BANCO DO BRASIL
Seguridade

3Q16



Earnings Conference Call

November 8th, 2016

BBSEY
OTC Pink
ADR - Level I

Índice Brasil IBRX 100 | Índice Brasil 50 IBRX 50 | Índice de Ações com Tag Along Diferenciado ITAG | Índice Dividendos BM&FBOVESPA IDIV | BM&FBOVESPA A Nova Bolsa | BBSE3 NOVO MERCADO BM&FBOVESPA

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$988 million in 3Q16, remaining stable as compared to 3Q15

- Highlighting the increase in BB Seguridade and it's affiliated companies combined net investment income (+7.7%), partially offset by the drop in the combined non-interest operating results (-2.8%).

SH1 net income reaches R$435.7 million, 4.8% lower YoY

- Highlighting the increase of 26.2% in premiums written of life insurance, boosted by de launch of the new portfolio of products;
- Increase of 5.7 p.p. in the loss ratio, mostly given to the higher claims in term life and credit life segments.

SH2 net income dropped 55.0% YoY

- Premiums written contraction in auto segment and increased loss ratio, as a result of the higher frequency of robbery and theft.

Brasilprev grows 30.2% YoY in pension plans contributions

- Redemption ratio improved by 1.4 p.p.;
- In the quarter, Brasilprev concentrated 46.2% of the total net inflows in the market;
- Technical reserves reached R$182.7 billion, 32.3% up in 12 months.

Brasilcap's net income for 3Q16 increase 48.1% YoY

- Highlighting the improvement in the spread between company's earning assets and interest bearing liabilities.

Brokerage revenues amounted to R$672.2 million in 3Q16, 8.5% up YoY

- Highlighting the brokerage revenues arising from pension plans contribution and life insurance premiums.

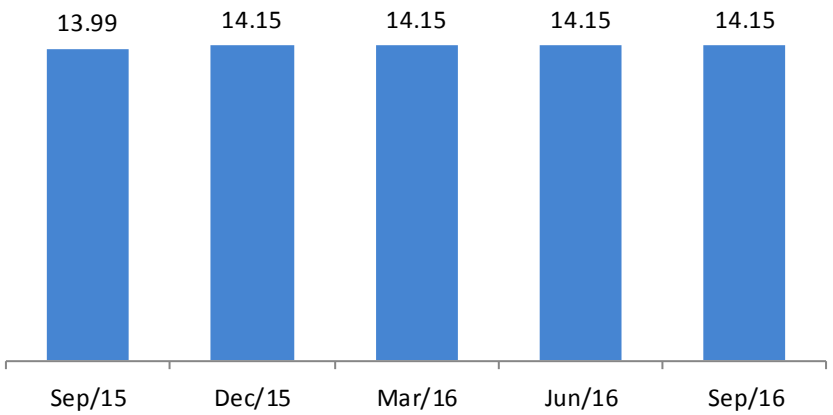
BB Seguridade Performance

R$ MM	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q15	2Q16	3Q16	On 3Q15	On 2Q16	9M15	9M16	On 9M15
Non-interest operating results	720	773	699	(2.8)	(9.5)	2,063	2,101	1.8
Net investment income	268	313	288	7.7	(8.0)	868	931	7.3
Adjusted net income	**988**	**1,087**	**988**	**0.0**	**(9.1)**	**2,931**	**3,032**	**3.4**
Extraordinary events	**42**	**-**	**-**	**-**	**-**	**262**	**-**	**-**
Brasilprev: Reversal of provisions	-	-	-	-	-	221	-	-
SH1: Increase of the social contribution rate	22	-	-	-	-	22	-	-
SH2: Increase of the social contribution rate	20	-	-	-	-	20	-	-
Net income	**1,030**	**1,087**	**988**	**(4.0)**	**(9.1)**	**3,194**	**3,032**	**(5.1)**
ROAE[1]	53.9%	55.2%	48.9%	-5.0 p.p.	-6.4 p.p.	54.9%	51.3%	-3.6 p.p.

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

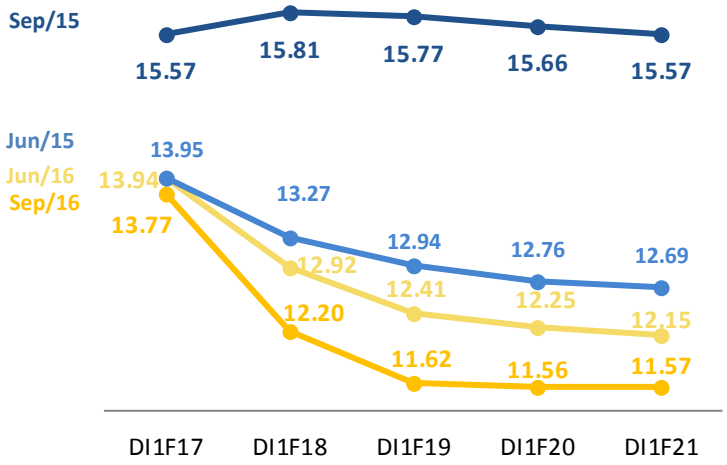
Net Investment Income

AVERAGE SELIC RATE (%)



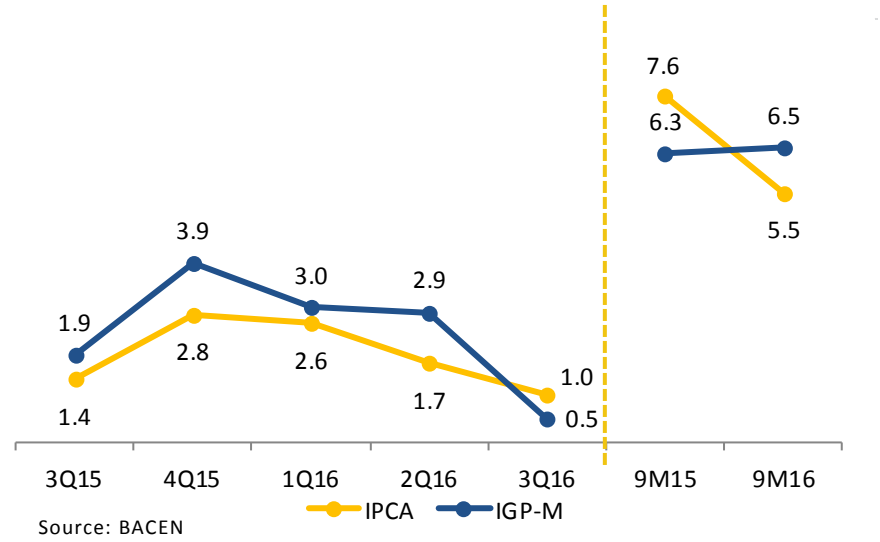
Source: Focus - BACEN

FORWARD YIELD CURVE (%)



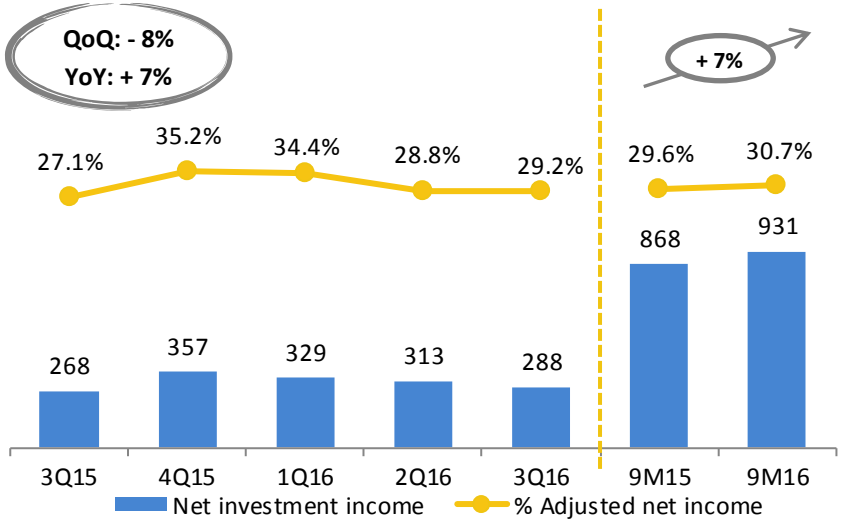
Source: ValorPro

INFLATION RATES (%)



Source: BACEN

NET INVESTMENT INCOME (R$ MM)

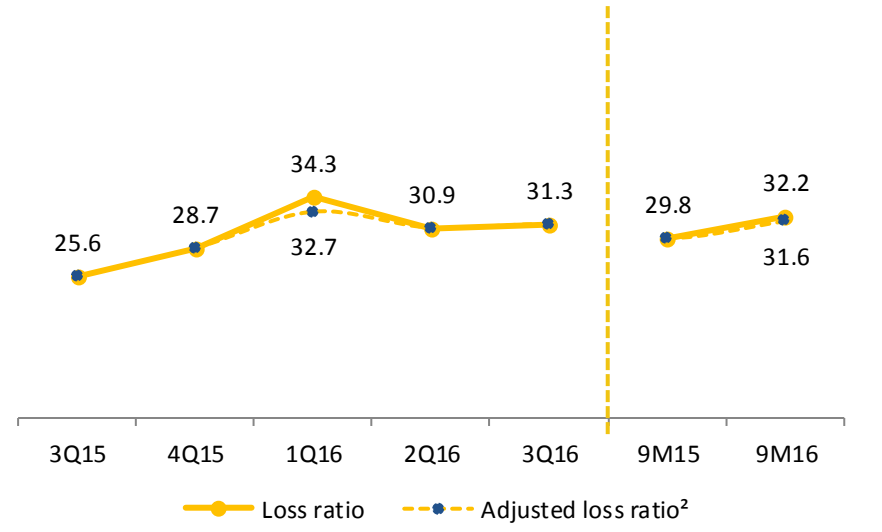


BB MAPFRE SH1

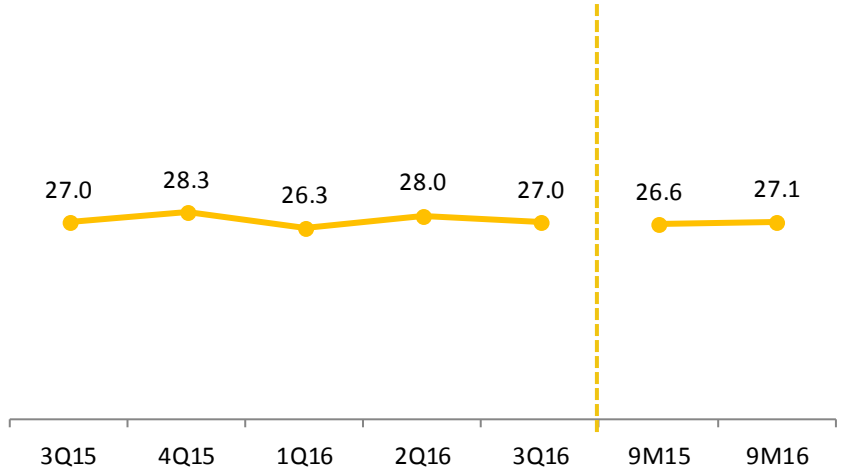
R$ MM	Quarterly Flow						Chg. %		9 Months Flow				Chg. %
	3Q15	Share %	2Q16	Share %	3Q16	Share %	On 3Q15	On 2Q16	9M15	Share %	9M16	Share %	On 9M15
Premiums written													
Life	760	36.3	805	38.4	959	52.7	26.2	19.1	2,226	40.4	2,572	47.5	15.6
Credit life	350	16.7	415	19.8	175	9.6	(50.0)	(57.8)	1,449	26.3	752	13.9	(48.1)
Mortgage life	48	2.3	54	2.6	51	2.8	5.7	(5.3)	143	2.6	158	2.9	10.1
Rural	881	42.1	763	36.4	586	32.2	(33.4)	(23.1)	1,462	26.6	1,724	31.9	17.9
DPVAT	55	2.6	59	2.8	47	2.6	(14.7)	(21.0)	223	4.0	205	3.8	(7.8)
Total	**2,094**	**100.0**	**2,097**	**100.0**	**1,819**	**100.0**	**(13.2)**	**(13.3)**	**5,503**	**100.0**	**5,412**	**100.0**	**(1.7)**
Retained premiums													
Life	758	43.1	803	44.3	957	58.6	26.3	19.1	2,217	43.7	2,566	53.1	15.8
Credit life	350	19.9	414	22.8	174	10.7	(50.2)	(57.9)	1,449	28.6	749	15.5	(48.3)
Mortgage life	45	2.5	45	2.5	52	3.2	16.5	15.6	133	2.6	145	3.0	8.9
Rural	550	31.3	491	27.1	403	24.6	(26.9)	(18.0)	1,051	20.7	1,163	24.1	10.6
DPVAT	55	3.1	59	3.3	47	2.9	(14.7)	(21.0)	223	4.4	205	4.3	(7.8)
Total	**1,758**	**100.0**	**1,811**	**100.0**	**1,633**	**100.0**	**(7.1)**	**(9.8)**	**5,073**	**100.0**	**4,829**	**100.0**	**(4.8)**

BB MAPFRE SH1 – Performance Ratios [1]

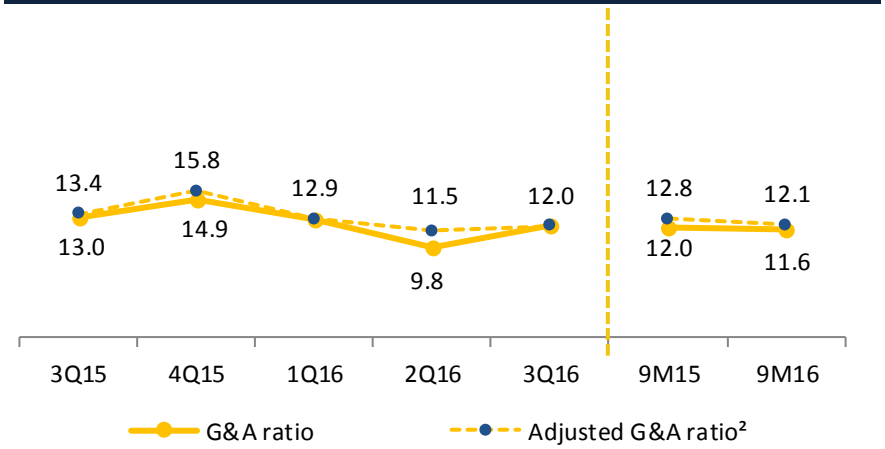
LOSS RATIO (%)



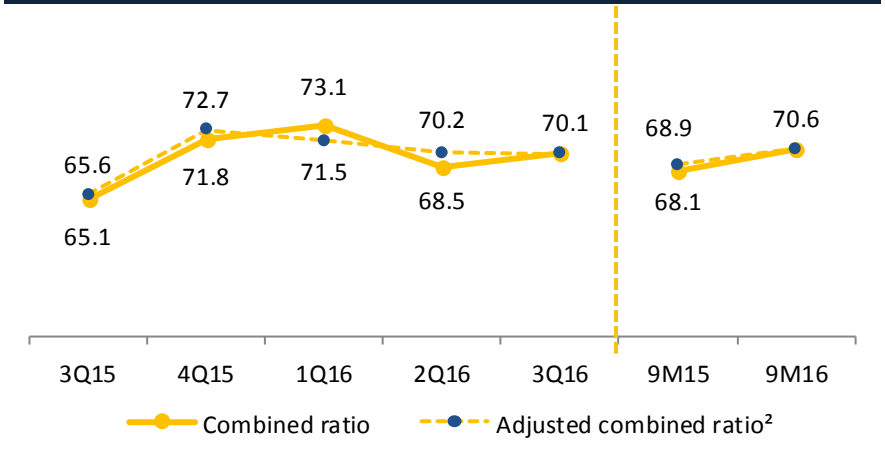
COMMISSION RATIO (%)



G&A RATIO (%)



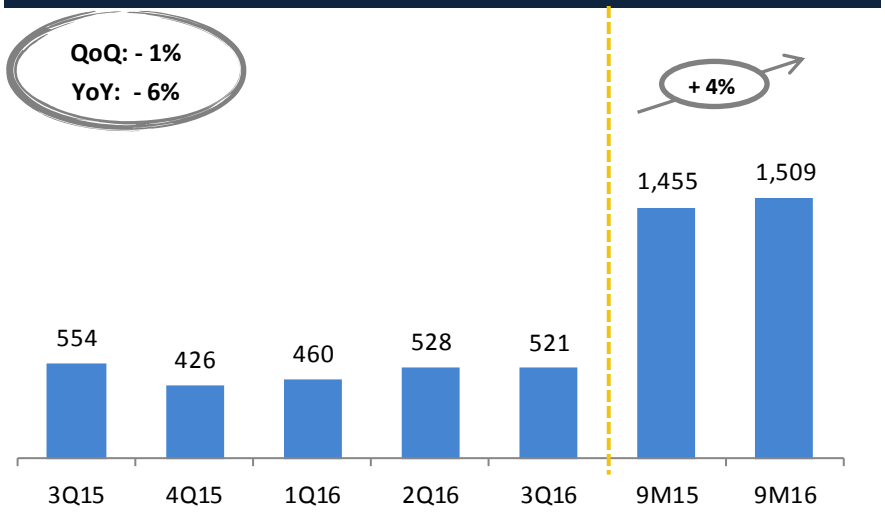
COMBINED RATIO (%)



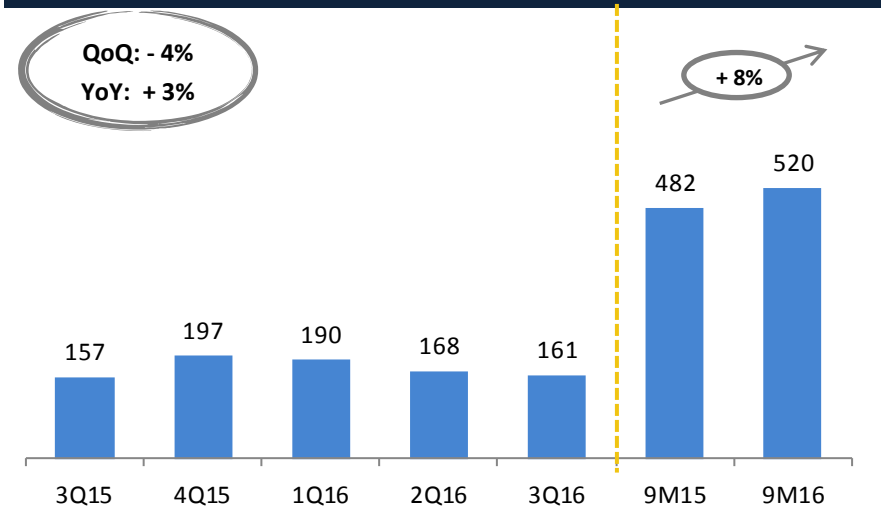
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement.
2 – Adjustments segregate: (i) claims: the accounting of additional claims in the non-contributory product in credit life; and (ii) G&A: reversions of provision for loan losses.

BB MAPFRE SH1

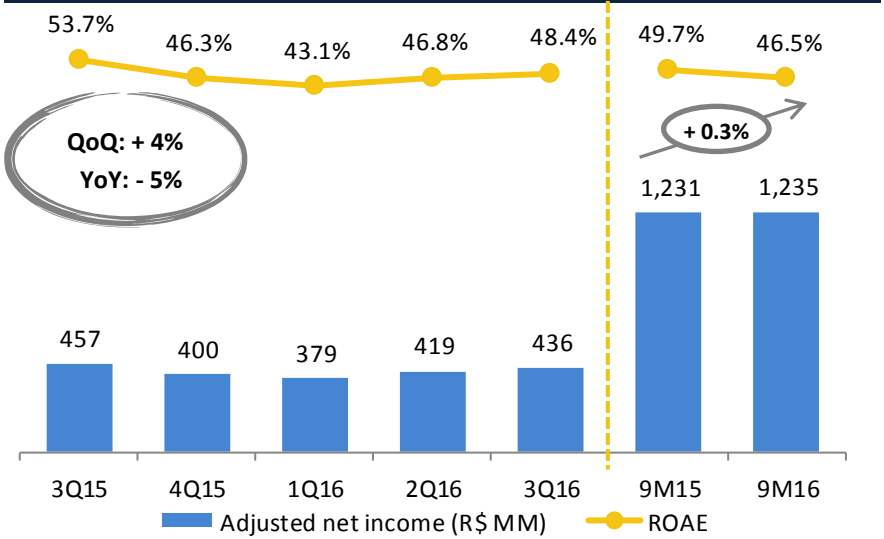
UNDERWRITING RESULT (R$ MM)



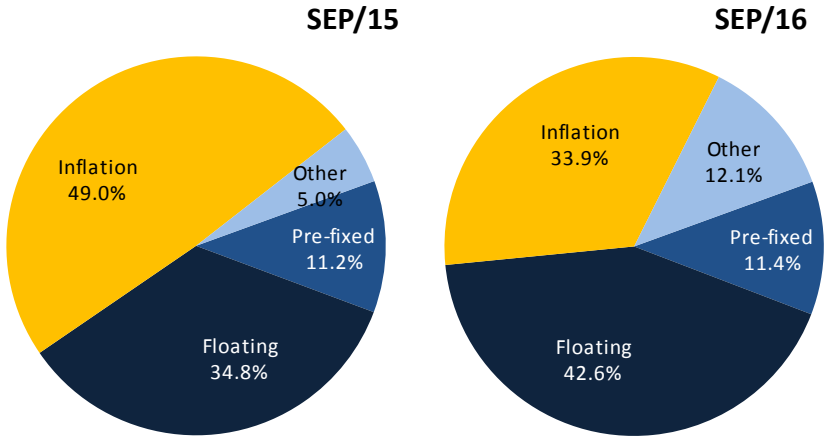
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY



ASSET ALLOCATION

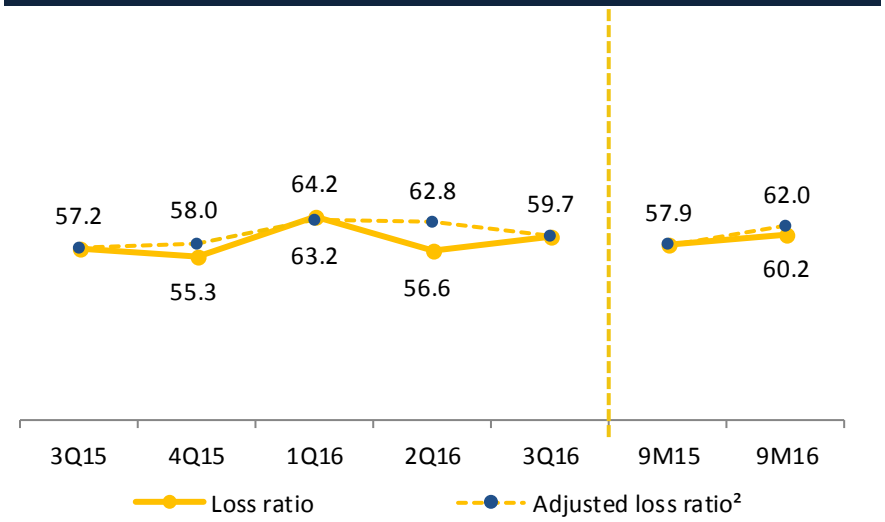


MAPFRE BB SH2

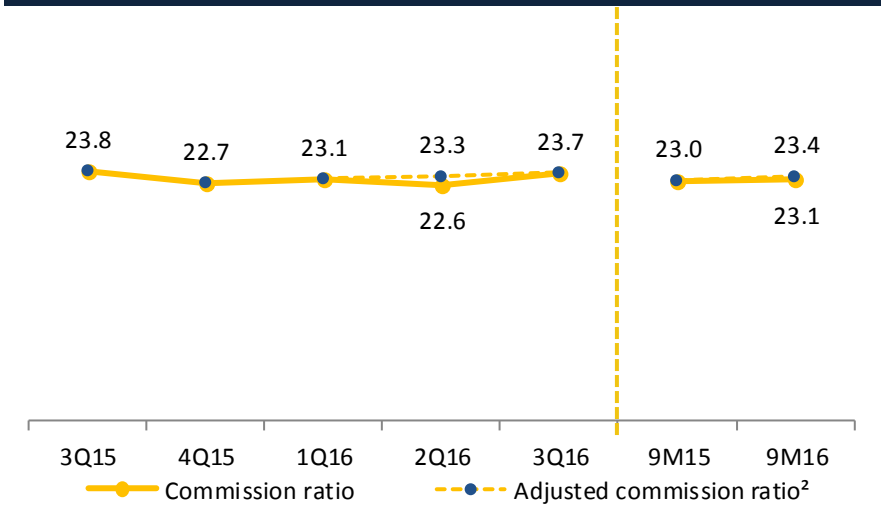
	Quarterly Flow						Chg. %		9 Months Flow				Chg. %
R$ MM	3Q15	Share %	2Q16	Share %	3Q16	Share %	On 3Q15	On 2Q16	9M15	Share %	9M16	Share %	On 9M15
Premiums written													
Auto	1,263	52.2	1,101	48.2	931	47.2	(26.3)	(15.5)	3,746	54.6	3,064	47.7	(18.2)
Casualties	956	39.5	916	40.1	796	40.4	(16.7)	(13.1)	2,481	36.1	2,593	40.3	4.5
DPVAT	70	2.9	85	3.7	67	3.4	(3.7)	(21.0)	278	4.0	278	4.3	0.1
Other	133	5.5	181	7.9	177	9.0	33.3	(2.6)	362	5.3	493	7.7	36.3
Total	**2,422**	**100.0**	**2,284**	**100.0**	**1,971**	**100.0**	**(18.6)**	**(13.7)**	**6,867**	**100.0**	**6,428**	**100.0**	**(6.4)**
Retained premiums													
Auto	1,263	65.1	1,101	59.8	931	55.8	(26.3)	(15.5)	3,745	64.7	3,063	58.2	(18.2)
Casualties	475	24.5	472	25.7	494	29.6	4.0	4.6	1,407	24.3	1,430	27.2	1.6
DPVAT	70	3.6	85	4.6	67	4.0	(3.7)	(21.0)	278	4.8	278	5.3	0.1
Other	132	6.8	181	9.8	176	10.6	33.4	(2.7)	360	6.2	491	9.3	36.5
Total	**1,940**	**100.0**	**1,839**	**100.0**	**1,668**	**100.0**	**(14.0)**	**(9.3)**	**5,790**	**100.0**	**5,263**	**100.0**	**(9.1)**

MAPFRE BB SH2 – Performance Ratios[1]

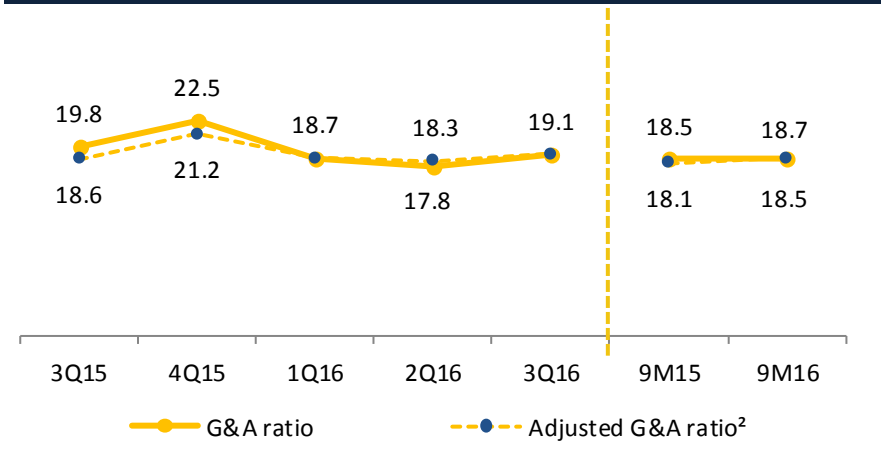
LOSS RATIO (%)



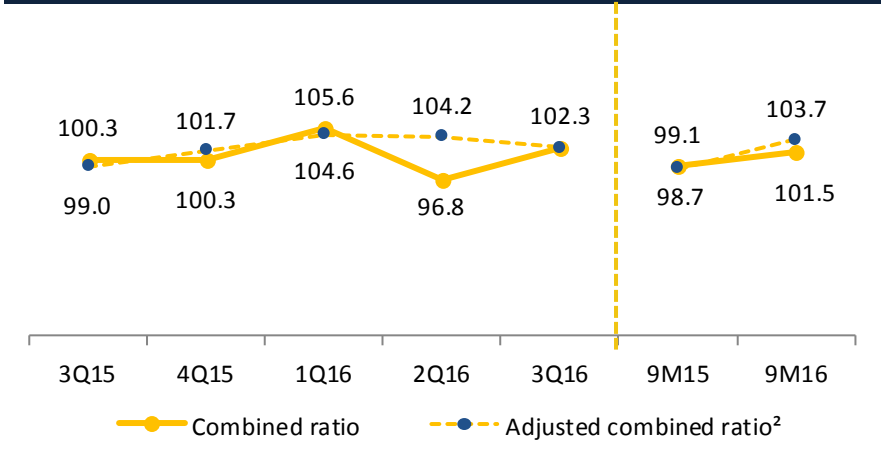
COMMISSION RATIO (%)



G & A RATIO (%)



COMBINED RATIO (%)

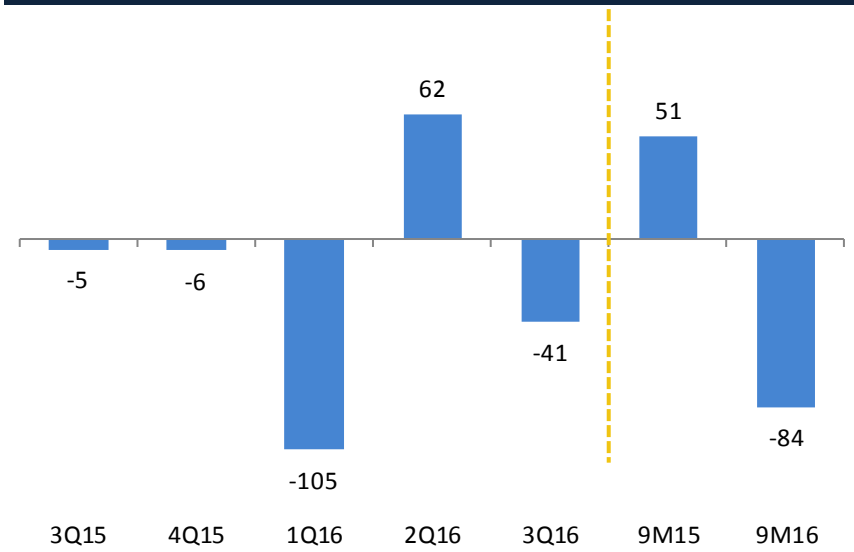


1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement

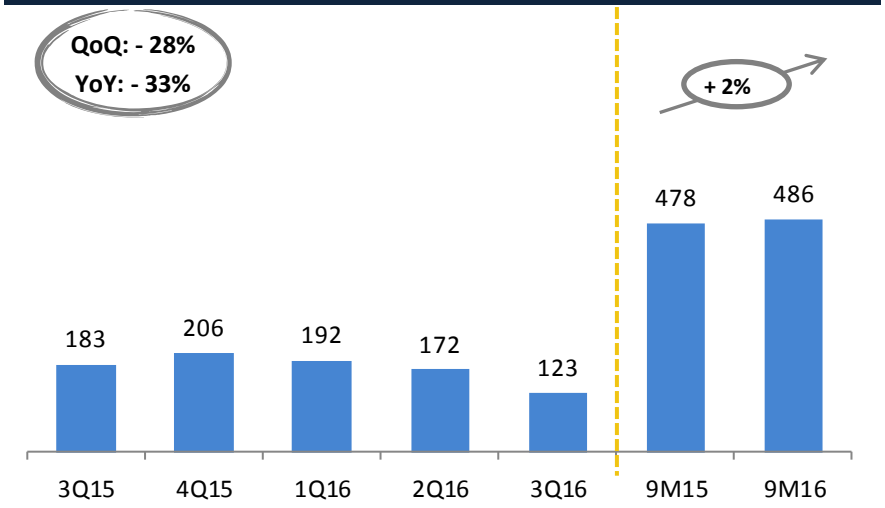
2 – The adjustments segregate: (i) claims: reversion and strengthening of provisions for IBNR and IBNER; (ii) G&A: constitution of provisions for loan losses; and (iii) reversion of provision for unearned premium (PPNG).

MAPFRE BB SH2

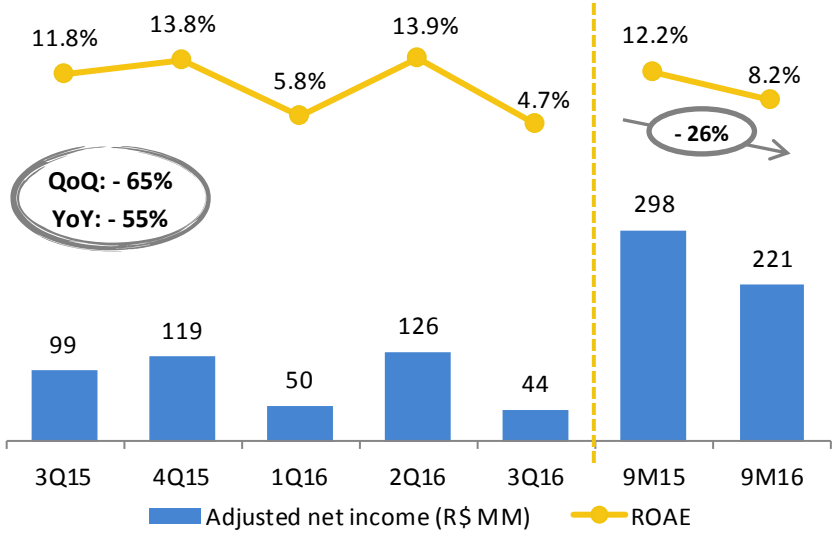
UNDERWRITING RESULT (R$ MM)



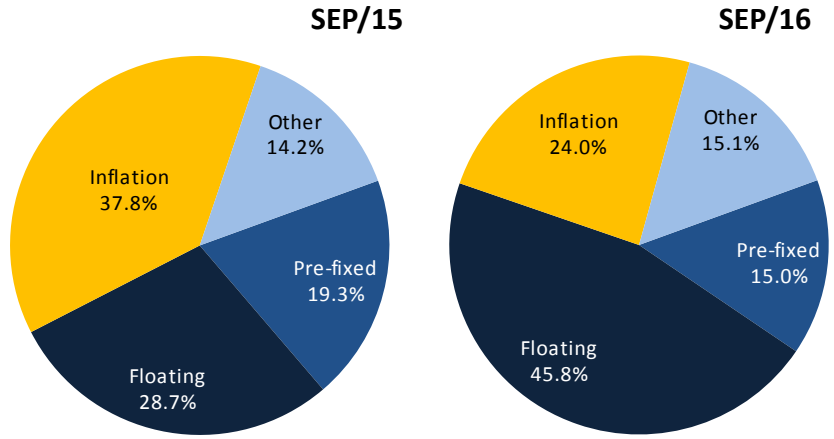
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY

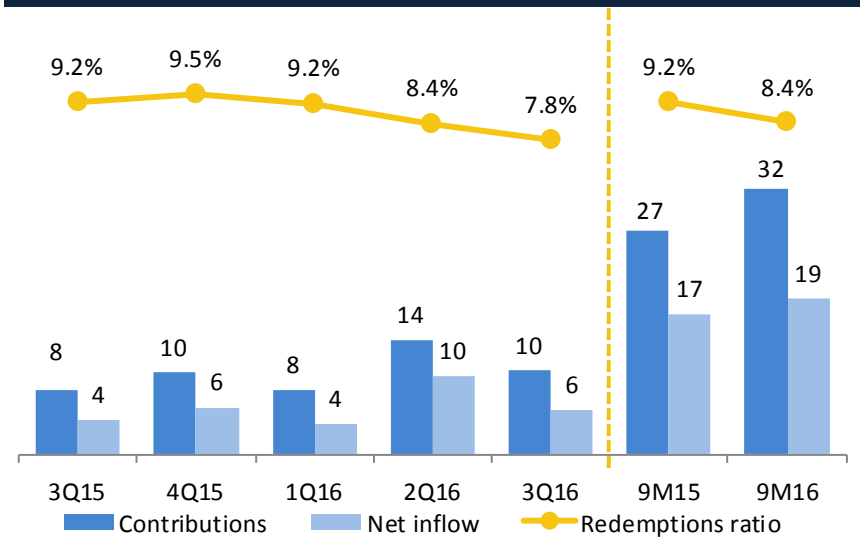


ASSET ALLOCATION

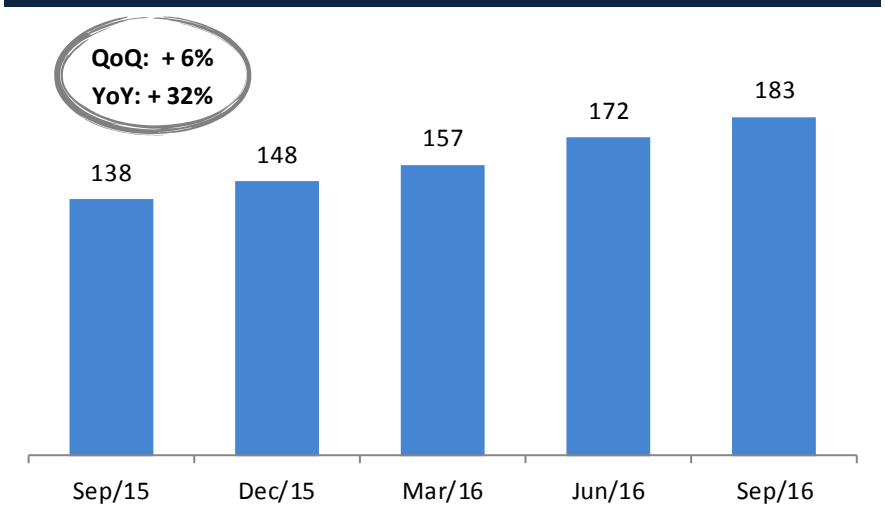


Brasilprev

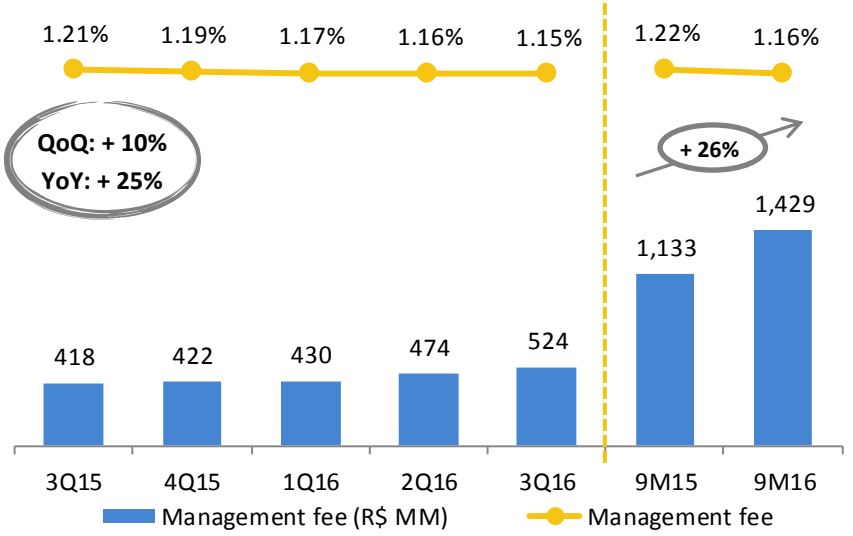
CONTRIBUTIONS & NET INFLOW (R$ BN)



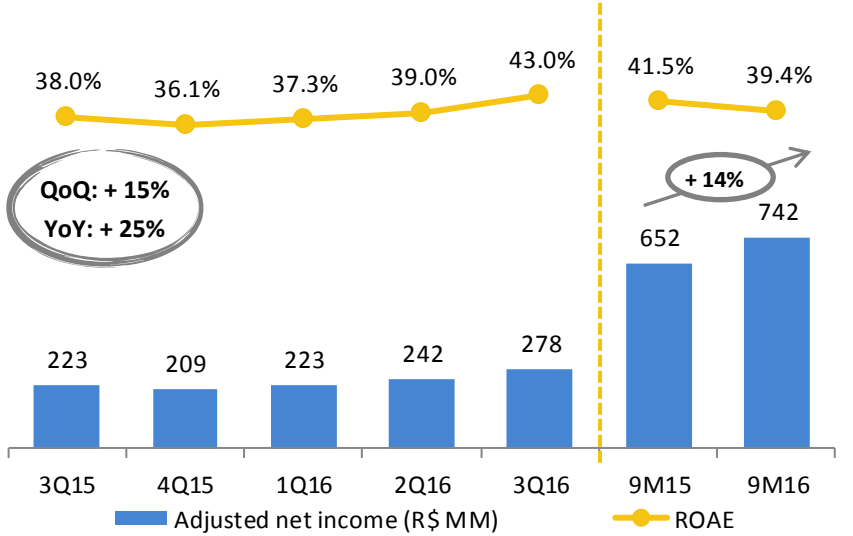
RESERVES (R$ BN)



MANAGEMENT FEE

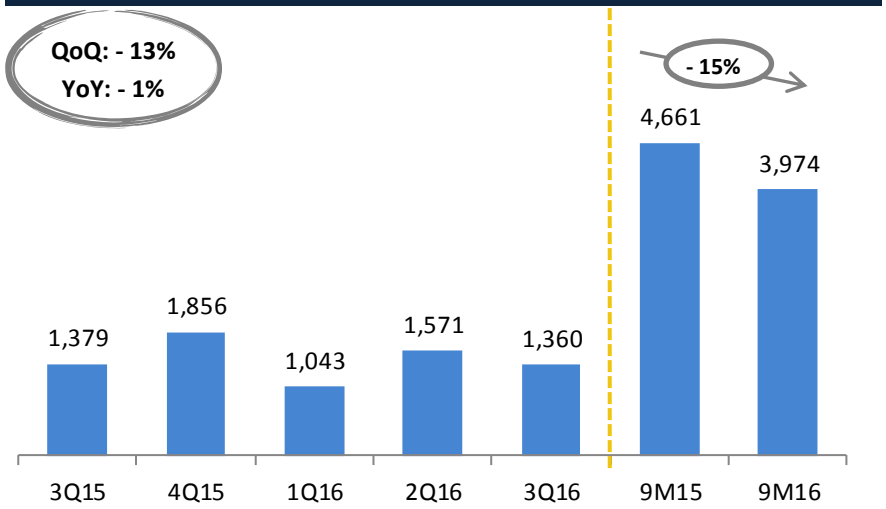


PROFITABILITY

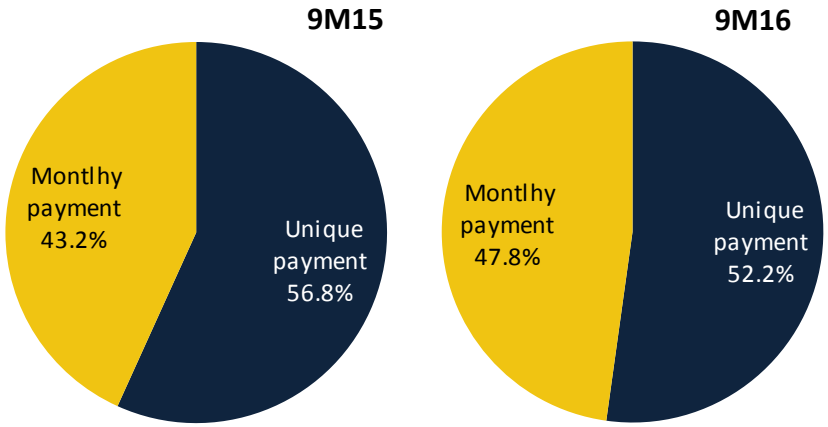


Brasilcap

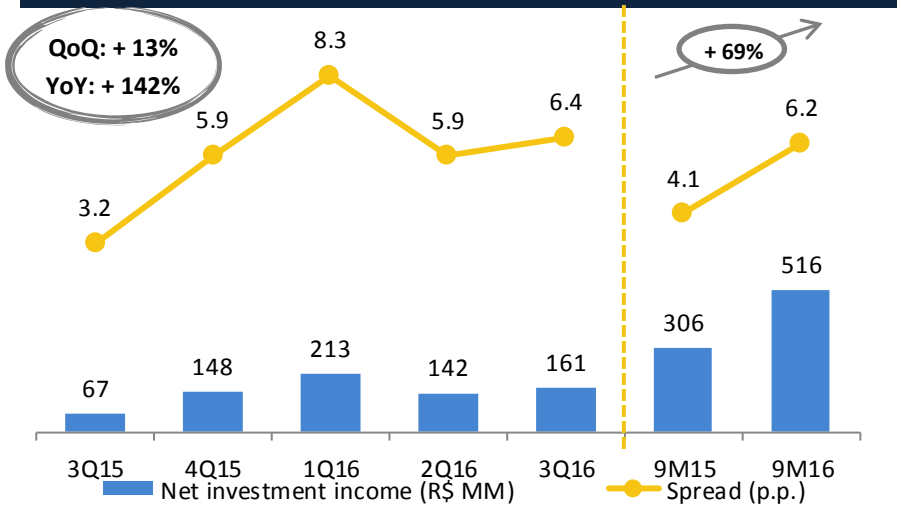
PREMIUM BONDS COLLECTION (R$ MM)



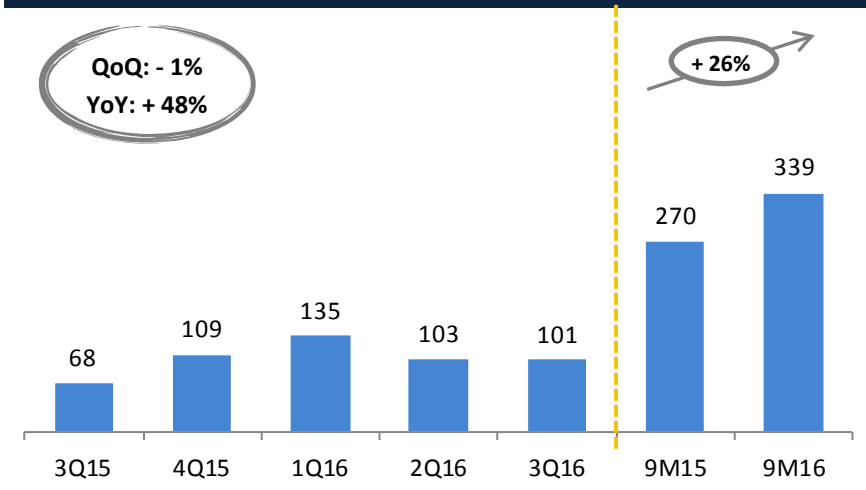
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME

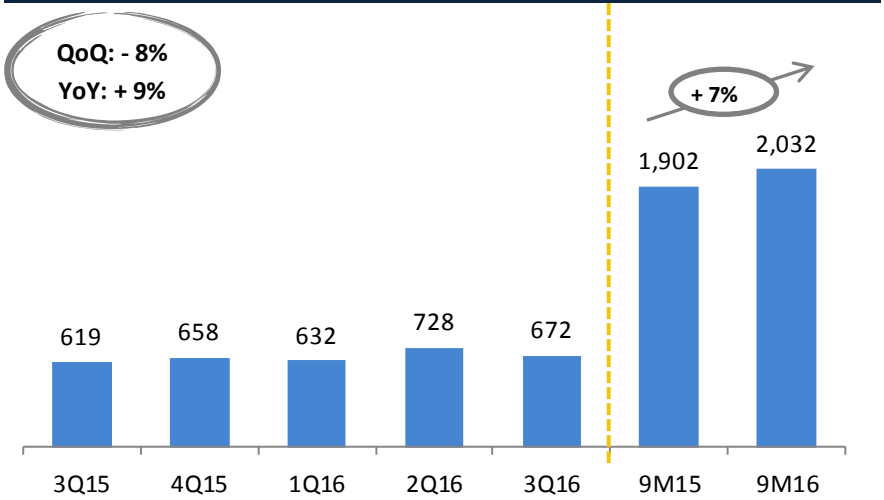


NET INCOME (R$ MM)

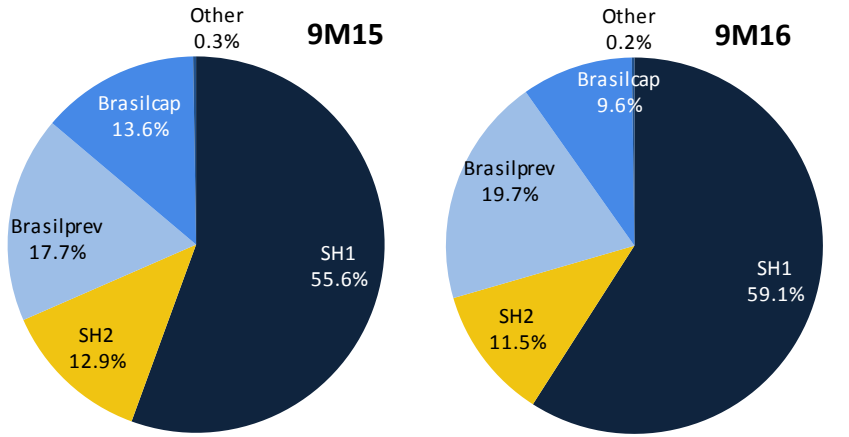


BB Corretora

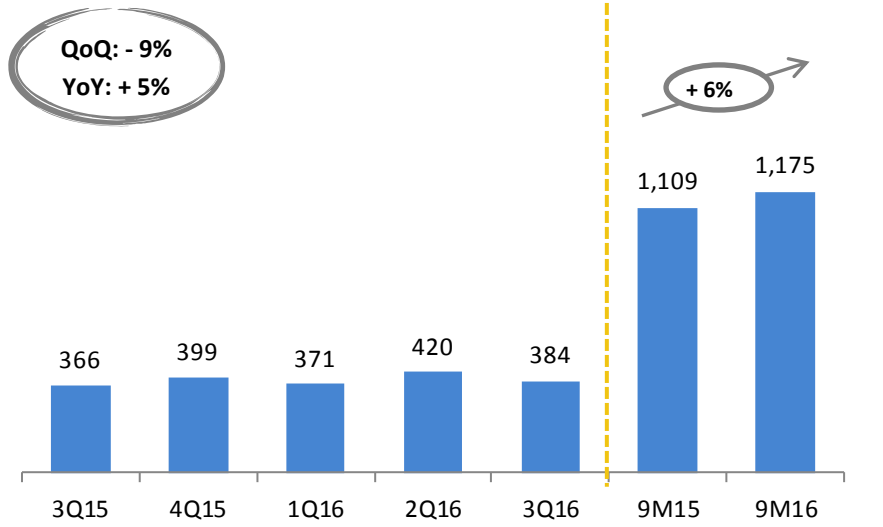
INCOME BROKERAGE (R$ MM)



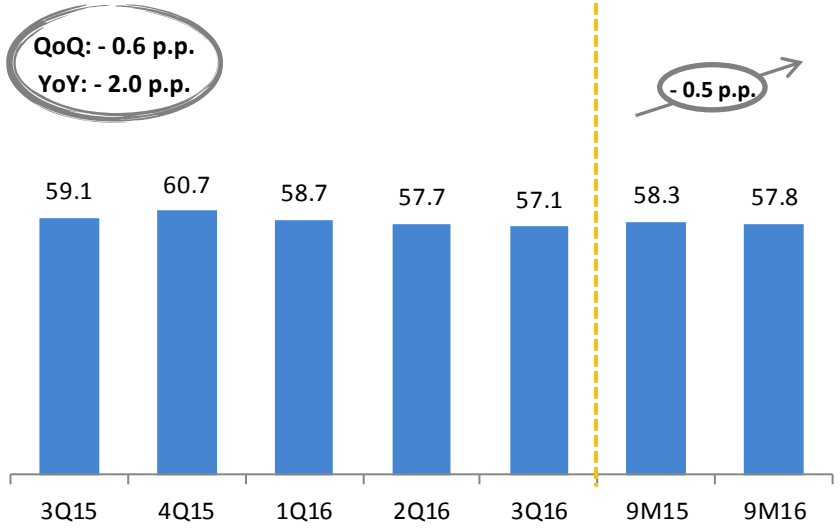
BREAKDOWN OF INCOME BROKERAGE



NET INCOME (R$ MM)



NET MARGIN (%)



Guidance 2016

Ratio	2016 Estimates	9M16
BB Seguridade - Adjusted net income growth (%)	**4 - 8**	**3.4**

Contacts

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