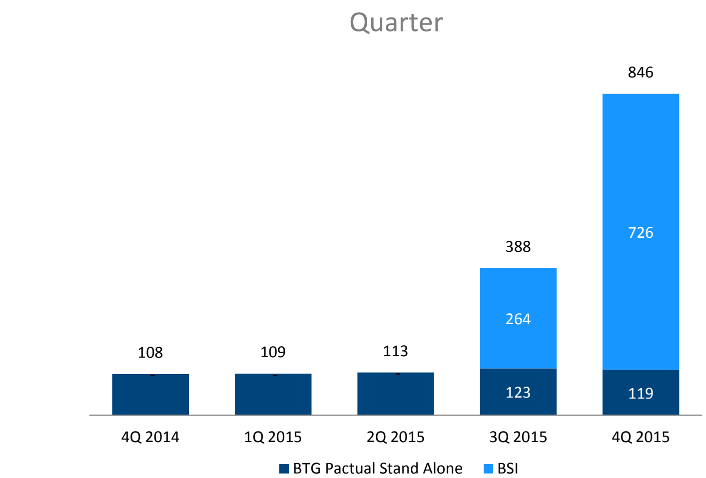


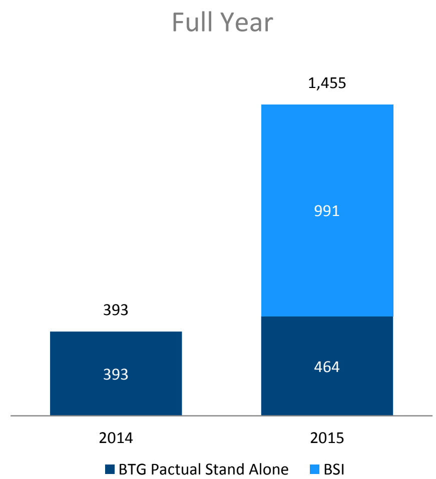
WuM breakdown
(in R$ billion)



Note: BSI's WuM from 4Q 2015 on includes assets under custody

Revenues
(in R$ million)





[2] *Does not include BSI's NNM*

4Q 2015 vs. 3Q 2015

Revenues from Wealth Management increased 118% from R$387.6 million in 3Q 2015, compared to R$845.8 million in 4Q 2015. Total revenues reflect (i) stable revenues from our WM LatAm platform and (ii) an increase in revenues from BSI, which contributed only with September revenues in the previous quarter.

4Q 2015 vs. 4Q 2014

Revenues from Wealth Management increased 682%, from R$108.2 million to R$845.8 million. The increase was mainly due to higher revenues from our WM LatAm platform, in line with the increase in average WuM during the period, despite the outflows concentrated in December, and higher revenues from BSI, due to its consolidation starting in September, 2015.

2015 vs. 2014

Revenues from Wealth Management increased 270%, from R$393.4 million to R$1,455.0 million, on top of good NNM and growing WuM during the course of year and the consolidation of BSI in September.

Principal Investments

Principal Investments Revenues (preliminary and unaudited) *(in R$ million, unless otherwise stated)*	Quarter			4Q 2015 % change to		Full Year		2015 % change to
	4Q 2014	3Q 2015	4Q 2015	4Q 2014	3Q 2015	2014	2015	2014
Global Markets	(597)	62	5	n.a.	-92%	(776)	(79)	n.a.
Merchant Banking	485	(448)	(571)	n.a.	n.a.	258	(684)	n.a.
Real Estate	(20)	(83)	(207)	n.a.	n.a.	32	(415)	n.a.
Total	**(132)**	**(469)**	**(773)**	**n.a.**	**n.a.**	**(485)**	**(1,178)**	**n.a.**

4Q 2015 vs. 3Q 2015

Principal Investments had losses of R$772.5 million in 4Q 2015, compared to losses of R$469.0 million in 3Q 2015, mainly due to negative contribution from Merchant Banking and Real Estate.

In the quarter, Global Markets had marginally positive contribution driven by credit strategies, both EM and global. In Merchant Banking we recorded gains of approximately R$1.5 billion from the portfolio divestitures, offset by significant additional provisions in the portfolio. Provisions were concentrated in our investments in the oil and gas and retail sectors, reflecting (i) a deterioration of the economic scenario (inflation, GDP growth, in Brazil, and oil prices), and (ii) also incorporating a view of potential discounts to be applied to the portfolio on earlier timing for divestments. Real Estate posted negative results mainly due to (i) impairments in certain investments, (ii) a negative contribution from our investment in BR Properties, following the decrease in the market price of that company's shares in the period. Merchant Banking and Real Estate results also incorporate internal funding cost allocation, dividend income and equity pick up from subsidiaries, as usual.

4Q 2015 vs. 4Q 2014

Revenues from Principal Investments varied from losses of R$132.0 million in 4Q 2014 to losses of R$772.5 million in 4Q 2015. The change reflects (i) slightly positive contribution from Global Markets in 4Q 2015, compared to significant losses in 4Q 2014, (ii) negative contribution from Merchant Banking in 4Q 2015, mainly related to impairments, as described above, and (iii) weaker performance in Real Estate, also mostly related to impairments.

2015 vs. 2014

Principal Investments had losses of R$1,177.8 million in 2015, compared to losses of R$485.4 million in the previous year. The change in revenues was mainly due to (i) negative contribution from Merchant Banking, mainly due to provisions we booked during the year, despite Rede D'Or divestment, compared to gains in 2014, (ii) negative contribution from Real Estate, mainly related to impairments and (iii) better, although low, performance from Global Markets in 2015.

Pan

Pan results represent share of profits of our stakes in Banco Pan, Pan Seguros and Pan Corretora.

4Q 2015 vs. 3Q 2015

Revenues from Pan increased from R$7.7 million in 3Q 2015 to R$20.6 million in 4Q 2015. The positive contribution is composed of (i) R$13.7 million from our share in Banco Pan, and (ii) a positive contribution of R$6.9 million from Pan Seguros and Pan Corretora, which is composed of R$12.8 million share of profits minus R$5.9 million goodwill amortization of such investments.

4Q 2015 vs. 4Q 2014

Pan had positive revenues of R$20.6 million in 4Q 2015, compared to losses of R$2.1 million in 4Q 2014.

2015 vs. 2014

Pan had positive revenues of R$6.0 million in 2015, compared to losses of R$80.1 million in 2014.

Interest & Others

4Q 2015 vs. 3Q 2015

Interest & Others revenues were R$509.9 million in 4Q 2015, compared to R$560.4 million in 3Q 2015. The decrease in revenues was mainly due to volatility in certain hedging instruments.

4Q 2015 vs. 4Q 2014

Revenues from Interest & Others increased in the period, in line with (i) the increase in the average interest rate of the Central Bank of Brazil, from 11.75% in 4Q 2014 to 14.25% in 4Q 2015 and (ii) the 21% growth of our average shareholders' equity in the period.

2015 vs. 2014

Revenues from Interest & Others increased 27% during the year, mainly due to (i) the 17% increase of our average shareholders' equity and (ii) the increase in the average interest rate of the Central Bank of Brazil, both partially compensated by volatility in certain hedging instruments.

Combined Adjusted Operating Expenses

Combined Adjusted Operating Expenses (unaudited)	Quarter			4Q 2015 % change to		Year to Date		2015 % change to
(in R$ million, unless otherwise stated)	4Q 2014	3Q 2015	4Q 2015	4Q 2014	3Q 2015	2014	2015	2014
Bonus	(242)	(520)	(514)	113%	-1%	(845)	(1,600)	89%
Salaries and benefits	(197)	(364)	(579)	193%	59%	(695)	(1,386)	99%
Administrative and other	(251)	(333)	(651)	160%	96%	(904)	(1,450)	60%
Goodwill amortization	(34)	(56)	(57)	66%	2%	(161)	(209)	30%
Tax charges, other than income tax	51	(99)	(97)	-289%	-2%	(155)	(430)	179%
Total operating expenses	**(673)**	**(1,371)**	**(1,898)**	**182%**	**38%**	**(2,759)**	**(5,076)**	**84%**
Cost to income ratio	42%	54%	54%	27%	1%	41%	50%	23%
Compensation ratio	28%	35%	31%	12%	-10%	23%	30%	30%
Total number of employees	3,277	5,446	5,378	64%	-1%	3,452	5,378	56%
Partners and associate partners	203	241	239	18%	-1%	203	239	18%
Employees (1)	3,074	5,205	5,139	67%	-1%	3,074	5,139	67%
Other	175	193	189	8%	-2%	175	189	8%

Operating Expenses Breakdown (unaudited)	BSI		BTG Pactual Stand Alone				2015 % change to
(in R$ million, unless otherwise stated)	3Q 2015	4Q 2015	3Q 2015	4Q 2015	2014	2015	2014
Bonus	(33)	(64)	(488)	(450)	(845)	(1,504)	78%
Salaries and benefits	(104)	(292)	(259)	(287)	(695)	(989)	42%
Administrative and other	(69)	(325)	(264)	(326)	(904)	(1,056)	17%
Goodwill amortization	-	-	(56)	(57)	(161)	(209)	30%
Tax charges, other than income tax	(5)	(10)	(94)	(87)	(155)	(416)	169%
Total operating expenses	**(211)**	**(691)**	**(1,160)**	**(1,206)**	**(2,759)**	**(4,173)**	**51%**
Cost to income ratio	80%	95%	51%	43%	41%	46%	
Compensation ratio	52%	49%	33%	26%	23%	27%	
Total Employees (1)	1,899	1,857	3,306	3,282			

Note:

(1) BSI´s employees are expressed in FTE (full-time equivalent)

(2) *Includes BSI from September 1st onwards – a one month impact for the 3rd quarter, and a full impact for the 4th quarter*

Bonus

Bonus expense was R$514.1 million in 4Q 2015, in line with the previous quarter and 113% higher when compared to 4Q 2014, and excluding BSI's impact, it would have decreased 8%, when compared to the previous quarter and increased 86%, when compared to 4Q 2014. 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 59% and 193%, when compared to 3Q 2015 and 4Q 2014, respectively; excluding BSI's impact, the growth would have been 10% and 45%, respectively. The growth in BTG Pactual stand alone staff costs mainly reflects (i) the depreciation of Real, as an important part of BTG's employees are located abroad, with a significant part in the US and UK and (ii) the inflation adjustments we granted to our employees in Brazil, most of them pursuant to industry agreements with the banking employee unions. Expenses related to salaries and benefits were R$197.4 million in 4Q 2014 and R$363.5 million in 3Q 2015, compared to R$579.0 million in 4Q 2015.

Administrative and other

Total administrative and other expenses increased 96% in the quarter from R$332.7 million in 3Q 2015 to R$651.3 million in 4Q 2015; excluding BSI's impact, the growth would have been 24%, which is mostly related to the depreciation of the Real and due to one off legal expense. When compared to 4Q 2014, there was a 160% increase from R$332.7 million to R$651.3 million, and excluding BSI's impact, the increase is mainly attributable to the depreciation of the Real.

Goodwill amortization

In the 4Q 2015 we recorded amortization expenses totaling R$56.9 million, in connection with the goodwill from the acquisitions of Celfin and Bolsa y Renta. Goodwill amortization was in line with the 3Q 2015 and the 4Q 2014.

Tax charges, other than income tax

Tax charges, other than income tax, were R$96.7 million, in line with 3Q 2015.

Combined Adjusted Income Taxes

Combined Adjusted Income Tax (unaudited)	**Quarter**			**Year to Date**	
(in R$ million, unless otherwise stated)	**4Q 2014**	**3Q 2015**	**4Q 2015**	**2014**	**2015**
Income before taxes	913	1,189	1,620	3,978	5,010
Income tax and social contribution	(65)	321	(391)	(567)	(394)
Effective income tax rate	**7.1%**	**-27.0%**	**24.1%**	**14.2%**	**7.9%**

Our effective income tax rate was 24.1% (representing an expense of R$391.0 million) mainly due to the computation of interest on equity (JCP) in the amount of R$493.8 million in the 4Q 2015, which we do not expect to distribute in the near future. Our effective income tax rate was -27% (an income tax gain of R$320.7 million) in 3Q 2015, and 7.1% (an expense of R$64.6 million) in the 4Q 2014.

Balance Sheet

As previously mentioned, we adopted a series of actions to reduce the use of balance sheet, conserve liquidity and preserve capital, such as; sale and pre-payment of our credit portfolio, divestiture of non-core assets and investments, and deleveraging our repo portfolio. As a result, our total assets decreased from R$302.8 billion in 3Q 2015 to R$ 266.1 billion in 4Q2015, while our cash and cash equivalents remained stable, despite an important reduction on our short term unsecured funding.

On the liability side, there was a reduction on deposits, securities issued and borrowings instruments, which comprise our unsecured funding. There was also a significant decrease on our repo financing, in line with what was stated above. Our shareholders' equity increased 1.8%, from R$22.1 billion at the end of 3Q 2015 to R$22.5 billion at the end of 4Q 2015, mainly due to net income of R$1.2 billion for the quarter ended December 30, 2015 and R$198.9 million positive impact of OCI (other comprehensive income), partially offset by R$ 492.7 million of interest on equity and R$ 563.9 million of units acquired in our share buyback program.

Risk and Capital Management

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

Market Risk – Value-at-risk[3]

Value-at-risk (unaudited) *(in R$ million, unless otherwise stated)*	Quarter		
	4Q 2014	**3Q 2015**	**4Q 2015**
Total average daily VaR	**87.1**	**140.1**	**172.2**
Average daily VaR as a % of average equity	0.47%	0.67%	0.77%

Our total average daily VaR as a percentage of our average shareholders' equity increased when compared to 3Q 2015 and to 4Q 2014. While we reduced significantly our fixed income and equities exposures, there was in increase in commodities market risk, where the reductions in the exposures were offset by the increased volatility in markets, and in FX, where we allowed a small portion of our structural exposures in other currencies to go unhedged during December. As VaR is disclosed herein as a moving average, there are still impacts from the risk reductions to be captured in the VaR model during the first quarter of 2016, assuming our current positions and market volatilities were maintained.

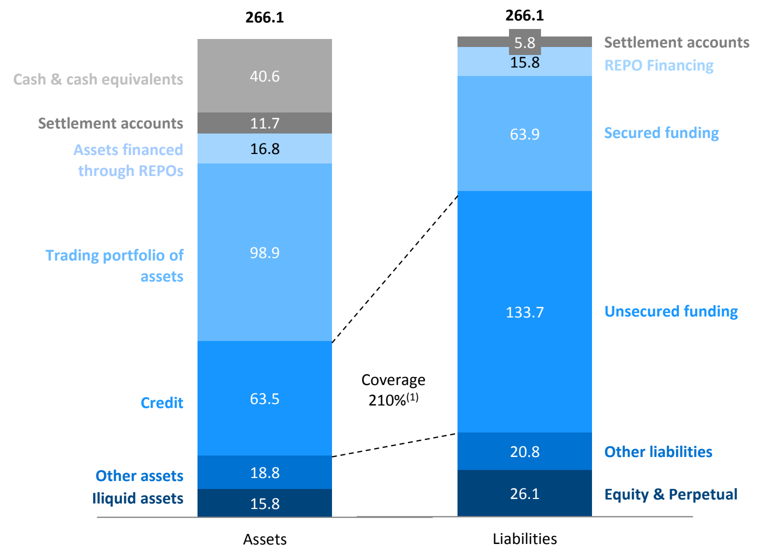
[3] *Incudes BSI's VaR since September 15th 2015*

Liquidity Risk Analysis

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

Summarized Balance Sheet (unaudited)

(in R$ billion)



Note:

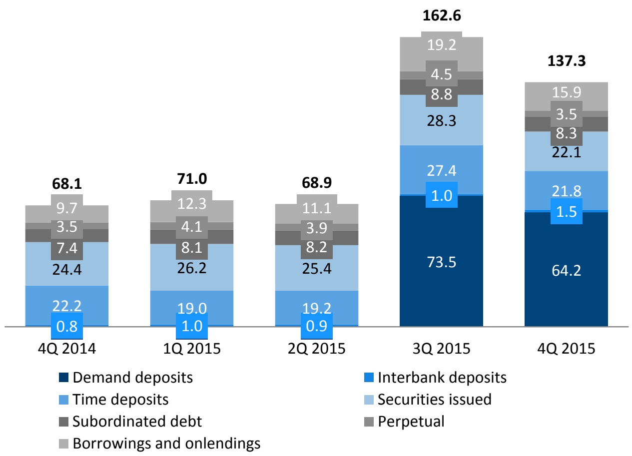
(1) Excludes demand deposits from BTG Pactual stand alone

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 unsecured funding decreased 16%, with reductions across all funding categories, including repurchases of our own bonds. The decrease was partially offset by the issuance of a R$5.0 billion 5 year time deposit to FGC (Fundo Garantidor de Creditos), collateralized by credit transactions on our credit portfolio, and of R$1.7 billion 1 and 2 year "DPGE I" time deposits, which are guaranteed by FGC at an amount up to R$20 million per counterparty.

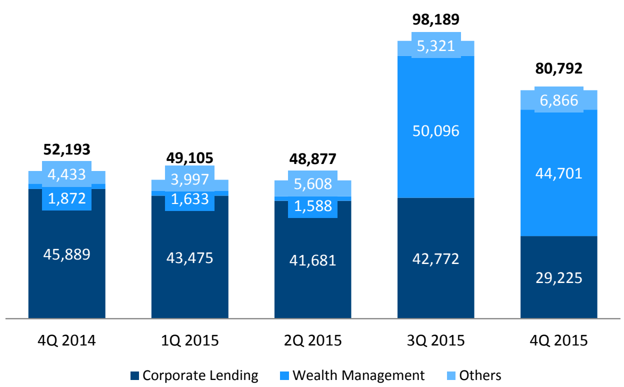
As a result of the changes described above, our average funding maturity increased about 10%.

BTG Pactual Broader Credit Portfolio

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).

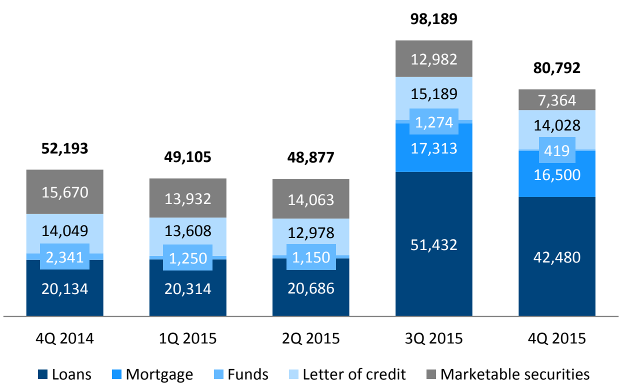
At quarter end, the balance of our broader credit portfolio decreased R$17.4 billion, from R$98.2 billion in 3Q 2015 to R$80.8 billion in 4Q 2015. The decrease was mainly a consequence of (i) sales and prepayment transactions performed in the quarter to strengthen our liquidity levels and (ii) an approximately CHF700 million decrease in BSI's credit portfolio, driven by weaker client demand for financing in the period.

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



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

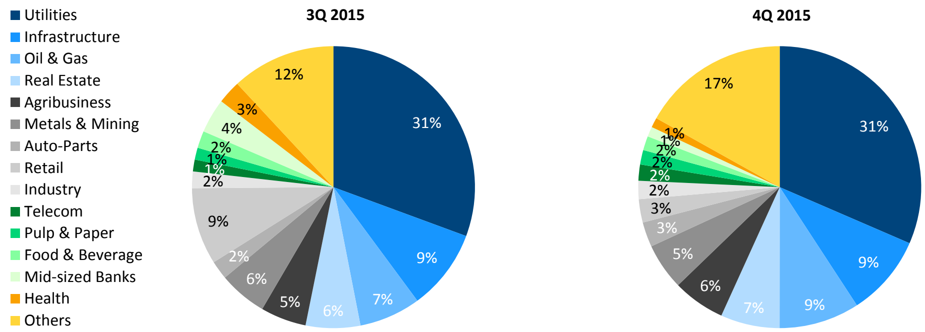
Broader Credit Portfolio By Product[1]
(in R$ million)



Notes:
(1) Mortgages are related to BSI only

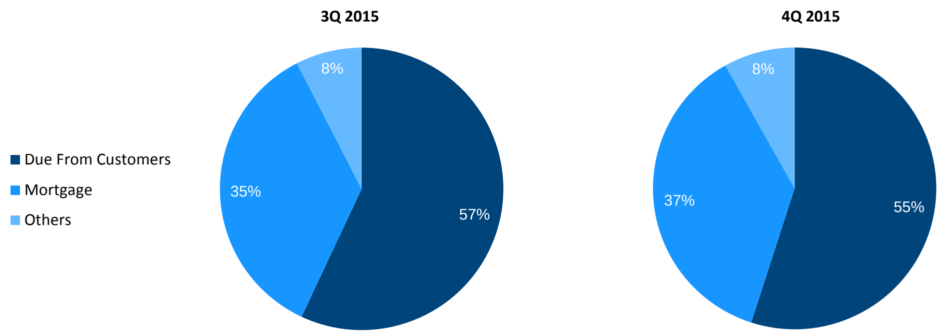
Corporate Lending & Others Portfolio By Industry

(% of total in values)



Wealth Management Portfolio By Product

(% of total in values)



Credit Risk

The following table sets forth the distribution, by credit rating, of our credit exposures as of December 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)	4Q 2015
AA	52,243
A	13,330
B	6,082
C	4,255
D	2,090
E	1,038
F	161
G	-
H	1,594
Total	**80,792**

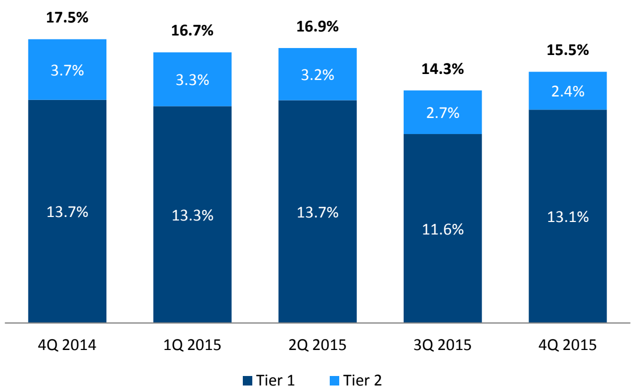
Capital Management

Banco BTG Pactual complies with standards of capital requirements 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, and are applicable only to Banco BTG Pactual.

The Basel ratio increased from 14.3% at the end of 3Q 2015 to 15.5% at the end of 4Q 2015. The increase in Basel index reflects a decrease in risk weighted assets across most risk classes, especially credit risk.

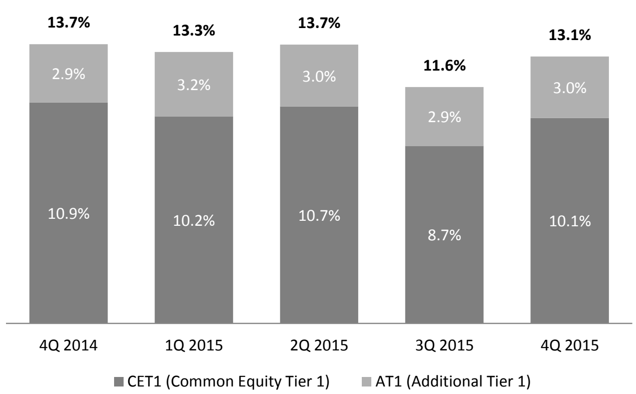
Basel Ratio (unaudited)

(%)



Tier 1: CET1 & AT1 (unaudited)

(%)



Relevant Events – Continuation

Operational Background

The deterioration of the political and economic environment in Brazil, combined with November 25th events, culminated in the downgrade of our credit rating by the three major agencies.

Risk Management

We strictly manage our risks, always considering the short and long-term implications in order to make decisions. We have decided to adopt measures related to the risks we understand that in the current context are the most relevant.

Reputational

Our reputation is an important component in all activities we carry out. In this context, we have implemented fast and efficient measures to preserve the reputation of BTG Pactual, which as mentioned before is not subject to any investigations or allegations. The first measure was to announce Mr. Persio Arida as interim CEO of BTG Pactual. Subsequently we announced permanent changes in the Board of Directors and shareholding control of BTG Pactual, given that Mr. André Santos Esteves renounced his positions. Internally we intensified efforts in the analysis of all media related to BTG Pactual, investments and operations considered relevant and we have not identified any irregularity. Additionally, with the intent to provide further comfort for our shareholders and the market in general, we created a Special Committee to conduct an independent investigation of BTG Pactual businesses as they deem appropriate.

Changes in shareholding control and Board of Directors – On November 29, 2015, Mr. André Santos Esteves renounced all his executive positions at BTG Pactual; the Board of Directors appointed: (i) Mr. Persio Arida as Chairman of the Board of Directors, (ii) Mr. John Huw Gwili Jenkins as Vice-Chairman of the Board of Directors and (iii) Mr. Marcelo Kalim and Mr. Roberto Balls Sallouti as Co-Chief Executive Officers. Furthermore, on December 2, 2015, an exchange of shares was held between Mr. André Santos Esteves and the Top Seven Partners – a group composed of Messrs. Marcelo Kalim, Roberto Balls Sallouti, Persio Arida, Antonio Carlos Canto Porto Filho, James Marcos de Oliveira, Renato Monteiro dos Santos and Guilherme da Costa Paes, partners and members of the senior management of BTG Pactual – was held, resulting in the change of the Companies' current controlling shareholder, which will now be exercised by the Top Seven Partners, through a holding company established by them. The Central Bank of Brazil approved the new structure on December 3, 2015.

Special Committee – On December 4, 2015, the Board of Directors constituted the Special Committee consisting mostly of the independent members of the Board of Directors, to oversee and direct an internal investigation of every area they deemed appropriate. The Special Committee hired the independent law firm Quinn Emanuel Urquhart & Sullivan, LLP to conduct the investigation. The Board of Directors did not impose limits on the authority of the Special Committee and will ensure that information regarding the company and individuals are available to the Committee and its advisors. The Committee will report to the Board of Directors the results of its investigative efforts.

Buyback Program – On November 25, 2015, the Board of Directors approved a stock repurchase program that envisioned the acquisition of up to 10% of the free-float (approximately 23 million units). On December 13, 2015, the Board of Directors approved the cancellation of the repurchased shares (approximately 20 million), as well as the approval of the continuity of the share repurchase program of up to approximately 21 million units. The share repurchase program demonstrates the confidence that executives and Partners of BTG Pactual have in the quality of its assets.

Liability Repurchase – We are also repurchasing our liabilities, including some of the outstanding balance of senior and subordinated non-cumulative perpetual notes (tier I), with no impact on our capital base. It is our belief that the market value of the respective bonds does not adequately represent the credit worthiness of BTG Pactual. With the repurchase program, we expect to unequivocally demonstrate our confidence in the value of our issued bonds, with positive impacts in the maintenance of our existing financing lines and to our credibility. During the quarter, we recognized gains in the amount of approximately R$650 million relating to notes acquired, below par, after November 25, 2015.

Communication – In accordance with the rules issued by CVM, the Brazilian Central Bank (“BACEN”) and other regulators, we are providing all required information, as well as making voluntary disclosure, in order to provide accurate information and transparency to our shareholders, creditors and the market in general.

Legal and Regulatory Risk

In order to mitigate potential legal and regulatory risks, we are in constant contact with our regulators in all countries we operate. Our communications strategy seeks not only to ensure regulators are fully informed, but also to efficiently provide information for any requests or respond to adopted measures.

Risk and Liquidity Management

Liquidity preservation is also essential for our business. As mentioned before, the sequence of events that happened after November 25, 2105, combined with the deterioration of the political and economic condition in Brazil, culminated in us facing withdrawals and with limited access to capital markets. These conditions impacted our immediate liquidity level. In order to guarantee a conservative and adequate liquidity level, we have adopted certain measures:

Credit Portfolio - We have sold credit positions from our credit portfolio, particularly debentures that are considered illiquid, and received prepayments in the total amount of approximately R$10 billion; cash proceeds from such sales are already available;

Fundo Garantidor de Crédito (”FGC”) - On December 4, 2015 we executed a Memorandum of Understanding with the FGC to extend a credit line up to the amount of R$6.0 billion, guaranteed by part of BTG Pactual’s loan portfolio and personally guaranteed by the controlling shareholders (Top Seven Partners); such collateral represents 120% of the credit line. As of December 31, 2015, the amount of R$5.0 billion had been withdrawn from such credit line;

Depósitos a Prazo com Garantia Especial (“DPGE”) - this is a fixed income financial product, with no partial or anticipated maturity, that offers investors extended guarantees, in value terms, provided by the FGC in the case of an intervention, liquidation or insolvency recognized by the competent party of the financial institution. The program limit was approximately R$2.5 billion, available until December 30, 2015, which is basically related to the value of shareholders equity and outstanding deposits. As of December 31, 2015 BTG Pactual had issued approximately R$1.7 billion;

Asset and investments Sales - We have sold assets and stakes in investments in the total amount of approximately R$4 billion. Such sales were detailed in the Relevant Events section of this document and are related to the divestment plan.

Final Considerations

The measures we have implemented are adequate and sufficient to provide the financial resources necessary to meet our short, medium and long term obligations, considering an extreme stress scenario where the Bank would have no access to new funding or the ability to renew its current funding instruments in the upcoming months, and our contractual inflows to suffer a discount.

The measures we adopted have already created positive effects on our liquidity and regulatory capital ratios and we expect significant further improvements in the short and medium term, given the additional measures planned, which includes the continuing sale of assets and investments stakes.

We will continue to focus on strengthening our liquidity profile, primarily through continued asset and investment stake sales that are outside of our core business areas.

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 for Banco BTG Pactual S.A. and its subsidiaries and IFRS for BTGI Investments LP and its subsidiaries. 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 and IFRS. 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 results and results of any specific date. 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.
Compensation ratio	It is computed by dividing the sum of combined adjusted bonus and salaries and benefits expenses by combined adjusted total revenues.
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 quarter net income divided by total number of units in the end of such period (as of the end of 4Q 2015, the combined capital is comprised of 918 million units). This item is a non-GAAP measurement and may not be comparable to similar non-GAAP measures used by other companies.

KPIs and Ratios	Description
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			4Q 2015 % change to	
	4Q 2014	3Q 2015	4Q 2015	4Q 2014	3Q 2015
Assets					
Cash and bank deposits	1,674	23,062	20,491	1124%	-11%
Interbank investments	44,435	41,348	32,587	-27%	-21%
Marketable securities and derivatives	107,159	105,681	86,822	-19%	-18%
Interbank transactions	1,164	1,687	1,921	65%	14%
Loans	18,147	74,630	57,985	220%	-22%
Other receivables	37,730	45,829	57,706	53%	26%
Other assets	220	333	253	15%	-24%
Permanent assets	7,796	10,232	8,317	7%	-19%
Total assets	**218,326**	**302,802**	**266,082**	**22%**	**-12%**
Liabilities					
Deposits	18,086	95,377	86,008	376%	-10%
Open market funding	70,731	45,109	20,308	-71%	-55%
Funds from securities issued and accepted	25,013	29,274	22,827	-9%	-22%
Interbank transactions	3	5	7	134%	34%
Loans and onlendings	9,709	19,158	15,877	64%	-17%
Derivatives	34,832	44,144	42,366	22%	-4%
Subordinated liabilities	10,916	13,301	11,842	8%	-11%
Other liabilities	29,418	33,589	43,797	49%	30%
Deferred income	171	341	310	81%	-9%
Shareholders'equity	**18,678**	**22,119**	**22,511**	**21%**	**2%**
Non-controlling interest	768	387	229	-70%	-41%
Total liabilities	**218,326**	**302,802**	**266,082**	**22%**	**-12%**

Combined Adjusted Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	Quarter			4Q 2015 % change to		Year to Date		2015 % change to
	4Q 2014	**3Q 2015**	**4Q 2015**	**4Q 2014**	**3Q 2015**	**2014**	**2015**	**2014**
Investment Banking	72	66	114	58%	72%	456	383	-16%
Corporate Lending	97	237	128	32%	-46%	692	985	42%
Sales & Trading	527	1,444	2,287	334%	58%	2,833	5,212	84%
Asset Management	445	327	386	-13%	18%	1,378	1,252	-9%
Wealth Management	108	388	846	682%	118%	393	1,455	270%
Principal Investments	(132)	(469)	(773)	n.a.	n.a.	(485)	(1,178)	n.a.
Pan	(2)	8	21	n.a.	169%	(80)	6	n.a.
Interest & Others	471	560	510	8%	-9%	1,550	1,971	27%
Total revenues	**1,586**	**2,560**	**3,518**	**122%**	**37%**	**6,737**	**10,086**	**50%**
Bonus	(242)	(520)	(514)	113%	-1%	(845)	(1,600)	89%
Salaries and benefits	(197)	(364)	(579)	193%	59%	(695)	(1,386)	99%
Administrative and other	(251)	(333)	(651)	160%	96%	(904)	(1,450)	60%
Goodwill amortization	(34)	(56)	(57)	66%	2%	(161)	(209)	30%
Tax charges, other than income tax	51	(99)	(97)	-289%	-2%	(155)	(430)	179%
Total operating expenses	**(673)**	**(1,371)**	**(1,898)**	**182%**	**38%**	**(2,759)**	**(5,076)**	**84%**
Income before taxes	**913**	**1,189**	**1,620**	**77%**	**36%**	**3,978**	**5,010**	**26%**
Income tax and social contribution	(65)	321	(391)	505%	-222%	(567)	(394)	-30%
Net Income	**848**	**1,510**	**1,229**	**45%**	**-19%**	**3,411**	**4,616**	**35%**

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)	3Q 2015	4Q 2015	3Q 2015	4Q 2015
Assets				
Cash and bank deposits	23,061	20,491	1,022	736
Interbank investments	41,348	32,587	-	-
Marketable securities and derivatives	96,014	77,669	11,523	10,348
Interbank transactions	1,687	1,921	-	-
Loans	72,080	55,665	2,551	2,320
Other receivables	45,656	57,646	284	60
Other assets	333	253	-	-
Permanent asset	10,232	8,317	-	-
Total assets	**290,411**	**254,549**	**15,379**	**13,464**
Liabilities				
Deposits	96,994	86,744	-	-
Open market funding	45,109	20,308	-	-
Funds from securities issued and accepted	25,042	19,559	4,503	3,536
Interbank transactions	5	7	-	-
Loans and onlendings	12,168	8,098	6,990	7,779
Derivatives	43,445	42,327	699	39
Subordinated liabilities	13,007	13,458	-	-
Other liabilities	34,994	43,795	1	2
Deferred income	341	310	-	-
Shareholders' equity	**18,919**	**19,713**	**3,186**	**2,108**
Non-controlling interest	387	229	-	-
Total liabilities	**290,411**	**254,549**	**15,379**	**13,464**

Income Statement (unaudited) *(in R$ million, unless otherwise stated)*	Banco BTG Pactual S.A.		BTG Investments LP.	
	3Q 2015	4Q 2015	3Q 2015	4Q 2015
Financial income	4,637	3,583	(67)	(424)
Financial expenses	(6,346)	(1,718)	(368)	(73)
Gross financial income	**(1,709)**	**1,864**	**(436)**	**(497)**
Other operating income (expenses)	657	(497)	(1,130)	(398)
Operating income	**(1,052)**	**1,368**	**(1,566)**	**(895)**
Non-operating income/(expenses)	494	1,192	(0)	-
Income before taxes and profit sharing	**(558)**	**2,560**	**(1,566)**	**(895)**
Income and social contribution taxes	2,852	(576)	5	-
Statutory profit sharing	(504)	(476)	-	-
Non-controlling interest	**57**	**36**	**-**	**-**
Net income	**1,848**	**1,544**	**(1,560)**	**(895)**

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	
	3Q 2015	4Q 2015	3Q 2015	4Q 2015
Banco BTG Pactual - BR GAAP	290,411	254,549	1,848	1,544
BTG Investments - IFRS	15,379	13,464	(1,560)	(895)
Total	305,790	268,012	288	649
Conversion adjustments from IFRS to BR GAAP	-	-	495	-
Consolidation and conversion adjustments	(2,988)	(1,930)	727	580
Combined balances	**302,802**	**266,082**	**1,510**	**1,229**

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.