BANCO DO BRASIL
Seguridade

# Conference Call – 1Q16 Earnings
# May 10th, 2016

BBSEY
OTC Pink
ADR - Level I

BBSE3
NOVO MERCADO
BM&FBOVESPA

IBOVESPA
Índice Brasil 100 IBRX 100
Índice Brasil 50 IBRX 50

# Disclaimer

This presentation contains statements about expectations, planned synergies, growth estimates, projections and future strategies on BB Seguridade, its affiliates and subsidiaries. Although these statements reflect management's current beliefs, they involve risks and uncertainties that are difficult to predict and may thus be consequences or results to differ from those anticipated and discussed herein. These expectations are highly dependent on market conditions, the overall economic performance of the country, sector and international markets. The information presented follow the IFRS accounting standard, unless stated during the presentation. The Company does not undertake to update any estimate contained in this presentation. Whenever comparisons with the market, both the data of BB Seguridade and industry are sourced from SUSEP. Changes are calculated based on whole numbers.

# Highlights

**BB Seguridade net income reached R$958 million in 1Q16, 1% higher than 1Q15**

- Highlighting the growth of the combined net investment income from BB Seguridade and its affiliates.

**SH1 improved gross operating result and net investment income**

- Growth of R$15 million in operating result and of R$12 million in net investment income.

**SH2 reached growth of net investment income**

- Increase of 21% compared to 1Q15.

**Brasilprev achieved R$157 billion in asset under management, maintaining the market leadership in P/VGBL reserves**

- Net inflow reached R$4 billion, equivalent to 56% of total net inflow in the market.

**Brasilcap reached net income of R$135 million, 29% higher than 1Q15**

- Highlighting the better financial margin and the increase in earnings assets average balance.

**Brokerage revenues amounted to R$632 million in 1Q16, growth of 4% when compared to 1Q15**

- Highlighting brokerage revenues arising from SH1 (+15%).

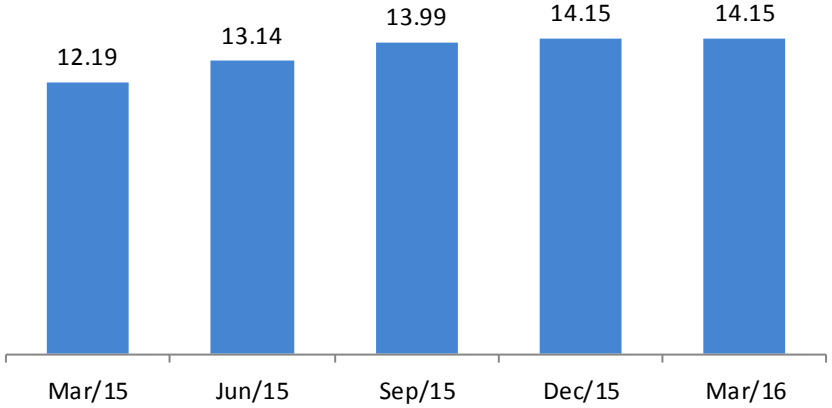
# BB Seguridade Performance

| R$ MM | Quarterly Flow | | | Chg. % | |
|---|---|---|---|---|---|
| | 1Q15 | 4Q15 | 1Q16 | On 1Q15 | On 4Q15 |
| Non-interest operating results | 653 | 657 | 629 | (3.8) | (4.3) |
| Net investment income | 296 | 357 | 329 | 11.2 | (7.8) |
| **Adjusted net income** | **949** | **1,014** | **958** | **0.9** | **(5.5)** |
| **Extraordinary events** | - | - | - | - | - |
| **Net income** | **949** | **1,014** | **958** | **0.9** | **(5.5)** |
| ROAE[1] | 54.9% | 54.0% | 49.9% | -5.0 p.p. | -4.1 p.p. |

1 – Adjusted ratio calculated by deducting the distribution of dividends.

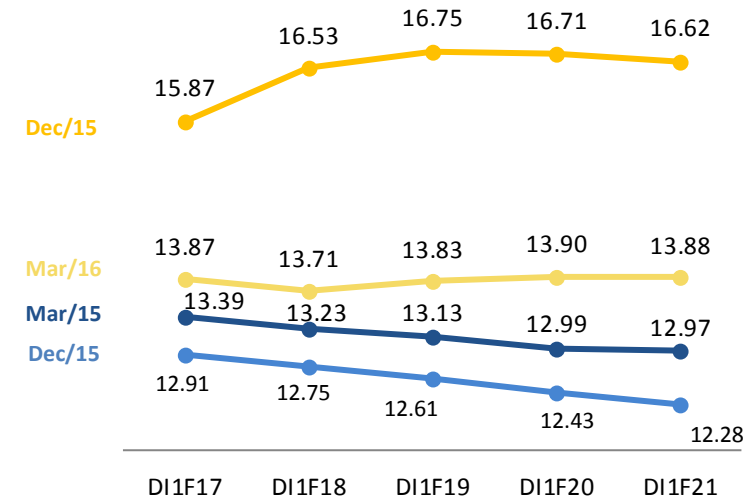
# Net Investment Income

## AVERAGE SELIC RATE (%)



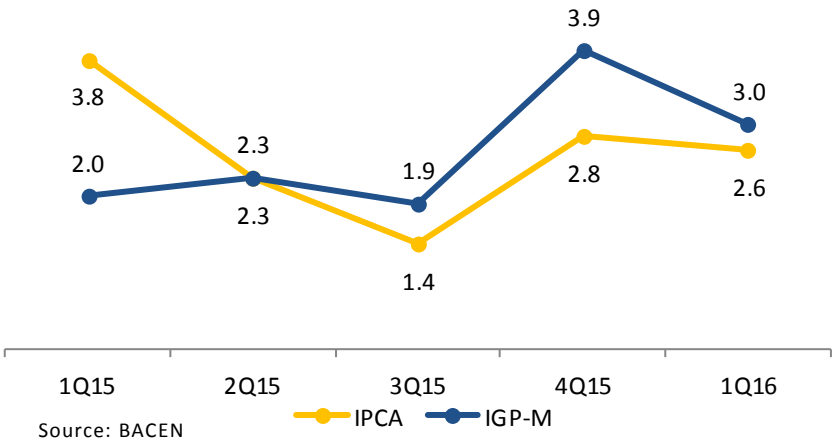

Source: Focus - BACEN

## FORWARD YIELD CURVE (%)



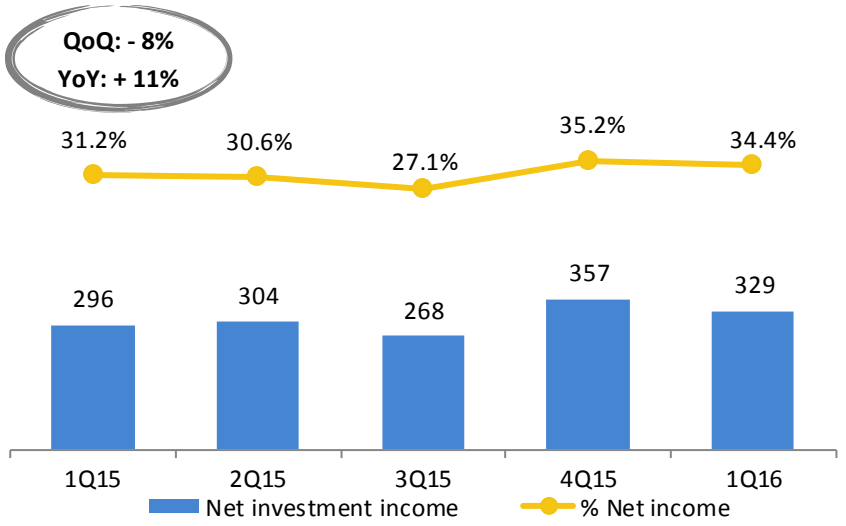

Source: ValorPro

## INFLATION RATES (%)




Source: BACEN

## NET INVESTMENT INCOME (R$ MM)

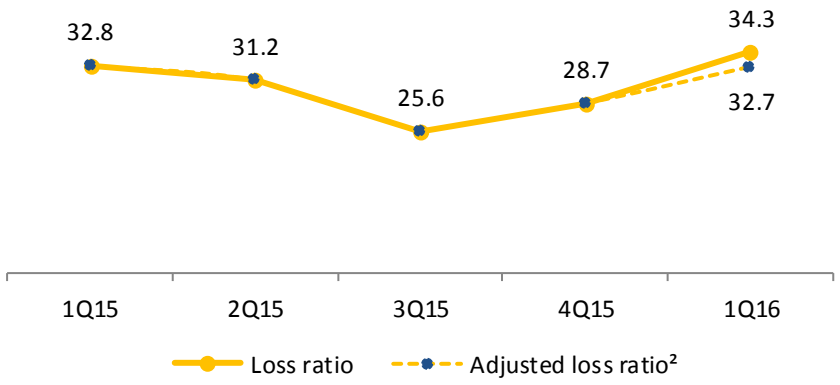


# BB MAPFRE SH1

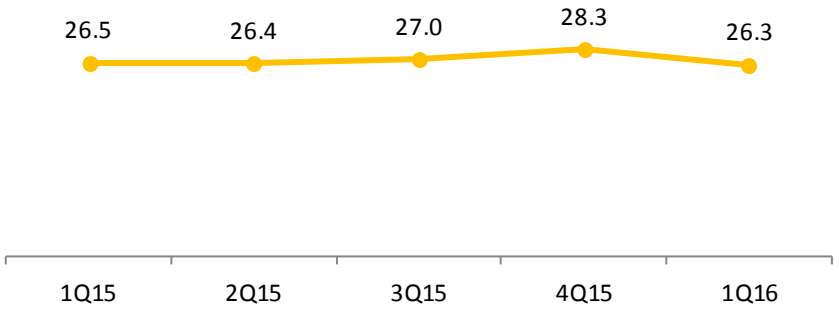
| R$ MM | Quarterly Flow | | | | | | Chg. % | |
|---|---|---|---|---|---|---|---|---|
| | 1Q15 | Share % | 4Q15 | Share % | 1Q16 | Share % | On 1Q15 | On 4Q15 |
| **Premiums written** | | | | | | | | |
| Life | 729 | 47.3 | 770 | 36.7 | 808 | 54.0 | 10.8 | 4.9 |
| Credit life | 432 | 28.0 | 656 | 31.3 | 162 | 10.8 | (62.5) | (75.3) |
| Mortgage life | 47 | 3.0 | 25 | 1.2 | 52 | 3.5 | 11.8 | 111.4 |
| Rural | 233 | 15.1 | 609 | 29.0 | 375 | 25.1 | 60.7 | (38.4) |
| DPVAT | 100 | 6.5 | 38 | 1.8 | 99 | 6.6 | (1.4) | 164.2 |
| **Total** | **1,542** | **100.0** | **2,098** | **100.0** | **1,497** | **100.0** | **(2.9)** | **(28.6)** |
| **Retained premiums** | | | | | | | | |
| Life | 724 | 48.9 | 768 | 39.7 | 806 | 58.2 | 11.3 | 4.9 |
| Credit life | 432 | 29.1 | 656 | 33.9 | 161 | 11.6 | (62.7) | (75.5) |
| Mortgage life | 43 | 2.9 | 23 | 1.2 | 48 | 3.4 | 11.5 | 105.1 |
| Rural | 182 | 12.3 | 450 | 23.3 | 270 | 19.5 | 48.2 | (40.0) |
| DPVAT | 100 | 6.8 | 38 | 1.9 | 99 | 7.2 | (1.4) | 164.2 |
| **Total** | **1,481** | **100.0** | **1,934** | **100.0** | **1,384** | **100.0** | **(6.6)** | **(28.4)** |

# BB MAPFRE SH1 – Performance Ratios [1]

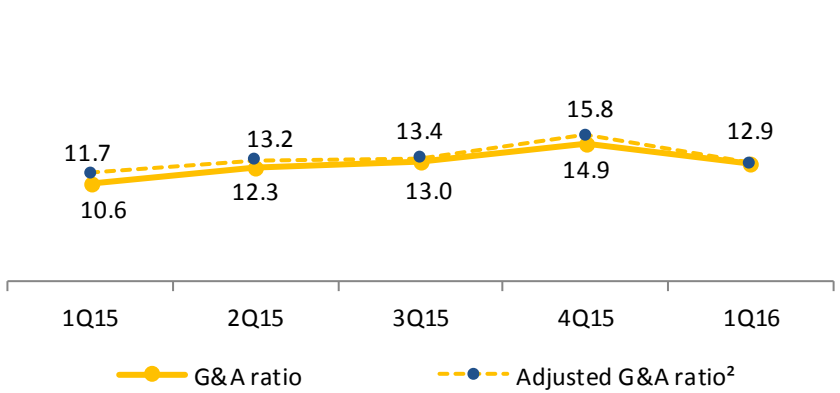
## LOSS RATIO (%)



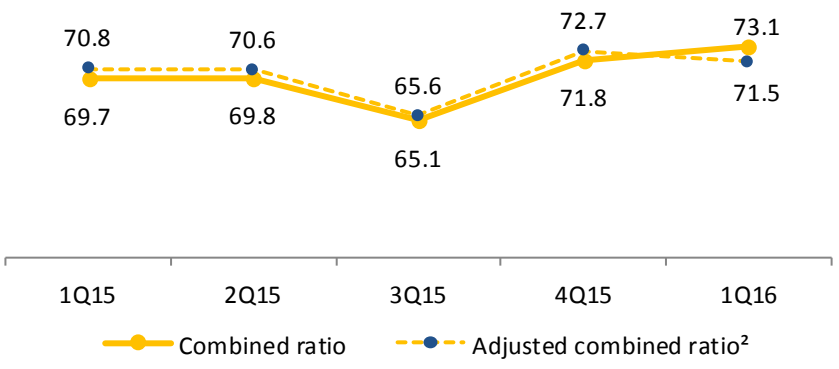

## COMMISSION RATIO (%)




## G&A RATIO (%)




## COMBINED RATIO (%)

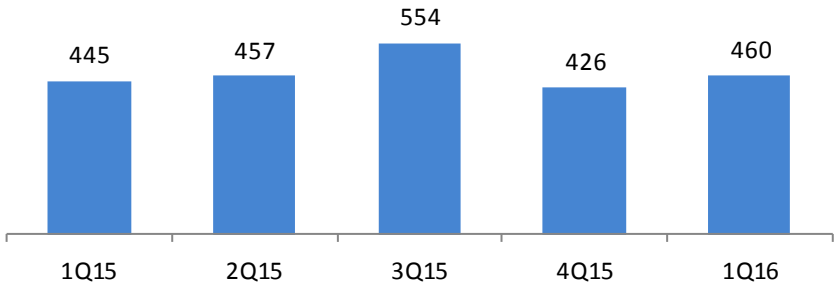



1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement.
2 – Adjustments segregate: (i) claims: the accounting of additional claims in the non-contributory product in credit life; and (ii) G&A: reversions of provision for loan losses.

# BB MAPFRE SH1

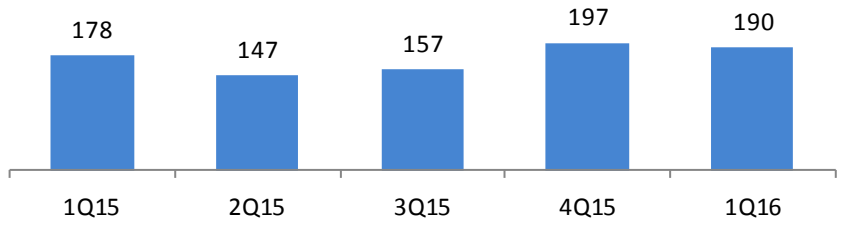
## UNDERWRITING RESULT (R$ MM)

QoQ: + 8%
YoY: + 3%



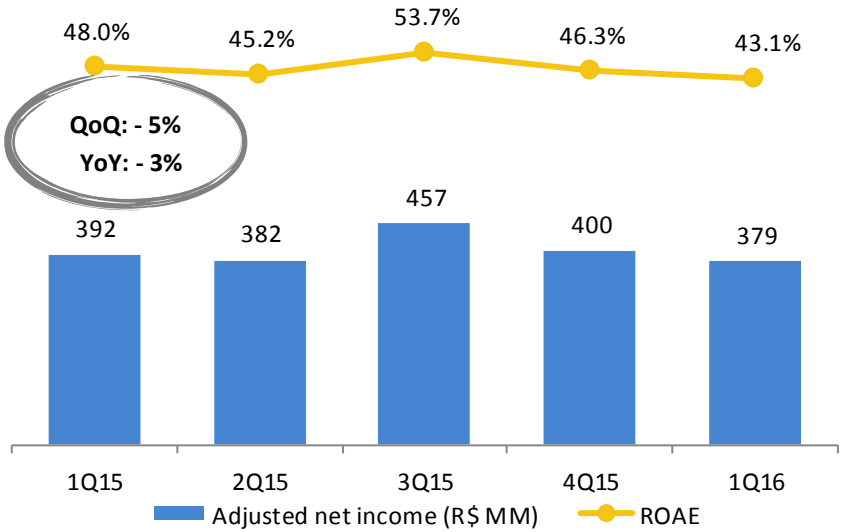

## NET INVESTMENT INCOME (R$ MM)

QoQ: - 3%
YoY: + 7%

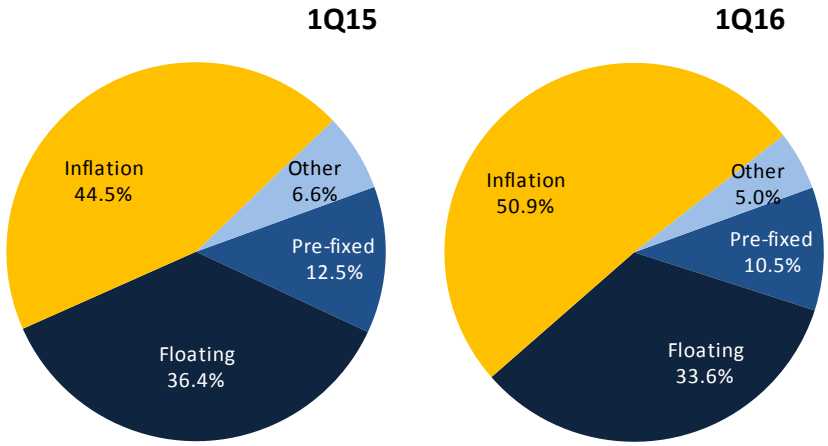



## PROFITABILITY

QoQ: - 5%
YoY: - 3%




## ASSET ALLOCATION

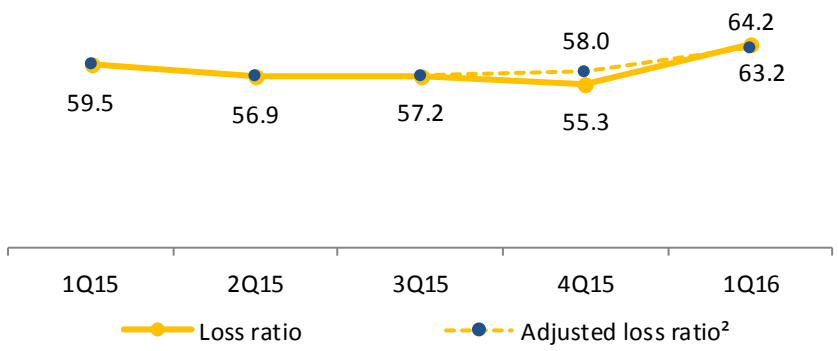


# MAPFRE BB SH2

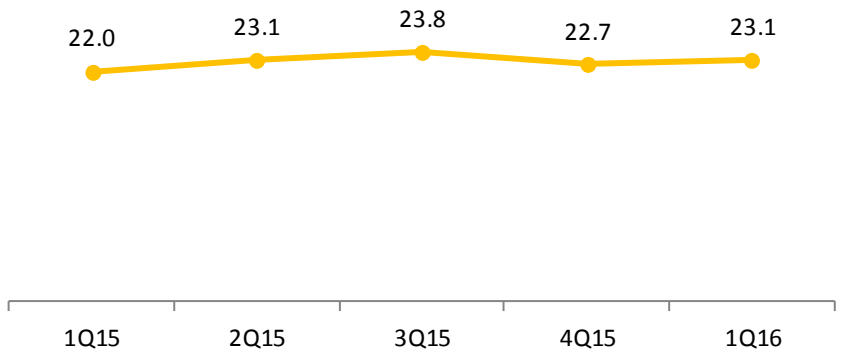
| | Quarterly Flow | | | | | | Chg. % | |
|---|---|---|---|---|---|---|---|---|
| | 1Q15 | Share % | 4Q15 | Share % | 1Q16 | Share % | On 1Q15 | On 4Q15 |
| **Premiums written** | | | | | | | | |
| Auto | 1,143 | 53.9 | 1,223 | 54.9 | 1,033 | 47.5 | (9.7) | (15.6) |
| Casualties | 745 | 35.1 | 805 | 36.2 | 881 | 40.5 | 18.2 | 9.4 |
| DPVAT | 123 | 5.8 | 48 | 2.1 | 126 | 5.8 | 2.7 | 163.8 |
| Other | 110 | 5.2 | 152 | 6.8 | 134 | 6.2 | 22.4 | (11.4) |
| **Total** | **2,121** | **100.0** | **2,228** | **100.0** | **2,174** | **100.0** | **2.5** | **(2.4)** |
| **Retained premiums** | | | | | | | | |
| Auto | 1,142 | 62.6 | 1,227 | 64.9 | 1,032 | 58.8 | (9.6) | (15.9) |
| Casualties | 451 | 24.7 | 464 | 24.6 | 464 | 26.4 | 3.0 | (0.1) |
| DPVAT | 123 | 6.7 | 48 | 2.5 | 126 | 7.2 | 2.7 | 163.8 |
| Other | 109 | 6.0 | 151 | 8.0 | 134 | 7.6 | 22.4 | (11.4) |
| **Total** | **1,824** | **100.0** | **1,890** | **100.0** | **1,756** | **100.0** | **(3.8)** | **(7.1)** |

# MAPFRE BB SH2 – Performance Ratios[1]

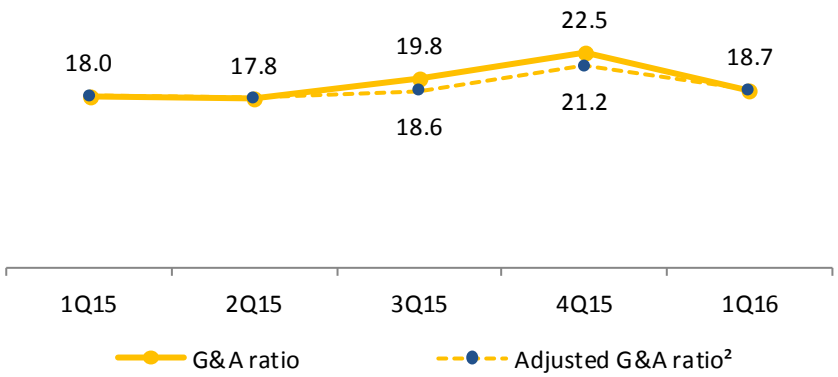
## LOSS RATIO (%)



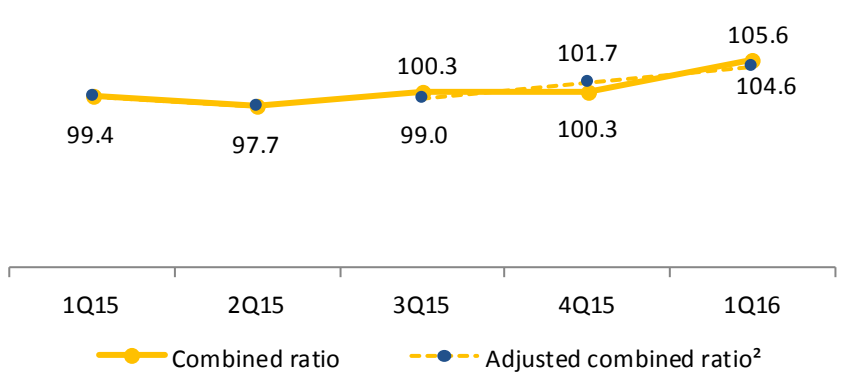

## COMMISSION RATIO (%)




## G & A RATIO (%)




## COMBINED RATIO (%)

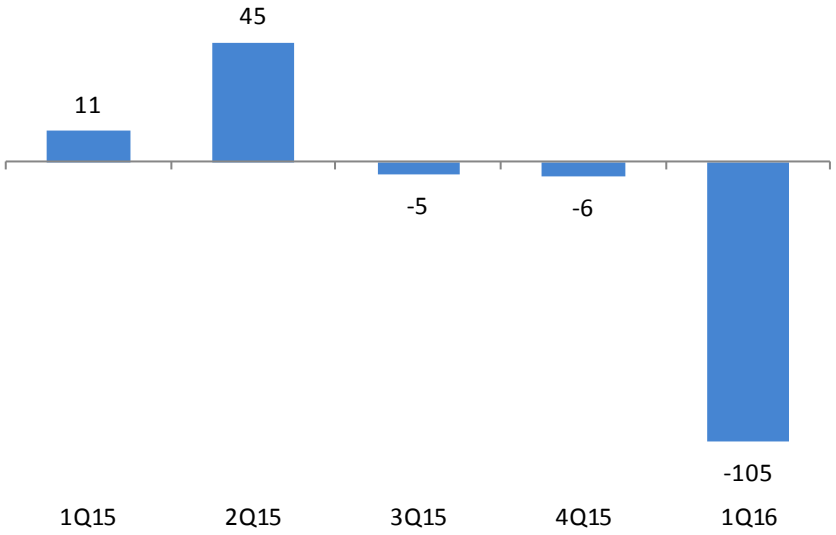



1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement

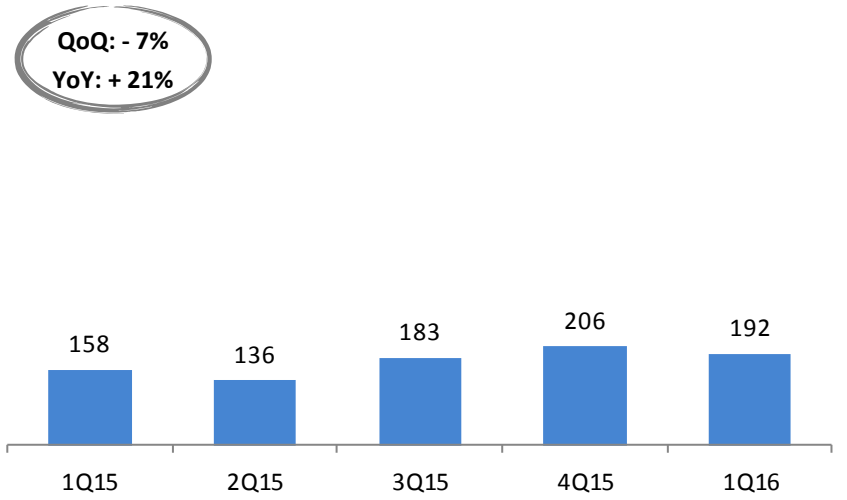
2 – The adjustments segregate: (i) claims: reversion and strengthening of provisions for IBNR and IBNER; and (ii) G&A: constitution of provisions for loan losses.

# MAPFRE BB SH2

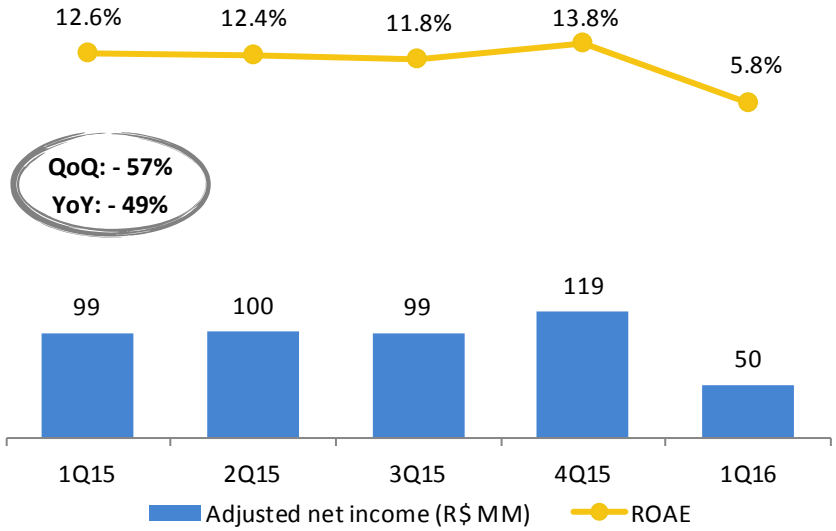
## UNDERWRITING RESULT (R$ MM)



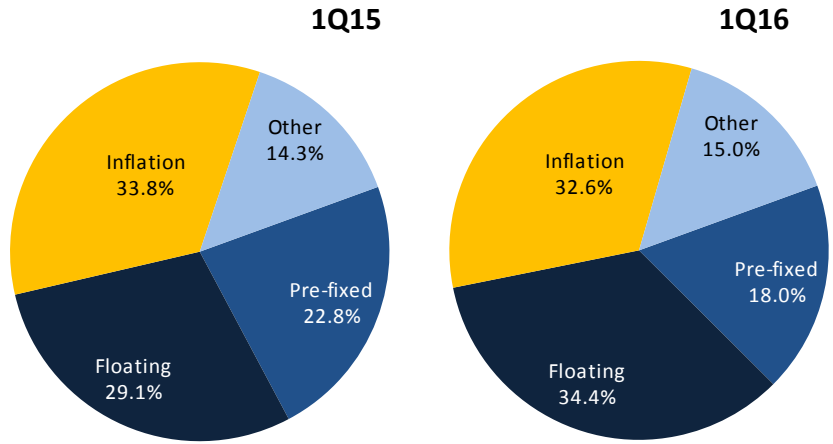

## NET INVESTMENT INCOME (R$ MM)




## PROFITABILITY

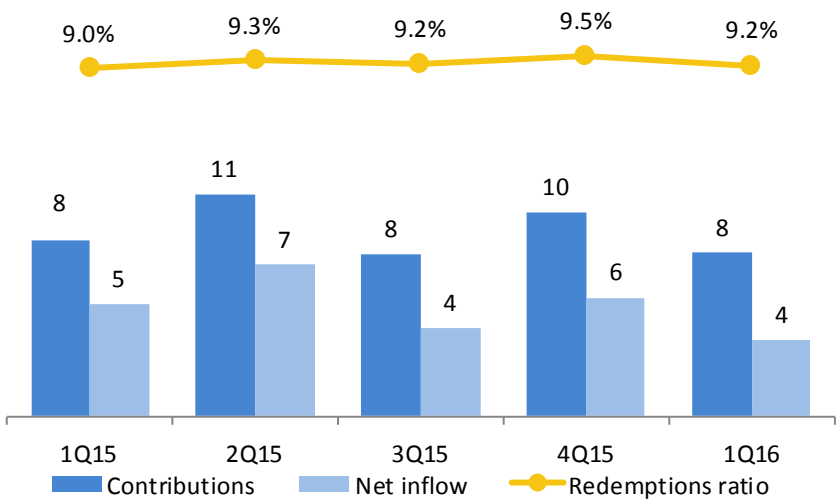



## ASSET ALLOCATION

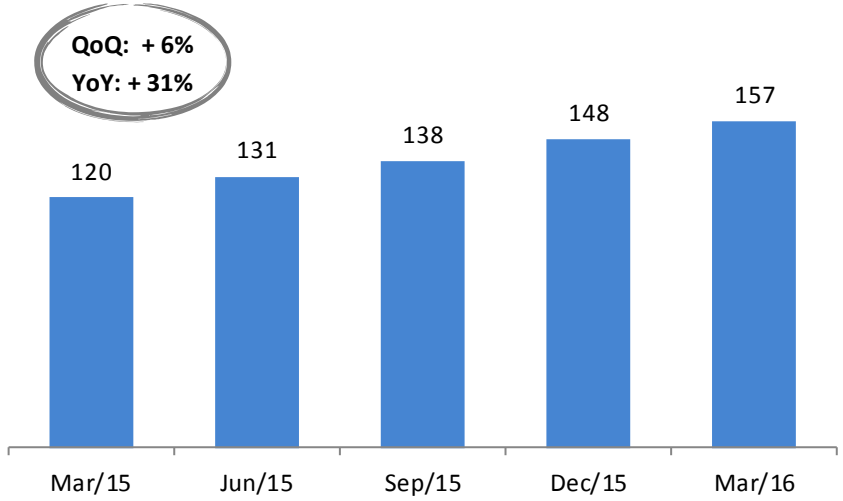


# Brasilprev

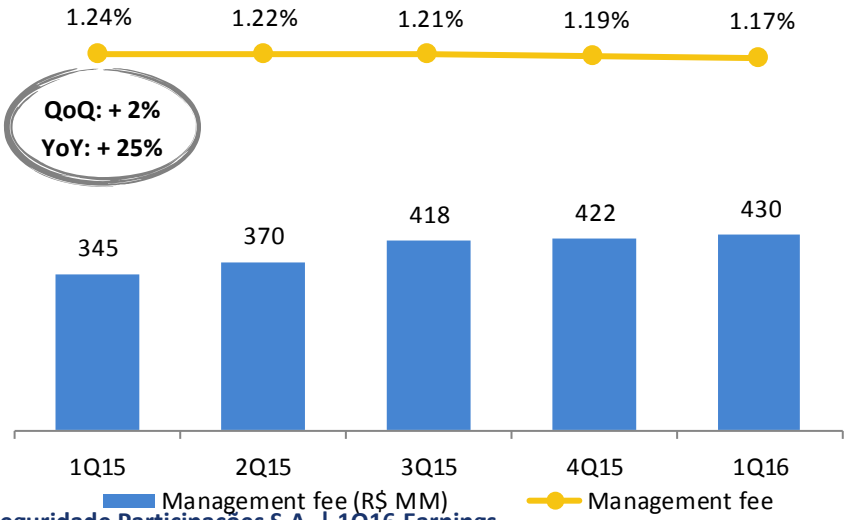
## CONTRIBUTIONS & NET INFLOW (R$ BN)



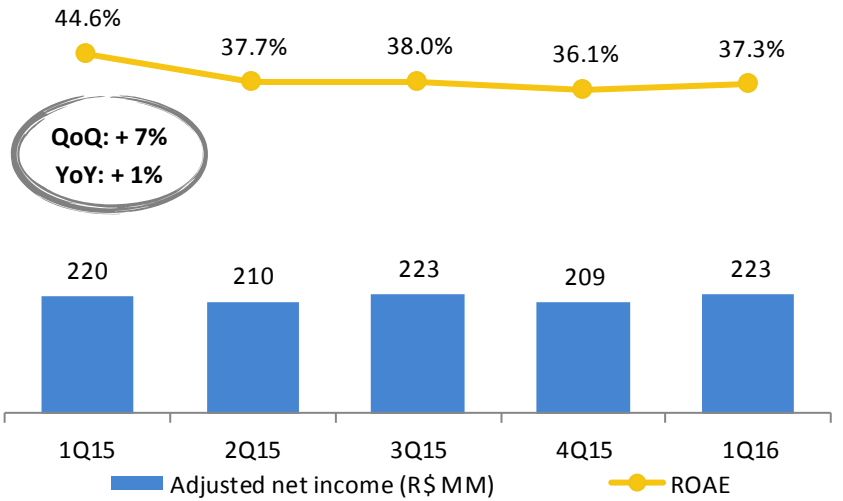

## RESERVES (R$ BN)




## MANAGEMENT FEE



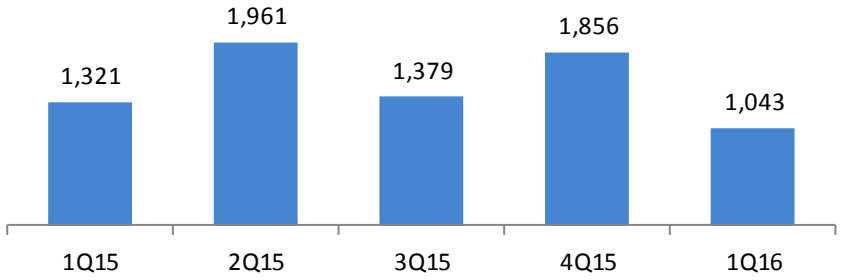

## PROFITABILITY



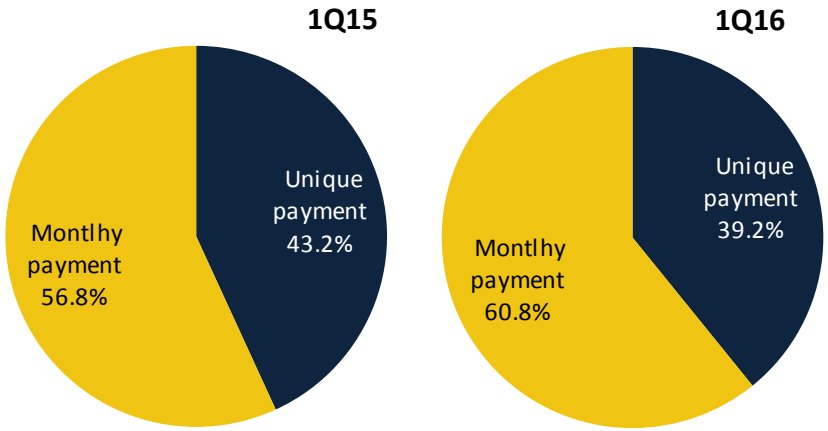
# Brasilcap

## PREMIUM BONDS COLLECTION (R$ MM)

QoQ: - 44%
YoY: - 21%

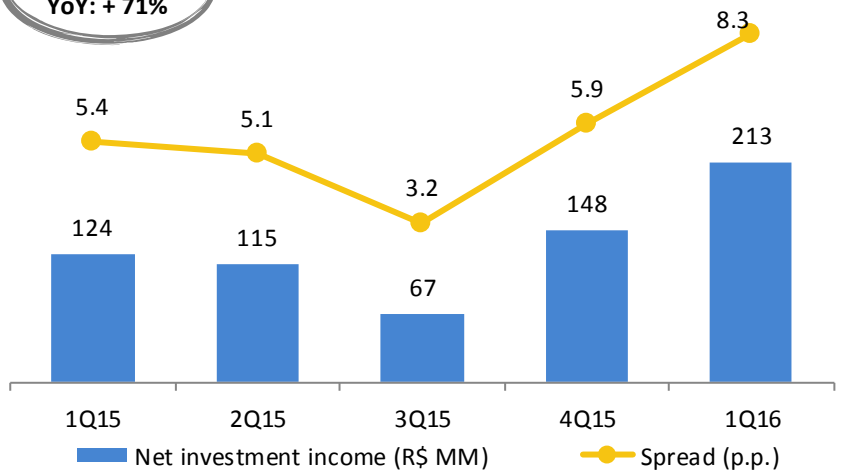



## BREAKDOWN OF COLLECTION



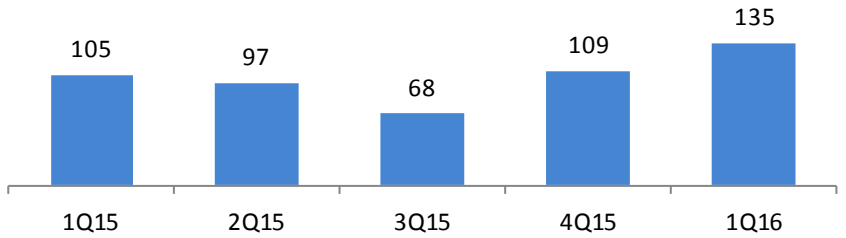

## NET INVESTMENT INCOME

QoQ: + 44%
YoY: + 71%




## NET INCOME (R$ MM)

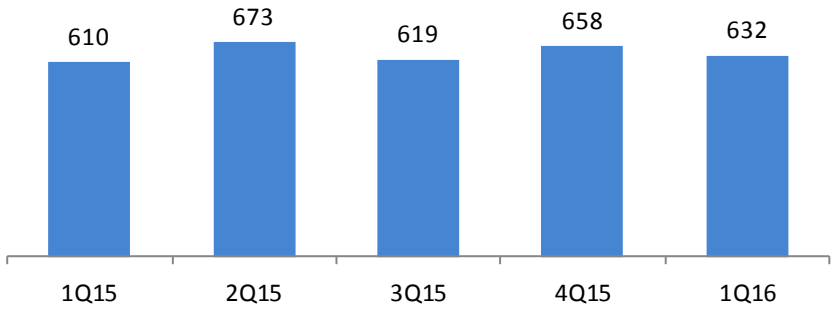
QoQ: + 24%
YoY: + 29%



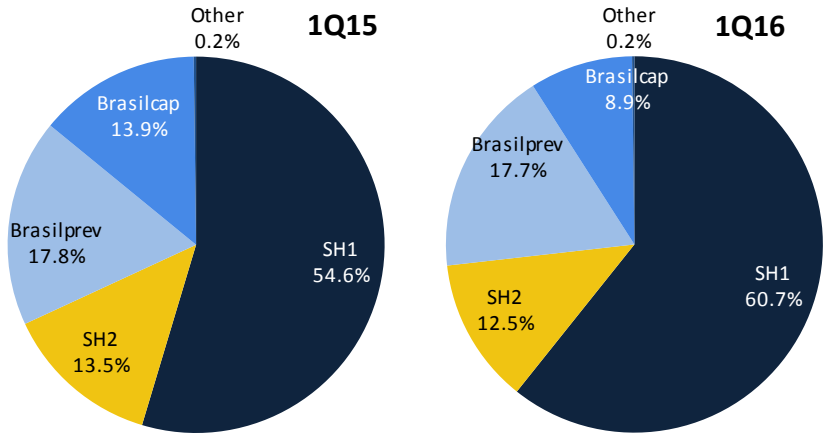
# BB Corretora

## INCOME BROKERAGE (R$ MM)

QoQ: - 4%
YoY: + 4%

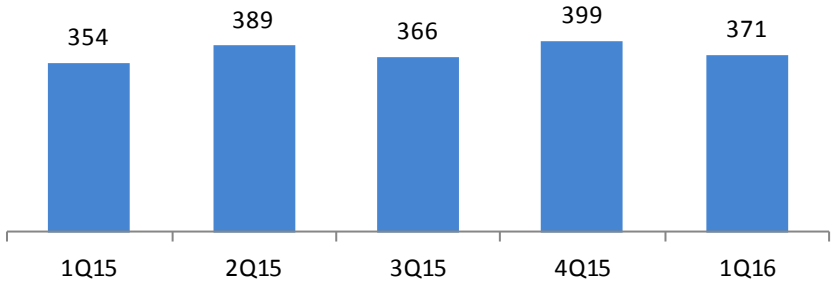



## BREAKDOWN OF INCOME BROKERAGE



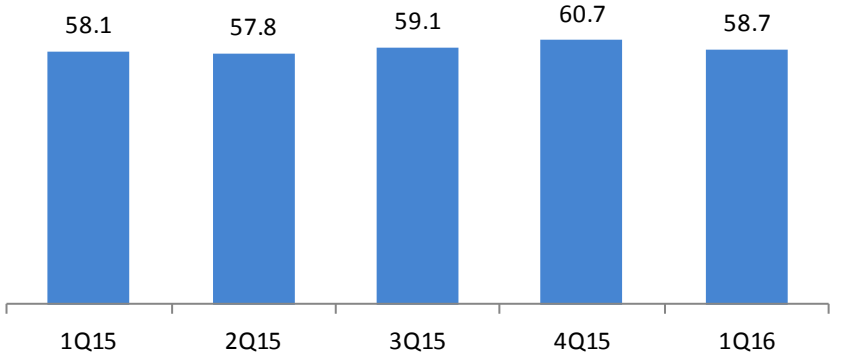

## NET INCOME (R$ MM)

QoQ: - 7%
YoY: + 5%




## NET MARGIN (%)

QoQ: - 2.0 p.p.
YoY: + 0.6 p.p.



# Guidance 2016

| Ratio | 2016 Estimates | 1Q16 |
|---|---|---|
| **BB Seguridade - Adjusted net income growth (%)** | **8 - 12** | **1** |

# Contacts

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