

August 04, 2017

To

B3 S.A. – Brasil, Bolsa, Balcão

C/O: Corporate Oversight Department - Nelson Barroso Ortega

Ref.: Official Letter 1331/2017-SAE – Clarification on news item

BANCO BTG PACTUAL S.A. ("BTG Pactual"), in response to B3's Official Letter ("Official Letter") transcribed below, which requests clarification on a news item published by the media, hereby clarifies that:

Firstly, BTG Pactual reiterates that the statements made by the representatives of BTG Pactual during earnings conference calls for presenting its financial statements ("Earnings Conference Calls") and in subsequent interactions with the media, such as the declarations referred to in the news item mentioned in the Official Letter ("News item"), are merely expectations. In fact, this is always highlighted at the beginning of all Earnings Conference Calls, through the following disclaimer:

"Before we proceed, we would like to clarify that any statements made during this conference call regarding the business prospects of BTG Pactual are expectations of the Bank's Management and based on information currently available. They involve risks, uncertainties and assumptions as they refer to future events and, therefore, depend on circumstances that may or may not occur. Investors should understand that general economic conditions of the industry and other operational factors may affect the future performance of BTG Pactual and lead to results that materially differ from those expressed in said forward-looking statements".

Nevertheless, we must also highlight that:

(i) on the Earnings Conference Calls held last Wednesday, the representatives of BTG Pactual stated that there was a reduction in BTG Pactual's interest in Engelhart CTP Group S.A. ("ECTP"), and that this reduction was expected to continue in coming quarters. In fact, the "Earnings Release" disclosed last Tuesday stated that "During the quarter ended June 30, 2017, as part of the commodity trading activities separation process, ECTP acquired 6.39% of its own shares held by the Bank". Lastly, this information was also included in the material fact and related materials disclosed by BTG Pactual on June 29, 2016, when the details of ECTP separation were announced: "The remaining interest which will continue to be held by BTG Pactual in Engelhart CTP can be repurchased by Engelhart CTP every quarter for a period of five years, considering a representative value of 100% of the equity value per share of Engelhart CTP, based on the shareholders' equity of Engelhart CTP on the last day of the immediately preceding quarter."; and

(ii) on said Earnings Conference Calls, it was only stated that the peculiarities of the second quarter of 2017, especially in regard to political factors which led to strong market volatility in May, were one of the factors which resulted in an adjusted return on average equity (ROAE) below the historical levels recorded by BTG Pactual since its IPO in 2012 – "We expect our result to resume historical levels" was the sentence said by CEO of BTG Pactual. There was no specific mention that "the goal of the Bank is to achieve a level above 20%", and this sentence was presented in the News item without any quotes and, therefore, at the journalist's own discretion.

João Marcello Dantas Leite

Investor Relations Officer of Banco BTG Pactual S.A.

August 03, 2017
1331/2017-SAE

Banco BTG Pactual S.A.
C/O: João Marcello Dantas Leite
Executive Officer Responsible

Ref.: Clarification on news item

Dear Sirs,

A news item published on August 03, 2017 on the Valor Econômico newspaper, includes, among other information, the following statements:

1. BTG Pactual may sell 100% of the shares held thereby in the commodity company Engelhart Commodities Trading Partners (ECTP) to the partners of the bank;
2. The bank's goal is to achieve a level of average return above 20%.

We request clarification about the items pointed out by August 04, 2017, specifying whether the information is true or not, as well as any other information deemed important.