Conference Call - 2Q14 Earnings
August 13th, 2014

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$ 845 million, 54% higher than 2Q13

- Adjusted ROAE of 64.9% in the quarter

Distribution of R$ 1.2 billion as dividends

- Distribution equivalent to an 80% payout

Premiums written, pension plans contributions and premium bonds collections amounted to R$ 15.7 billion, growth of 37% over 2Q13

- Highlighting Brasilprev (+ 59%), SH2 (+ 23%) and SH1 (+ 20%)

BB Mapfre SH1, the company focused on life, mortgage life and rural insurances, presented a strong operating result

- Combined ratio reached 71% in the quarter (- 6.8 p.p. vs. 2Q13)

Brasilprev total contributions reached R$ 9.3 billion in 2Q14

- In the semester, Brasilprev net inflow represented 66% of total net inflows in the market.

Brasilcap reported net income of R$ 89 million in 2Q14, growth of 215% when compared to 2Q13

- Highlighting the better financial margin and higher reserves.

Brokerage revenues amounted to R$ 610 million in the quarter, growth of 36% when compared to 2Q13

- Highlighting the revenues from pension plans (+ 64%) and SH1 (+ 44%).

BB Seguridade and Market (6M14 vs. 6M13)

Segments	BB Seguridade	Market (ex-BB Seguridade	Market
SH1 - Premiums Written 1°			
Life[1]	**9.1%**	**1.2%**	**2.8%**
Rural	**65.6%**	**7.1%**	**50.3%**
Mortgage Life	**36.0%**	**20.7%**	**21.6%**
SH2 - Premiums Written 2°			
Vehicles	**2.4%**	**8.0%**	**7.1%**
Casualties	**33.2%**	**10.2%**	**12.8%**
BRASILPREV 1°			
Contribution	**20.7%**	**-13.8%**	**-3.1%**
Net Inflow	**22.0%**	**-39.0%**	**-9.2%**
BRASILCAP 1°			
Collection	**6.9%**	**4.2%**	**5.0%**
TOTAL 1°			
Premiums, contribution and collection	**17.8%**	**2.2%**	**6.0%**

Source: SUSEP

1 – Item "Life" includes the segments life and credit life

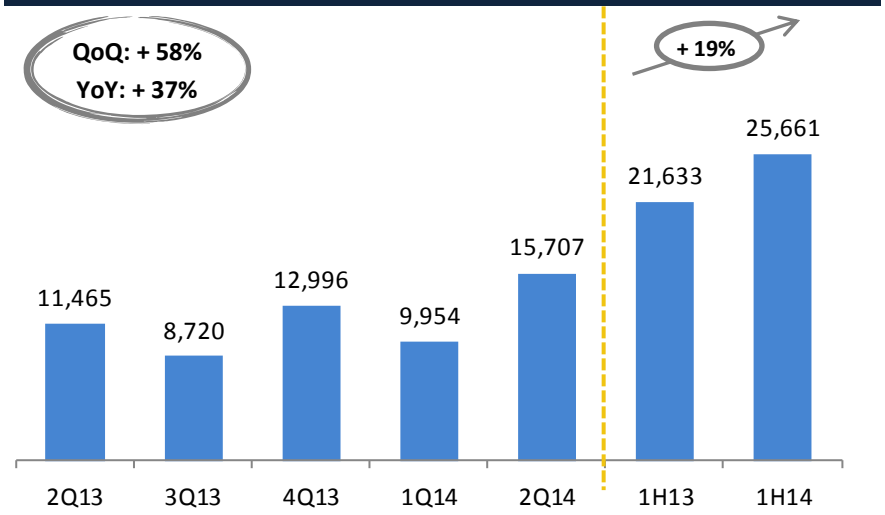
Extraordinary Events

R$ MM

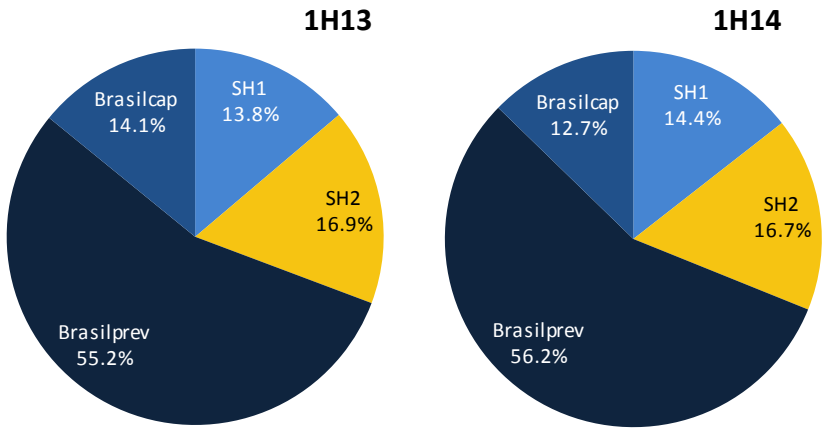
Adjustments	2Q13	1Q14	2Q14	1H13	1H14
Net Income	**550**	**649**	**845**	**1,022**	**1,494**
BB Corretora: new comissions	-	-	-	(30)	-
BB Corretora: tax expenses on new commissions	-	-	-	2	-
Brasilcap: changes in the accounting method	-	-	-	35	-
Tax effects on extraordinary events	-	-	-	9	-
Adjusted Net Income	**550**	**649**	**845**	**1,005**	**1,494**

BB Seguridade Performance

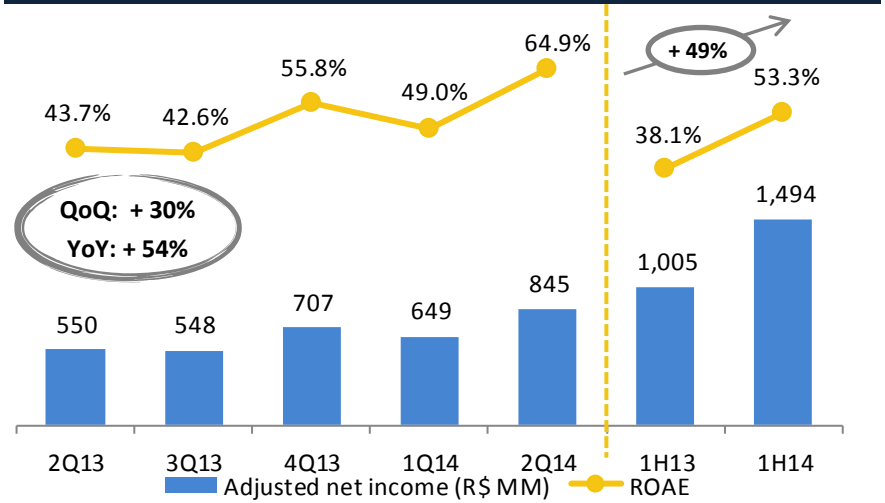
PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1] (R$ MM)



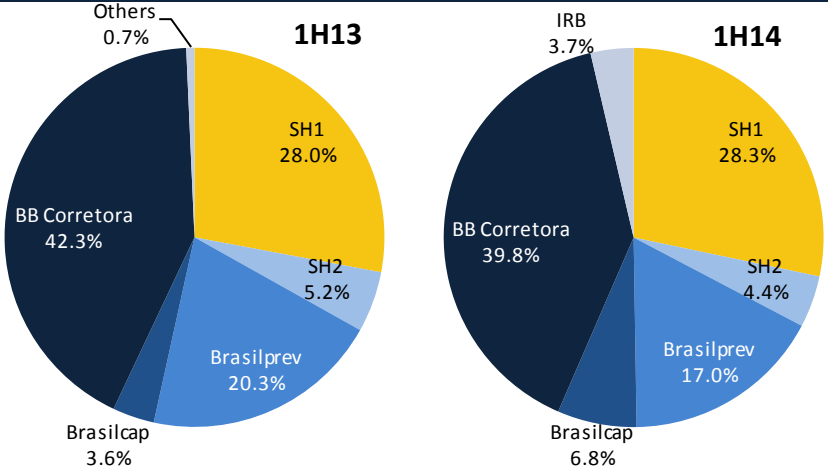
BREAKDOWN OF PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1]



PROFITABILITY



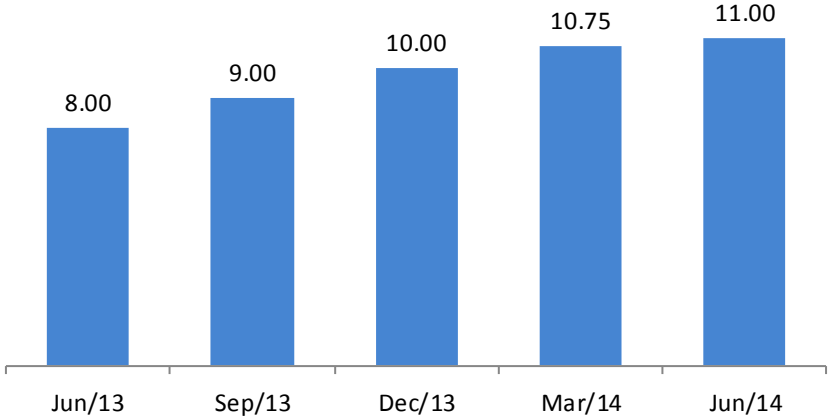
EARNINGS BREAKDOWN



1. Premiums written, pension plans contributions and premium bonds collections

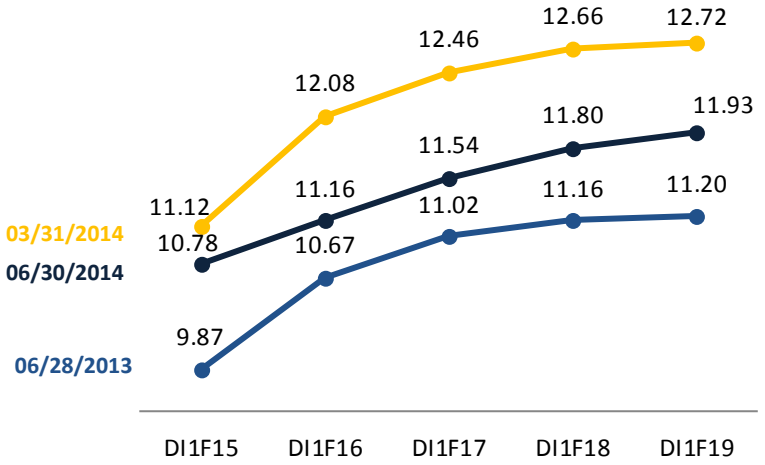
Net Investment Income

SELIC RATE (%)



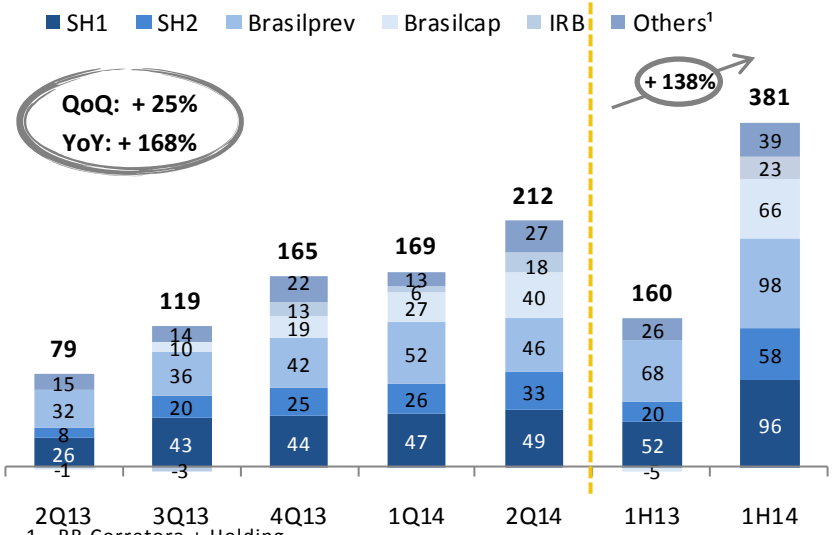
Source: Focus - Bacen do Brasil

FORWARD YIELD CURVE (%)



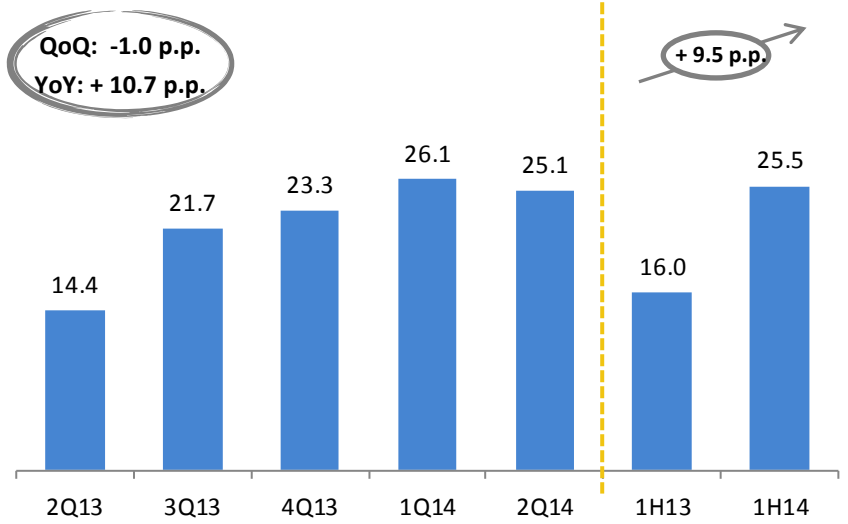
Source: ValorPro

NET INVESTMENT INCOME (R$ MM)



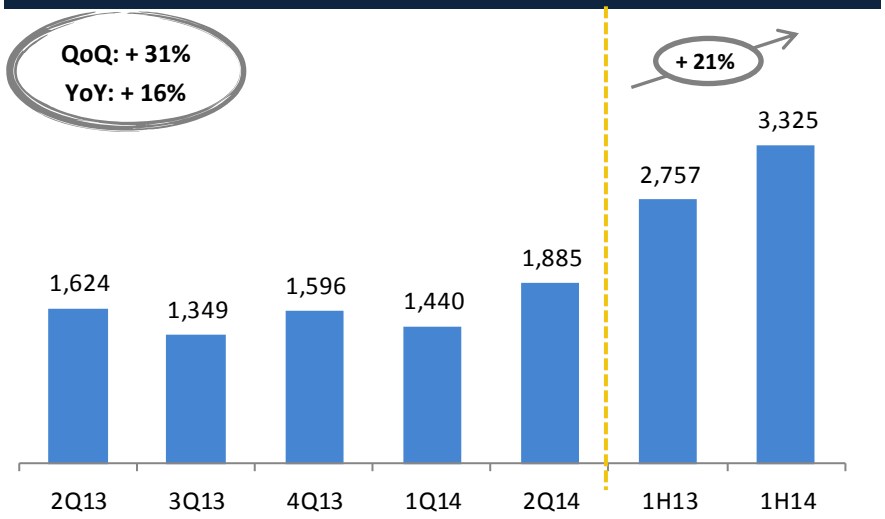
1 - BB Corretora + Holding

CONTRIBUTION OF NET INVESTMENT INCOME IN THE EARNINGS (%)



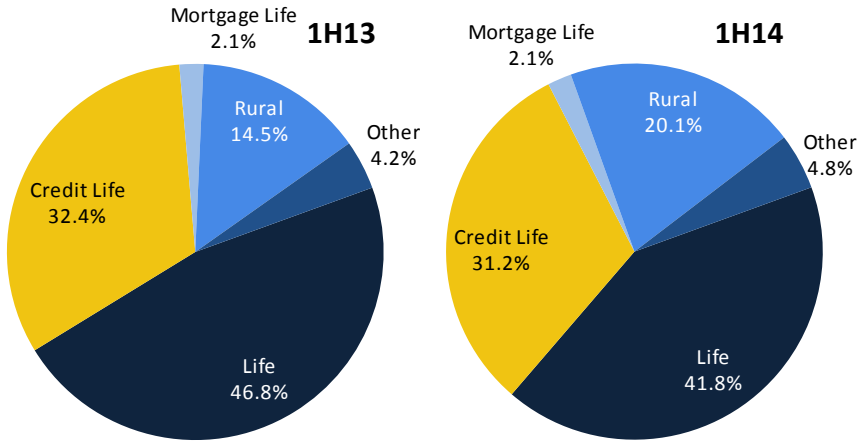
BB Mapfre SH1

RETAINED PREMIUMS [1] (R$ MM)

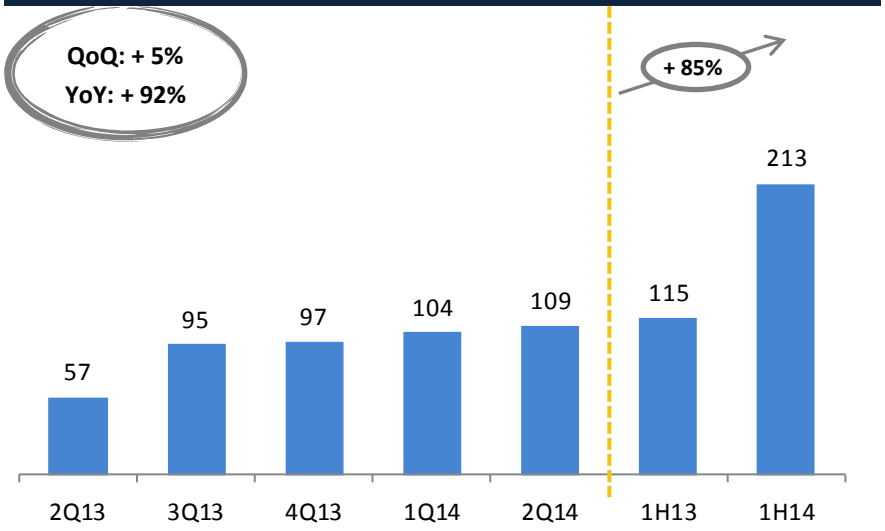


1 – Net of premiums ceded to reinsurance

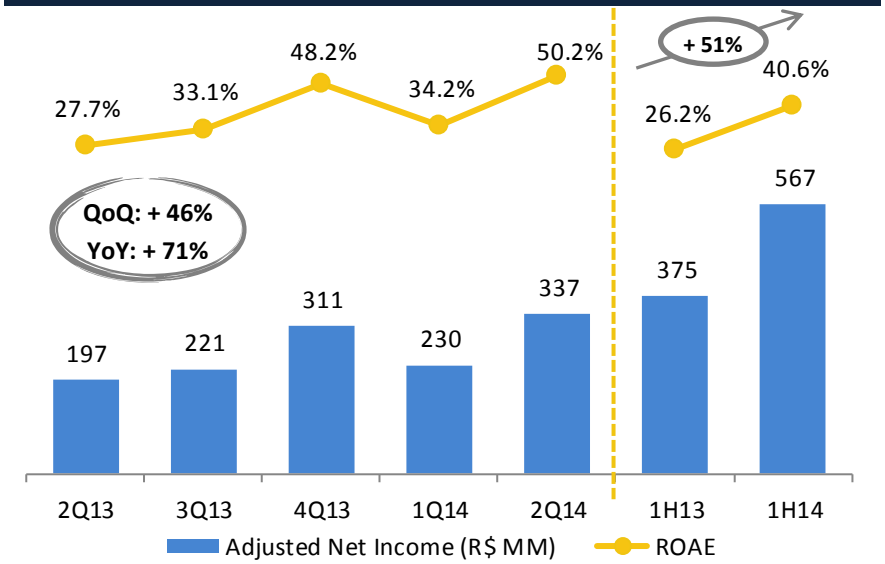
BREAKDOWN OF RETAINED PREMIUMS



NET INVESTMENT INCOME (R$ MM)

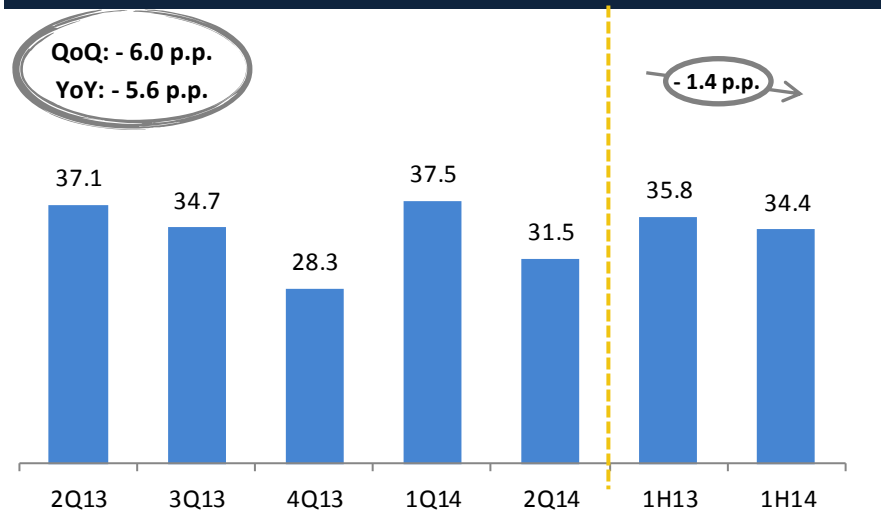


PROFITABILITY

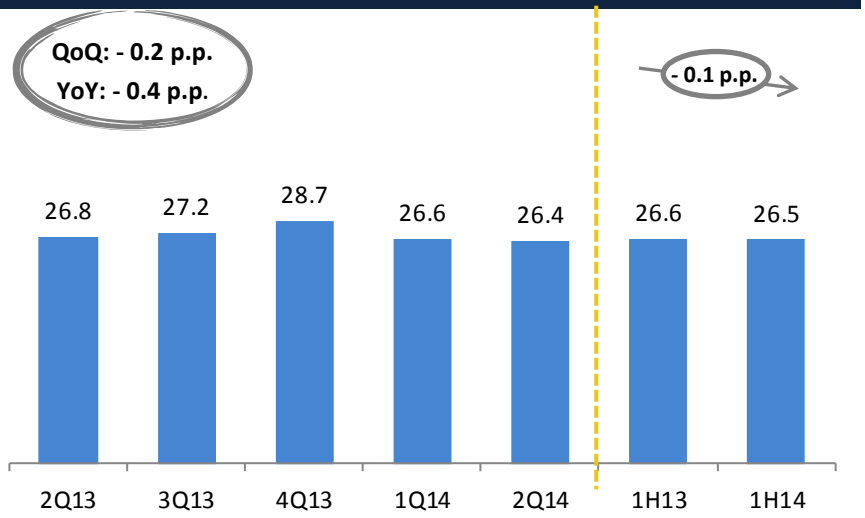


BB Mapfre SH1 – Adjusted Ratios[1]

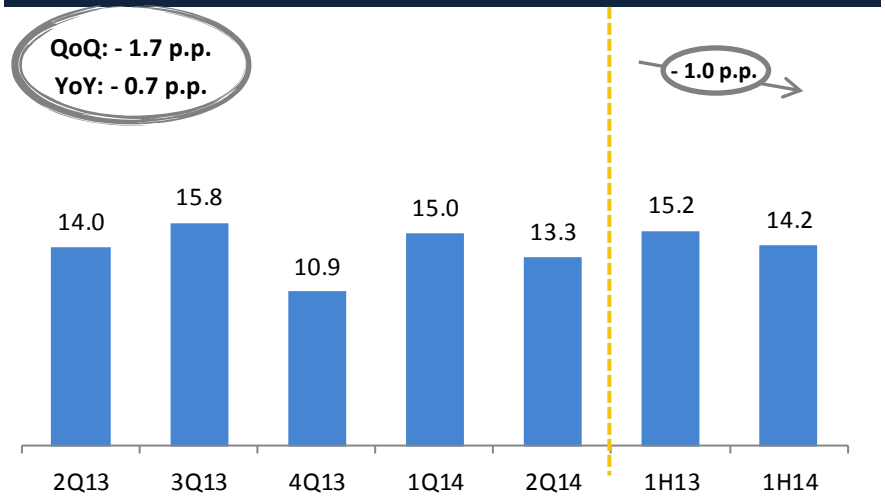
LOSS RATIO (%)



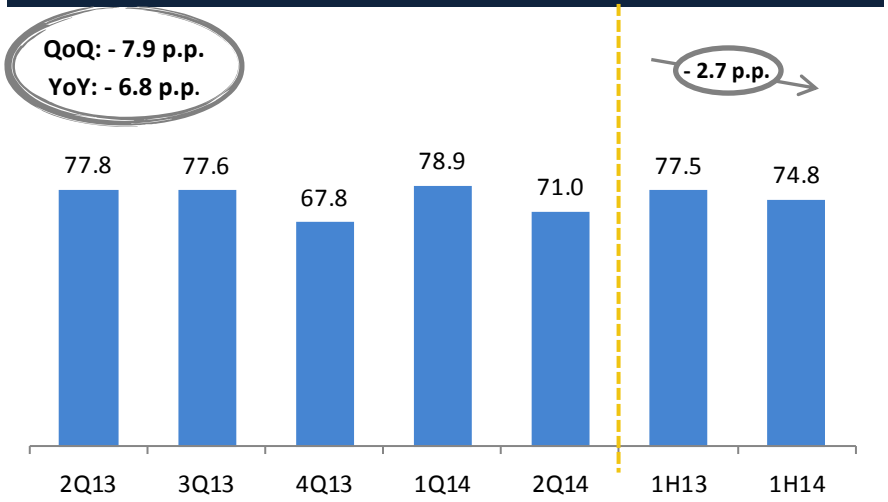
COMISSION RATIO (%)



G&A RATIO (%)



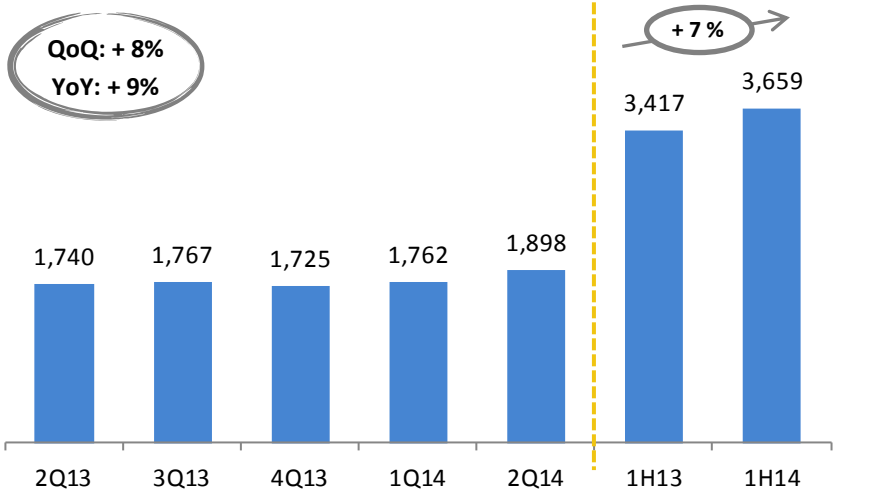
COMBINED RATIO (%)



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

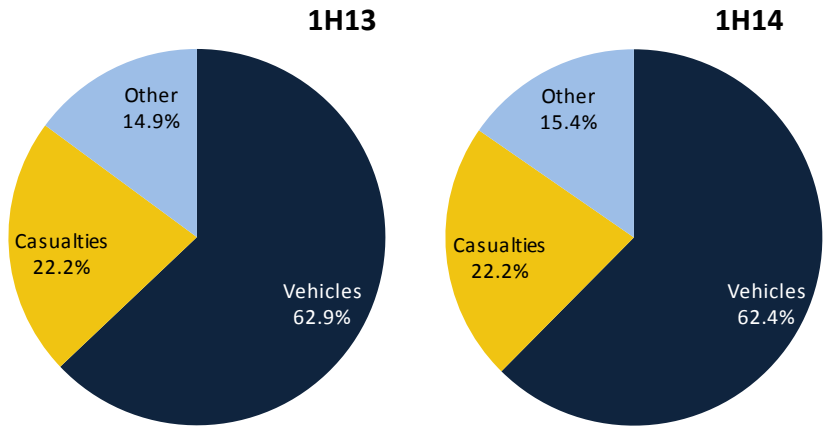
Mapfre BB SH2

RETAINED PREMIUMS[1] (R$ MM)

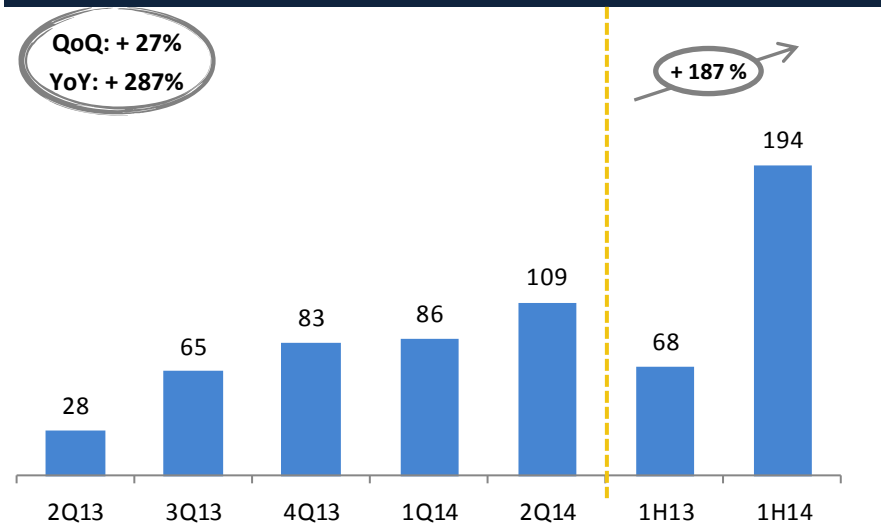


1 – Net of premiums ceded to reinsurance

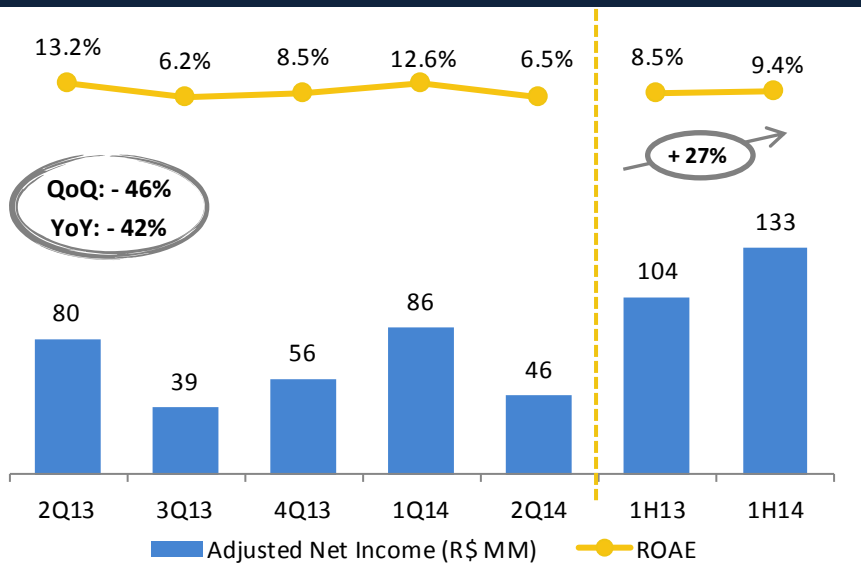
BREAKDOWN OF RETAINED PREMIUMS



NET INVESTMENT INCOME (R$ MM)

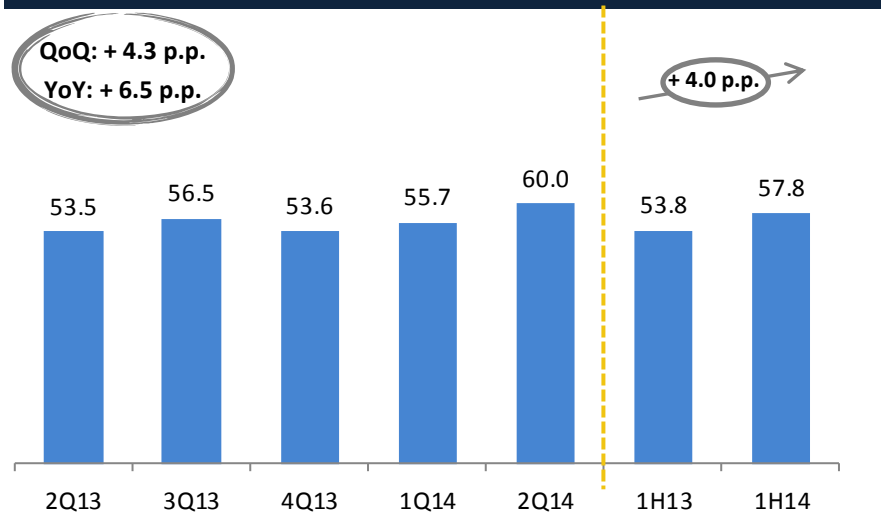


PROFITABILITY

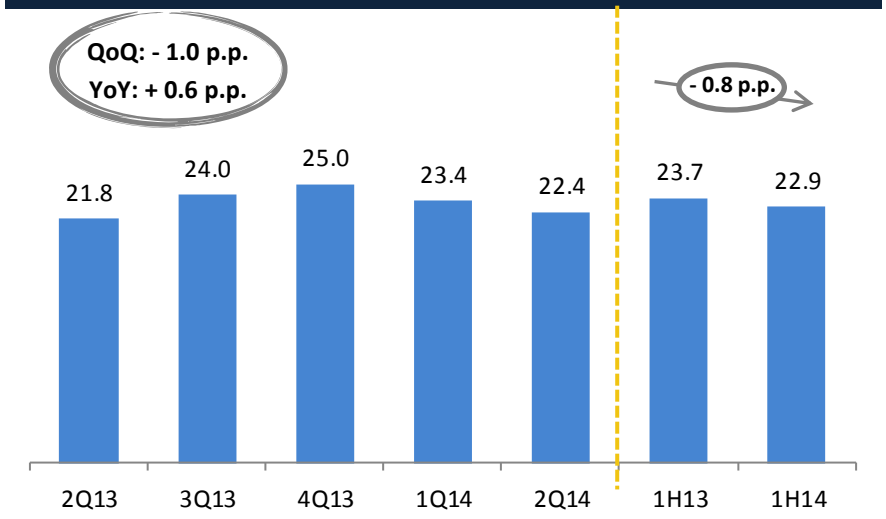


Mapfre BB SH2 – Adjusted Ratios[1]

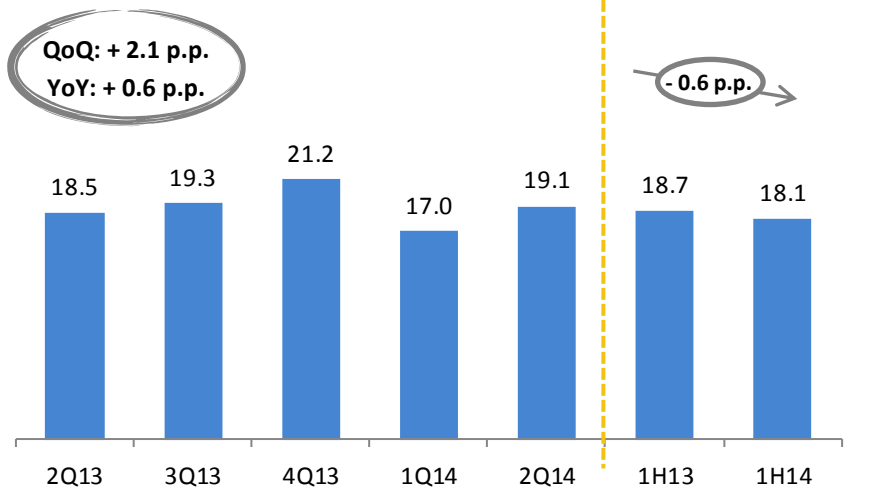
LOSS RATIO (%)



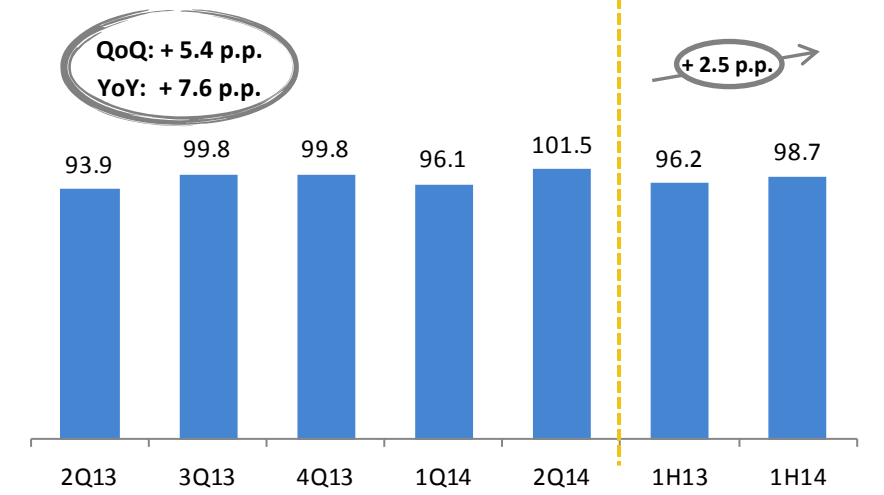
COMISSION RATIO (%)



G & A RATIO (%)



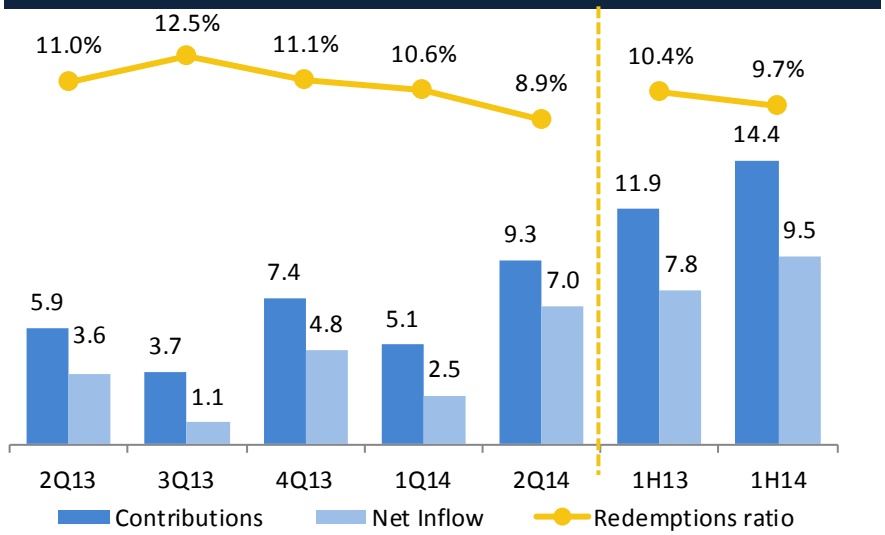
COMBINED RATIO (%)



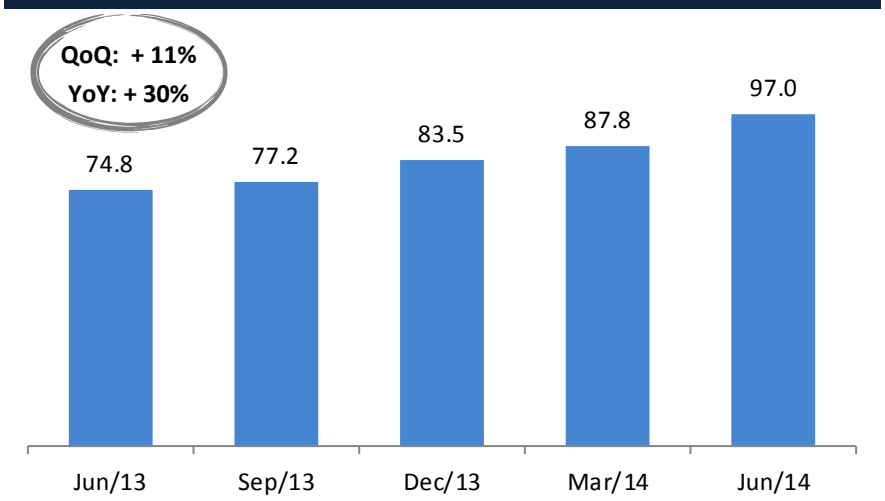
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement

Brasilprev

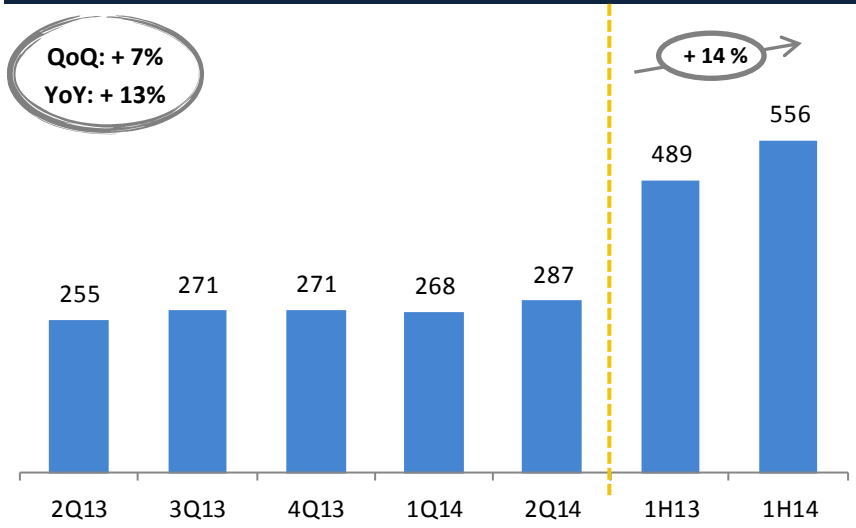
CONTRIBUTIONS & NET INFLOW (R$ BI)



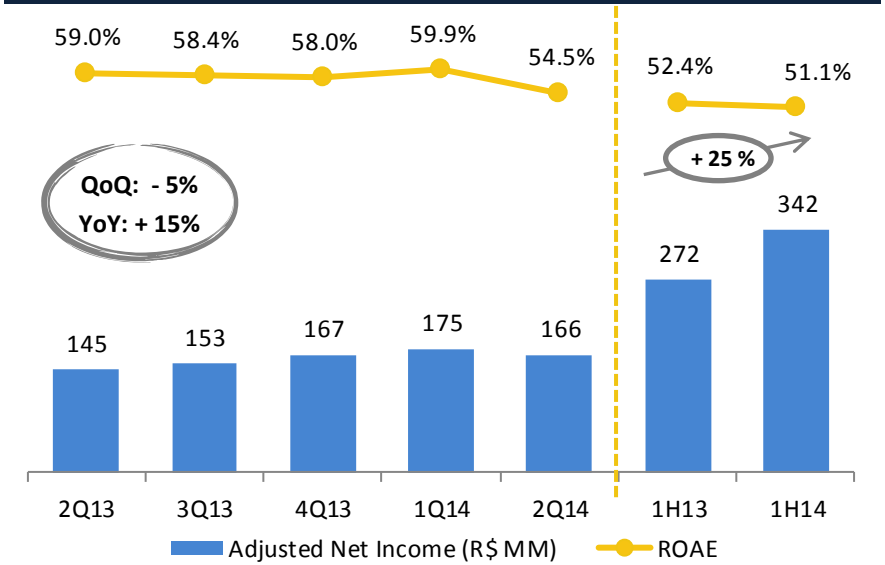
RESERVES (R$ BI)



MANAGEMENT FEE (R$ MM)

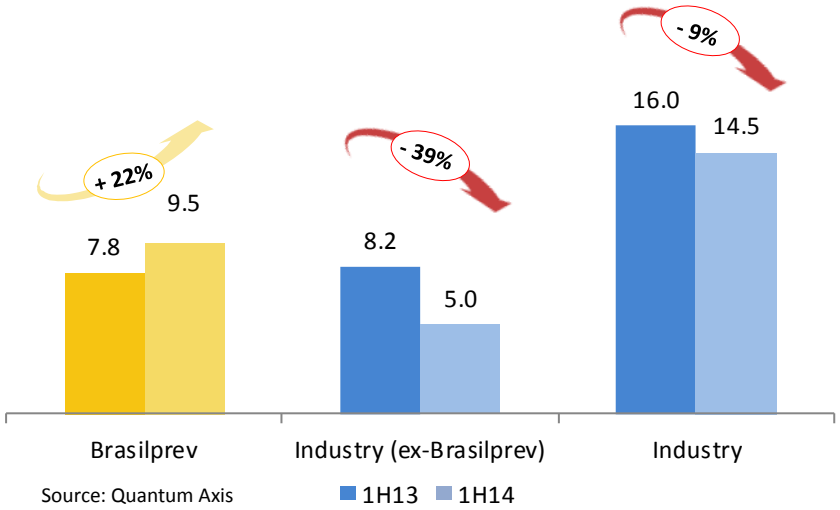


PROFITABILITY



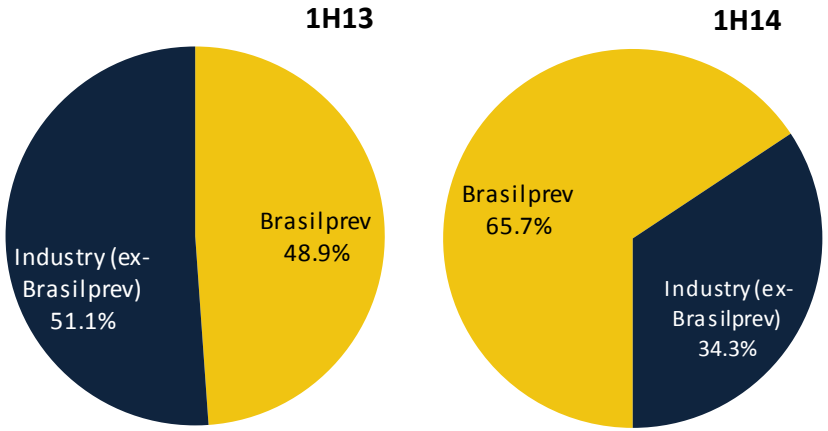
Brasilprev vs. Market

NET INFLOW (R$ BI)

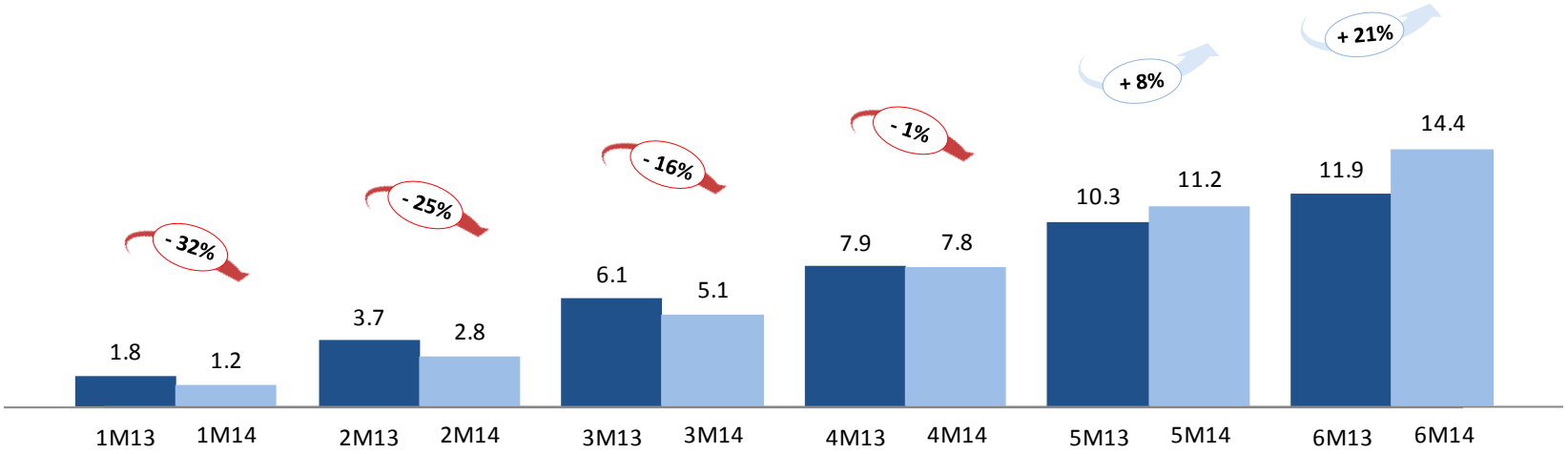


Source: Quantum Axis

MARKET SHARE – NET INFLOW



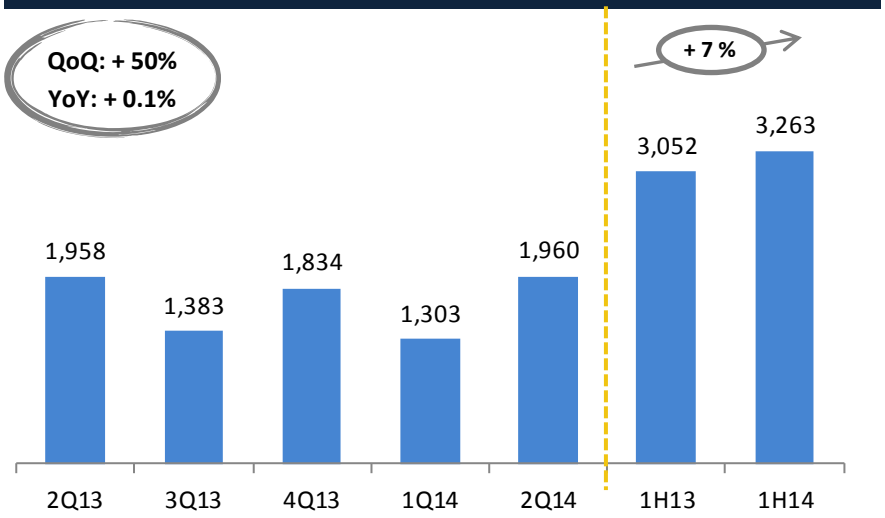
CONTRIBUTIONS (R$ BI)



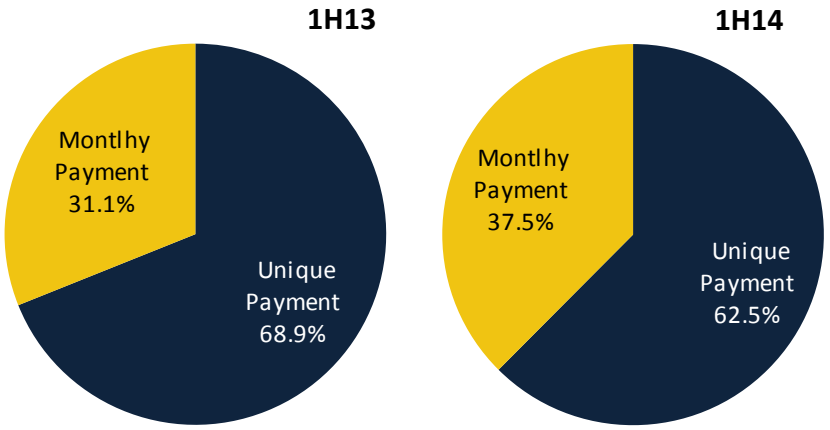
Source: SUSEP and MD&A 2Q14

Brasilcap

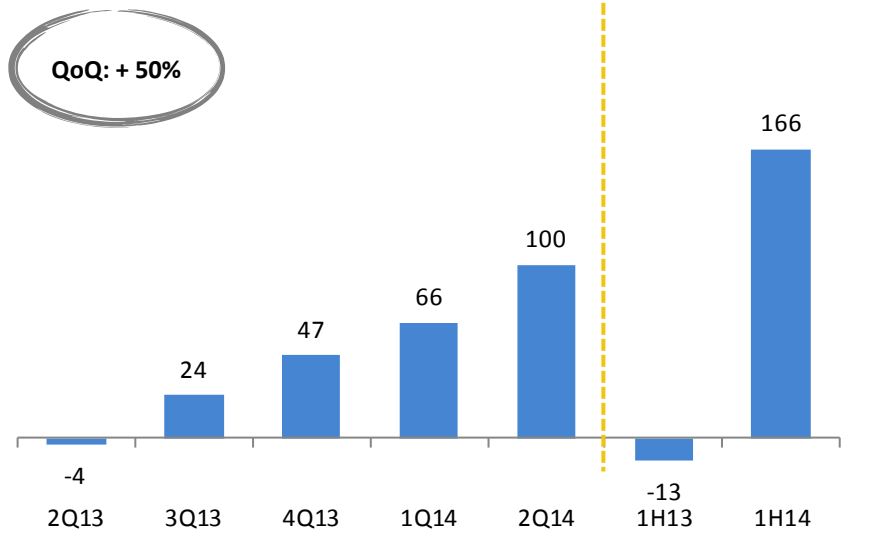
PREMIUM BONDS COLLECTION (R$ MM)



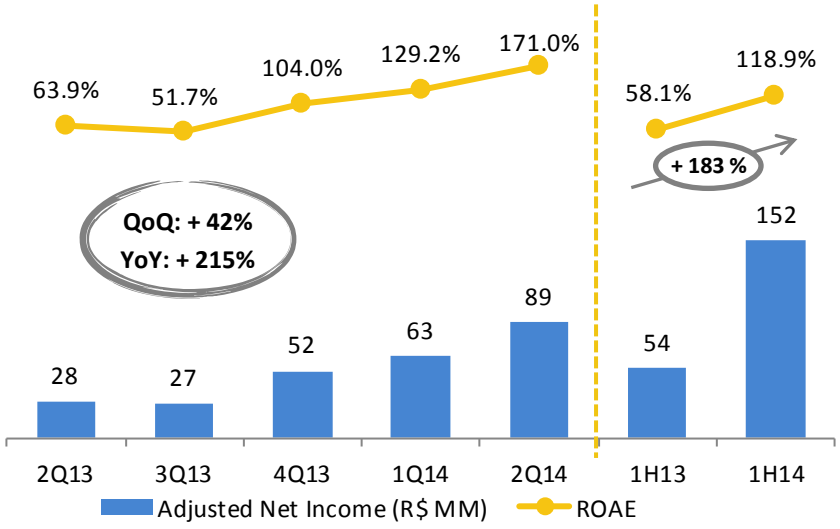
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME (R$ MM)

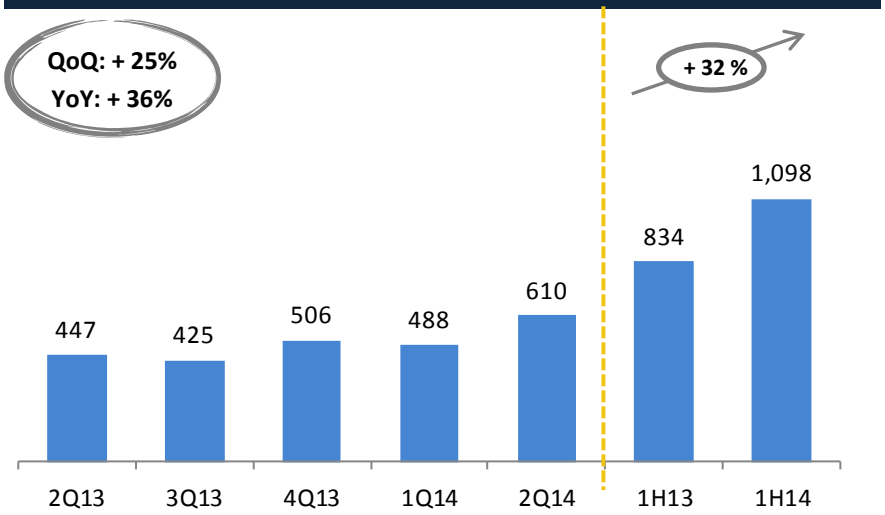


PROFITABILITY

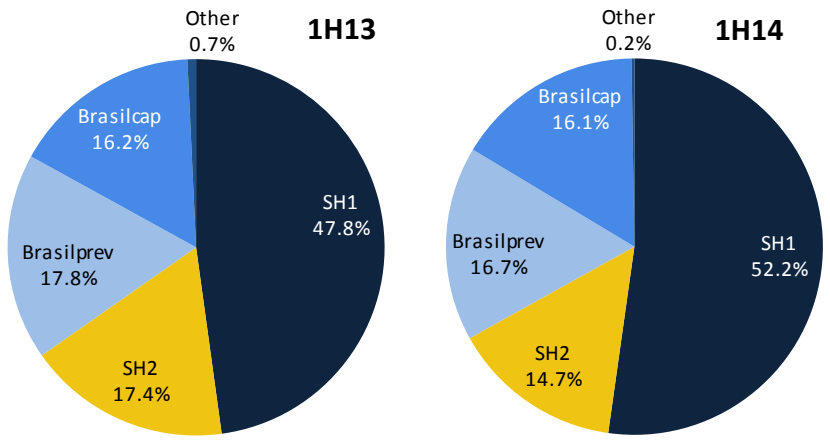


BB Corretora

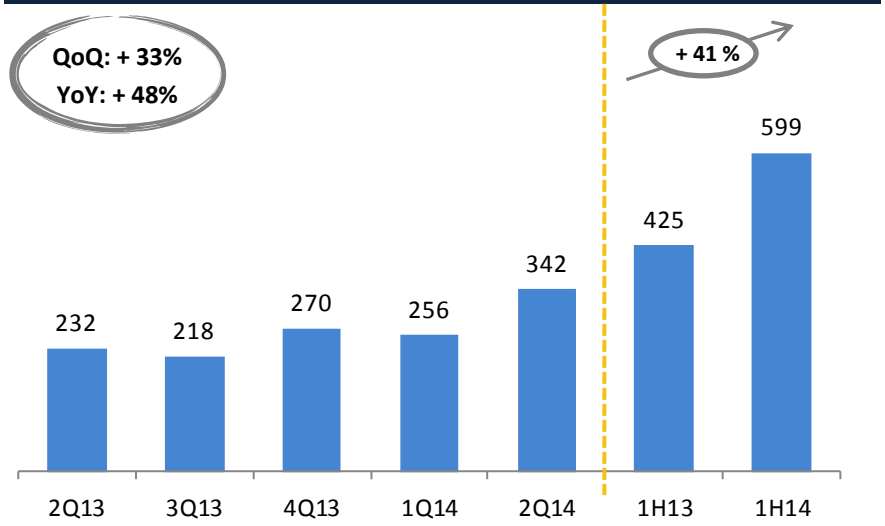
INCOME BROKERAGE (R$ MM)



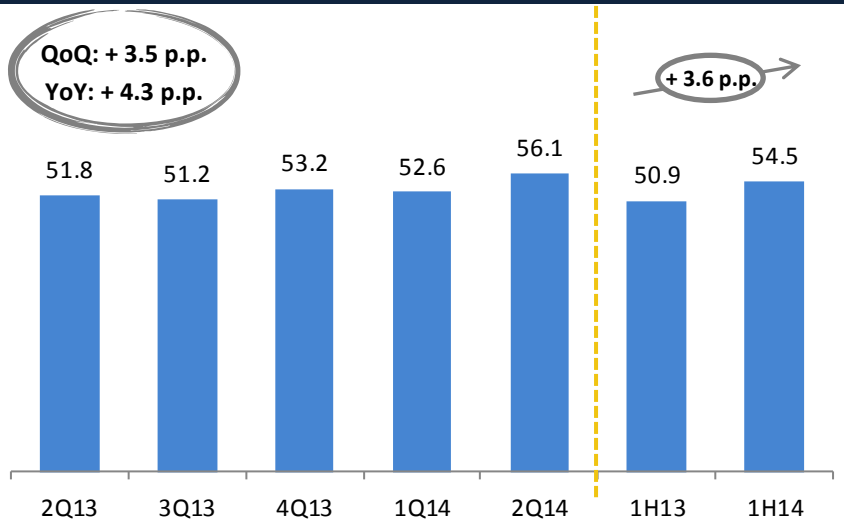
BREAKDOWN OF INCOME BROKERAGE



ADJUSTED NET INCOME (R$ MM)



ADJUSTED NET MARGIN (%)



Guidance 2014

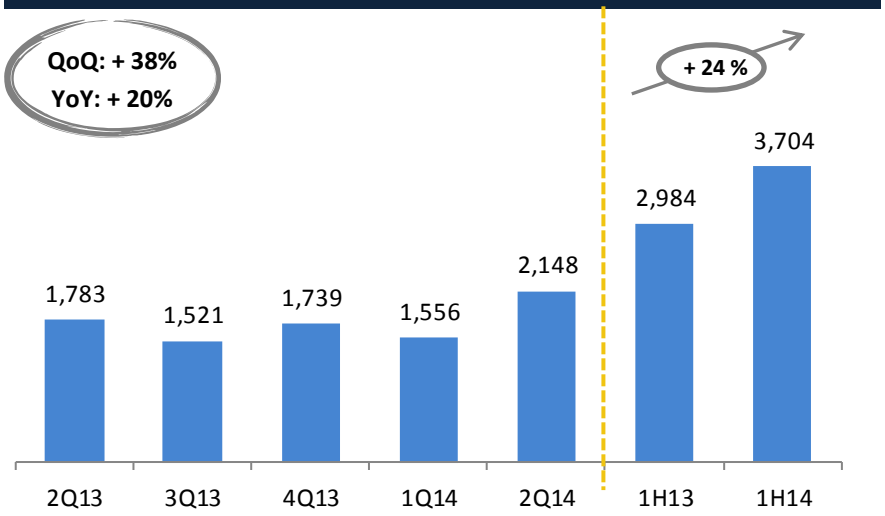
Ratio	2014 Estimates	1H14
BB Seguridade - Adjusted ROAE[1]	44% - 49%	53.3%
Premiums written growth - BB Mapfre SH1	24% - 32%	24.1%
Premiums written growth - Mapfre BB SH2	19% - 26%	16.8%
Collection growth - Pension Plans	33% - 47%	20.8%
Collection growth - Premium Bonds	10% - 15%	6.9%

1 – Adjusted ROAE calculated by deducting the total distribution of dividends .

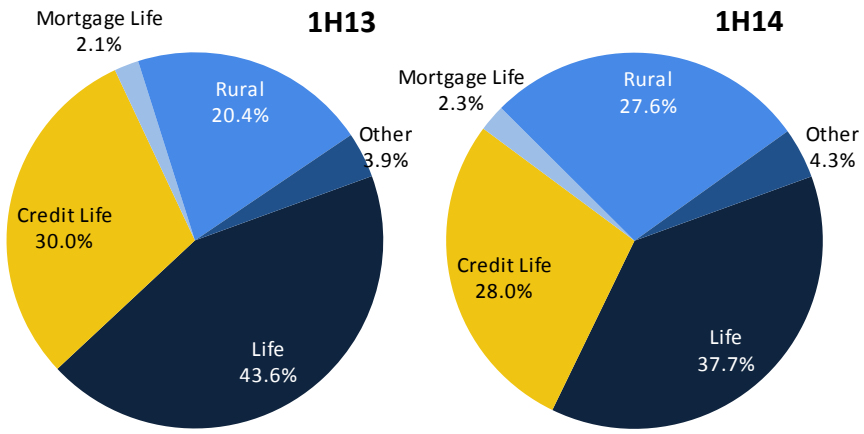
Appendix

SH1 and SH2

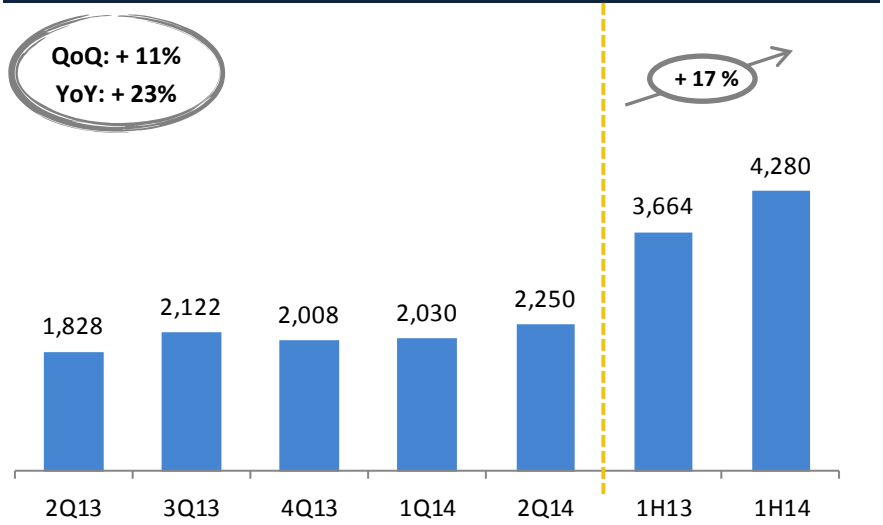
SH1 – PREMIUMS WRITTEN (R$ MM)



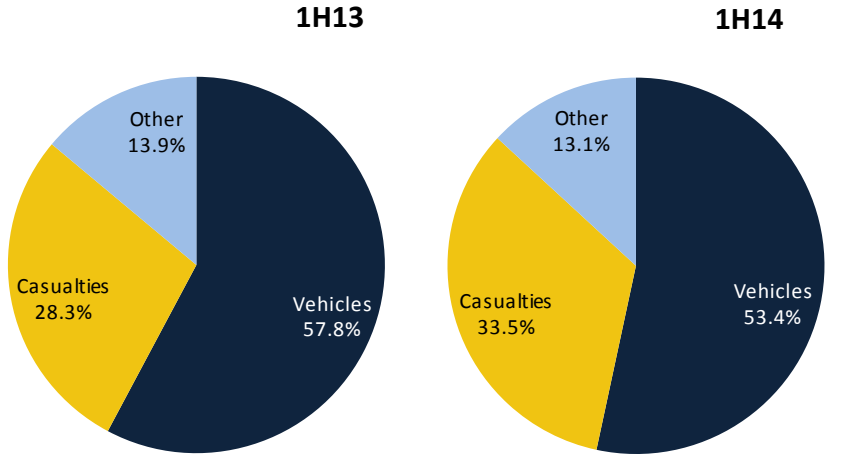
BREAKDOWN OF PREMIUMS WRITTEN



SH2 – PREMIUMS WRITTEN (R$ MM)



BREAKDOWN OF PREMIUMS WRITTEN



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