



BANCO BTG PACTUAL S.A.
Publicly-held Company
Corporate Taxpayer ID
(CNPJ/MF):
30.306.294/0001-45

MATERIAL FACT

BANCO BTG PACTUAL S.A. ("Banco"), in accordance with Article 157, paragraph 4 of Law 6,404/76 and pursuant to Instruction 358 of the Brazilian Securities and Exchange Commission ("CVM"), of January 3, 2002, as amended, and CVM Instruction 567, of September 17, 2015 ("CVM Instruction 567"), hereby announces that at the meeting held today, the Banco's Board of Directors approved the cancellation of 16,071,680 of common shares and 32,143,360 preferred class A shares in transactions held in the context of the ongoing buyback at that time ("Cancellation").

In addition, the Banco's Board approved a new share buyback program under the following conditions ("Buyback Program"):

- The objective of the Buyback Program is to efficiently allocate the cash available, in order to maximize the company's capital allocation and generation of value for the shareholders, also considering the current scenario;
- The Buyback Program will include the acquisition of up to 16,500,000 units BPAC11 and/or 16,500,000 units BBTG11, observed in any case the limits provided for in CVM Instruction 567;
- Already considering the Cancellation, Banco has no unit BPAC11, unit BBTG11 or share in treasury;
- The Buyback Program will last up to 18 months, and Management will define the best time for the acquisition of the shares;
- The acquisition transactions will be intermediated by BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.;

The units BPAC11 and/or units BBTG11 acquired in the scope of the Buyback Program will be, at first, held in treasury.

Banco will keep the regulating authorities and the market in general informed regarding the Buyback Program.

São Paulo, May 18, 2017.

BANCO BTG PACTUAL S.A.
JOÃO MARCELLO DANTAS LEITE
Investor Relations Officer