

BANCO BTG PACTUAL
Publicly-held Company
Corporate Taxpayer's ID (CNPJ/MF): 30.306.294/0001-45
Company Registry (NIRE): 33.300.000.402
Praia de Botafogo n° 501, 6° andar
Rio de Janeiro, RJ

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
HELD ON DECEMBER 20, 2012**

1. **DATE, TIME AND VENUE:** December 20, 2012, at 09:00 a.m., at the headquarters of Banco BTG Pactual S.A. ("Company"), at Praia de Botafogo n.º 501, 6º andar, in the city and state of Rio de Janeiro.

2. **PRESIDING BOARD:** André Santos Esteves, Chairman; and Roberto Balls Sallouti, Secretary.

3. **ATTENDANCE AND RESOLUTIONS:** The majority of the Board of Directors' members attended the meeting, it being determined that the following resolutions are subject to approval by the Brazilian Central Bank, in compliance with the prevailing legislation and regulations:
 - 3.1. To approve and establish, by a unanimous vote of those present, the price of the Company's shares to be issued due to the exercise of the subscription bonus issued by the Company at the Board of Directors' Meeting held on April 2, 2012, and approved and ratified by the Company's Extraordinary Shareholders' Meeting held on April 20, 2012 ("Subscription Bonus"), in the amount of R\$7.600139965 per common share and R\$7.600139965 per preferred Class A share, in accordance with Article 170, Paragraph 1 of Law 6404/76.

 - 3.2. To determine the assignment, by BTG Pactual Holding S.A., to several individuals, each one of which qualified as a Strategic Investor under the terms of Subscription Bonus Certificate 01 of ("Assignees"), and with the Company's intervention and consent, the Subscription Bonus assignment term, through which BTG Pactual Holding S.A. granted and transferred to each Assignee the right to subscribe to a number of the Company's shares, as per the terms of said assignment term.

 - 3.3. To approve, by a unanimous vote of those present, due to the full exercise of the Subscription Bonus, as per the notifications of exercise received on this date by the

Company, an increase in the Company's capital stock within the limits of authorized capital, pursuant to Paragraph 1 of Article 5 of the Company's Bylaws, totaling R\$52,488,117.03, through the issue of 2,302,068 new common shares and 4,606,136 new preferred Class A shares, all of which registered and without par value, for the total issue price of R\$52,488,117.03 and the issue price per share communicated in writing to the Subscription Bonus holders, to be fully allocated to the capital account. These shares will be subscribed by the respective Subscription Bonus holders in accordance with the subscription list, validated by the presiding board and filed at the Company's headquarters.

3.4. The Company's capital stock will be R\$6,406,862,731.03, divided into 2,714,902,212 shares, 1,390,671,404 of which common shares, 508,380,404 preferred Class A shares and 815,850,404 preferred Class B shares, all of which registered and with no par value.

4. **CLOSURE:** There being no further business to discuss, the Board of Directors' Meeting was adjourned for the drawing up of these minutes, which were then read, found to be in compliance and signed by all those present.

This is a free English translation of the original minutes drawn up in the Company's records.

Rio de Janeiro, December 20, 2012.

André Santos Esteves
Chairman

Roberto Balls Sallouti
Secretary