

THIS NOTICE TO SHAREHOLDERS MAY NOT BE DISCLOSED, DISTRIBUTED OR REPRODUCED IN THE UNITED STATES.

THIS NOTICE TO SHAREHOLDERS IS EXCLUSIVELY FOR INFORMATIONAL PURPOSES AND IS NOT PART OF ANY OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY SECURITIES ISSUED BY BANCO BTG PACTUAL S.A., ENGELHART CTP GROUP S.A. AND/OR ANY OF THEIR AFFILIATED ENTITIES (COLLECTIVELY, THE "SECURITIES") IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT")) EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION THEREFROM. NO PUBLIC OFFERING OF SECURITIES WAS OR WILL BE CARRIED OUT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION AND, ACCORDINGLY, THE SECURITIES WERE NOT REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY OTHER APPLICABLE LEGISLATION.

BANCO BTG PACTUAL S.A.

Publicly Held Company
Corporate Taxpayer ID 30.306.294/0001-45
Praia de Botafogo No. 501, 6th floor
Rio de Janeiro, RJ, Brazil

NOTICE TO THE SHAREHOLDERS

Banco BTG Pactual S.A. ("Banco"), hereby informs its shareholders and the market in general, further to the Material Fact dated June 29, 2016 and the Notice to the Shareholders dated July 18, 2016, that the Brazilian Central Bank has approved the issuance of 817,526,483 Class C preferred shares of Banco ("PNCs") as a stock dividend, pursuant to the meeting of Banco's Board of Directors' held on July 14, 2016 ("Stock Dividend"), and the merger of BTG Pactual Holding Internacional S.A. into Banco, as approved at Extraordinary Shareholders' Meeting of Banco held on July 14, 2016.

As previously disclosed, the Stock Dividend is part of the transaction of separating from Banco its commodities trading activities (other than the activities relating to Brazil's energy trading desk) from Banco ("Transaction") pursuant to which Banco will give its shareholders the option to receive equity interests in Engelhart CTP Group S.A. ("Engelhart CTP").

The Stock Dividend will be carried out in accordance with the following conditions:

Issuance of Shares: issuance of 817,526,483 PNCs, in book entry form, with no par value, to be credited to shareholders of Banco, as a stock dividend, at a ratio of 0.92905501907 PNCs for every BBTG11 unit (corresponding to 0.30968500635 PNCs for every common share and/or preferred share), including those held as treasury stock, by using a portion of Banco's investment reserves, pursuant to Article 34, paragraph 2 of Banco's Bylaws.

Issuance Aggregate Price and New Capital Stock: the issuance of the PNCs was carried out in the total amount of R\$ 4,000,000,000.00, of which R\$ 40,000,000.00 were allocated to Banco's capital stock account and R\$ 3,960,000,000.00 were allocated to Banco's capital reserve account. Banco's capital stock was increased from R\$ 7,180,525,408.36 to R\$ 7,220,525,408.36 and Banco's capital reserve account will have a resulting balance of R\$ 3,960,000,000.00.

Record Date: the shareholders holding shares issued by Banco (and, consequently, BBTG11 units) as of the close of the trading session on September 12, 2016 shall be entitled to the Stock Dividend. The PNCs will be credited to such shareholders' positions on September 16, 2016.

Ex-Date: the BBTG11 units, and shares issued by Banco, will be traded on the BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") without the right to receive PNCs ("ex stock dividend rights") beginning on September 13, 2016.

Rights of the Shares Received as Stock Dividend: the PNCs issued in connection with the Stock Dividend shall have the same rights assigned to them in accordance with Article 58, paragraph 1 of Banco's Bylaws. Depending on the election made by the shareholders, as described in the Material Fact dated June 29, 2016 and the Notice to the Shareholders dated July 18, 2016, (i) each PNC will result in 01 Class A Share issued by Engelhart CTP, or alternatively, (ii) each PNCs will result in 0.28280586628 additional BBTG11 units.

Stock Dividend Shares' Cost: for the purposes of Paragraph 1 of Article 58 of the Brazilian Federal Revenue Service's Regulatory Instruction No. 1,585/15, as well as Paragraph 1 of Article 10 of Law No. 9,249/95, the cost attributed to the PNCs in connection with the Stock Dividend, on a fully diluted basis, is R\$4.8928 per share. Banco recommends that the shareholders contact their own advisors (including tax advisors) regarding the effects of the Stock Dividend.

Fractions of Shares: the Stock Dividend will always be carried out in whole numbers (with roundings being effected whenever necessary). Any fractions of PNCs will be separated, grouped together in whole numbers, and sold at BM&FBOVESPA, with net proceeds raised therefrom to be delivered to the shareholder that own such fractions, on a date to be disclosed in due course.

In the Transaction, Banco's shareholders that intend to elect to receive equity interests issued by Engelhart CTP shall expressly declare such intention until September 23, 2016, by means of the form made available at the websites <http://ri.btgpactual.com/> (Portuguese version) and

<http://ir.btgpactual.com/> (English version), pursuant to the instructions contained therein and in accordance with the terms of the Notice to the Shareholders of July 18, 2016, subject to, in all cases, additional operational procedures to be disclosed by BM&FBOVESPA, or to be required by the custodial agents or the shareholders' legal representatives. Additionally, Banco has made available, on the aforementioned websites, Engelhart CTP's financial statements as of and for the second quarter of 2016 as well as information complementing the presentation on Engelhart CTP made available on June 19, 2016.

Below is a summarized timeline of the next steps regarding the Stock Dividend:

Phase	Date
Date on which BBTG11 <i>units</i> , and shares issued by Banco, will begin trading "ex stock dividend rights"	September 13, 2016
Date on which PNCs will be credited to BBTG11 unitholders' registry, and to the Banco's shareholders	September 16, 2016
Initial date for shareholders to declare their intention to receive equity interests in Engelhart CTP	September 19, 2016
Deadline for shareholders to declare their intention to receive equity interests in Engelhart CTP	September 23, 2016
Date on which additional BBTG11 units will be credited to those BBTG11 unitholders who have not elect to receive equity interests in Engelhart CTP	October 14, 2016 *
* Estimated date, in case of modification of this date the shareholders will be informed by means of an additional Notice to the Shareholders.	

Banco will continue to keep its shareholders and the market duly informed as to the conclusion of the Transaction, the Stock Dividend and related matters.

São Paulo, September 6, 2016.

BANCO BTG PACTUAL S.A.

João Marcello Dantas Leite
Investor Relations Officer

LEGAL NOTICE. This notice to the shareholders contains forward-looking statements that are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and are mainly based on Banco's current expectations and estimates of future events and trends that affect or may affect its business, financial condition, results of operations, cash flow, liquidity, prospects, the trading price of its securities (including BBTG11 units) and its ability to deleverage,

improve its Basel ratio, effect the distribution of Engelhart CTP shares or issue and distribute additional BBTG11 units to its unit holders as described above and on reasonable terms or at all. These forward-looking statements are subject to several risks and uncertainties, which may change from time to time. It's impossible for Banco to predict how forward-looking statements may be affected by such risks and uncertainties, and Banco does not have any duty to, and does not intend to, update or revise the forward-looking statements in this announcement, except as may be required by law.