BANCO DO BRASIL
Seguridade

4Q16



Earnings Conference Call

February 14th, 2017

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
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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 adjusted net income reached R$4.1 billion, 4.1% higher than 2015

- Increase of both the combined non-interest operating results (+4.6%) and the BB Seguridade and it's affiliated companies combined net investment income (+3.1%).

SH1 adjusted net income reached R$1.7 billion, growth of 1.9% as compared to 2015

- Highlighting the increase in the operating results, mainly driven by the higher volume of earned premiums.

SH2 adjusted net income dropped 39.9% YoY

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

Brasilprev grows 28.3% in pension plans contributions in 2016

- Net inflows represented 50.6% of the total net inflows in the market;
- Technical reserves reached R$197.5 billion, 33.2% up in 12 months.

Brasilcap's net income increased 15.9% in 2016

- Highlighting the improvement of 1.5 p.p. in the spread between company's earning assets and interest bearing liabilities.

Brokerage revenues amounted to R$2.8 billion in 2016, 8.0% higher than 2015

- Highlighting the brokerage revenues arising from insurance premiums from SH1 and pension plans contribution.

Distribution of R$3.3 billion as dividends

- Distribution equivalent to an 82.3% payout.

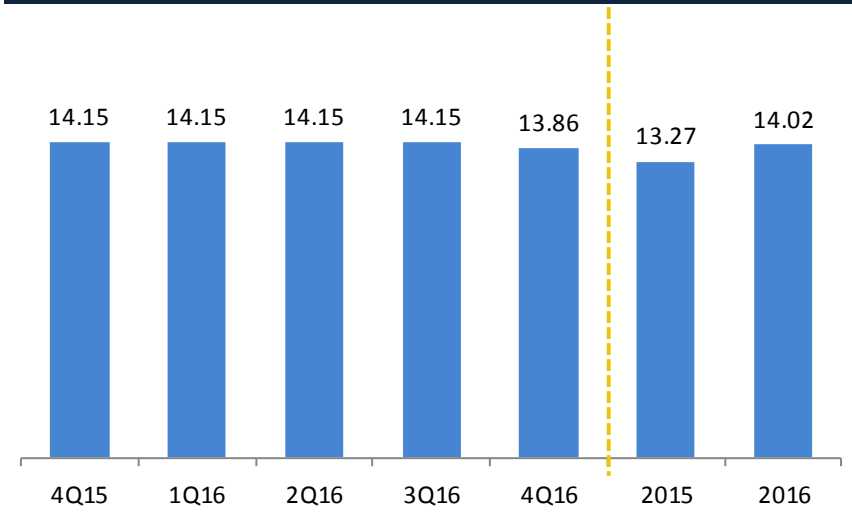
BB Seguridade Performance

	Quarterly Flow			Chg. %		Annual Flow		Chg. %
R$ MM	4Q15	3Q16	4Q16	On 4Q15	On 3Q16	2015	2016	On 2015
Non-interest operating results	657	699	743	13.2	6.3	2,720	2,844	4.6
Net investment income	357	289	331	(7.1)	14.9	1,225	1,263	3.1
Adjusted net income	**1,014**	**988**	**1,075**	**6.0**	**8.8**	**3,945**	**4,107**	**4.1**
Extraordinary events	**-**	**-**	**(93)**	**-**	**-**	**262**	**(93)**	**-**
Brasilprev: Reversal of provisions	-	-	-	-	-	221	-	-
SH1: Increase of the social contribution rate	-	-	-	-	-	22	-	-
SH2: Increase of the social contribution rate	-	-	-	-	-	20	-	-
SH1: PIS/COFINS deferred tax assets	-	-	13	-	-	-	13	-
SH2: PIS/COFINS deferred tax assets	-	-	10	-	-	-	10	-
BB Seguros: Impairment - MAPFRE BB SH2	-	-	(176)	-	-	-	(176)	-
BB Seguros: Impairment - MAPFRE BB SH2 - tax effects	-	-	60	-	-	-	60	-
Net income	**1,014**	**988**	**982**	**(3.2)**	**(0.6)**	**4,207**	**4,014**	**(4.6)**
ROAE[1]	54.0%	48.9%	52.2%	-1.9 p.p.	3.3 p.p.	54.8%	51.8%	-3.0 p.p.

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

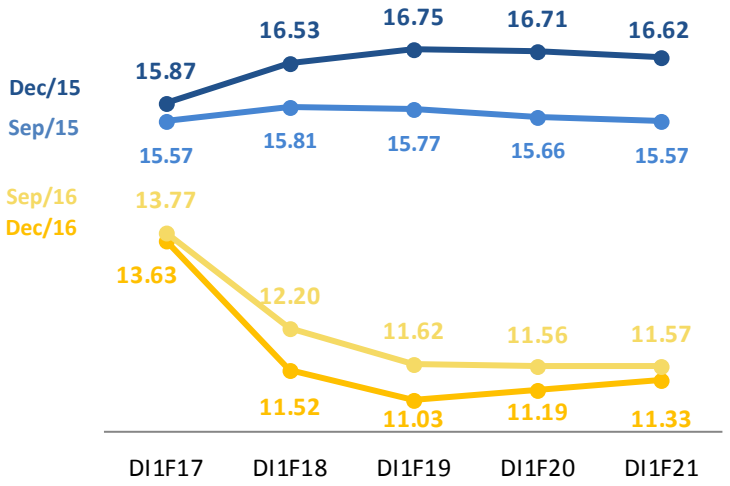
Net Investment Income

ANNUALIZED AVERAGE SELIC RATE (%)



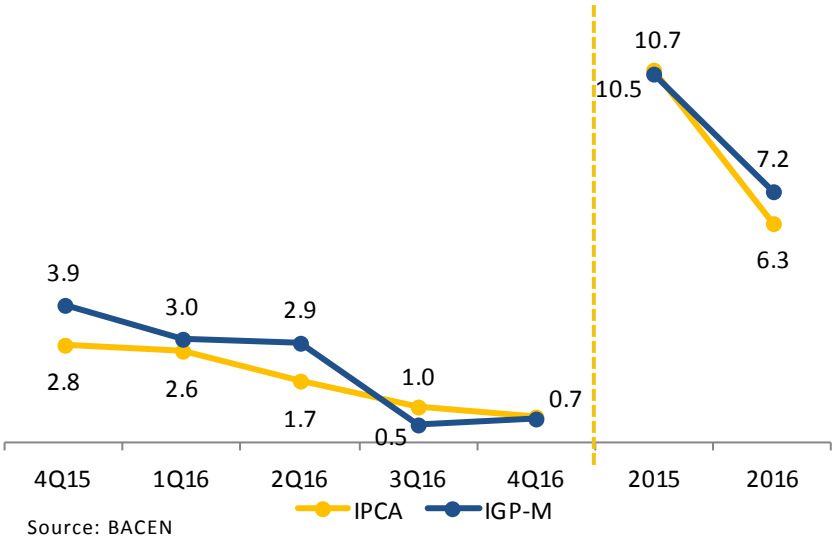
Source: Focus - BACEN

FORWARD YIELD CURVE (%)



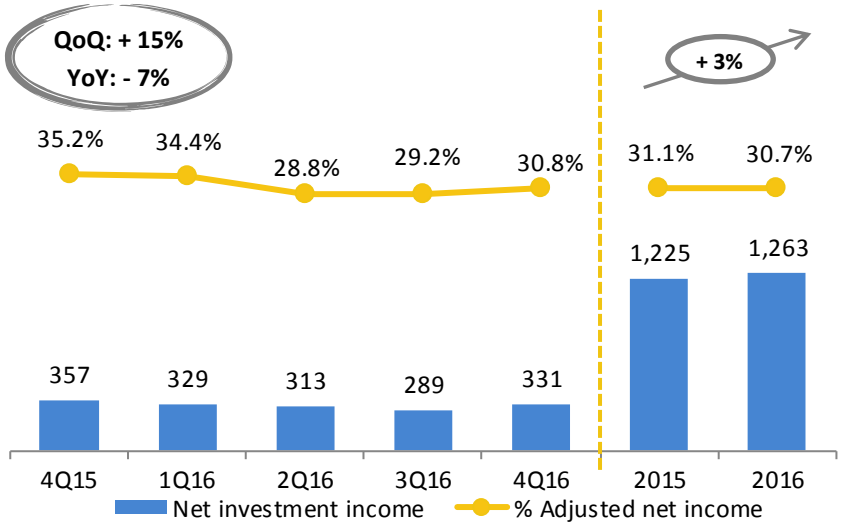
Source: ValorPro

INFLATION RATES (%)



Source: BACEN

NET INVESTMENT INCOME (R$ MM)

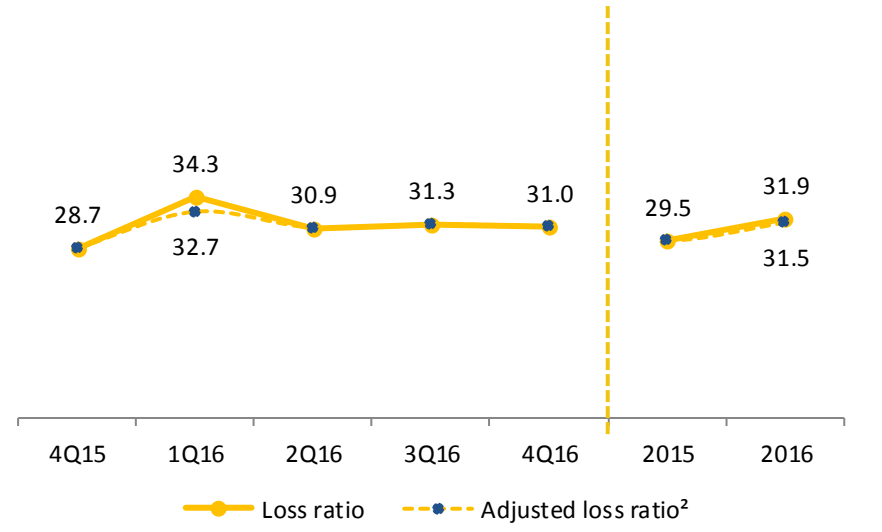


BB MAPFRE SH1

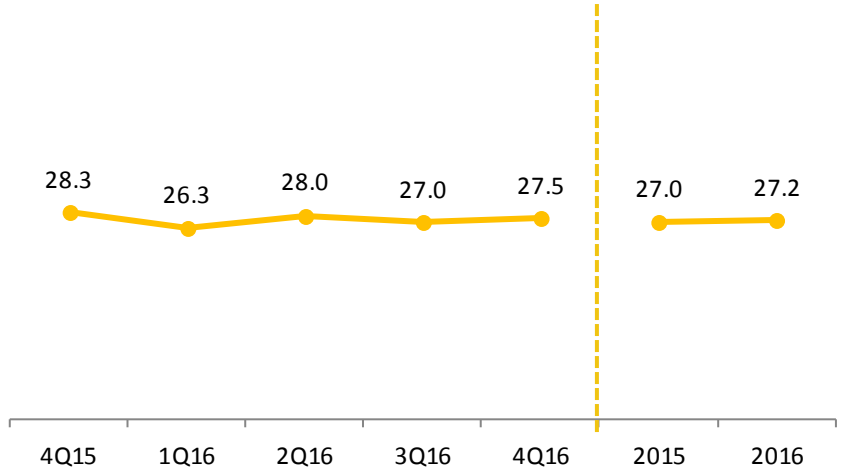
R$ MM	Quarterly Flow						Chg. %		Annual Flow				Chg. %
	4Q15	Share %	3Q16	Share %	4Q16	Share %	On 4Q15	On 3Q16	2015	Share %	2016	Share %	On 2015
Premiums written													
Life	770	36.7	959	52.7	896	45.6	16.4	(6.5)	2,996	39.4	3,468	47.0	15.8
Credit life	656	31.3	175	9.6	339	17.3	(48.3)	93.8	2,105	27.7	1,092	14.8	(48.2)
Mortgage life	25	1.2	51	2.8	59	3.0	139.9	16.2	168	2.2	217	2.9	29.2
Rural	609	29.0	586	32.2	638	32.4	4.8	8.8	2,071	27.2	2,362	32.0	14.0
DPVAT	38	1.8	47	2.6	33	1.7	(11.5)	(29.1)	260	3.4	238	3.2	(8.3)
Total	**2,098**	**100.0**	**1,819**	**100.0**	**1,967**	**100.0**	**(6.2)**	**8.2**	**7,601**	**100.0**	**7,379**	**100.0**	**(2.9)**
Retained premiums													
Life	768	39.7	957	58.6	892	49.6	16.1	(6.7)	2,985	42.6	3,458	52.2	15.9
Credit life	656	33.9	174	10.7	339	18.8	(48.4)	94.2	2,105	30.0	1,088	16.4	(48.3)
Mortgage life	23	1.2	52	3.2	54	3.0	134.5	4.4	156	2.2	199	3.0	27.5
Rural	450	23.3	403	24.6	478	26.6	6.3	18.8	1,501	21.4	1,641	24.8	9.3
DPVAT	38	1.9	47	2.9	33	1.8	(11.5)	(29.1)	260	3.7	238	3.6	(8.3)
Total	**1,934**	**100.0**	**1,633**	**100.0**	**1,798**	**100.0**	**(7.0)**	**10.1**	**7,007**	**100.0**	**6,626**	**100.0**	**(5.4)**

BB MAPFRE SH1 – Performance Ratios [1]

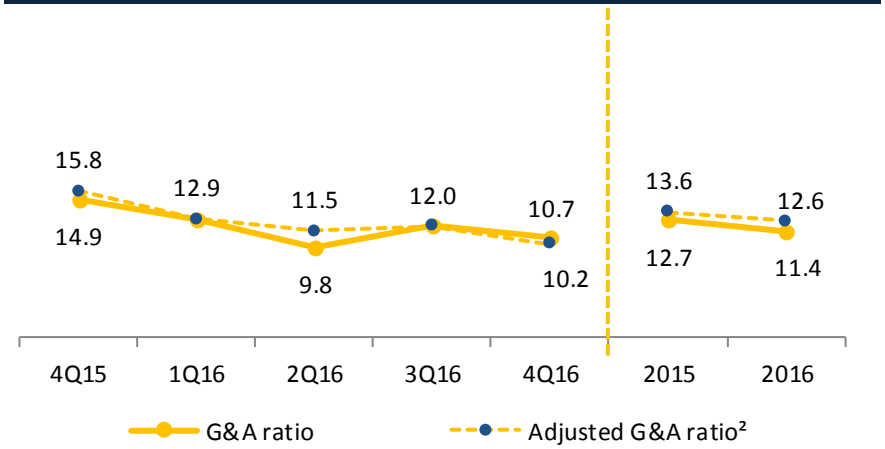
LOSS RATIO (%)



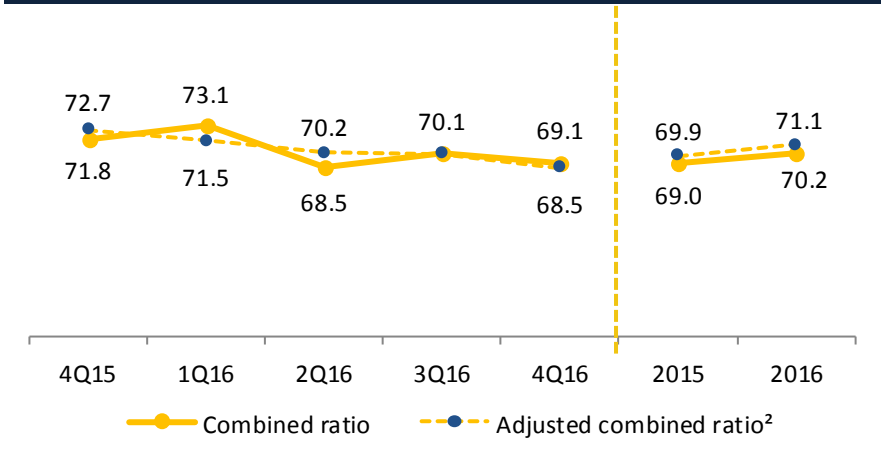
COMMISSION RATIO (%)



G&A RATIO (%)



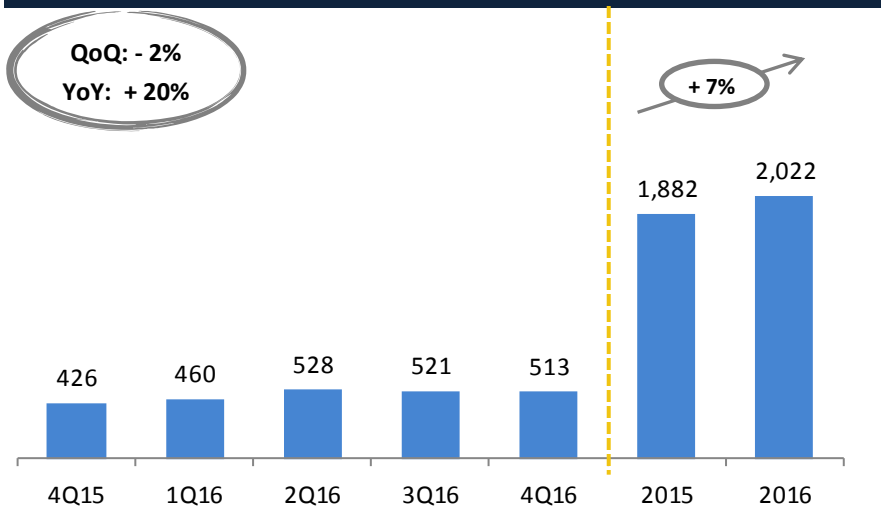
COMBINED RATIO (%)



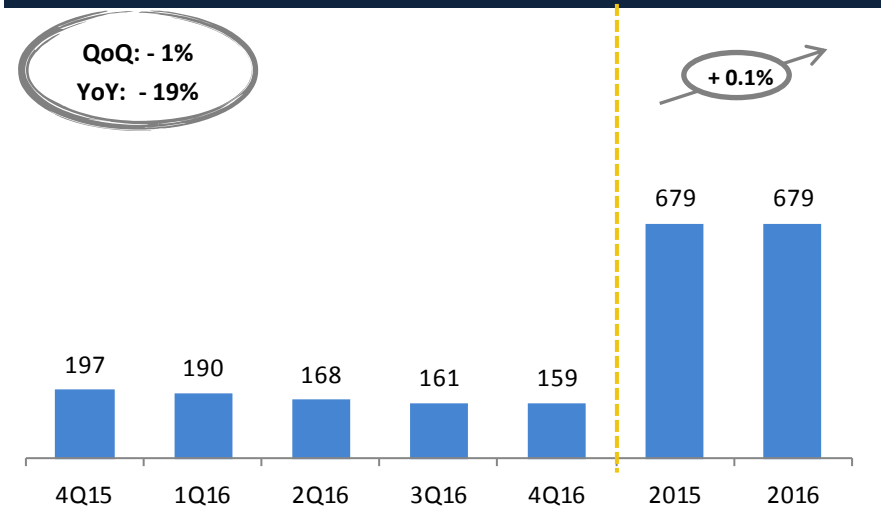
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement.
2 – Adjustments segregate: (i) claims: the accounting of additional claims in the non-contributory product in credit life; and (ii) G&A: reversions of provision for loan losses.

BB MAPFRE SH1

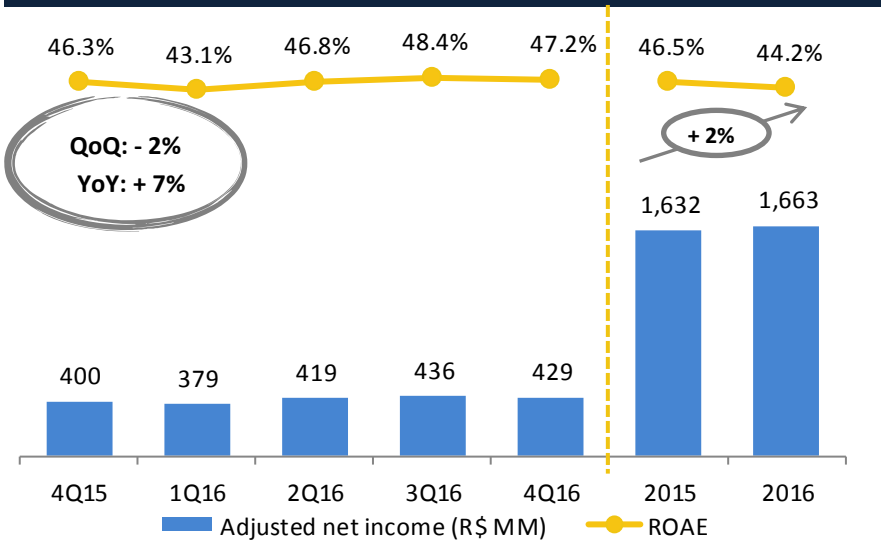
UNDERWRITING RESULT (R$ MM)



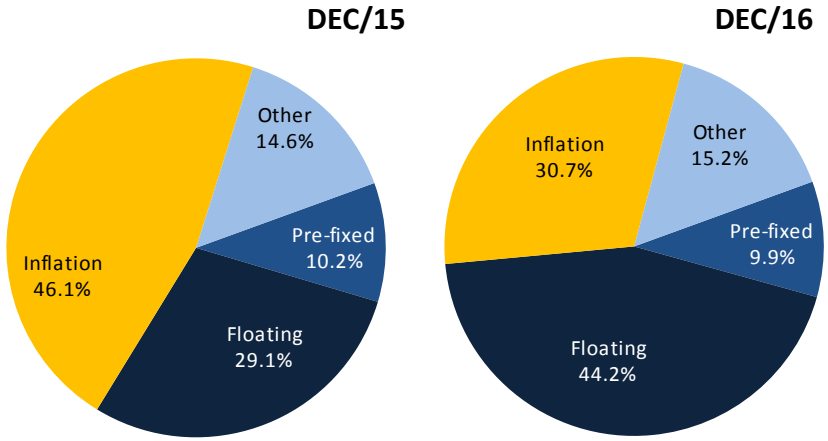
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY



ASSET ALLOCATION

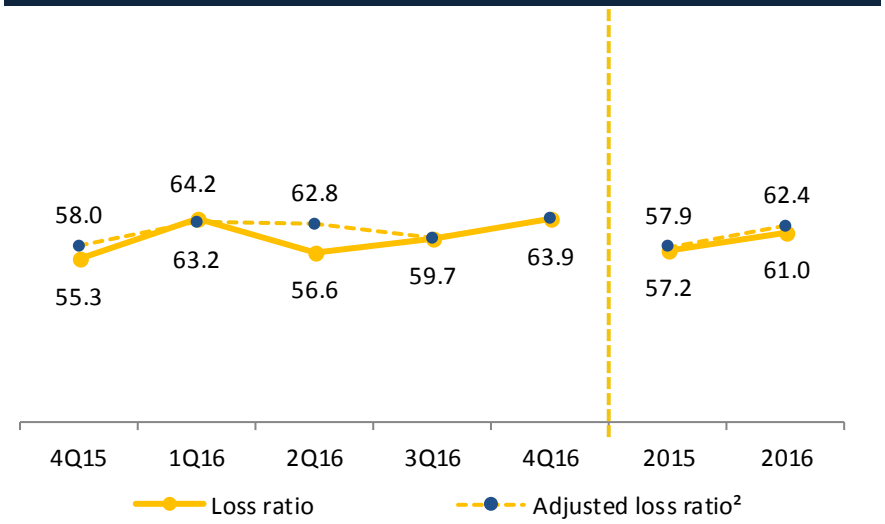


MAPFRE BB SH2

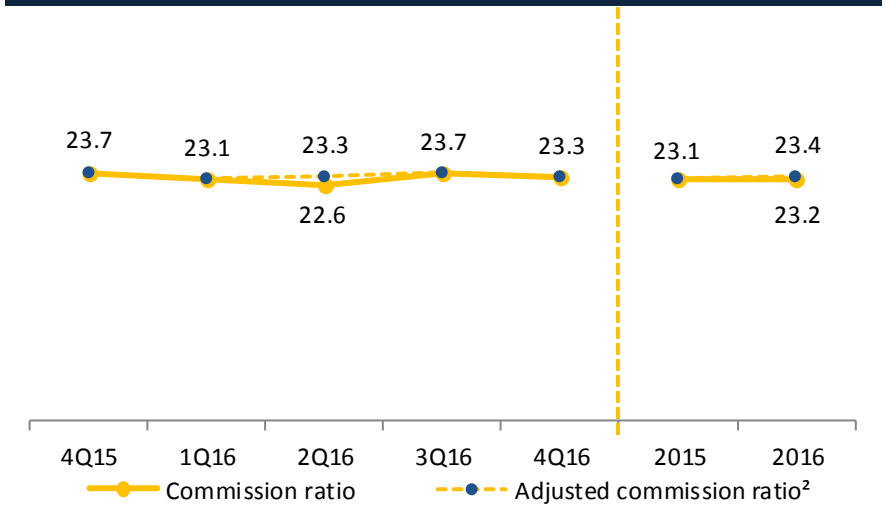
	Quarterly Flow						Chg. %		Annual Flow				Chg. %
R$ MM	4Q15	Share %	3Q16	Share %	4Q16	Share %	On 4Q15	On 3Q16	2015	Share %	2016	Share %	On 2015
Premiums written													
Auto	1,223	54.9	931	47.2	1,009	50.5	(17.5)	8.4	4,969	54.6	4,073	48.3	(18.0)
Casualties	805	36.2	796	40.4	764	38.3	(5.1)	(4.0)	3,286	36.1	3,358	39.9	2.2
DPVAT	48	2.1	67	3.4	48	2.4	(0.1)	(29.1)	325	3.6	326	3.9	0.1
Other	152	6.8	177	9.0	175	8.8	15.4	(0.9)	513	5.6	668	7.9	30.1
Total	**2,228**	**100.0**	**1,971**	**100.0**	**1,996**	**100.0**	**(10.4)**	**1.3**	**9,094**	**100.0**	**8,424**	**100.0**	**(7.4)**
Retained premiums													
Auto	1,227	64.9	931	55.8	1,009	57.8	(17.8)	8.4	4,972	64.7	4,072	58.1	(18.1)
Casualties	464	24.6	494	29.6	513	29.4	10.6	4.0	1,872	24.4	1,944	27.7	3.9
DPVAT	48	2.5	67	4.0	48	2.7	(0.1)	(29.1)	325	4.2	326	4.6	0.1
Other	151	8.0	176	10.6	174	10.0	15.3	(1.0)	511	6.7	666	9.5	30.2
Total	**1,890**	**100.0**	**1,668**	**100.0**	**1,745**	**100.0**	**(7.7)**	**4.6**	**7,680**	**100.0**	**7,008**	**100.0**	**(8.8)**

MAPFRE BB SH2 – Performance Ratios[1]

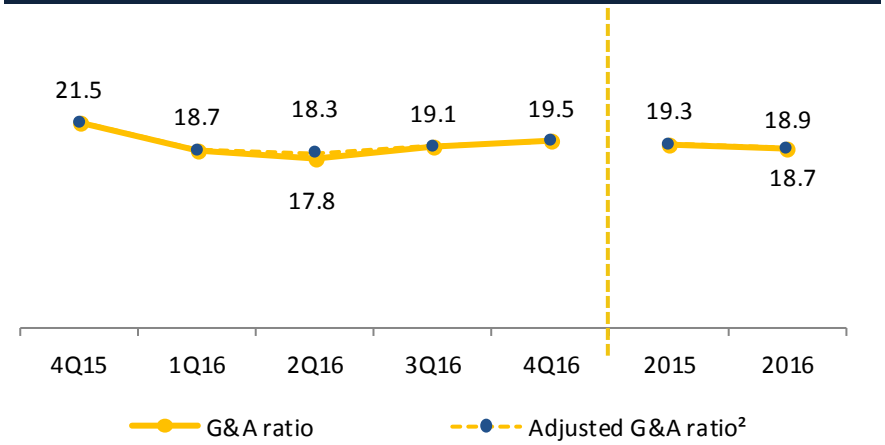
LOSS RATIO (%)



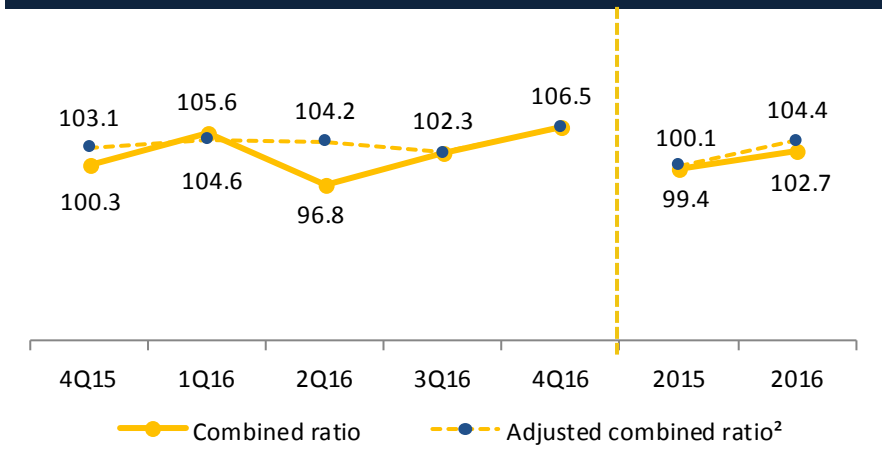
COMMISSION RATIO (%)



G & A RATIO (%)



COMBINED RATIO (%)

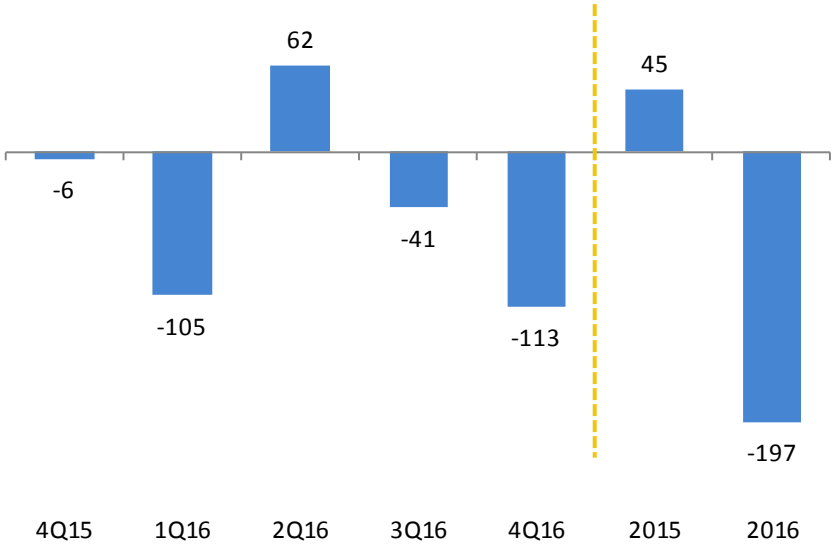


1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement

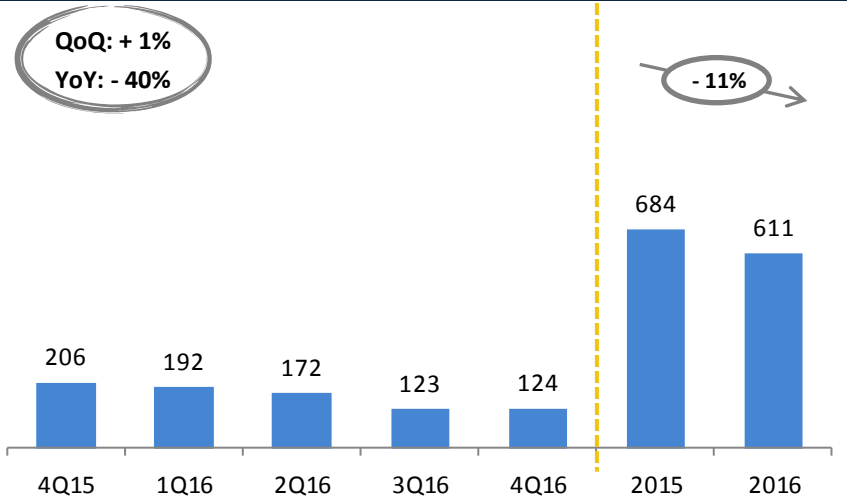
2 – The adjustments segregate: (i) claims: reversion and strengthening of provisions for IBNR and IBNER; (ii) G&A: constitution of provisions for loan losses; and (iii) reversion of provision for unearned premium (PPNG).

MAPFRE BB SH2

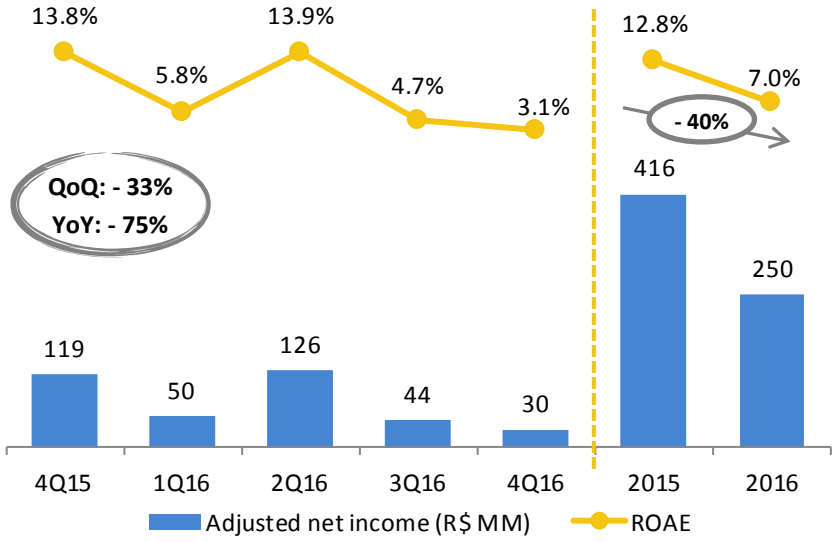
UNDERWRITING RESULT (R$ MM)



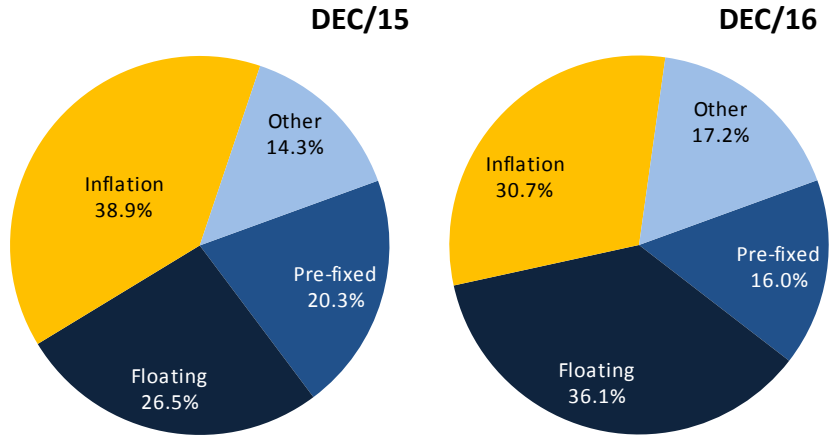
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY

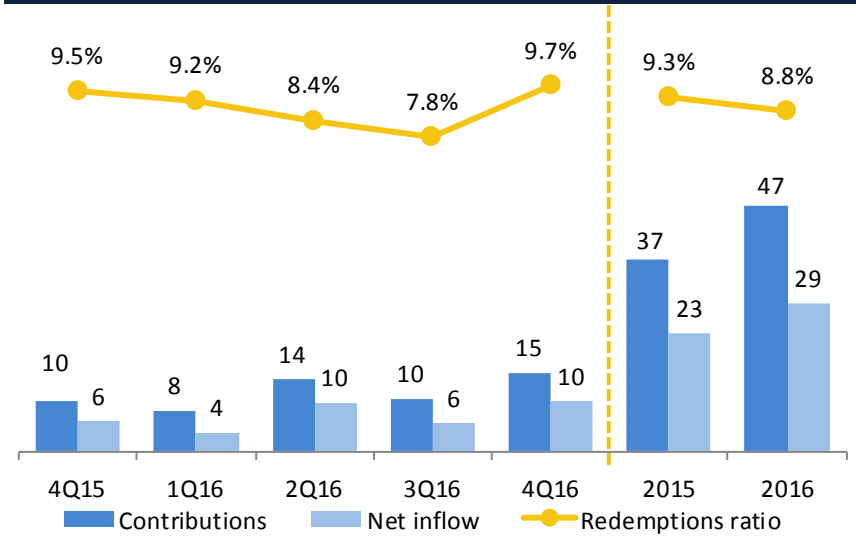


ASSET ALLOCATION

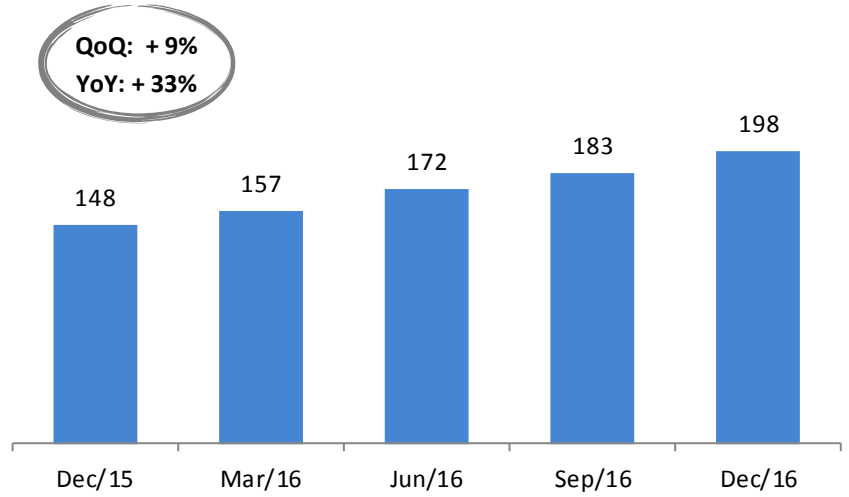


Brasilprev

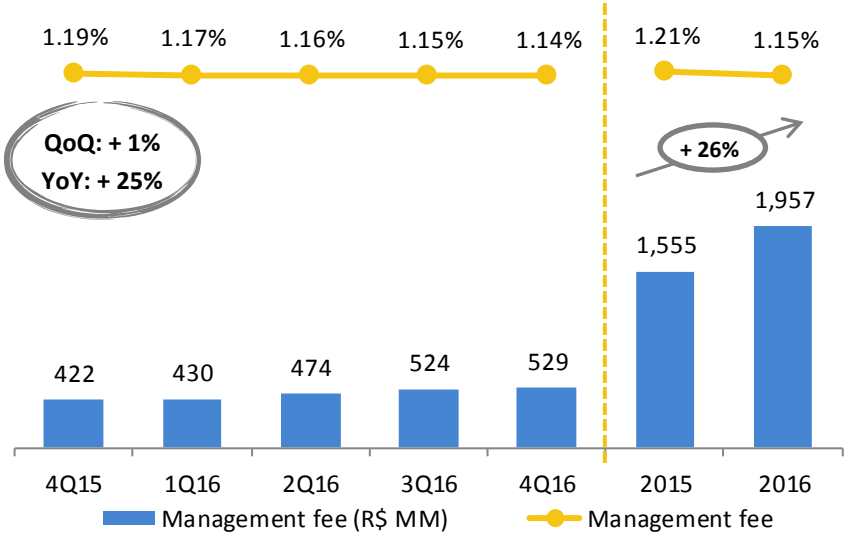
CONTRIBUTIONS & NET INFLOW (R$ BN)



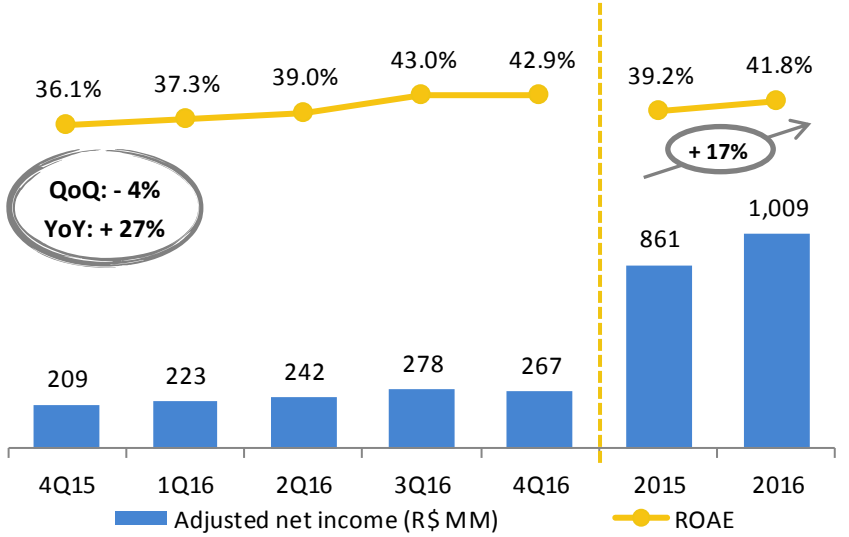
RESERVES (R$ BN)



MANAGEMENT FEE

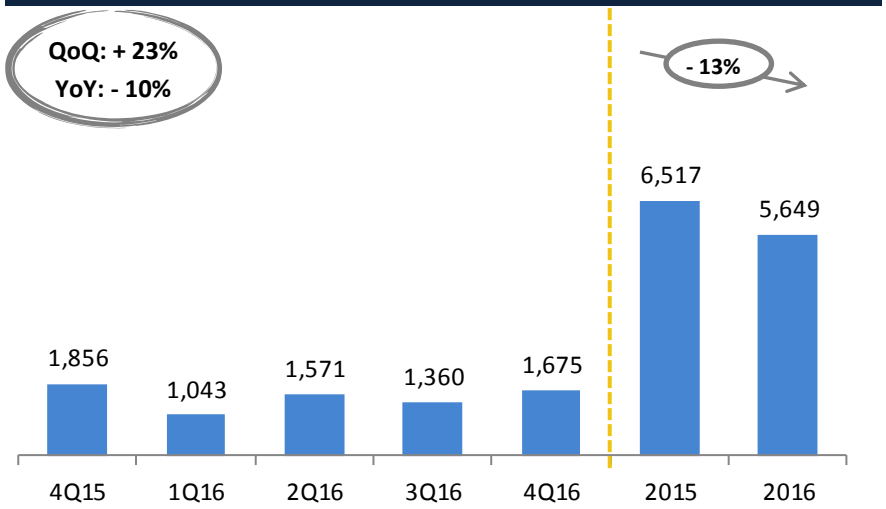


PROFITABILITY

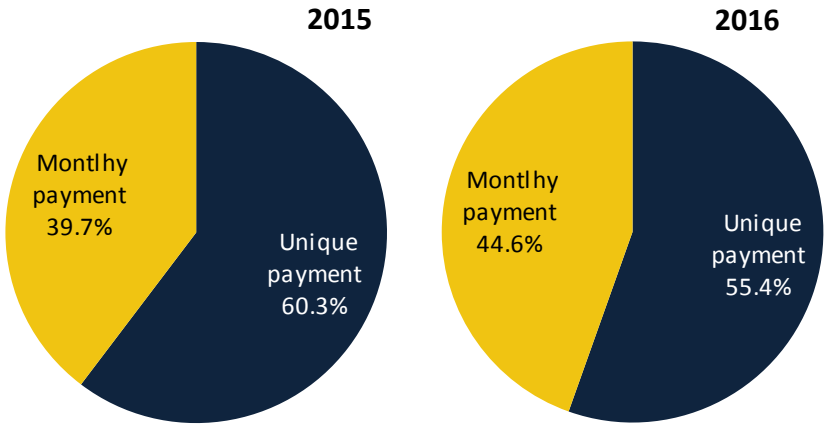


Brasilcap

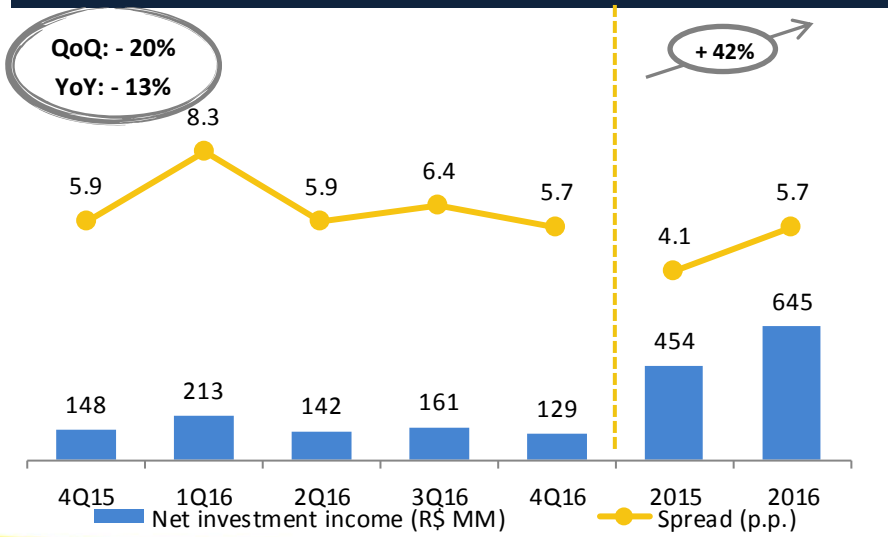
PREMIUM BONDS COLLECTION (R$ MM)



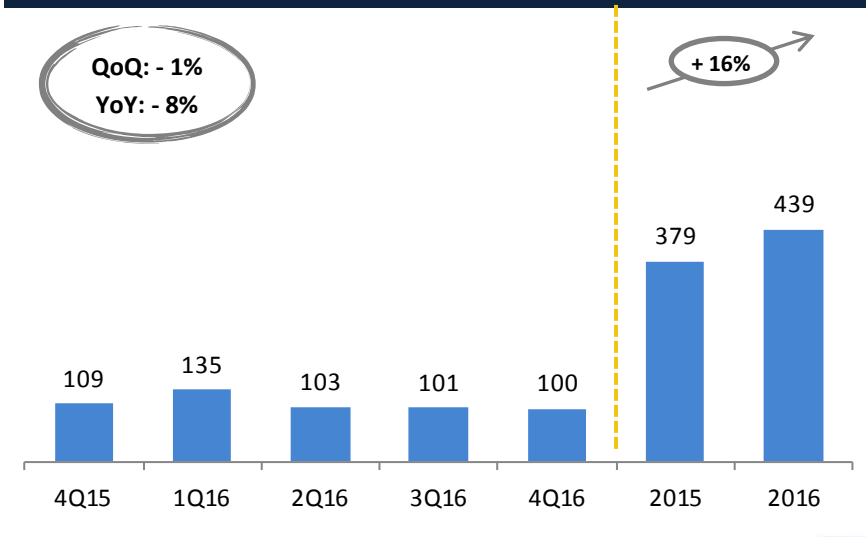
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME

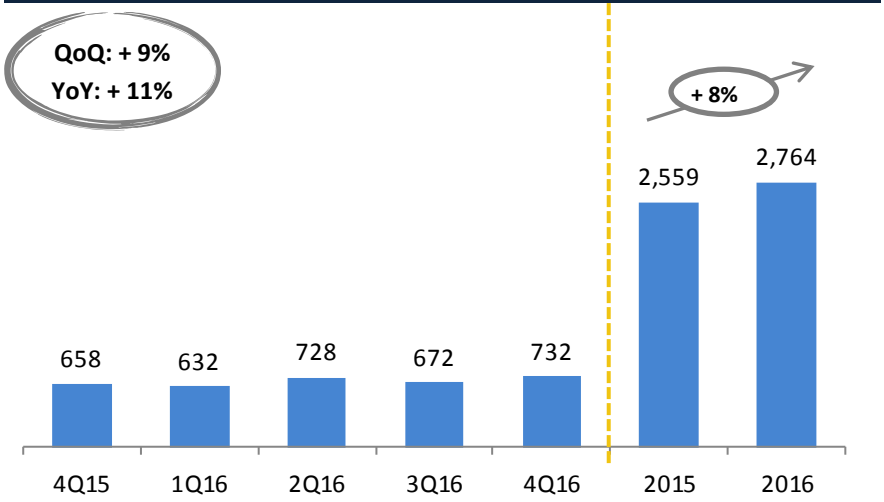


NET INCOME (R$ MM)

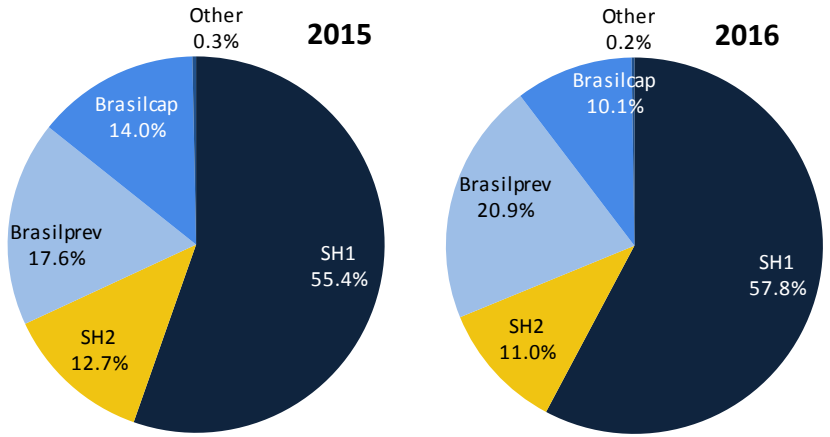


BB Corretora

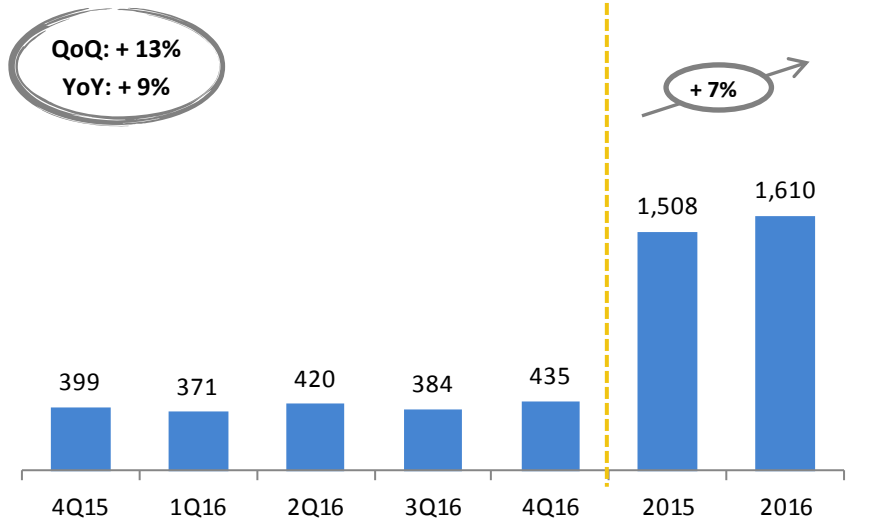
INCOME BROKERAGE (R$ MM)



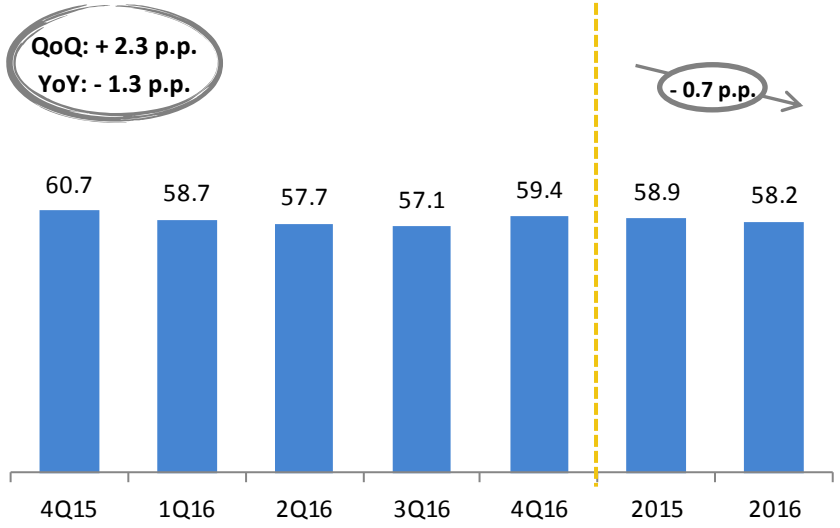
BREAKDOWN OF INCOME BROKERAGE



NET INCOME (R$ MM)



NET MARGIN (%)



Guidance 2016

Ratio	2016 Estimates	2016
BB Seguridade - Adjusted net income growth (%)	**4 - 8**	**4.1**

Guidance 2017

Ratio	2017 Estimates
BB Seguridade - Adjusted net income growth (%)	**1 - 5**

Contacts

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