BANCO DO BRASIL

Seguridade



Conference Call – 1Q13 Earnings

May 15th, 2013

Disclaimer

BB Seguridade Participações S.A. (“Company”) is in a quiet period, as the Notice of Termination of Secondary Public Offering of Common Shares Issued By the Company has not been published yet.

The information contained in this presentation are being disclosed under Article 48, § 1, of CVM Instruction 400/03, given that the Banco do Brasil, the Company's controller, usually discloses similar information in the normal course of its activities. This presentation shall not be considered in any circumstance an advice to invest in stocks. Before investing in stocks, potential investors should conduct their own analysis and evaluation of the Company, its business and activities, its financial condition and the risks of investing in stocks. **INVESTORS SHOULD CAREFULLY READ THE OFFERING MEMORANDUM AND THE “FORMULÁRIO DE REFERÊNCIA” WITH SPECIAL ATTENTION TO THE SECTIONS “RISK FACTORS RELATED TO THE SHARES AND TO THE OFFERING”, AND “KEY RISK FACTOS RELATED TO THE COMPANY” OF THE FINAL OFFERING MEMORANDUM, AND SECTIONS “RISK FACTORS” AND “MARKET RISKS”, FOUND ON ITEMS 4 AND 5 OF THE “FORMULÁRIO DE REFERÊNCIA”.**

The information presented follows the consolidated and combined financial statements in accordance with IFRS principles, except when otherwise indicated. For more information on the Statements of the Company, please take a look in the MD&A.

Highlights

- **BB Seguridade reaches 24% share in the industry in which it operates, considering insurance, pension plans and premium bonds.**

- **Brasilprev reaches a 43% of the total net inflow in the market.**

  Gross revenues from pension plans grew 39% yoy, and the Company reached R$ 6.1 billion in collections.

- **Brasilcap reaches 25% market share in premium bonds collections in 1Q13.**

  Premium bonds collection grew by 27% compared to 1Q12.

- **Insurance premiums written grow 21%.**

  Performance supported by auto and rural business lines.

- **Insurance: combined ratio inproved in the quarter.**

  The blended combined ratio of the Companies SH1 and SH2 improved from 93% to 90%

- **Brokerage revenues grow 21% to reach R$ 388 million.**

- **Net income grows 54% yoy and reaches R$ 472 million.**

- **Adjusted net income of R$ 455 million in 1Q13 and 34.7% ROAE.**

Highlights

	Insurance, Pension Plans and Premium Bonds				Distribution	Holding
Business Lines	SH1 Life[1]	SH2 P&C[2]	Pension Plans	Premium Bonds	Brokerage	Banco do Brasil Seguridade
Ranking	1st [3]	2nd [4]	1st [9]	1st	1st	1st
Net Revenues (1Q13)[5] (R$ mm)	1,112	1,647	6,083	1,093	388	
Adjusted ROAE[6] (1Q13)	28.4%	4.4%	53.7%	63.4%	4,460.3%	34.7%
Adjusted net income (1Q13) [7] (R$ mm)	133.1	12.3	95.7	16.9	193.6	454.9 [6 8]
% of BB Seguridade adjusted net income [10]	29.3%	2.7%	21.0%	3.7%	42.5%	

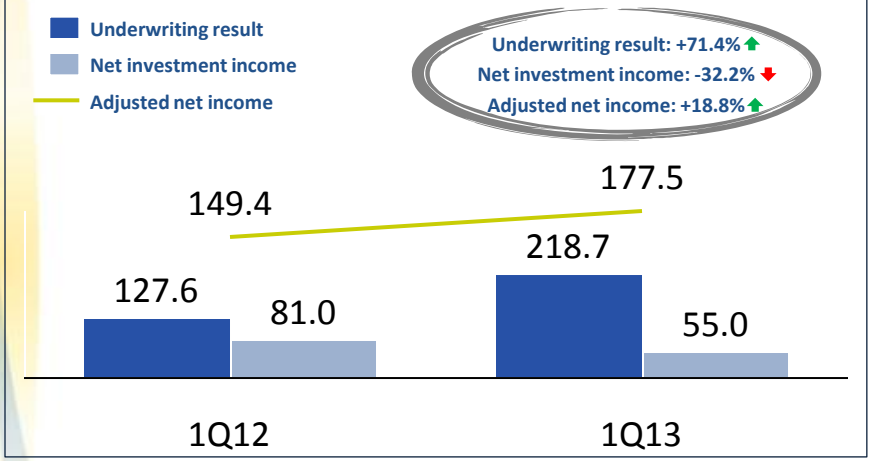
Source: Company fillings and Susep

1. SH1 comprises Life, Housing and Rural Insurance / 2. SH2 comprises Auto, Casualty and Others (except for Housing and Rural Insurance) / 3. 1ST position: Represents BB Seguridade's Life products / 4. 2nd position: Represents BB Seguridade's P&C products / 5. Premiums written for BB Mapfre SH1 and Mapfre BB SH2; Collections for Brasilcap; Contributions for Brasilprev; Operational revenues for BB Corretora / 6. Considers adjustments for extraordinary items / 7. Considers the net income attributable to BB Seguridade / 8. BB Seguridade's net income includes R$ 3.3mm related to holding revenues/expenses and taxes, which are not shown above / 9. 1ST position: Represents BB Seguridade's collections products / 10. Considers the results of holdings BB Seguridade, BB Seguros and BB Cor.

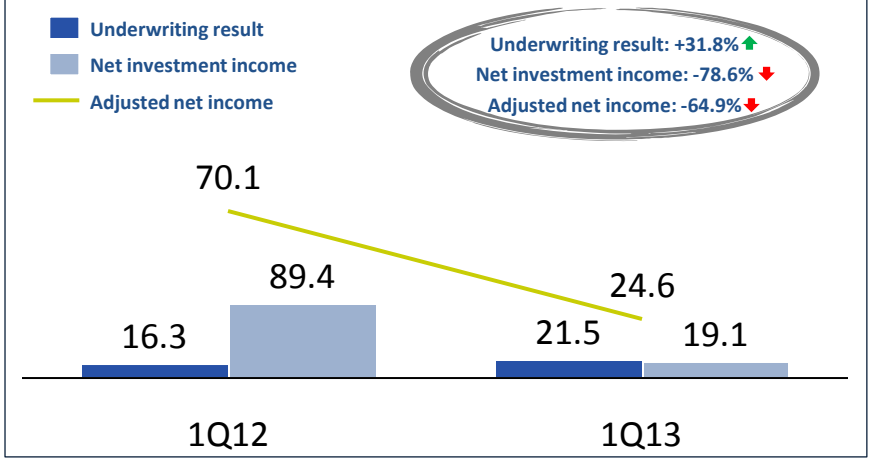
Earnings by Segment

Income from insurance, pension plans and premium bonds grows in all affiliates. Financial result impacted by mark-to-market.

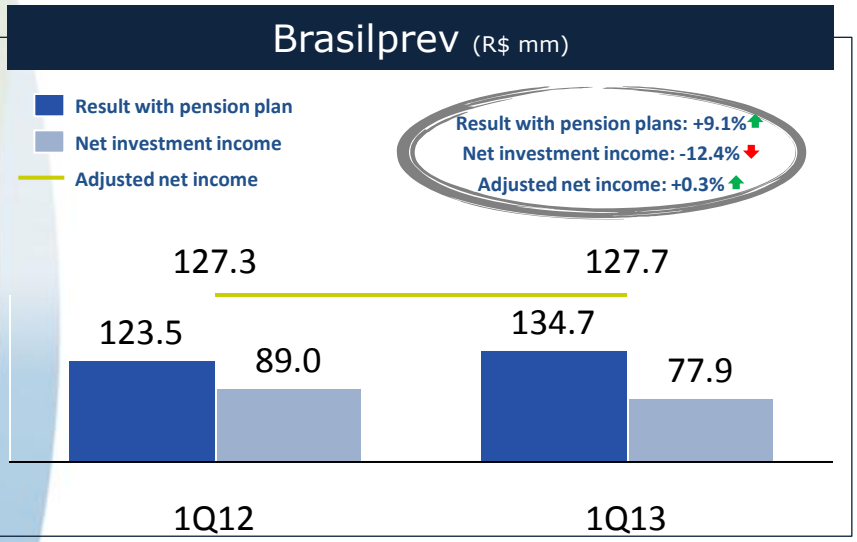
BB Mapfre SH1 (R$ mm)



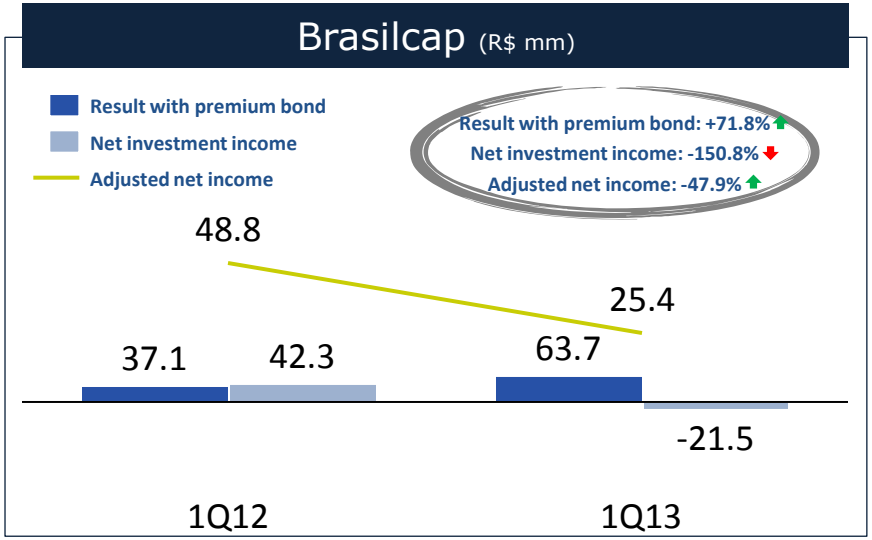
Mapfre BB SH2 (R$ mm)



Brasilprev (R$ mm)



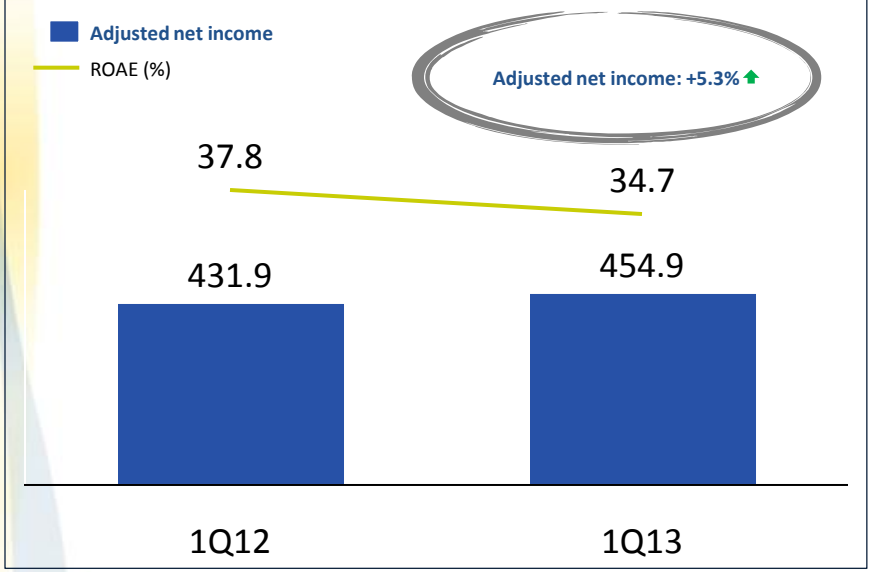
Brasilcap (R$ mm)



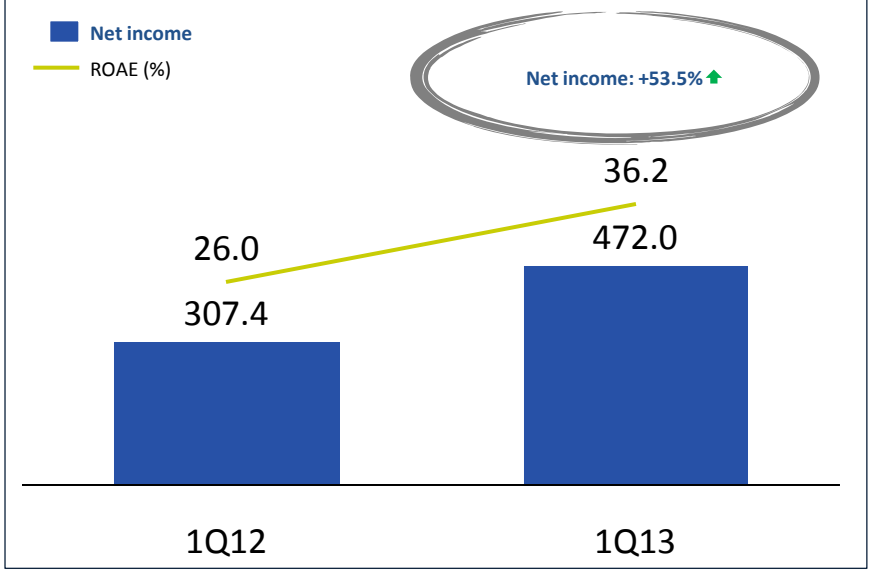
Earnings by Segment

Adjusted net income 5% higher even in an adverse environment for financial income.

BB Seguridade Adjusted (R$ mm)



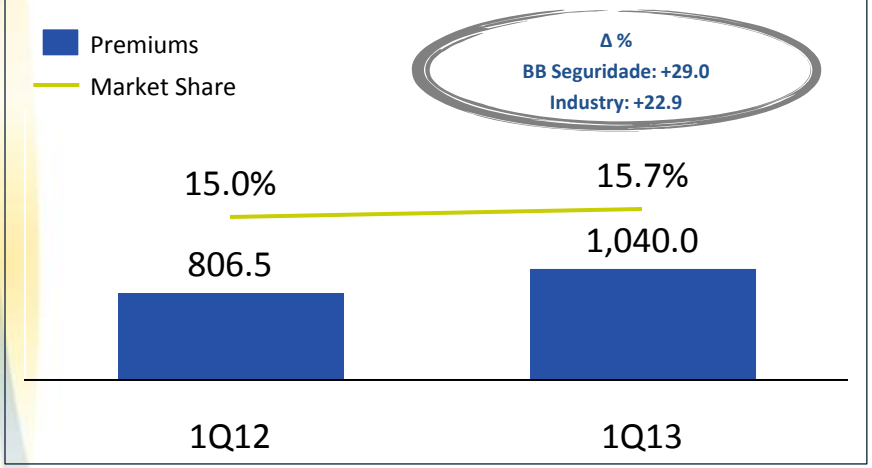
BB Seguridade (R$ mm)



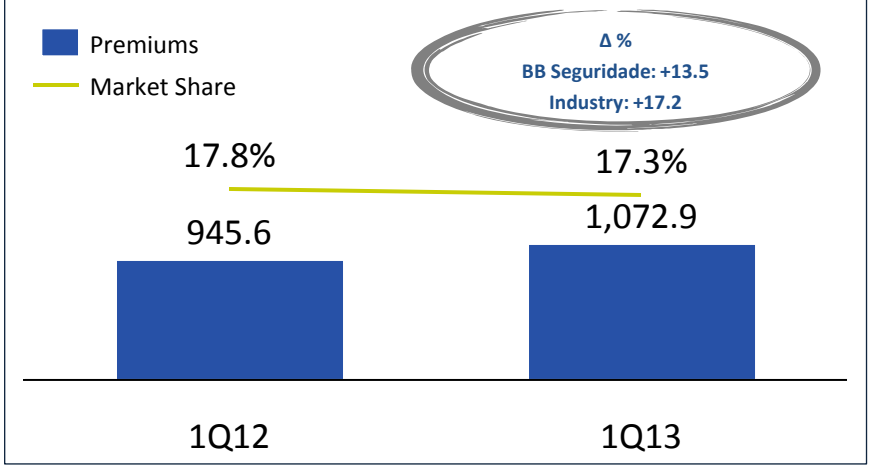
Market

Increase in market share in terms of revenue in most business lines ...

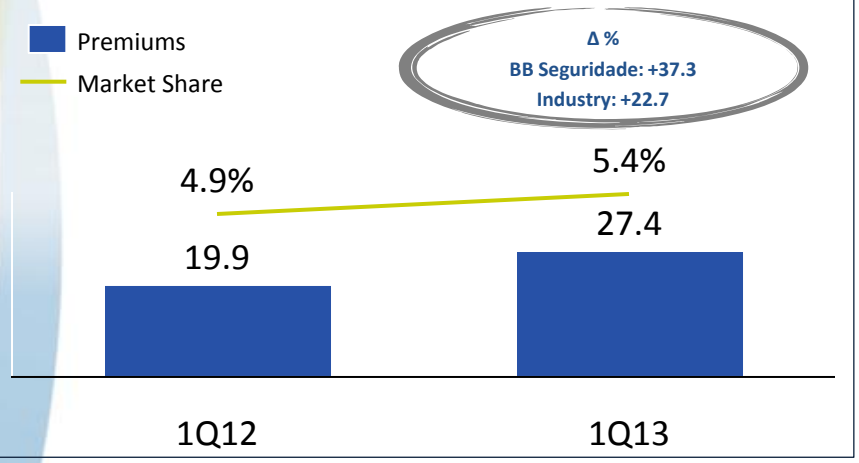
Auto (Insurance Premium) (R$ mm)



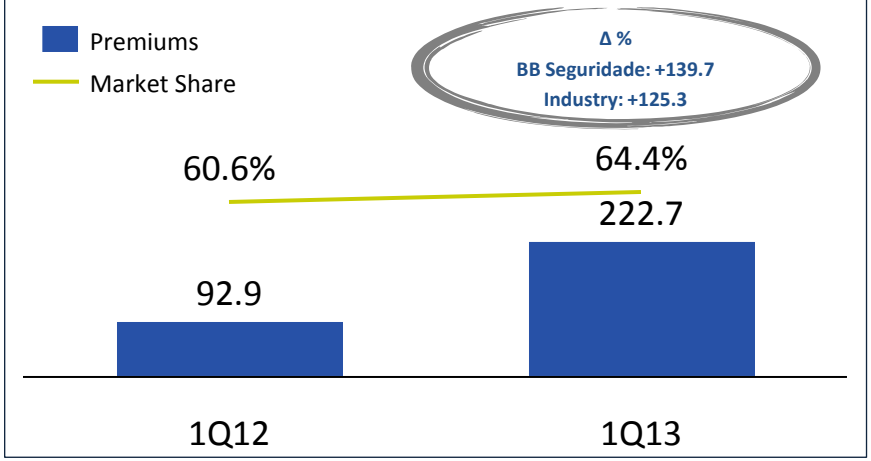
Life (Insurance Premium) (R$ mm)



Housing Mortgage (Insurance Premium) (R$ mm)



Rural (Insurance Premium) (R$ mm)

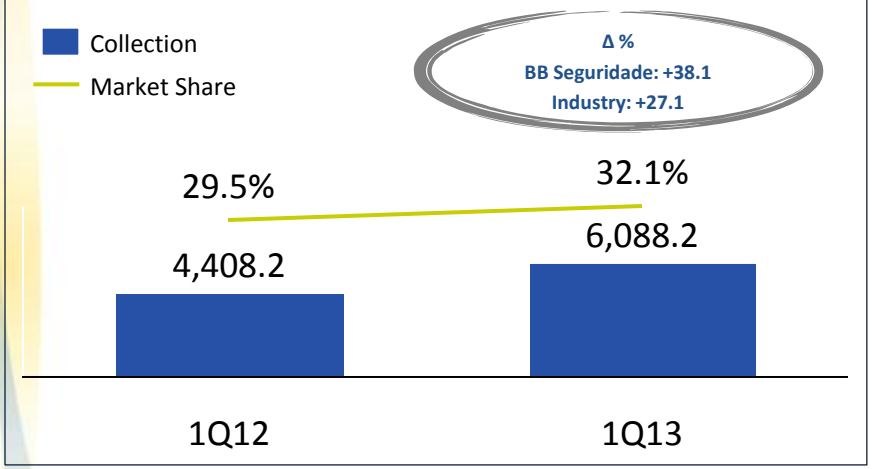


Source: SUSEP Data: Mar/13

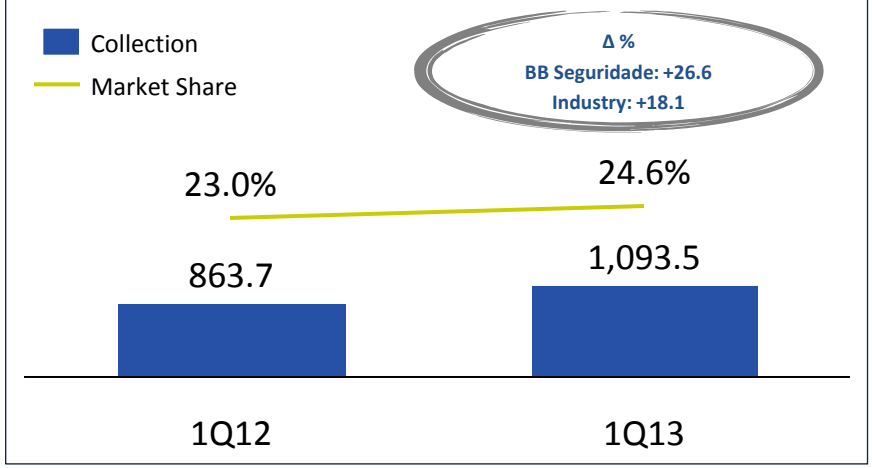
Market

... with pension plans and premium bonds showing the highest growth rates. BB Seguridade reached 24% market share.

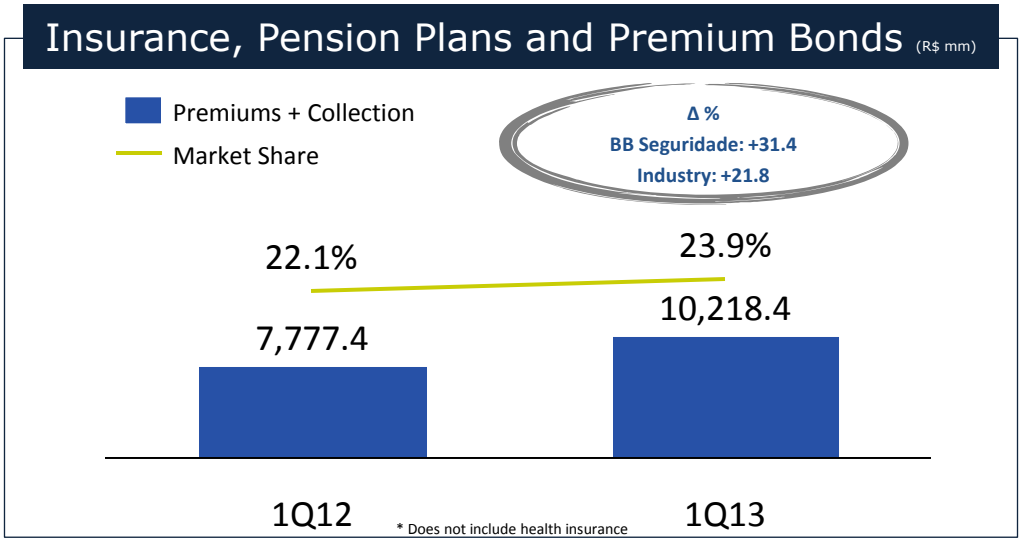
Pension Plans (Collection) (R$ mm)



Premium Bonds (Collection) (R$ mm)



Insurance, Pension Plans and Premium Bonds (R$ mm)



* Does not include health insurance

Source: SUSEP Data: Mar/13

Insurance Performance

Revenue growth followed by improvement in combined ratios.

R$ mm

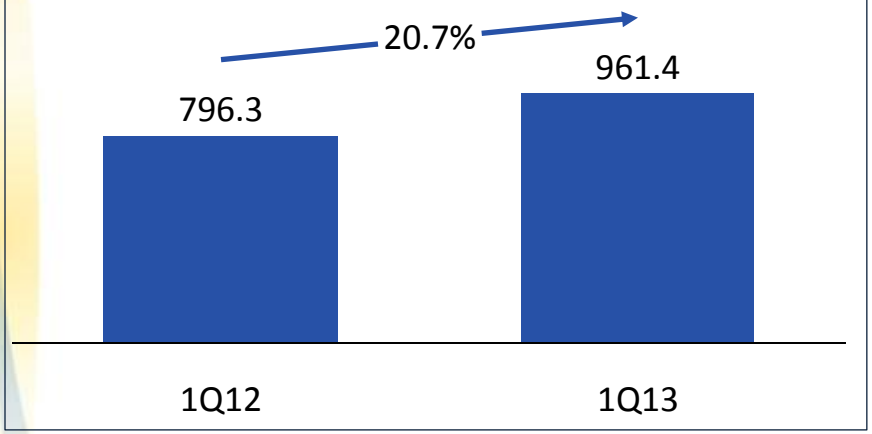
	BB Mapfre SH1		Mapfre BB SH2		SH1 + SH2	
	1Q12	1Q13	1Q12	1Q13	1Q12	1Q13
Loss ratio (*)	43.1%	35.1%	57.8%	54.8%	52.4%	47.2%
Comission ratio (**)	23.9%	24.3%	26.1%	23.3%	25.3%	23.7%
G&A ratio (***)	17.0%	17.9%	14.9%	20.4%	15.7%	19.5%
Combined ratio (****)	84.0%	77.3%	98.8%	98.6%	93.3%	90.4%
Expanded combined ratio (*****)	76.2%	73.1%	92.7%	97.4%	86.5%	87.8%

* Loss ratio = Expenses with claims / Earned premiums
** Comission ratio = Acquisition costs / Earned premiums
*** G&A ratio = Administrative expenses / Earned premiums
**** Combined ratio = (Administrative expenses + Acquisition costs + Expenses with claims) / Earned premiums
***** Expanded combined ratio = (Administrative expenses + Acquisition costs + Expenses with claims) / (Earned premiums + Net investment income)

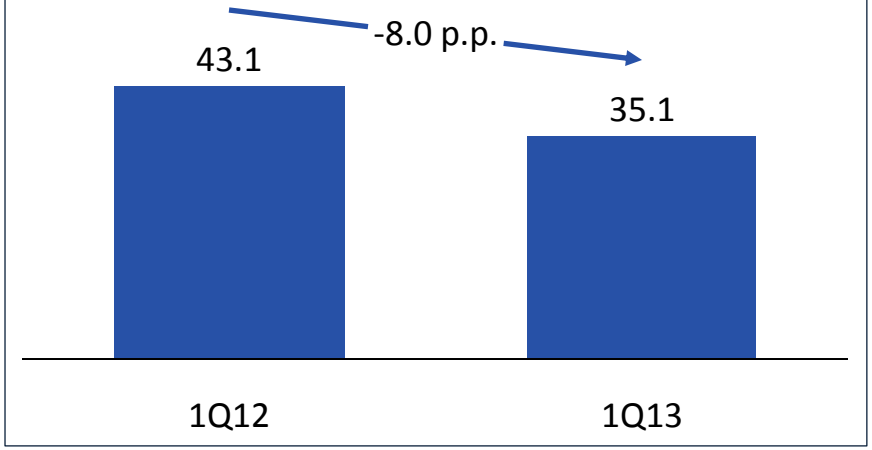
BB Mapfre – SH1 – Highlights

Adjusted ROAE grew fueled by growth in earned premiums and reduction in claims.

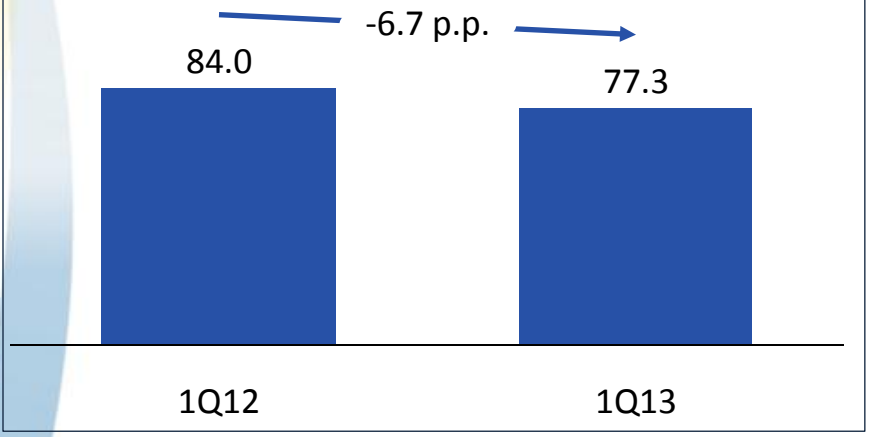
Earned premiums (R$ mm)



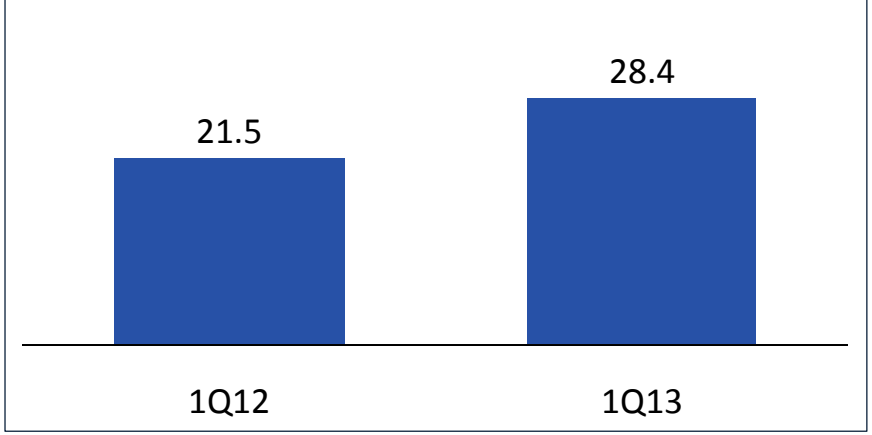
Claims (%)



Combined ratio (%)



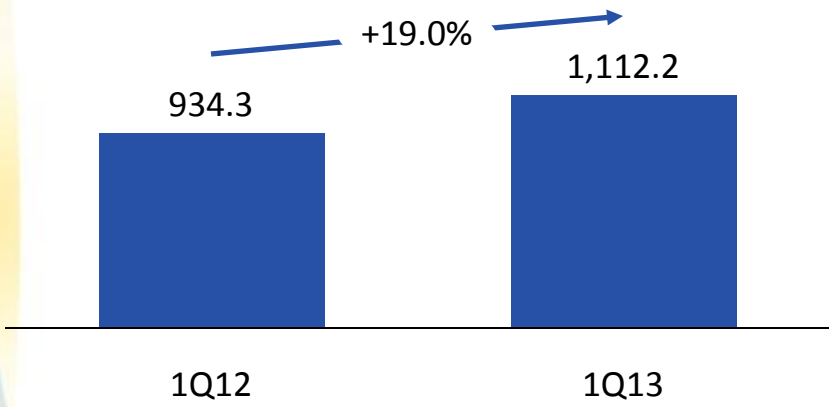
Adjusted ROAE (%)



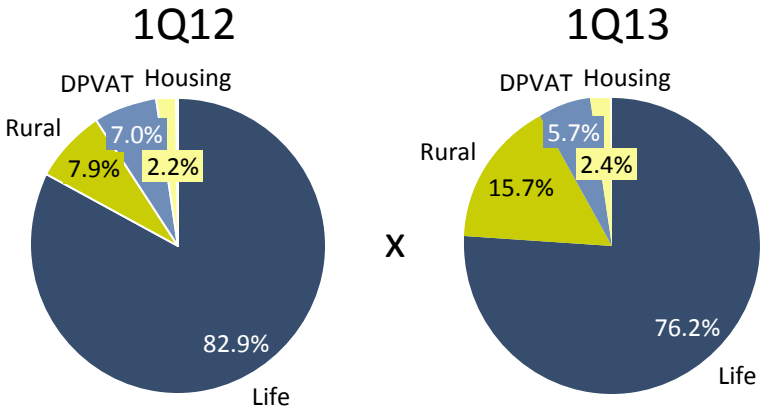
BB Mapfre – SH1 – Highlights

Banking channel sustains the growth of premiums written, in line with the business plan of the company.

Premiums written (R$ mm)

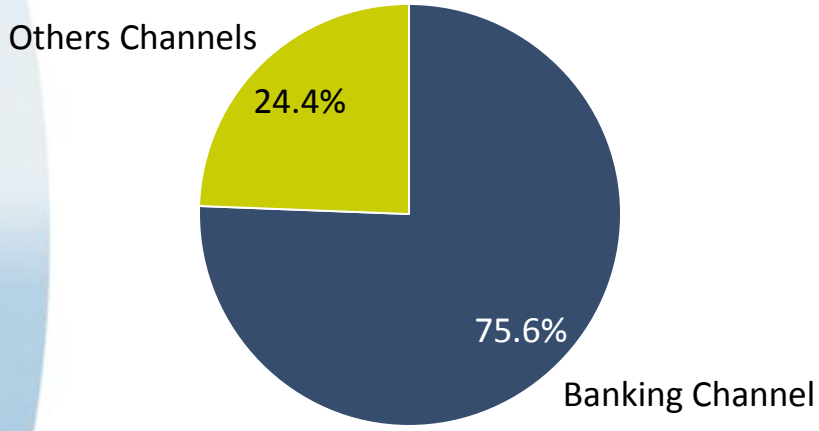


Breakdown of premiums 1Q12 vs 1Q13

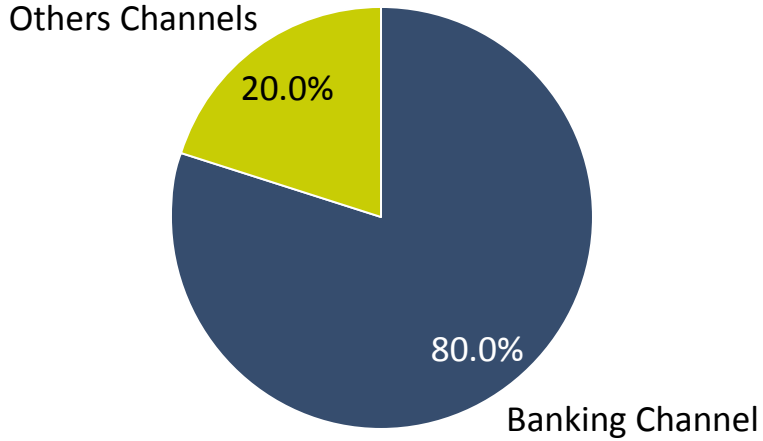


* Based on SUSEP GAAP

Selling channels 1Q12



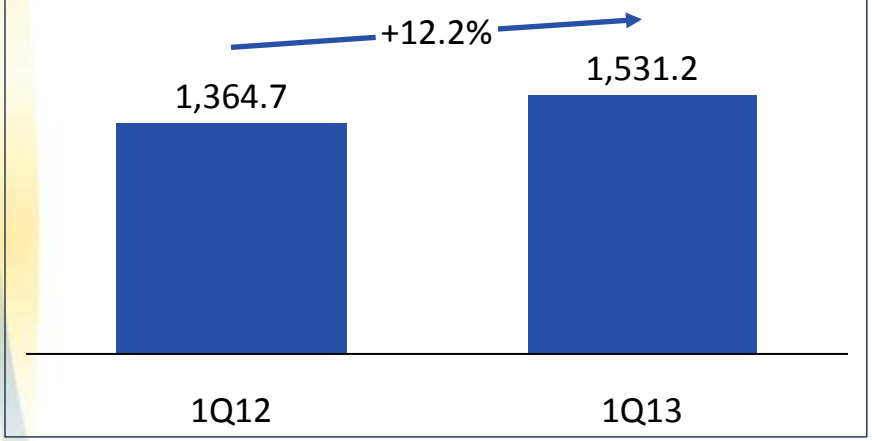
Selling channels 1Q13



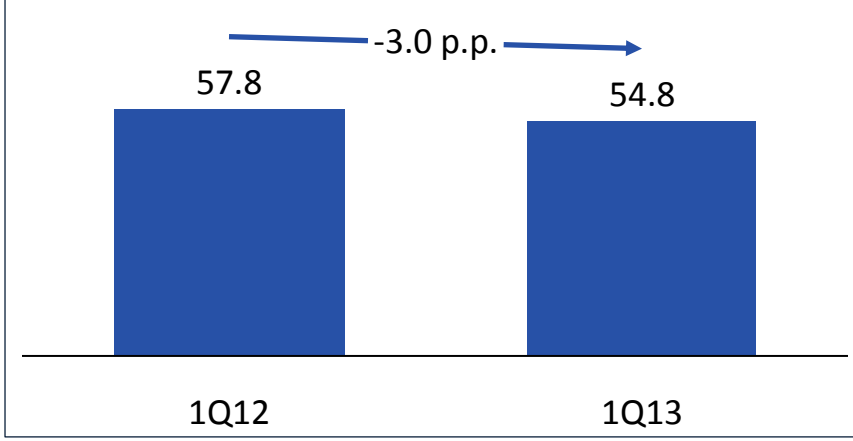
Mapfre BB – SH2 – Highlights

ROAE impacted by the financial result, but the growth in premiums earned and drop lower loss ratio show favorable operating performance.

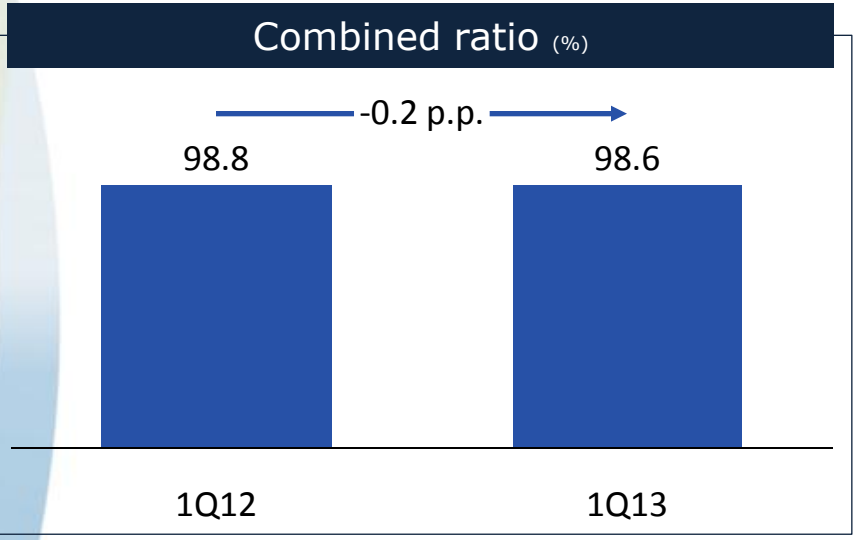
Premiums earned (R$ mm)



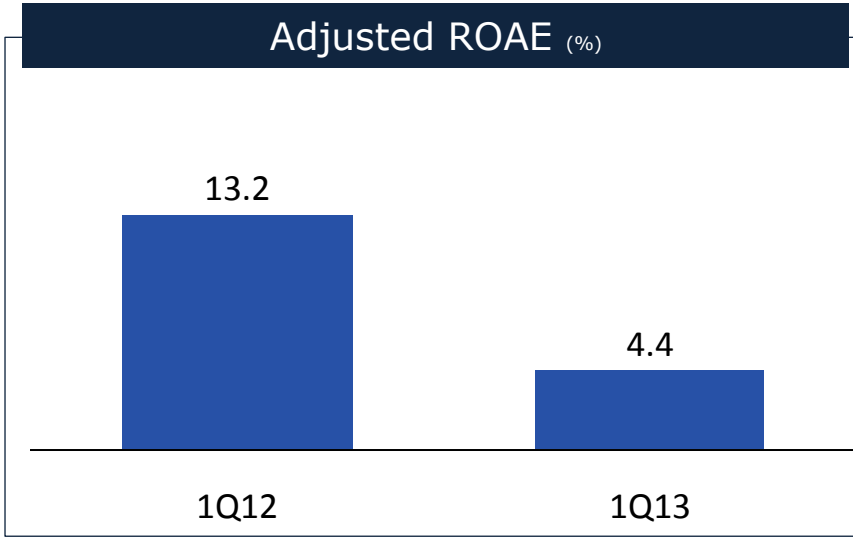
Claims (%)



Combined ratio (%)



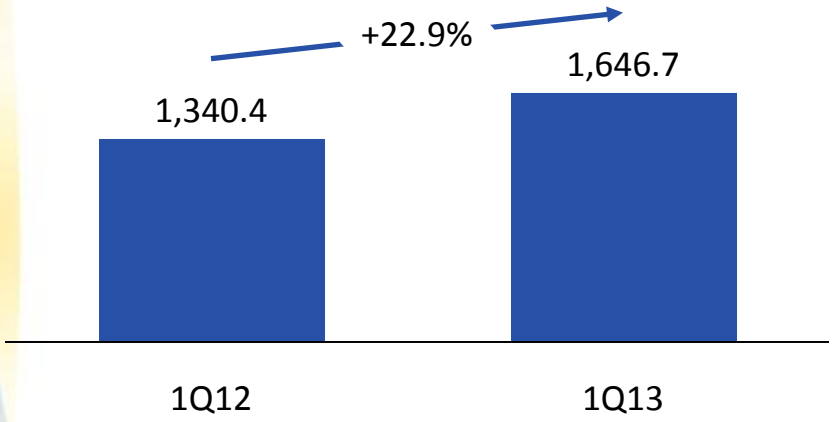
Adjusted ROAE (%)



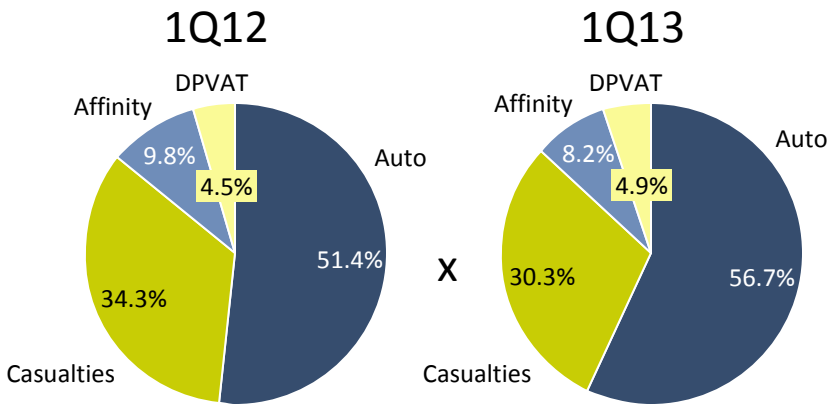
Mapfre BB – SH2 – Highlights

Performance in auto insurance sustains the growth in premiums written, with the banking channel showing the highest growth.

Premiums written (R$ mm)

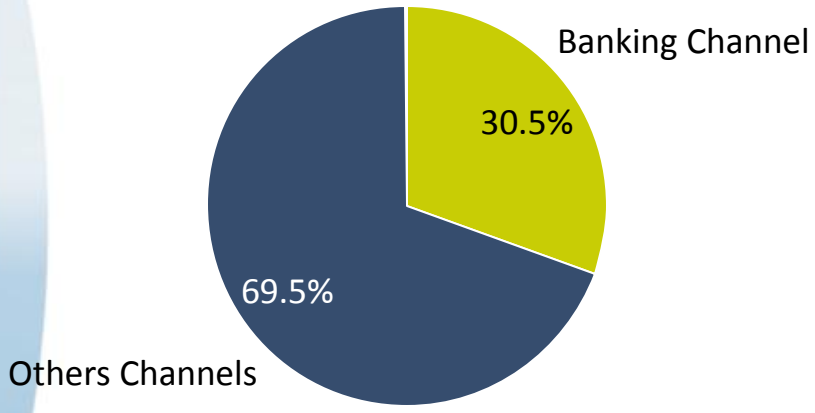


Breakdown of premiums 1Q12 vs 1Q13

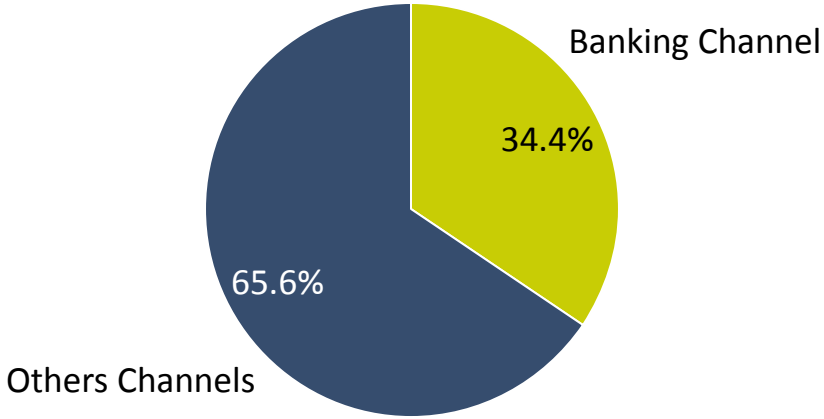


* Based on SUSEP GAAP

Selling channels 1Q12



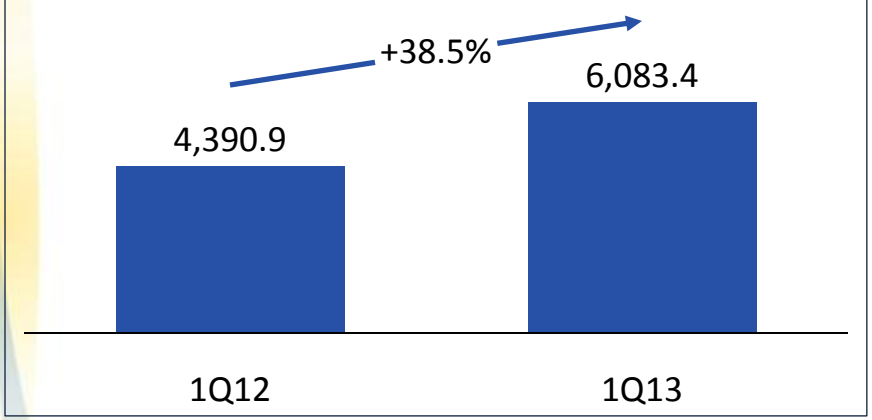
Selling channels 1Q13



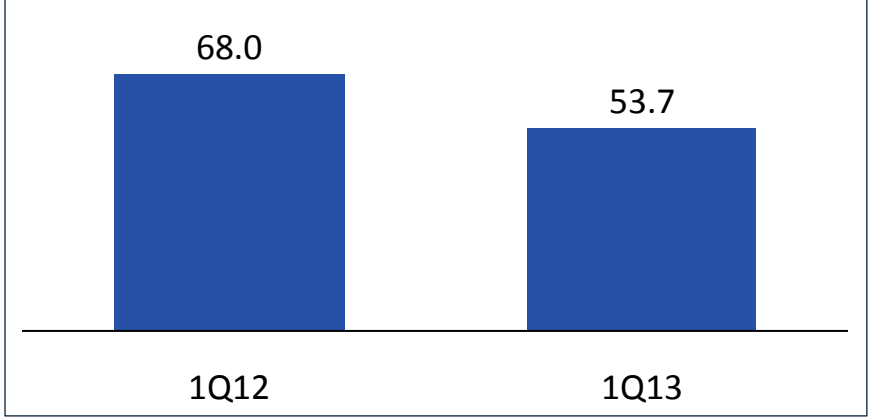
Brasilprev – Highlights

Brasilprev reaches 43% of net total net inflow in the market, which has been supporting the growth of reserves.

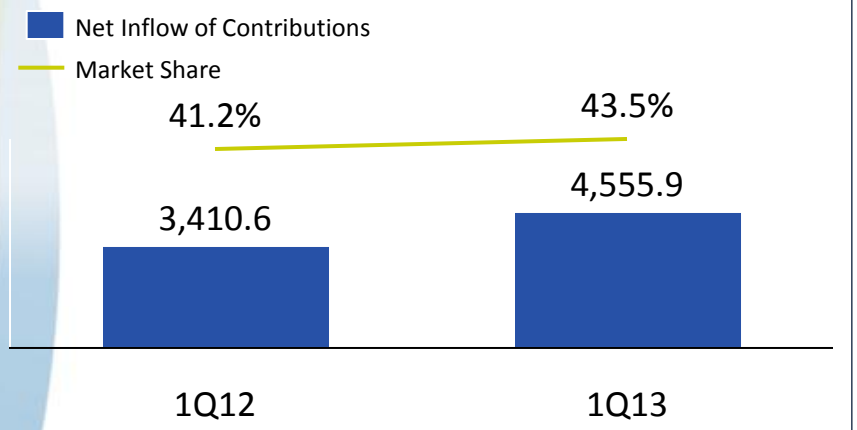
Gross revenue from pension plans (R$ mm)



Adjusted ROAE (%)

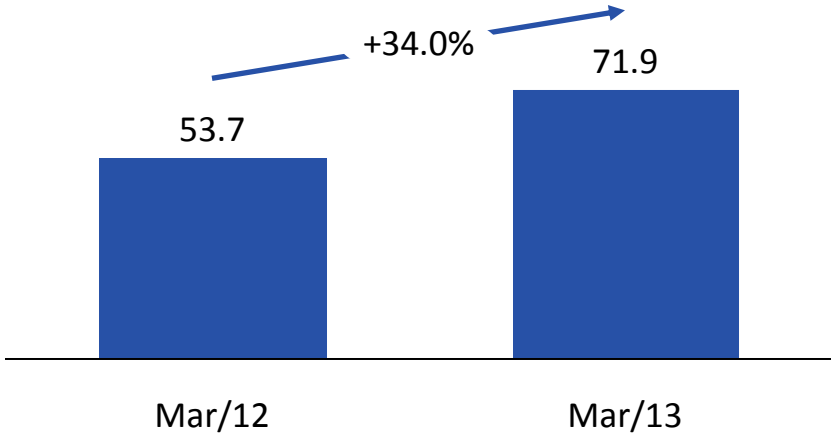


Net Inflow of Contributions (R$ mm)



* Based on SUSEP GAAP. Net Inflow of Contributions = Collection - Redemptions

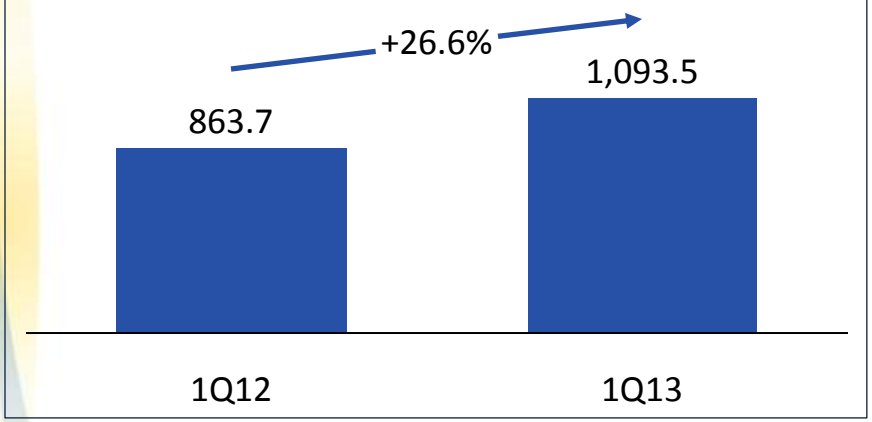
Technical Reserves (R$ bn)



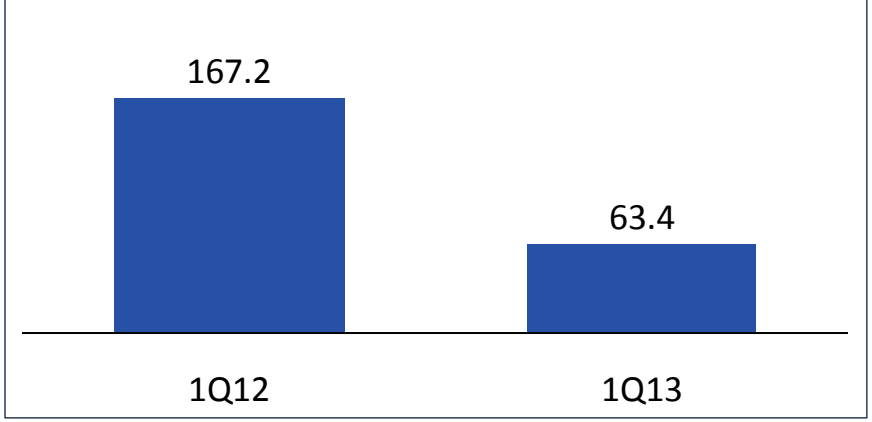
Brasilcap – Highlights

Growth in revenue and net inflow, with increased market share in reserves and collections.

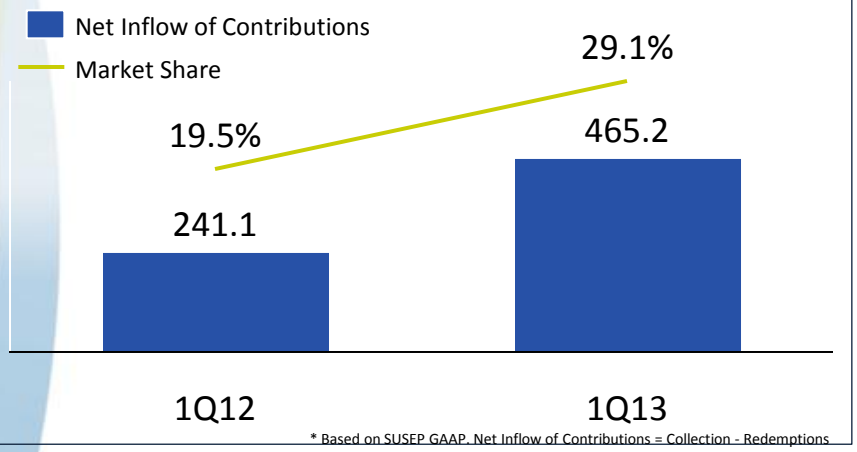
Premium Bonds Collection (R$ mm)



Adjusted ROAE (%)

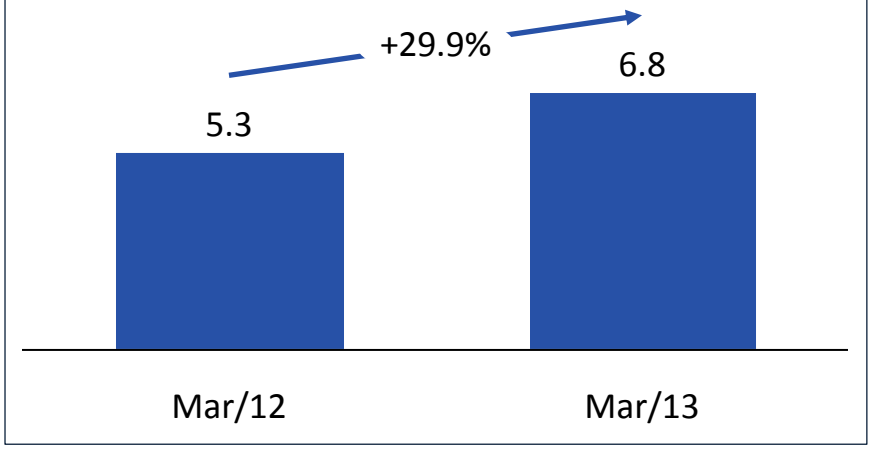


Net Inflow of Contributions (R$ mm)



* Based on SUSEP GAAP. Net Inflow of Contributions = Collection - Redemptions

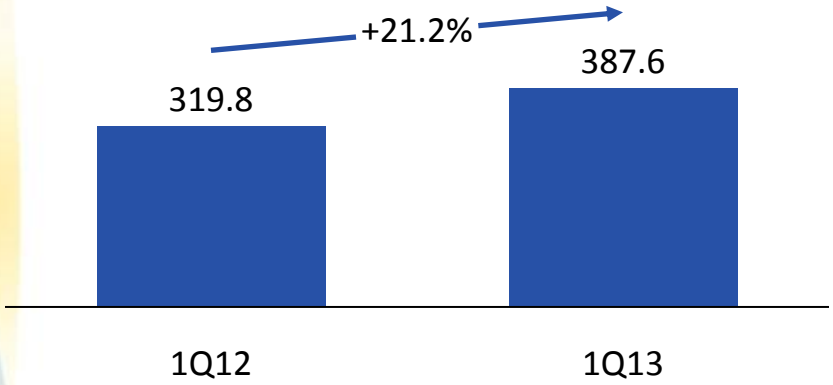
Technical Reserves (R$ bn)



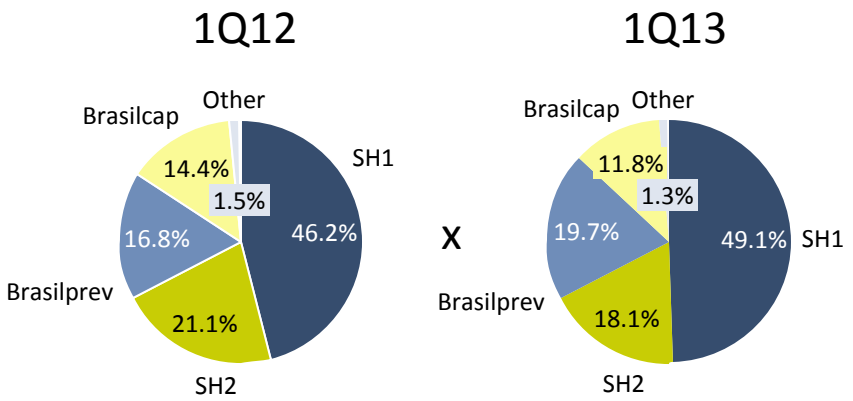
BB Corretora – Highlights

Benefits from the predominance of sales through the banking channel, increase of commission income and net margin.

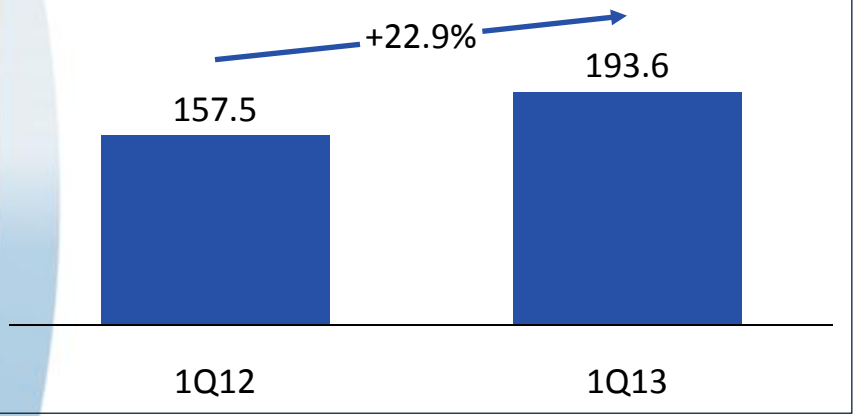
Brokerage Revenues (R$ mm)



Revenues Breakdown 1Q12 vs 1T13



Adjusted Net Income (R$ mm)



Performance (R$ mm)

	1Q12	1Q13
Brokerage Revenues	319.8	387.6
Operating Result	231.8	284.3
Adjusted Net Income	157.5	193.6
Net Margin	**49.3%**	**49.9%**

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