BANCO DO BRASIL
Seguridade

2Q16



Earnings Conference Call

August 9th, 2016

BBSEY
OTC Pink
ADR - Level I
Índice Brasil IBRX 100
Índice Brasil 50 IBRX 50
Índice de Ações com Tag Along Diferenciado ITAG
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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$1.1 billion in 2Q16, 9.3% higher than 2Q15

- The combined non-interest operating results increased by R$82.8 million while the combined net investment income grew by R$9.3 million.

SH1 net income grew by 9.9% YoY

- 0.4 p.p. improvement in the combined ratio
- 12.3% increase in premiums written

Brasilprev reaches R$171.8 billion in assets under management, maintaining market leadership in P/VGBL reserves

- Net inflows reached R$9.6 billion, equivalent to 59.1% of total net inflow in the market.

Brasilcap's net investment income for 2Q16 grows 23.8% YoY

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

Brokerage revenues amounted to R$728.1 million in 2Q16, 8.3% up YoY

- Highlighting the brokerage revenues arising from SH1 (+16.8%) and Brasilprev (+22.9%).

R$1.6 billion distributed as dividends to shareholders

- Equivalent to an 80% payout.

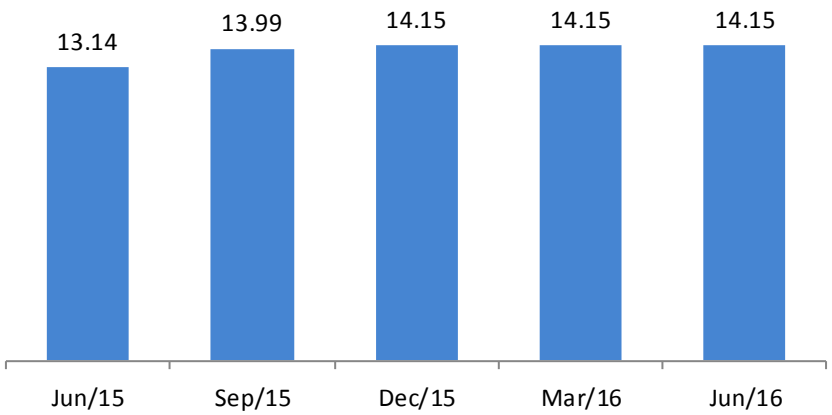
BB Seguridade Performance

R$ MM	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
	2Q15	1Q16	2Q16	On 2Q15	On 1Q16	1H15	1H16	On 1H15
Non-interest operating results	690	629	773	12.0	23.0	1,344	1,402	4.3
Net investment income	304	329	313	3.1	(4.8)	600	643	7.1
Adjusted net income	**995**	**958**	**1,087**	**9.3**	**13.5**	**1,944**	**2,044**	**5.2**
Extraordinary events	**221**	**-**	**-**	**-**	**-**	**221**	**-**	-
Brasilprev: Reversal of provisions	221	-	-	-	-	221	-	-
Net income	**1,215**	**958**	**1,087**	**(10.6)**	**13.5**	**2,164**	**2,044**	**(5.5)**
ROAE[1]	55.9%	49.9%	55.2%	-0.7 p.p.	5.3 p.p.	55.3%	52.5%	-2.7 p.p.

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

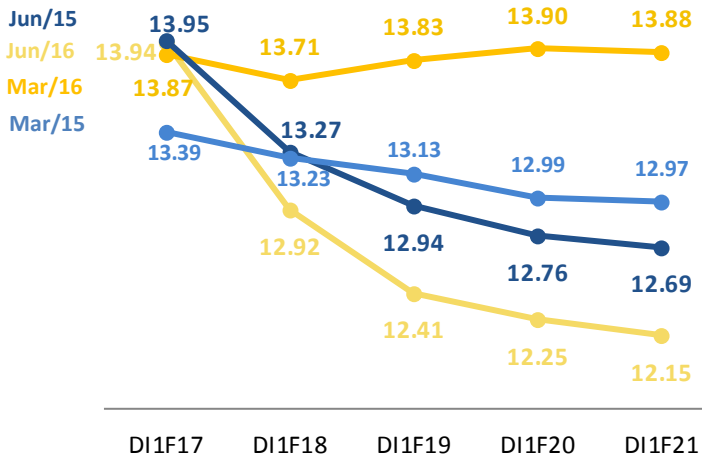
Net Investment Income

AVERAGE SELIC RATE (%)



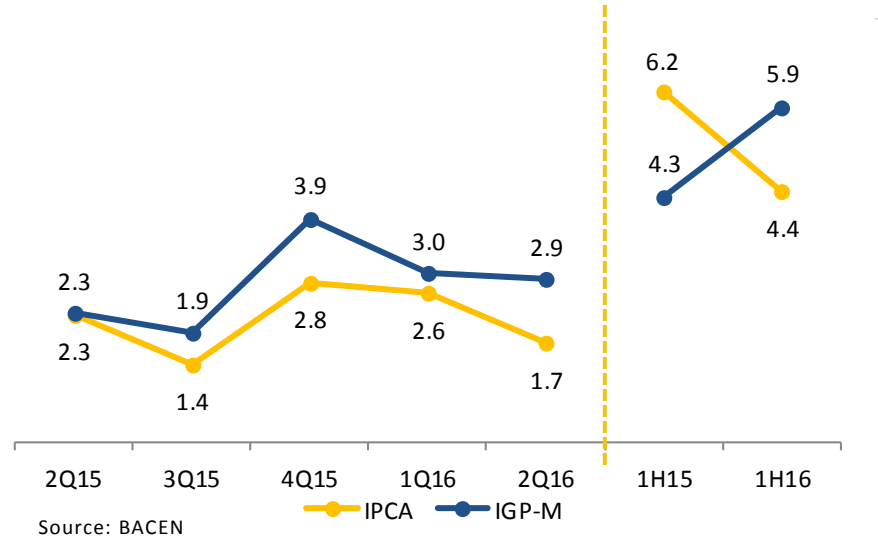
Source: Focus - BACEN

FORWARD YIELD CURVE (%)



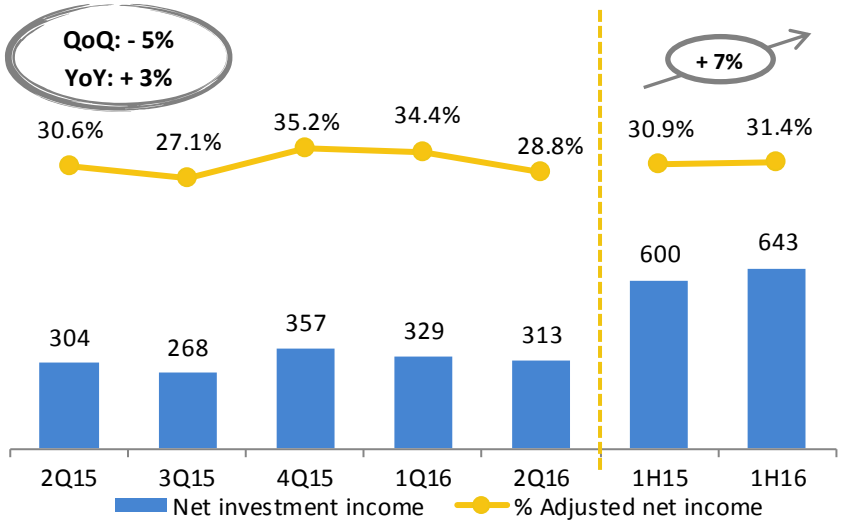
Source: ValorPro

INFLATION RATES (%)



Source: BACEN

NET INVESTMENT INCOME (R$ MM)

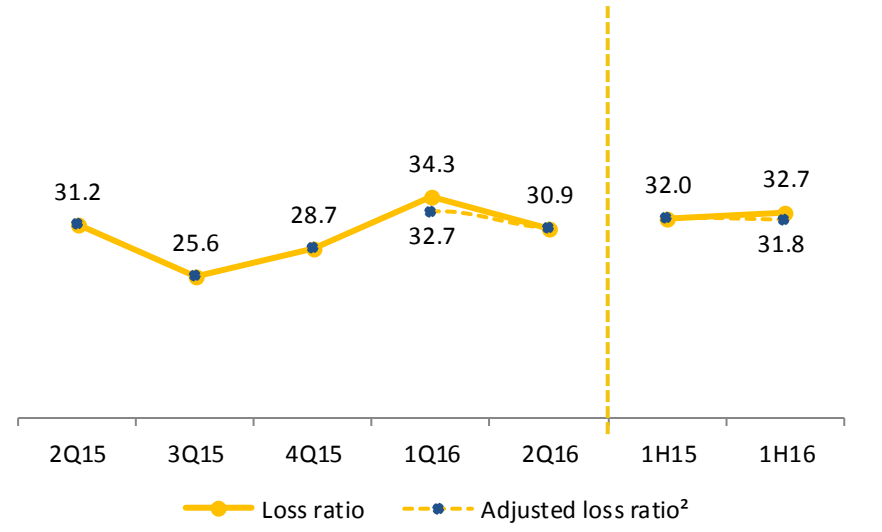


BB MAPFRE SH1

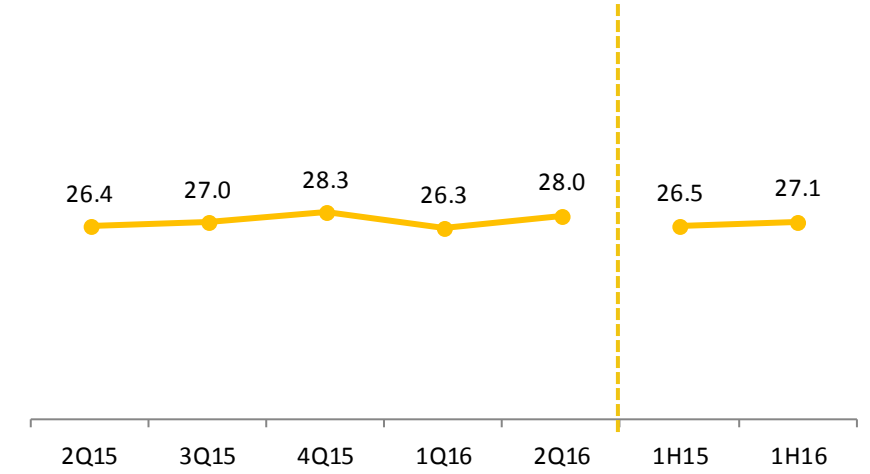
R$ MM	Quarterly Flow						Chg. %		Half-Yearly Flow				Chg. %
	2Q15	Share %	1Q16	Share %	2Q16	Share %	On 2Q15	On 1Q16	1H15	Share %	1H16	Share %	On 1H15
Premiums written													
Life	737	39.5	808	54.0	805	38.4	9.3	(0.4)	1,466	43.0	1,613	44.9	10.0
Credit life	667	35.7	162	10.8	415	19.8	(37.7)	156.5	1,099	32.2	577	16.1	(47.5)
Mortgage life	48	2.6	52	3.5	54	2.6	12.8	3.2	95	2.8	106	3.0	12.3
Rural	348	18.6	375	25.1	763	36.4	119.2	103.3	581	17.1	1,138	31.7	95.7
DPVAT	67	3.6	99	6.6	59	2.8	(11.8)	(40.2)	168	4.9	158	4.4	(5.5)
Total	**1,867**	**100.0**	**1,497**	**100.0**	**2,097**	**100.0**	**12.3**	**40.1**	**3,409**	**100.0**	**3,593**	**100.0**	**5.4**
Retained premiums													
Life	735	40.1	806	58.2	803	44.3	9.3	(0.3)	1,459	44.0	1,609	50.4	10.3
Credit life	667	36.4	161	11.6	414	22.8	(37.9)	157.1	1,098	33.1	575	18.0	(47.7)
Mortgage life	46	2.5	48	3.4	45	2.5	(1.1)	(5.2)	88	2.7	93	2.9	5.0
Rural	319	17.4	270	19.5	491	27.1	53.9	81.9	501	15.1	760	23.8	51.8
DPVAT	67	3.7	99	7.2	59	3.3	(11.8)	(40.2)	168	5.1	158	5.0	(5.5)
Total	**1,833**	**100.0**	**1,384**	**100.0**	**1,811**	**100.0**	**(1.2)**	**30.9**	**3,315**	**100.0**	**3,195**	**100.0**	**(3.6)**

BB MAPFRE SH1 – Performance Ratios [1]

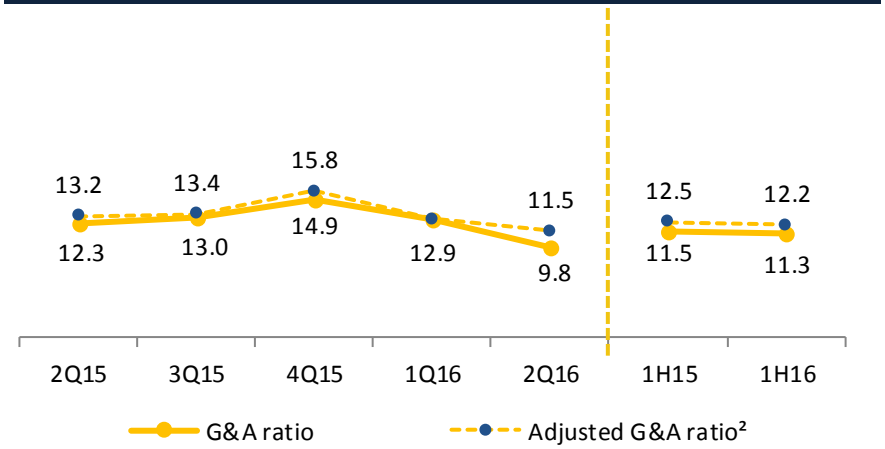
LOSS RATIO (%)



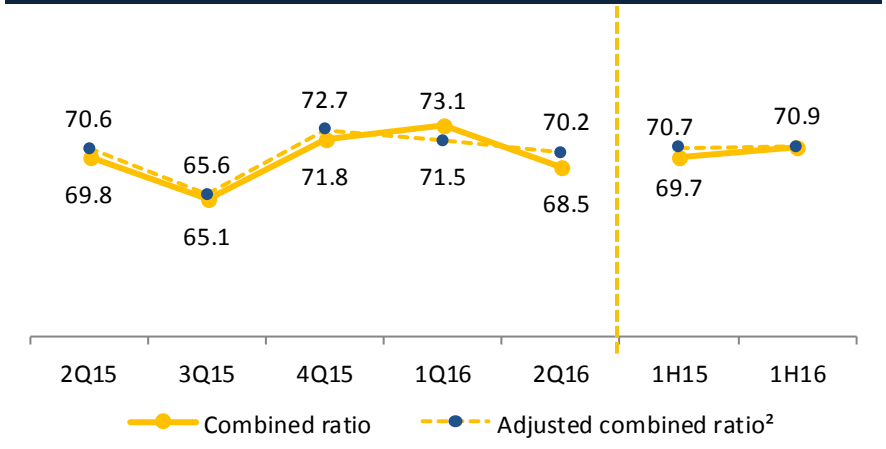
COMMISSION RATIO (%)



G&A RATIO (%)



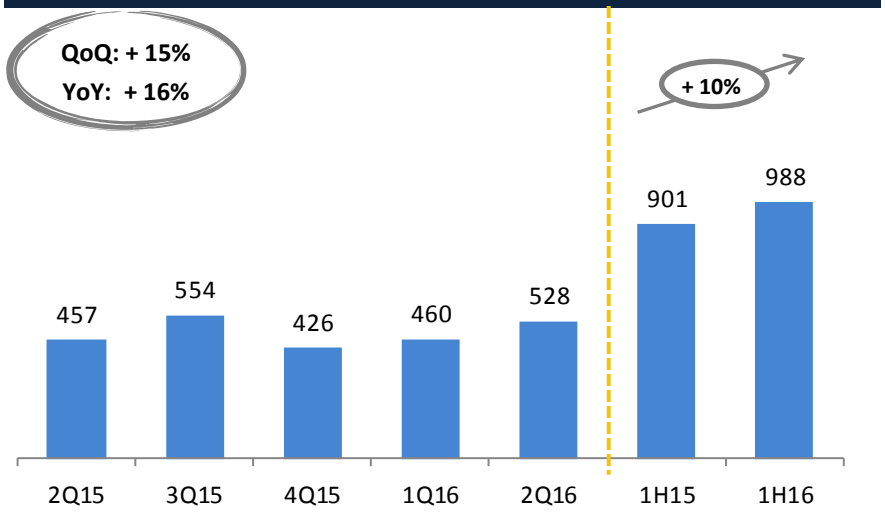
COMBINED RATIO (%)



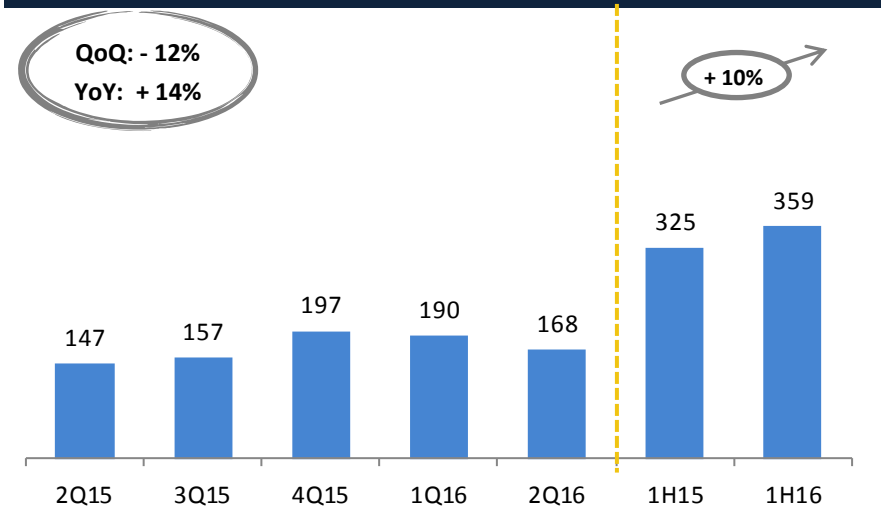
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement.
2 – Adjustments segregate: (i) claims: the accounting of additional claims in the non-contributory product in credit life; and (ii) G&A: reversions of provision for loan losses.

BB MAPFRE SH1

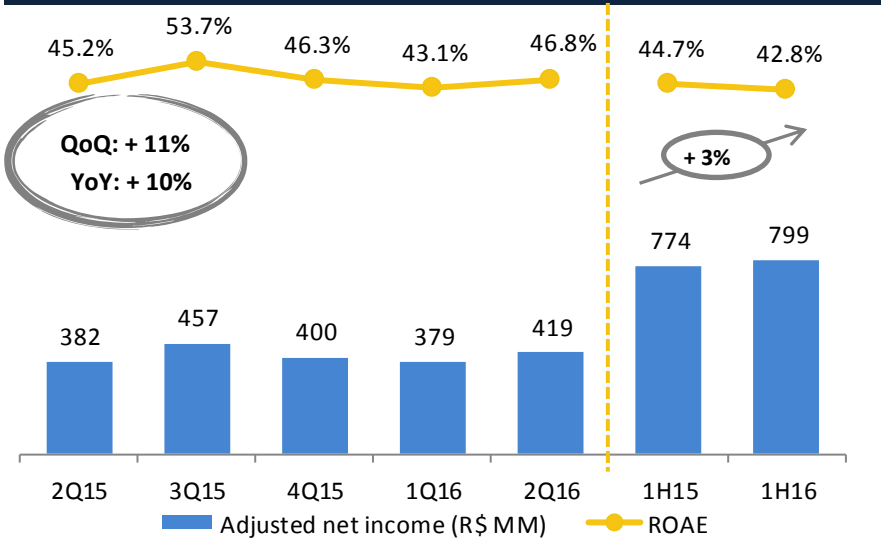
UNDERWRITING RESULT (R$ MM)



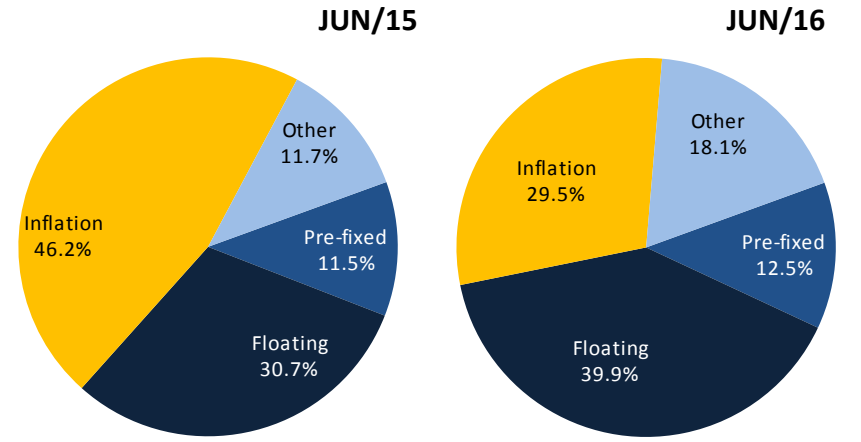
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY



ASSET ALLOCATION

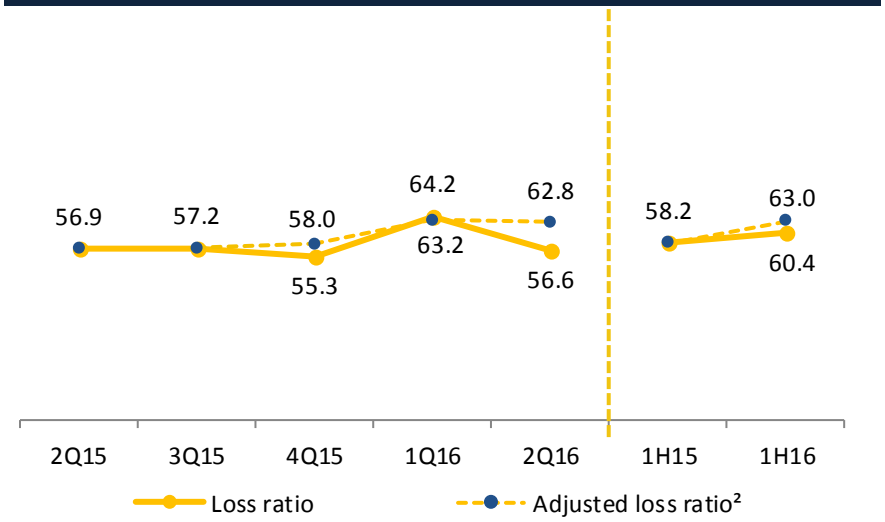


MAPFRE BB SH2

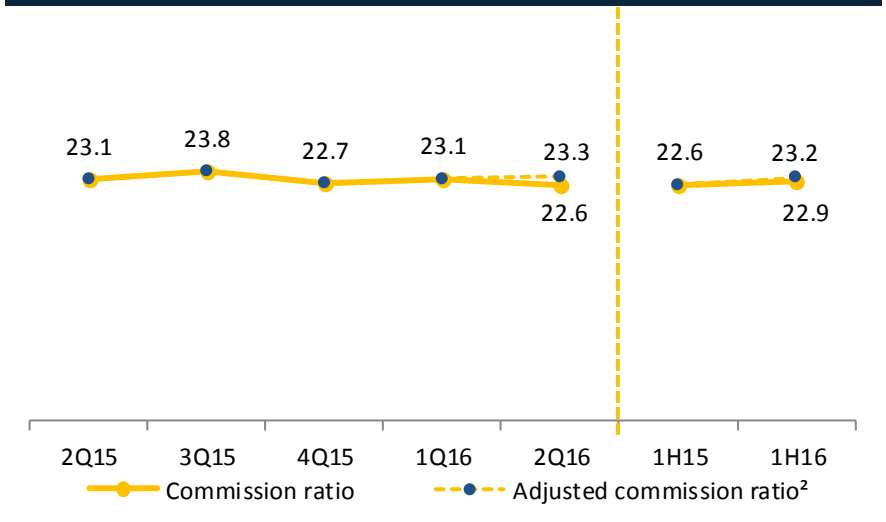
R$ MM	Quarterly Flow						Chg. %		Half-Yearly Flow				Chg. %
	2Q15	Share %	1Q16	Share %	2Q16	Share %	On 2Q15	On 1Q16	1H15	Share %	1H16	Share %	On 1H15
Premiums written													
Auto	1,340	57.6	1,033	47.5	1,101	48.2	(17.9)	6.6	2,483	55.9	2,133	47.9	(14.1)
Casualties	780	33.6	881	40.5	916	40.1	17.4	4.0	1,525	34.3	1,797	40.3	17.8
DPVAT	85	3.7	126	5.8	85	3.7	(0.5)	(32.5)	208	4.7	211	4.7	1.4
Other	119	5.1	134	6.2	181	7.9	52.4	35.0	229	5.1	316	7.1	38.0
Total	**2,325**	**100.0**	**2,174**	**100.0**	**2,284**	**100.0**	**(1.8)**	**5.0**	**4,445**	**100.0**	**4,457**	**100.0**	**0.3**
Retained premiums													
Auto	1,340	66.2	1,032	58.8	1,101	59.8	(17.8)	6.7	2,482	64.5	2,133	59.3	(14.1)
Casualties	482	23.8	464	26.4	472	25.7	(2.0)	1.8	932	24.2	936	26.0	0.4
DPVAT	85	4.2	126	7.2	85	4.6	(0.5)	(32.5)	208	5.4	211	5.9	1.4
Other	118	5.8	134	7.6	181	9.8	52.9	35.2	228	5.9	315	8.8	38.3
Total	**2,026**	**100.0**	**1,756**	**100.0**	**1,839**	**100.0**	**(9.2)**	**4.8**	**3,850**	**100.0**	**3,595**	**100.0**	**(6.6)**

MAPFRE BB SH2 – Performance Ratios[1]

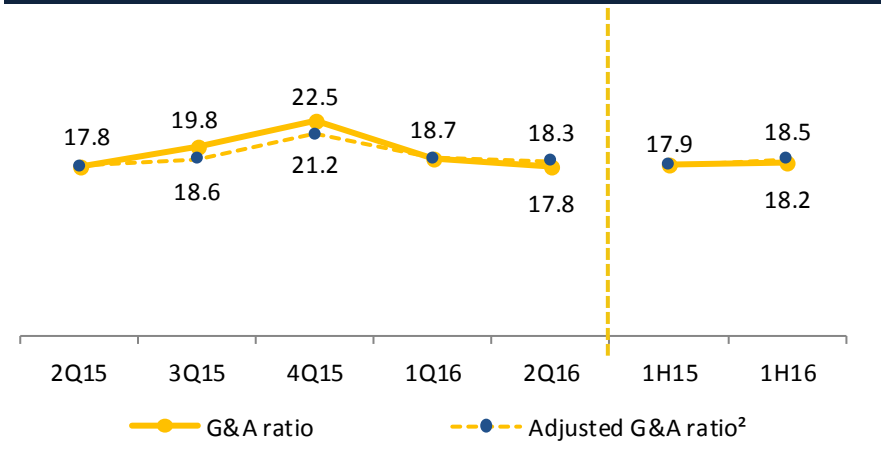
LOSS RATIO (%)



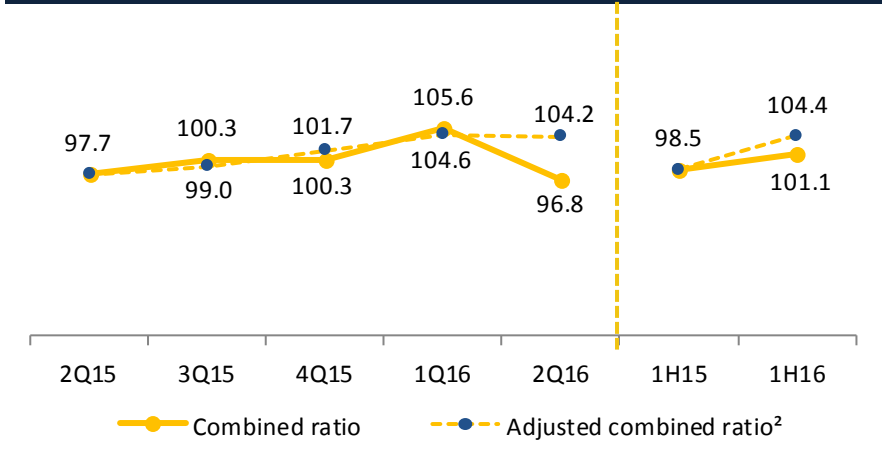
COMMISSION RATIO (%)



G & A RATIO (%)



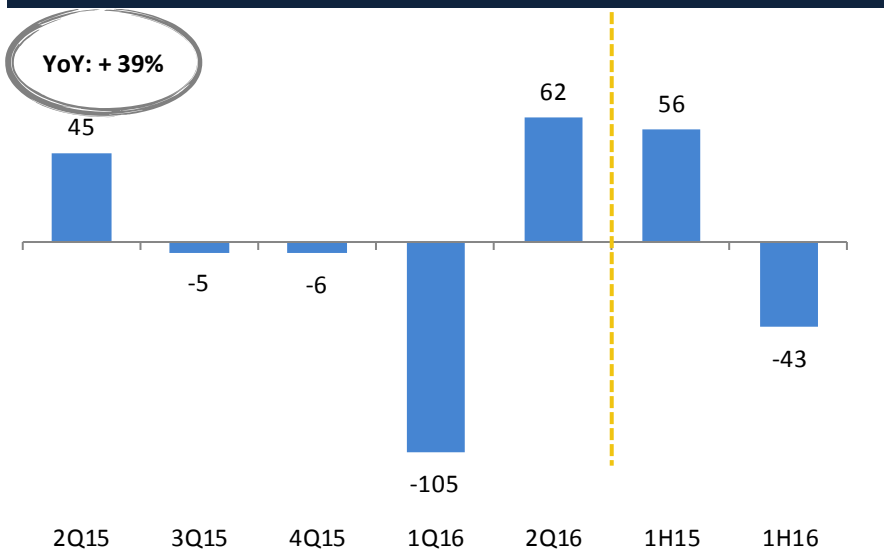
COMBINED RATIO (%)



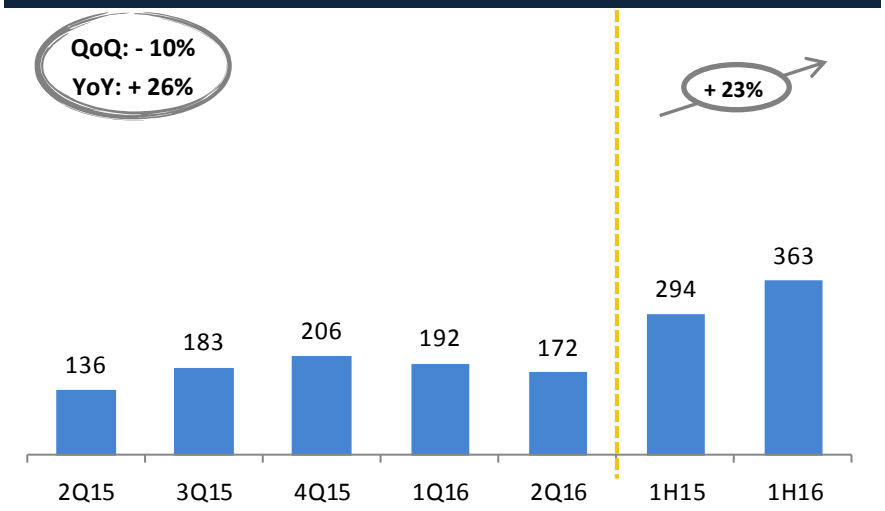
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement
2 – The adjustments segregate: (i) claims: reversion and strengthening of provisions for IBNR and IBNER; and (ii) G&A: constitution of provisions for loan losses.

MAPFRE BB SH2

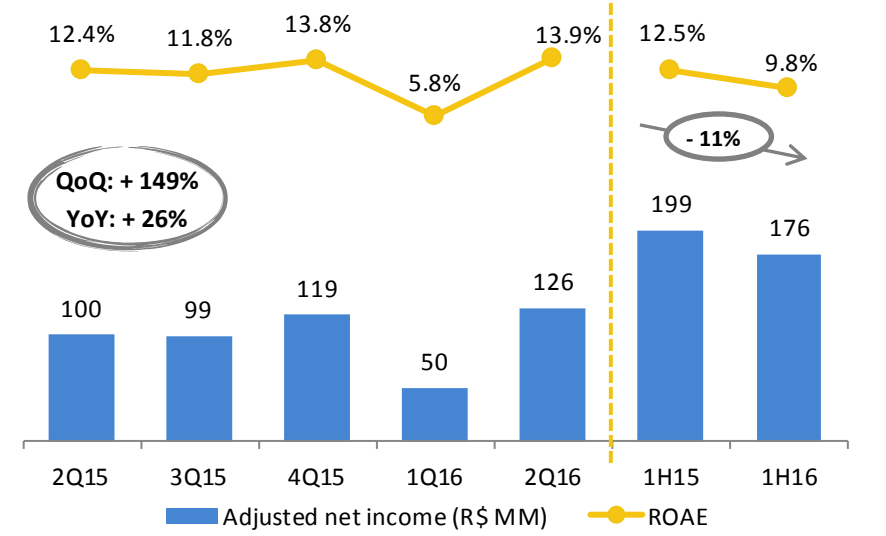
UNDERWRITING RESULT (R$ MM)



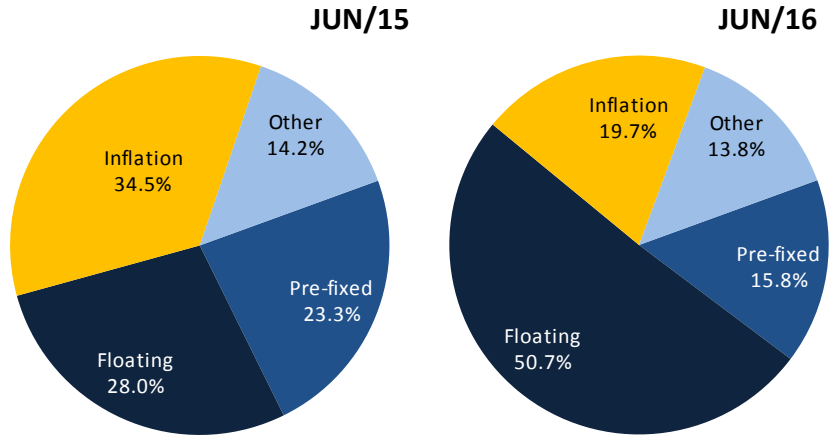
NET INVESTMENT INCOME (R$ MM)



PROFITABILITY

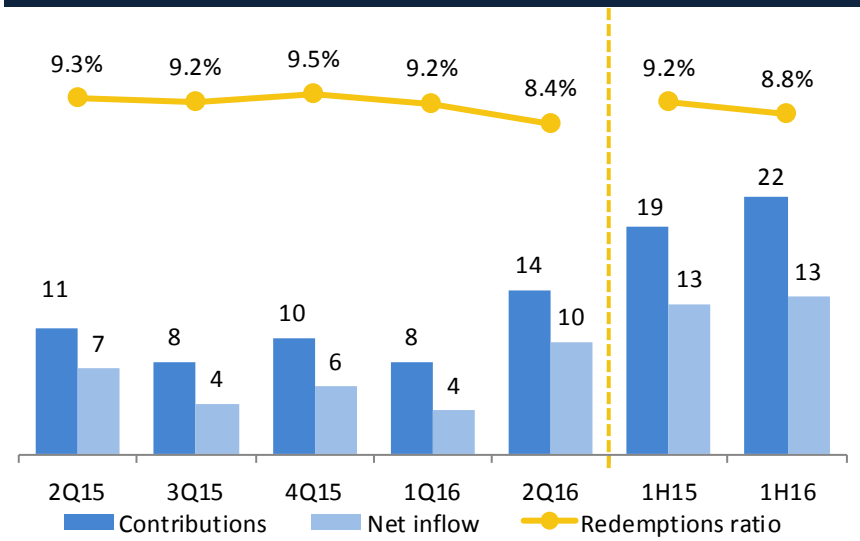


ASSET ALLOCATION

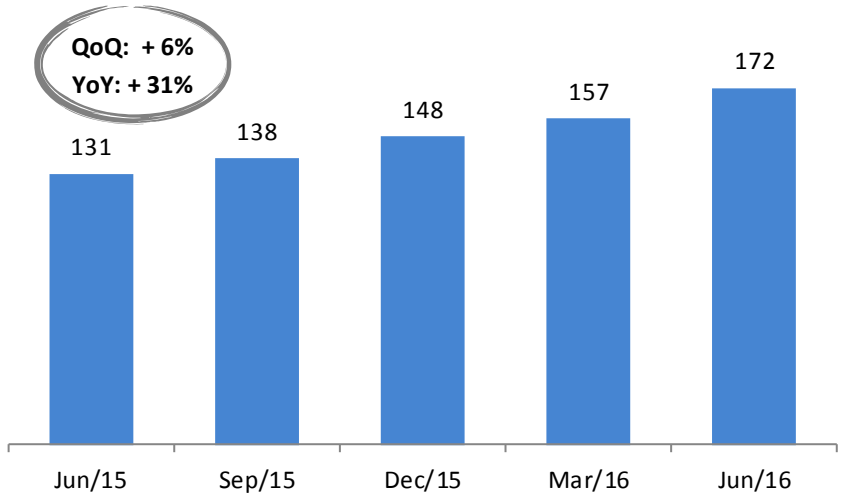


Brasilprev

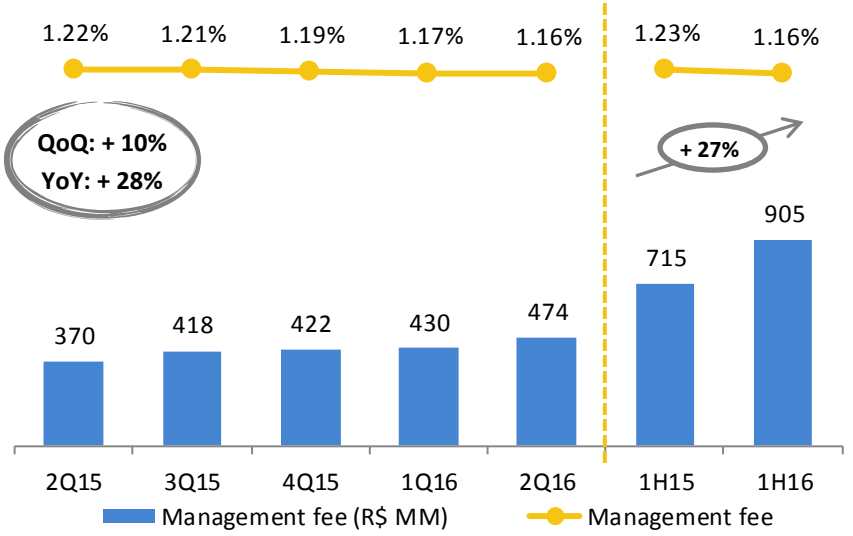
CONTRIBUTIONS & NET INFLOW (R$ BN)



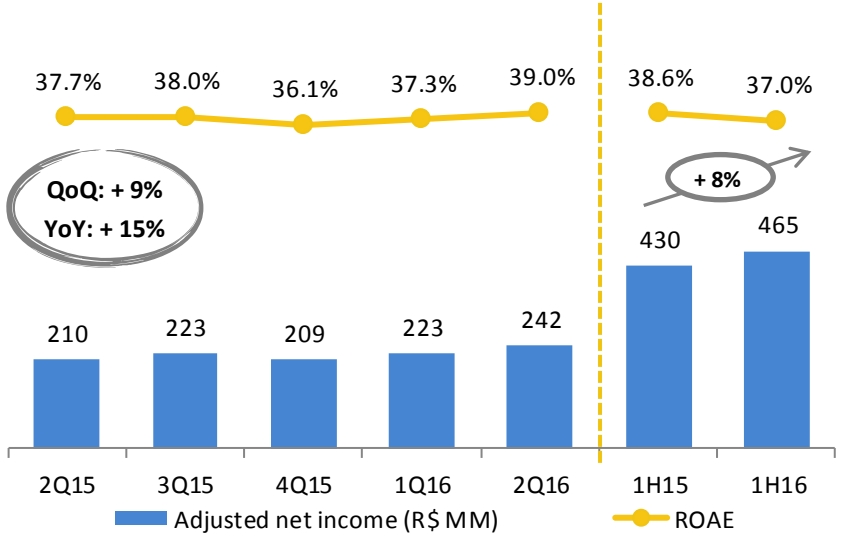
RESERVES (R$ BN)



MANAGEMENT FEE

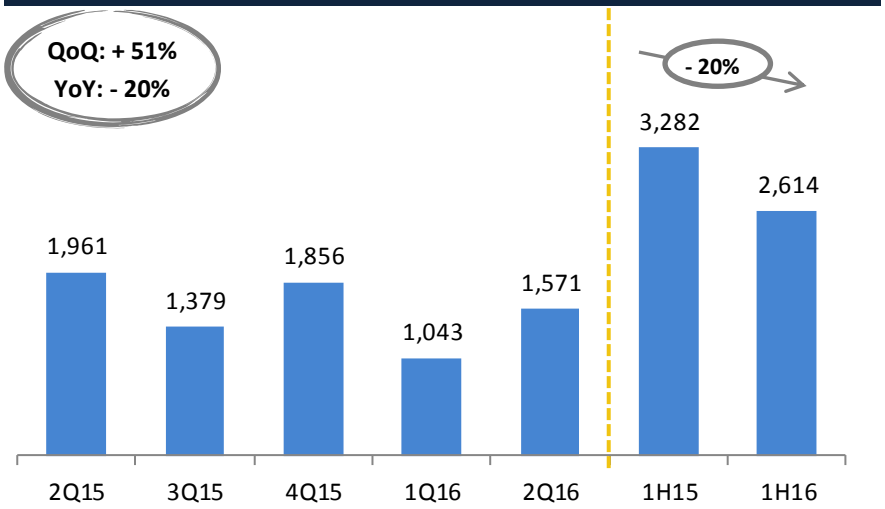


PROFITABILITY

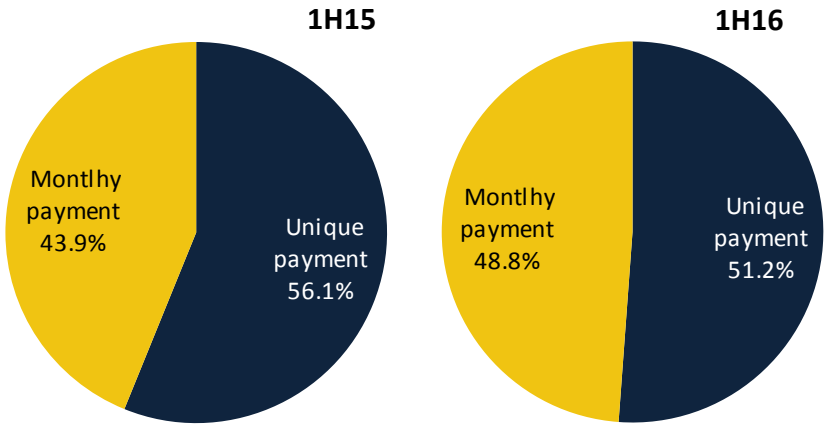


Brasilcap

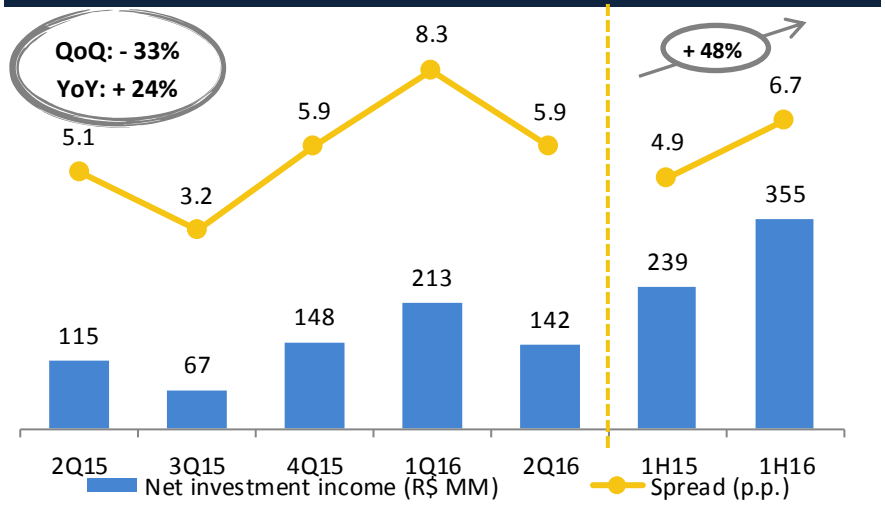
PREMIUM BONDS COLLECTION (R$ MM)



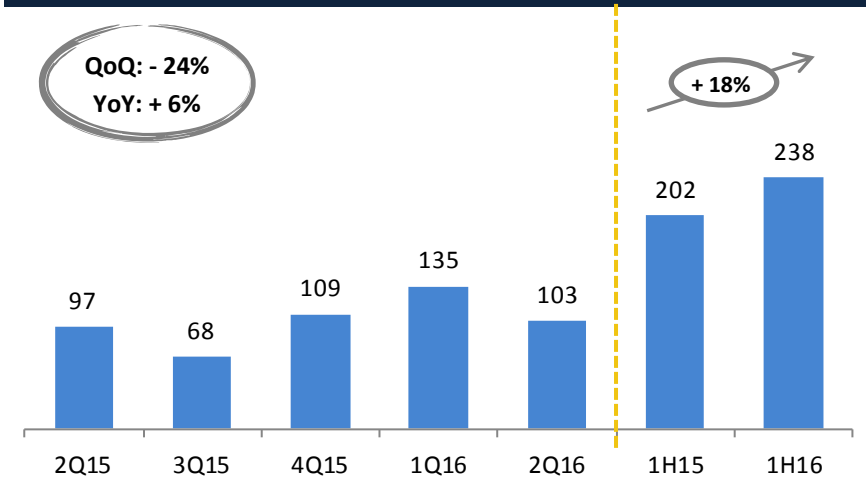
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME

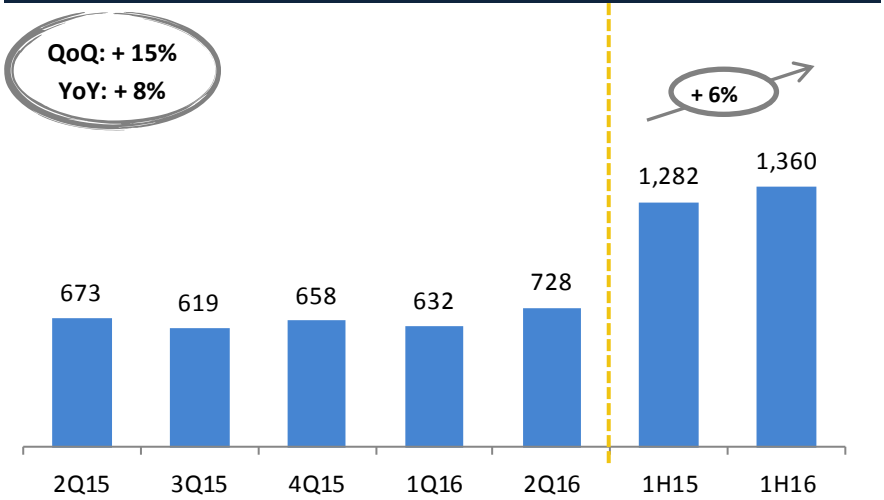


NET INCOME (R$ MM)

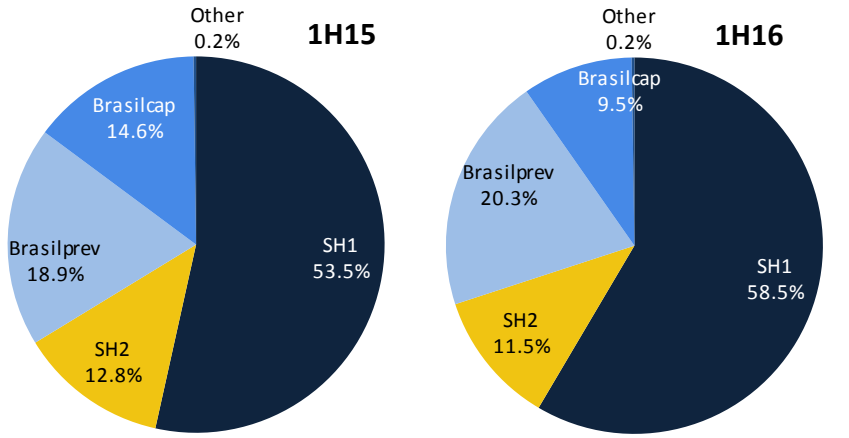


BB Corretora

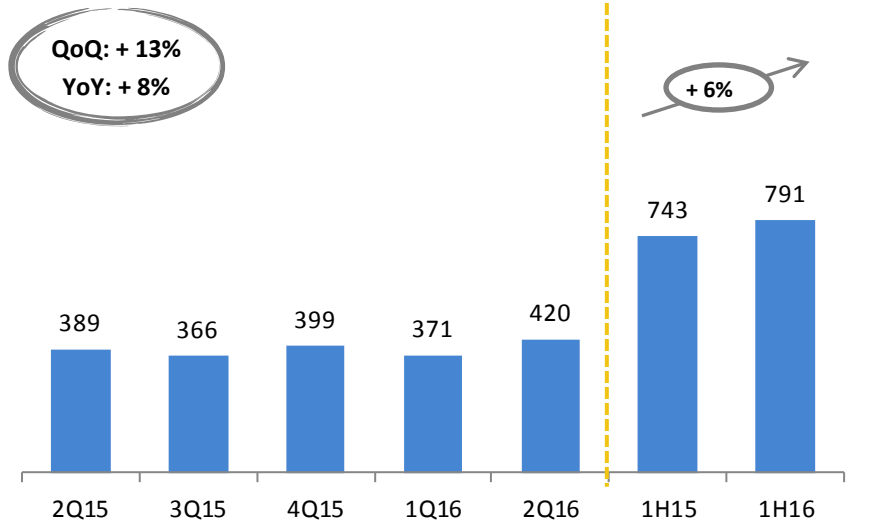
INCOME BROKERAGE (R$ MM)



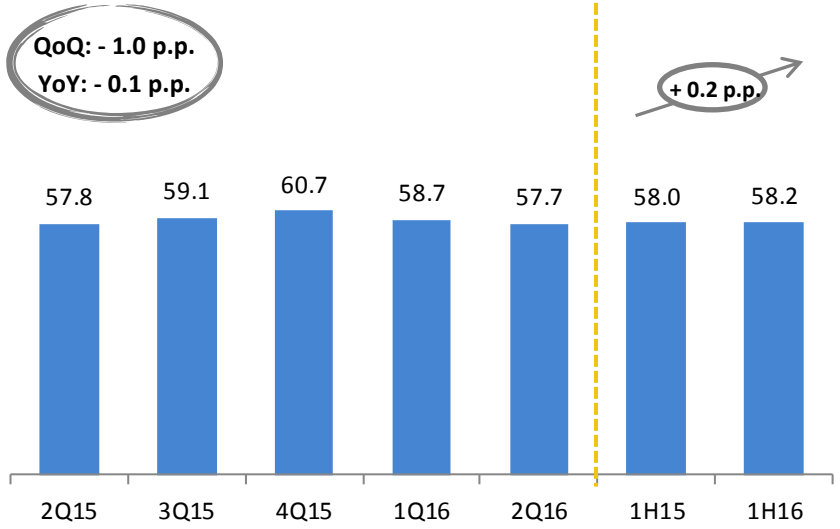
BREAKDOWN OF INCOME BROKERAGE



NET INCOME (R$ MM)



NET MARGIN (%)



Guidance 2016

Ratio	2016 Estimates	Revised Estimates	1H16
BB Seguridade - Adjusted net income growth (%)	**8 - 12**	**4 - 8**	**5**

Contacts

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