

December 01, 2017

**To**

**Comissão de Valores Mobiliários - CVM**

C/O: Mr. Cláudio José Paulo – Manager

Copy to: B3 S.A. – Brasil, Bolsa, Balcão

Ref.: Official Letter 391/2017/CVM/SEP/GEA-1 – Clarification on news item

BANCO BTG PACTUAL S.A. ("Bank"), in response to Official Letter 391/2017/CVM/SEP/GEA-1, abaixo transcribed below, which requests clarification on a news item published by the media ("Letter"), hereby clarifies that Mr. Marcelo Kalim continues as chairman of the Board of Directors and member of BTG Pactual G7 Holding S.A., holding of the controlling shareholder group of BTG Pactual, and that there is no intention to change his positions at the Bank.

**João Marcello Dantas Leite**

Investor Relations Officer of Banco BTG Pactual S.A.

Rio de Janeiro, November 30, 2017.

To Mr.

JOÃO MARCELLO DANTAS LEITE

Investor Relations Officer of

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**Subject: Clarification on news item.**

Dear Director,

1. In reference to news published on this date, in the newspaper Valor Econômico, Finance section, under the title “Kalim and Fonseca negotiate their exit from BTG Pactual to create a new project which contains, in summary, the following affirmations:

Marcelo Kalim, one of the partners with the largest stake in BTG Pactual, negotiates his exit from the bank. According to sources, the negotiations have been approved. Two other partners, Carlos Fonseca, a former relevant partner responsible for the private equity division, and Leandro Torres, head of the brokerage division, are also leaving.

The three of them already have a joint project for a new business in the financial and digital area with an initial capital of approximately R\$ 500 million. Internally, some partners call it a “fintech” initiative. Source close to the bank says that the new business, which has been kept confidential, would be linked to BTG and that, in fact, the three executives will be part of it.

Another source close to the subject says that it is a completely independent investment. When questioned, the bank issued the following note: "BTG Pactual clarifies that Mr. Marcelo Kalim continues as chairman of the Board of Directors, member of the Control Group and a relevant Shareholder of the company."

Kalim will continue at the top of the board of directors, a role that he assumed a year ago, when replacing Persio Arida, and will also remain in the group called the "Top Seven Partners", or G7, which is a group with the most relevant partners of the bank, as confirmed by two sources who are very familiar with the matter.

A third source stated that Kalim would stay in office for just another year. Another source says Kalim remains a relevant partner until 2019.

Since the new business will be in the financial area, a non-compete agreement must be signed. It is most likely that the restriction, which should include the investment banking division, lasts one year. After that, the new institution would be freed from any restrictions.

The sale of the equity interests belonging to Kalim, Fonseca and Torres would only be able to occur at the end of the year, when the bank traditionally discusses its rebalancing issues. Partners and associates with weak performances during the year must return part of their shares to the holding company, which redirects them to executives with better performances. The holding company provides executives with financing for the purchase of the shares, at their net asset value or stock price, whichever is lower. The main

partners are the ones who decide who sells and who buys the bank's shares.

Since Kalim's stake is large - similar to that of Roberto Sallouti, the CEO of BTG, and only smaller than Andre Esteves' stake (around 28%), it is likely that the sale of his shares will not happen at once, but in a similar manner to that of Persio Arida and Antonio Carlos Porto, known as Totó, who agreed on a progressive exit at the rebalancing discussions of last year. Arida left the board, but remained part of the group of the most relevant partners during a period, although he has completely withdrawn from the bank's daily operations to devote himself to academic life. He ended up also leaving the G7 group.

2. In light of this, we request a statement from the company regarding the veracity of the news article, and if so, comment on information that is considered important on the subject.

3. We also remind our obligation set forth in the sole paragraph of article 4 of CVM Instruction 358/02, to inquire the Company's management and controlling shareholders, as well as all other persons with access to relevant facts, with the purpose of ascertaining whether they have knowledge of information that should be disclosed to the market.

4. Explanations must be sent through the Empresa.net System, category: Notice to the Market, type: Clarification on CVM/B3 inquiries, subject: News Disclosed in the Media, which shall include the transcript of this letter.

5. We point out that, according to the Superintendence of Corporate Relations and its legal attributions, and based on Article 9, item II of Law 6,385/76 and CVM Instruction 452/07, a penalty of **R\$ 1,000.00 (one thousand reais)**, without prejudice to other administrative sanctions, will be imposed for failure to comply with the requirements contained in this letter, to be responded exclusively by e-mail, by **12/01/17**, which is provided for in the sole paragraph of article 6 of CVM Instruction 358/02.