BANCO DO BRASIL
Seguridade

Conference Call – 3Q14 Earnings
November 5th, 2014

BBSEY
OTC Pink
ADR - Level I

BBSE3
NOVO MERCADO
BM&FBOVESPA

IBOVESPA
Índice Brasil 100 IBRX 100
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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$ 822 million, 50% higher than 3Q13

- Adjusted ROAE of 60.9% in the quarter

Premiums written, pension plans contributions and premium bonds collections amounted to R$ 12.5 billion, growth of 43% over 3Q13

- Highlighting Brasilprev, with an increase of 94%

Grupo Segurador adjusted combined ratio improved in both companies

- The adjusted combined ratio in SH1 reached 71% in the quarter (- 6.6 p.p. vs. 3Q13)
- In SH2, the adjusted combined ratio was 98% in 3Q14 (- 2.0 p.p. vs. 3Q13)

Brasilprev exceeds R$ 100 billion in assets under management

- Net inflow reached R$ 4.4 billion in 3Q14, equivalent to 54.4% of total net inflows in the market

Brasilcap reported net income of R$ 74 million in 3Q14, growth of 178% when compared to 3Q13

- Highlighting the better operational result and financial margin

Brokerage revenues amounted to R$ 563 million in the quarter, growth of 32% when compared to 3Q13

- Highlighting the revenues from pension plans (+ 103%) and SH1 (+ 35%).

BB Seguridade and Market (9M14 vs. 9M13)

Segments	BB Seguridade	Market (ex-BB Seguridade	Market
SH1 - Premiums Written 1°			
Life[1]	6.4%	-0.6%	0.8%
Rural	44.6%	35.1%	42.2%
Mortgage Life	13.9%	22.0%	21.5%
TOTAL[2]	15.5%	2.2%	5.2%
SH2 - Premiums Written 2°			
Vehicles	8.8%	10.3%	10.1%
Casualties	26.1%	8.0%	10.1%
TOTAL[2]	14.5%	9.4%	10.1%
BRASILPREV 1°			
Contribution	37.7%	-2.4%	9.9%
Net Inflow	55.5%	35.4%	47.1%
BRASILCAP 1°			
Collection	5.0%	5.0%	5.0%
TOTAL 1°			
Premiums, contribution and collection	25.5%	6.8%	11.3%

Source: SUSEP
1 – Item "Life" includes the segments life and credit life
2 – Excluding the segment "Other" (Affinity, DPVAT and others)

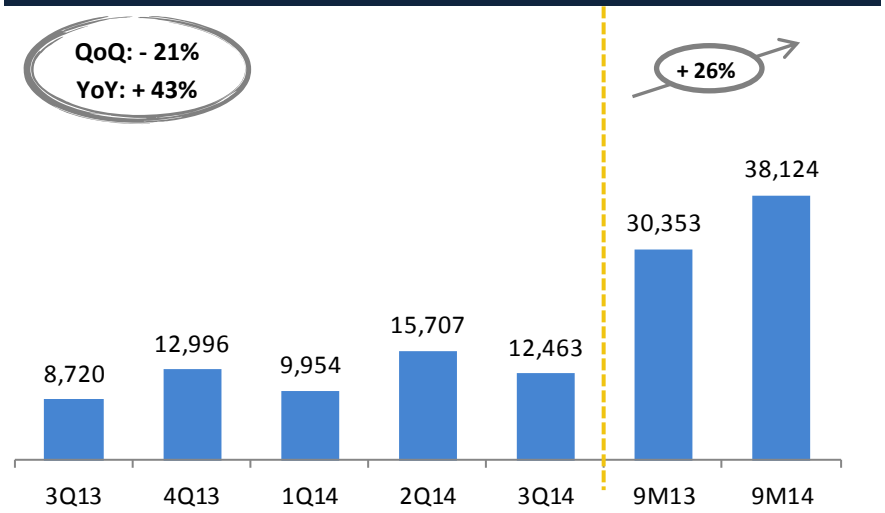
Extraordinary Events

R$ MM

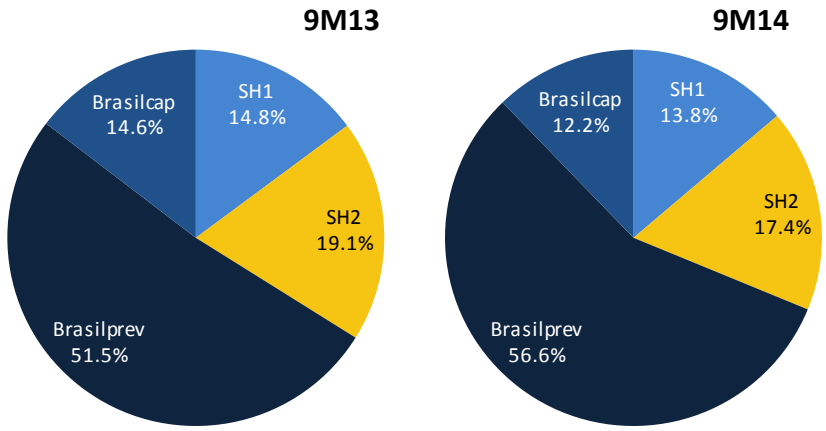
Adjustments	3Q13	2Q14	3Q14	9M13	9M14
Net Income	**548**	**845**	**822**	**1,570**	**2,316**
BB Corretora: new comissions	-	-	-	(30)	-
BB Corretora: tax expenses on new commissions	-	-	-	2	-
Brasilcap: changes in the accounting method	-	-	-	35	-
Tax effects on extraordinary events	-	-	-	9	-
Adjusted Net Income	**548**	**845**	**822**	**1,553**	**2,316**

BB Seguridade Performance

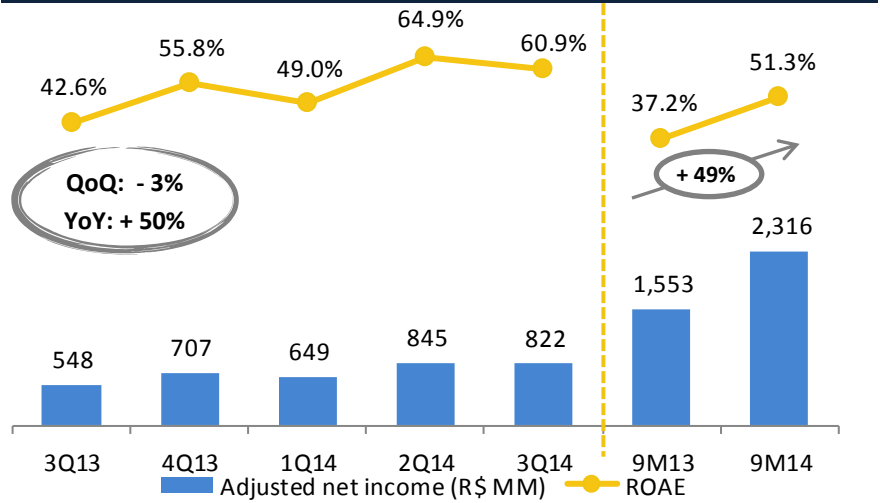
PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1] (R$ MM)



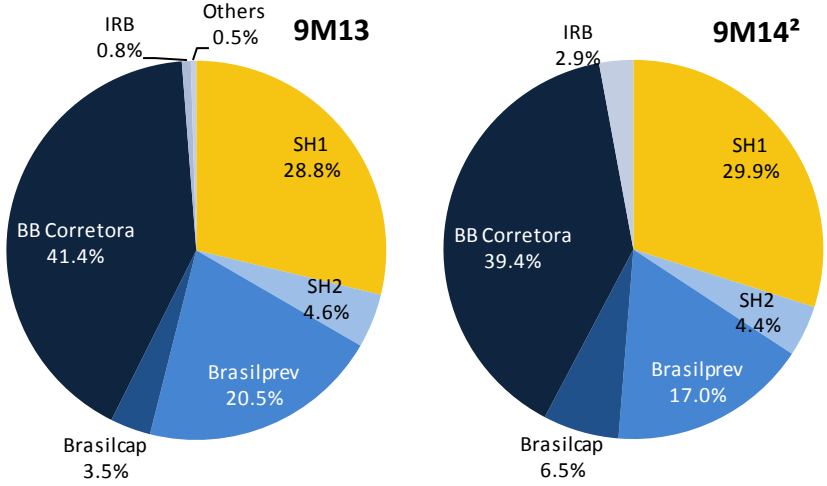
BREAKDOWN OF PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1]



PROFITABILITY



EARNINGS BREAKDOWN

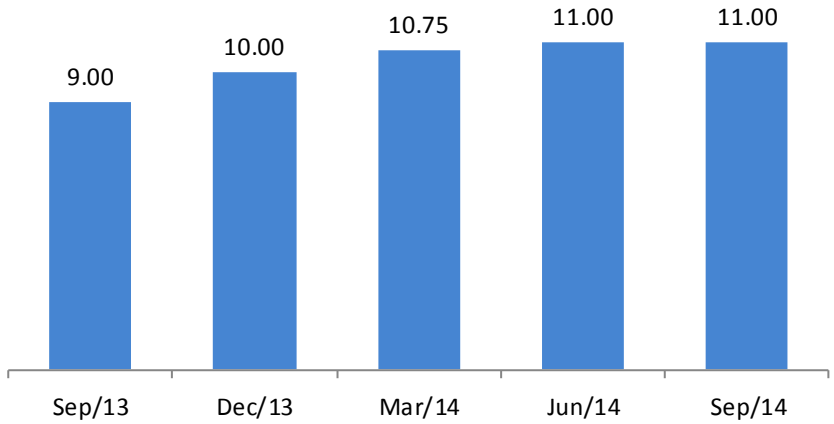


1. Premiums written, pension plans contributions and premium bonds collections

2. Excluding the negative results of R$ 14.6 million related to Brasildental and Others

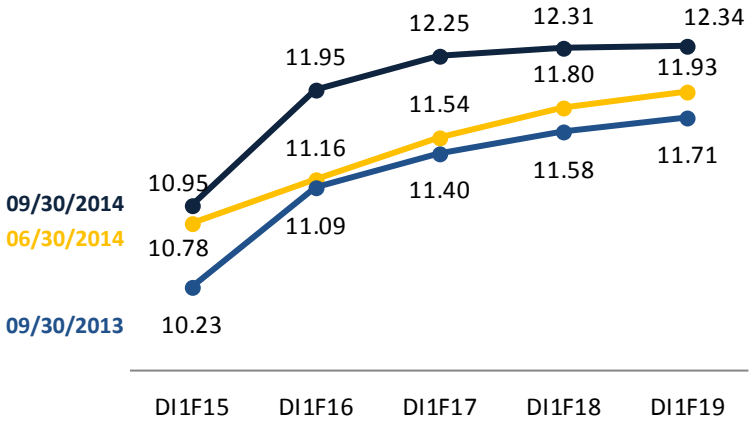
Net Investment Income

SELIC RATE (%)



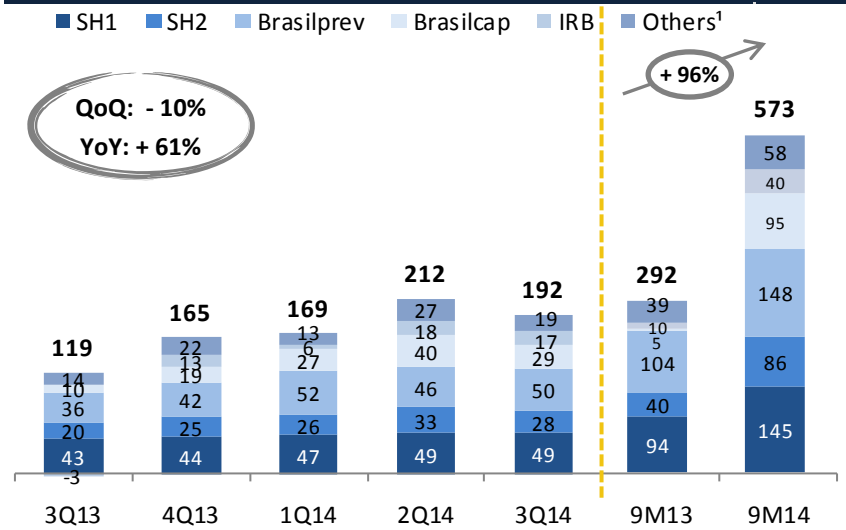
Source: Focus - Bacen do Brasil

FORWARD YIELD CURVE (%)



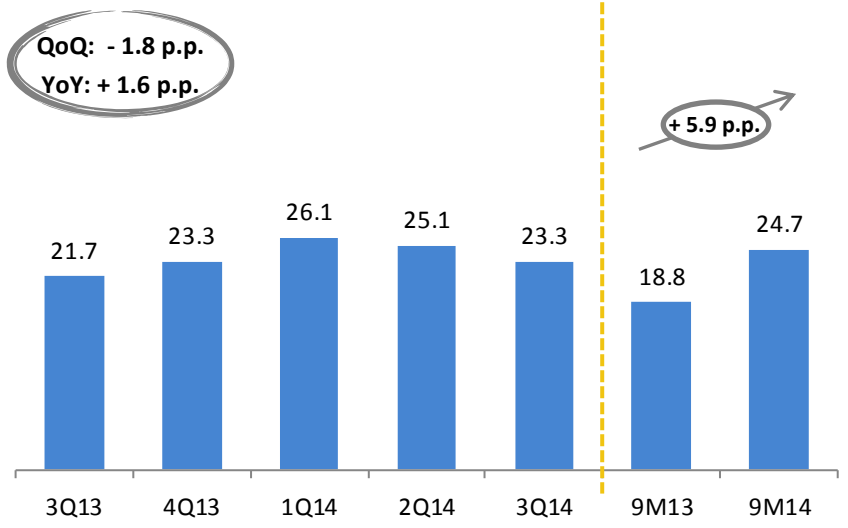
Source: ValorPro

NET INVESTMENT INCOME (R$ MM)



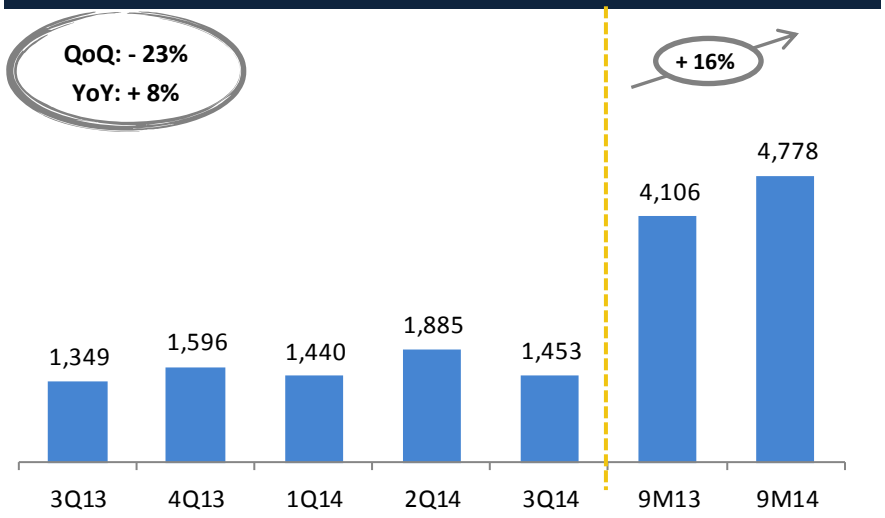
1 - BB Corretora + Holding

CONTRIBUTION OF NET INVESTMENT INCOME IN THE EARNINGS (%)



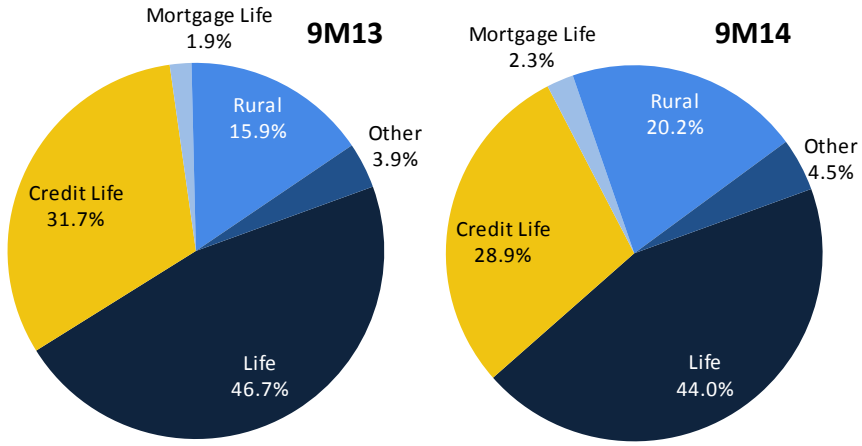
BB Mapfre SH1

RETAINED PREMIUMS [1] (R$ MM)

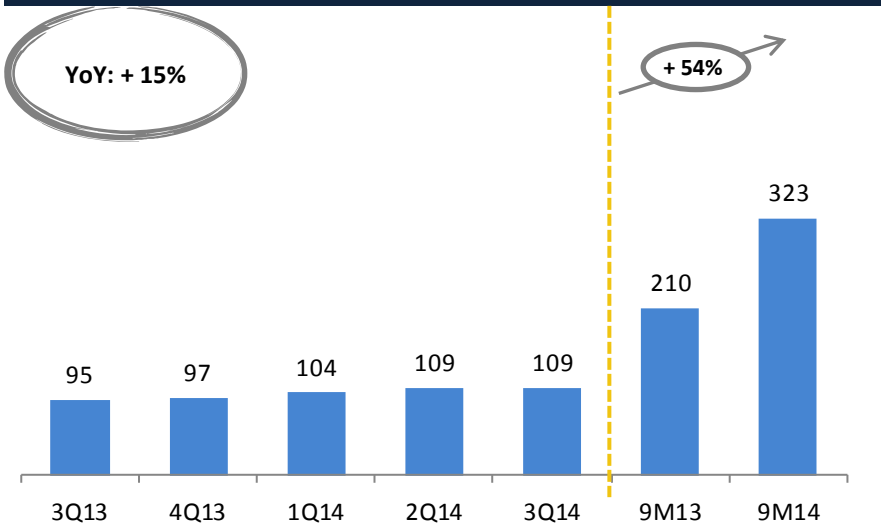


1 – Net of premiums ceded to reinsurance

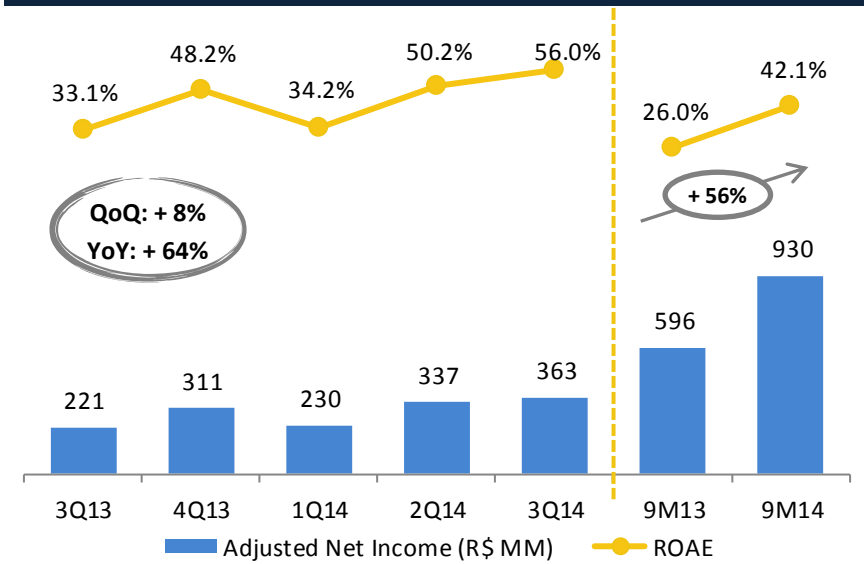
BREAKDOWN OF RETAINED PREMIUMS



NET INVESTMENT INCOME (R$ MM)

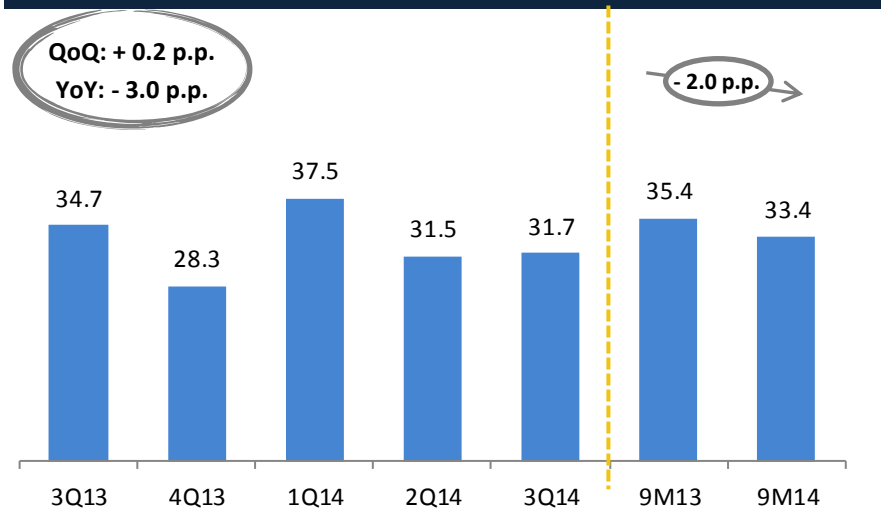


PROFITABILITY

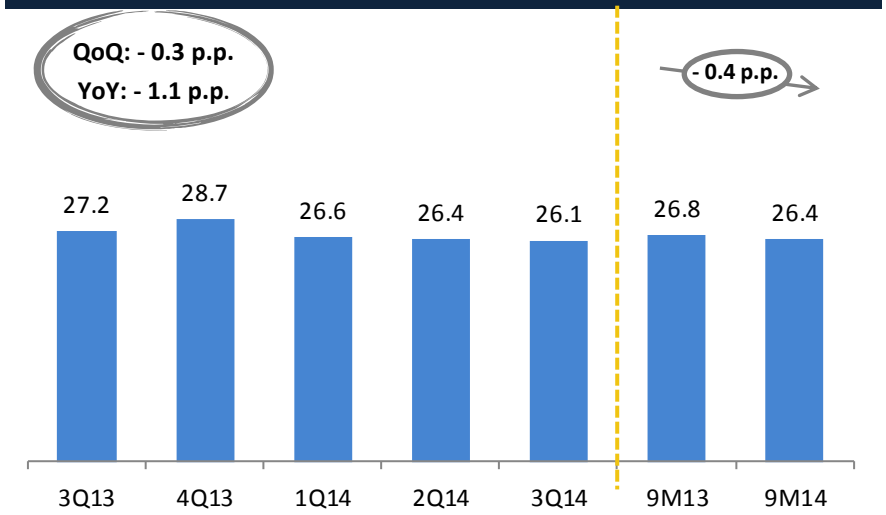


BB Mapfre SH1 – Adjusted Ratios[1]

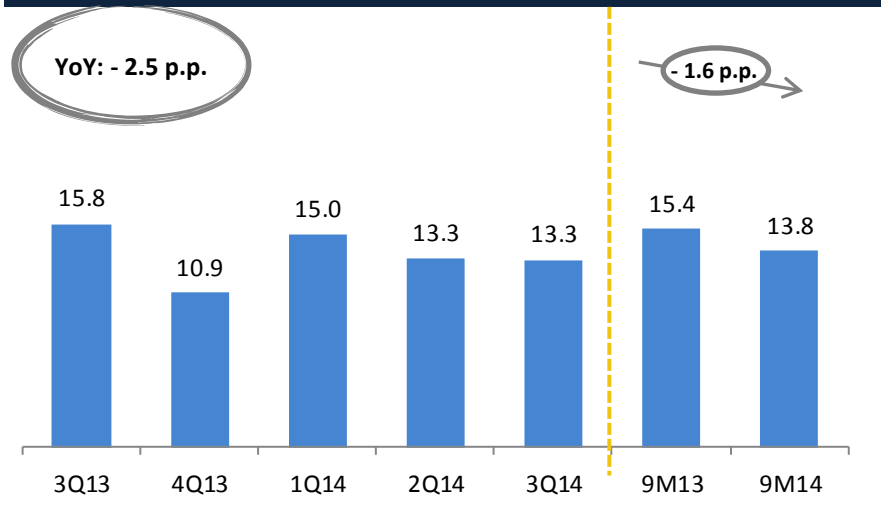
LOSS RATIO (%)



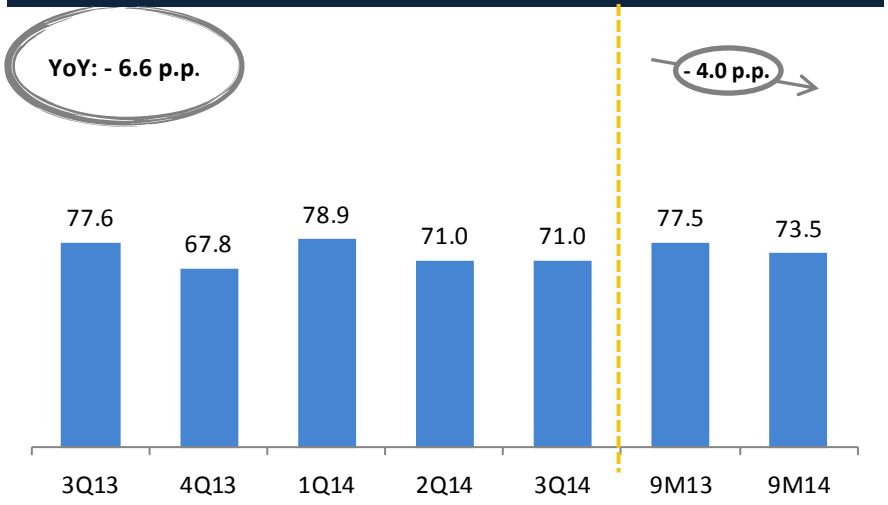
COMISSION RATIO (%)



G&A RATIO (%)



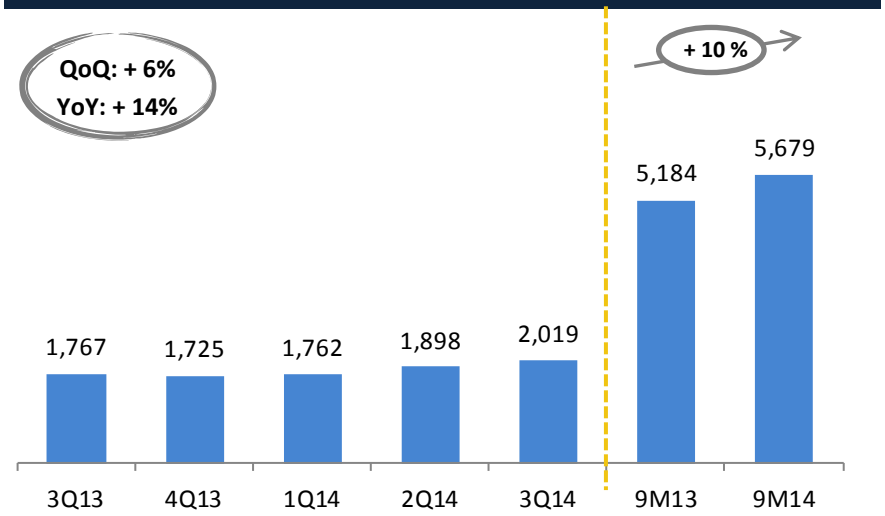
COMBINED RATIO (%)



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

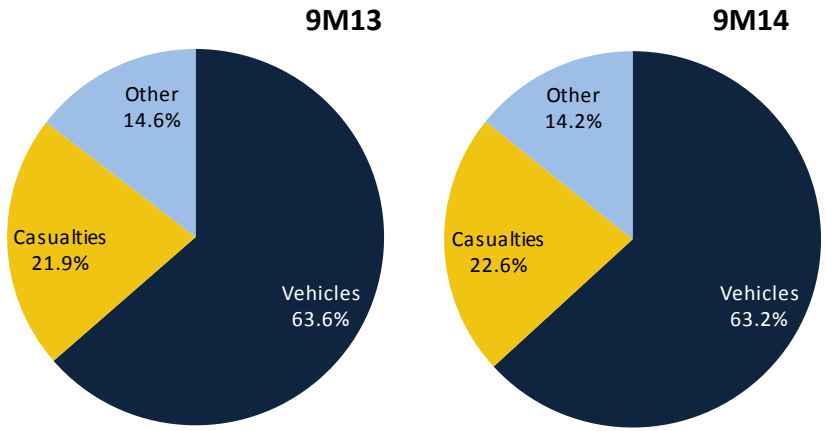
Mapfre BB SH2

RETAINED PREMIUMS[1] (R$ MM)

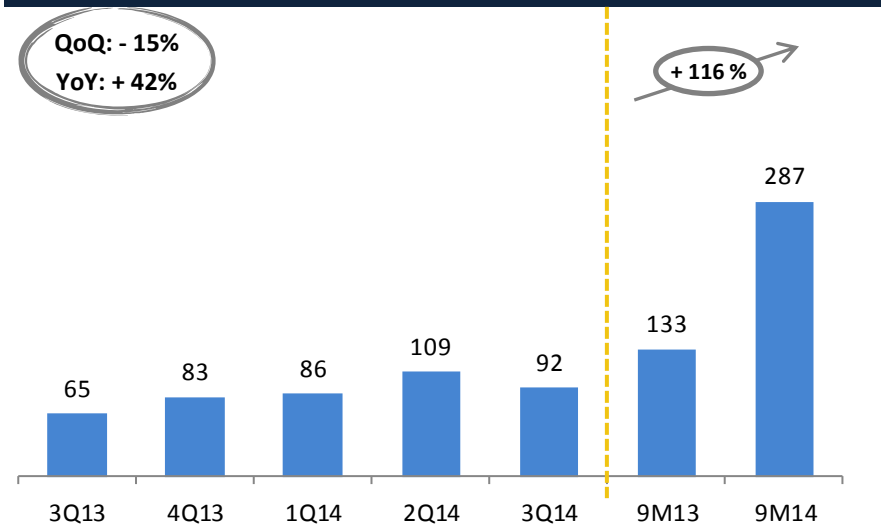


1 – Net of premiums ceded to reinsurance

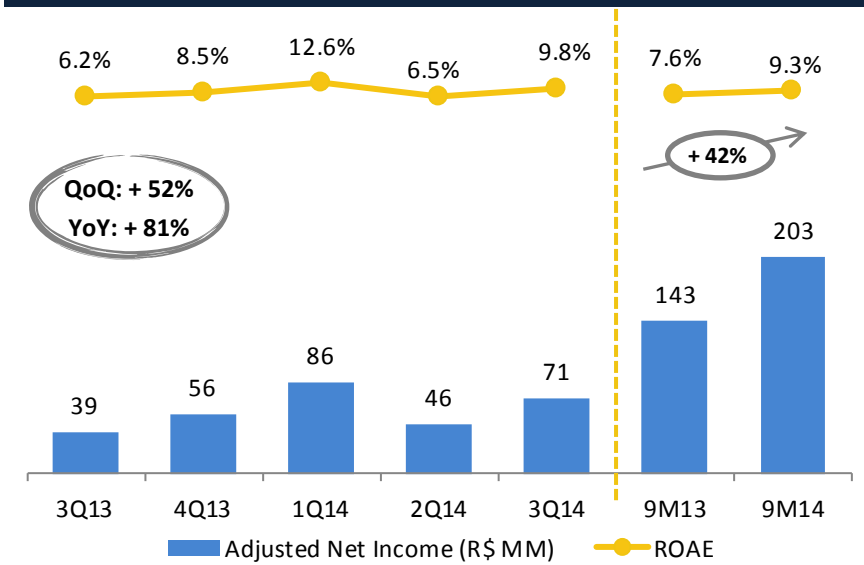
BREAKDOWN OF RETAINED PREMIUMS



NET INVESTMENT INCOME (R$ MM)

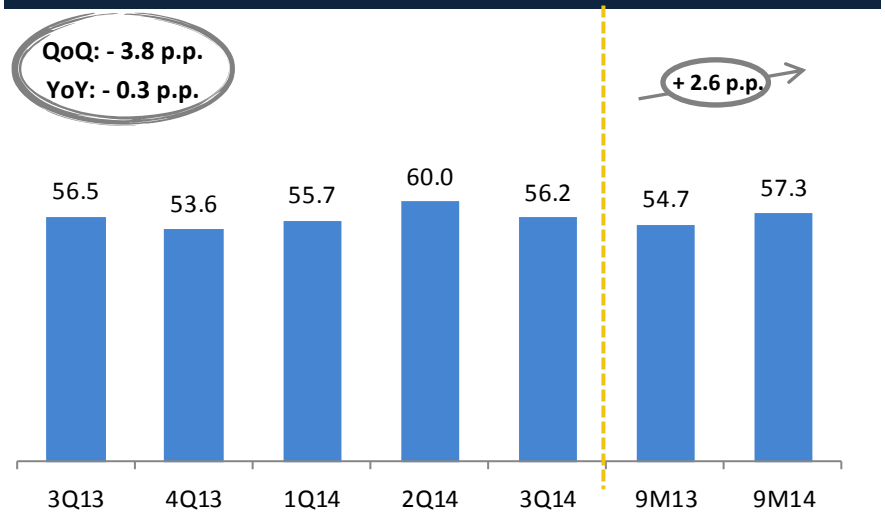


PROFITABILITY

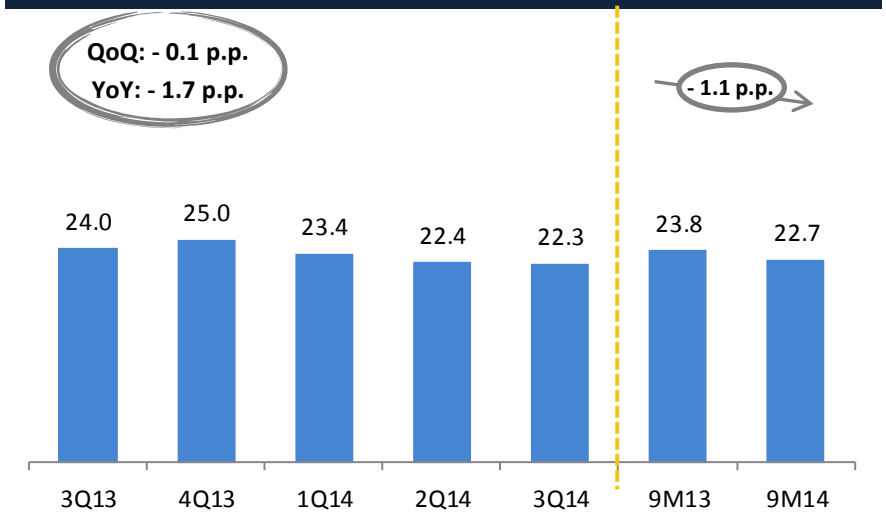


Mapfre BB SH2 – Adjusted Ratios[1]

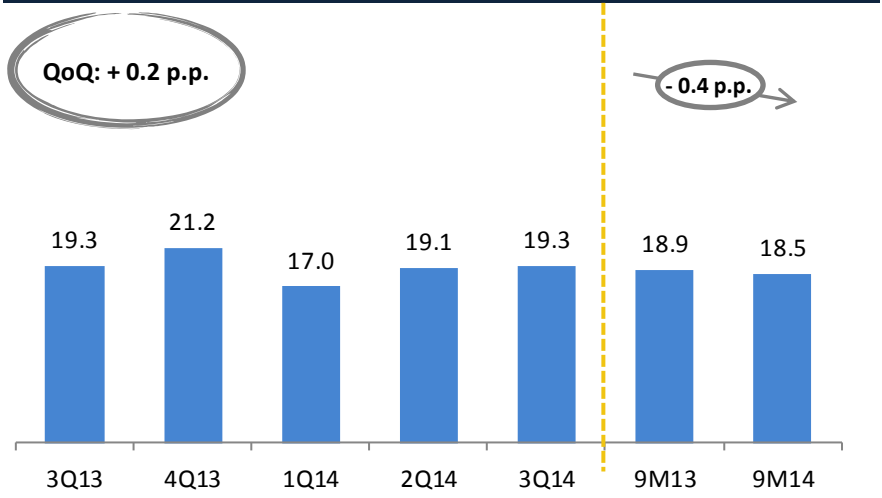
LOSS RATIO (%)



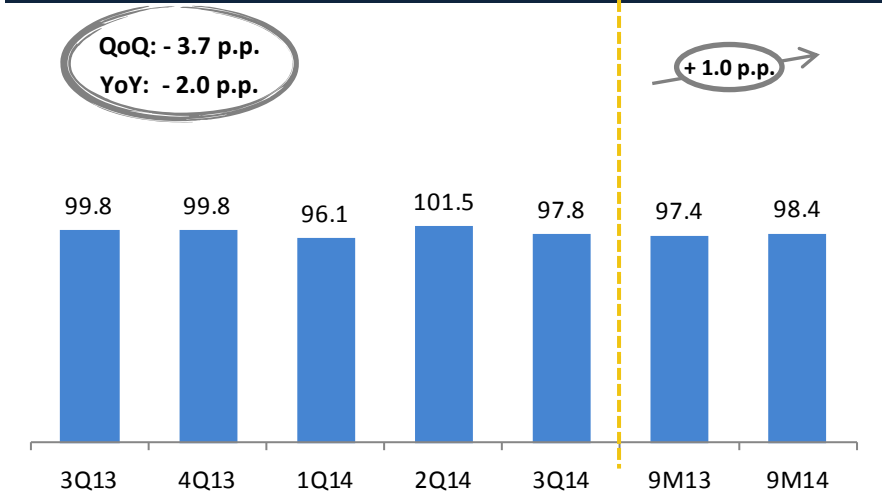
COMISSION RATIO (%)



G & A RATIO (%)



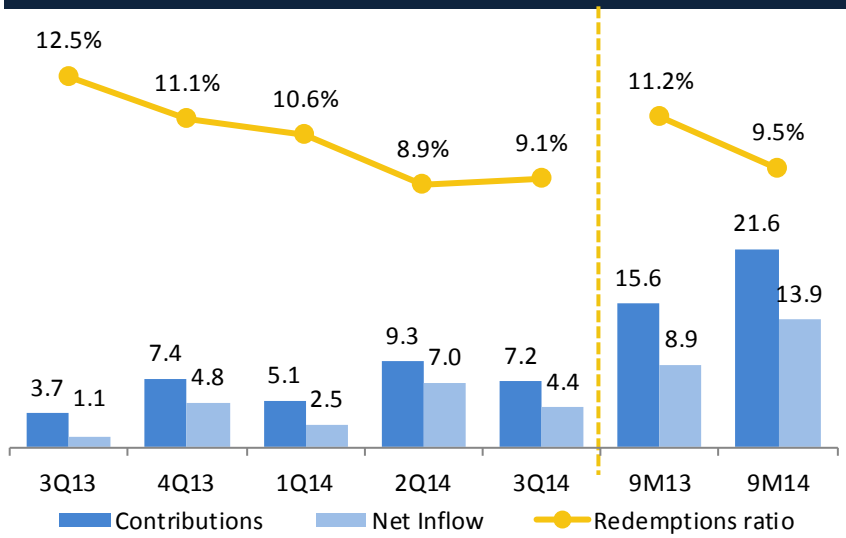
COMBINED RATIO (%)



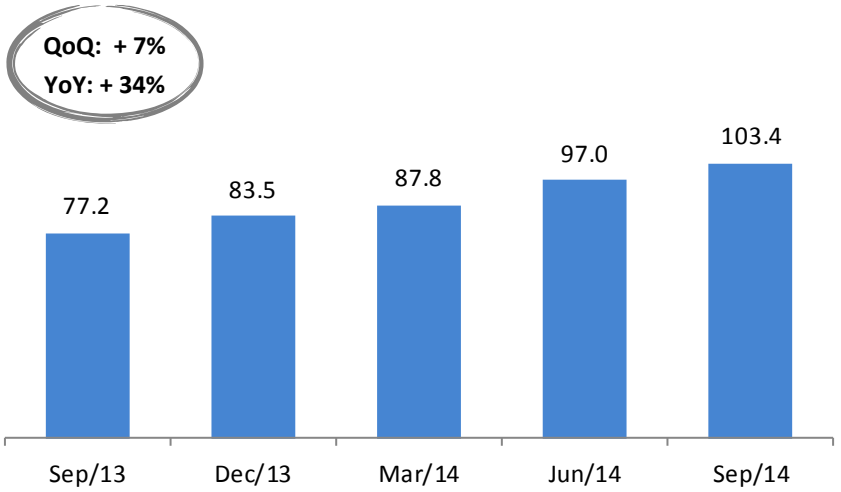
1 – Adjusted ratios prepared distributing the line "result with reinsurance" among the other lines from the income statement

Brasilprev

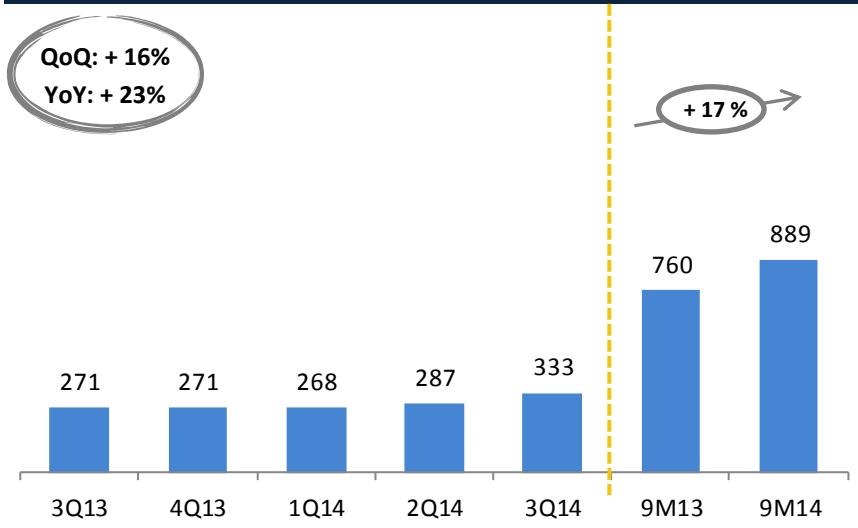
CONTRIBUTIONS & NET INFLOW (R$ BI)



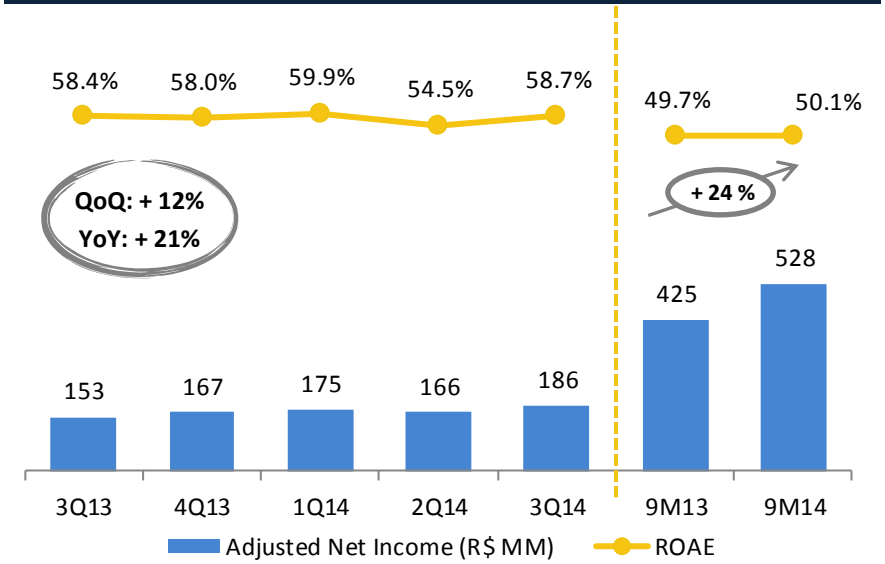
RESERVES (R$ BI)



MANAGEMENT FEE (R$ MM)

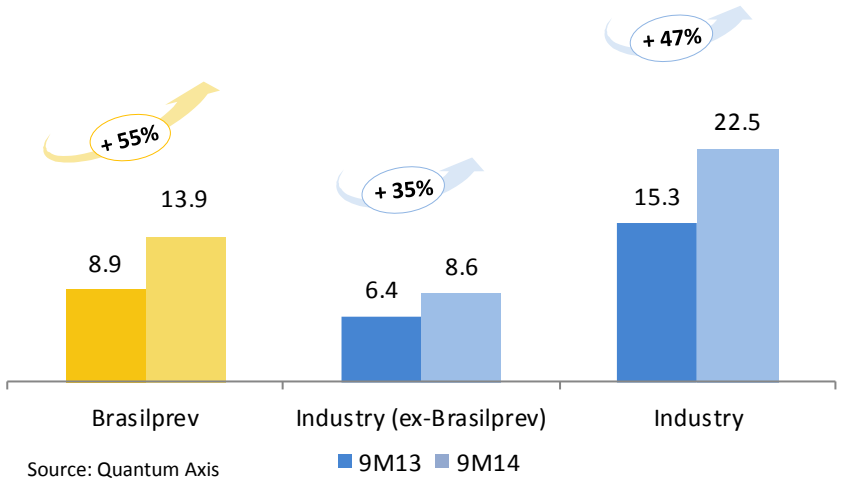


PROFITABILITY



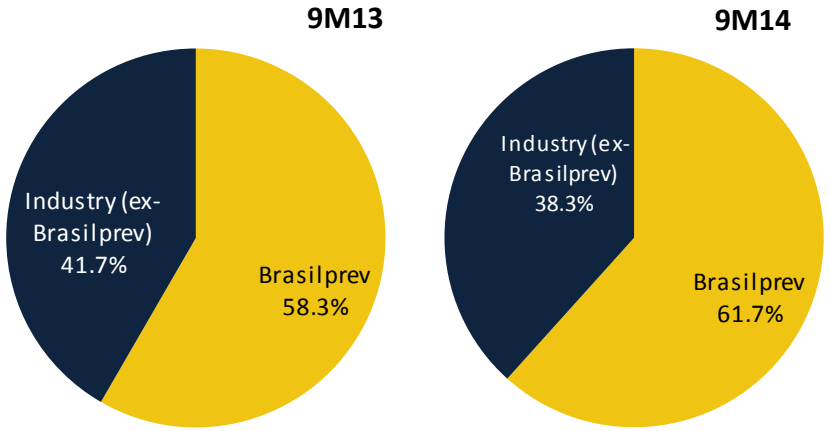
Brasilprev vs. Market

NET INFLOW (R$ BI)

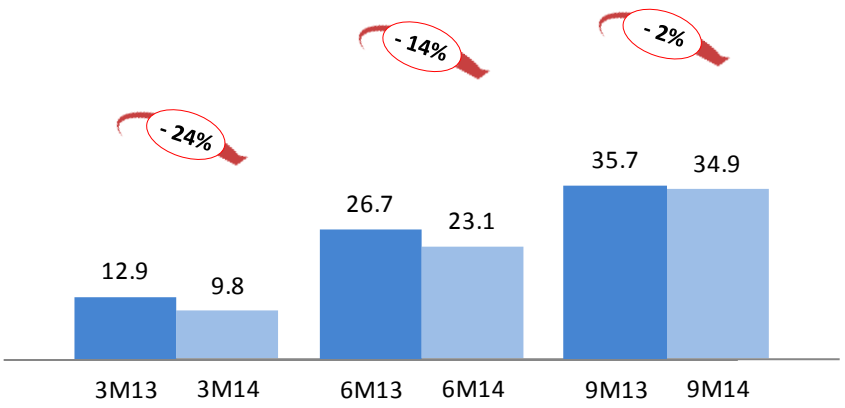


Source: Quantum Axis

MARKET SHARE – NET INFLOW

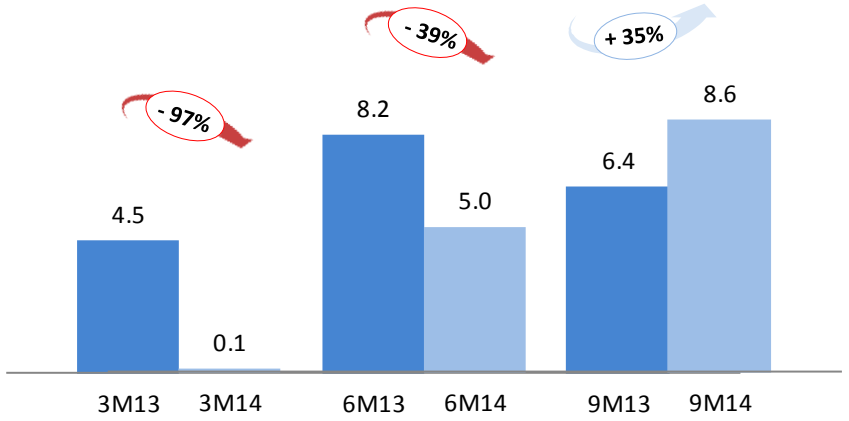


INDUSTRY (ex-BRASILPREV) - TOTAL CONTRIBUTIONS (R$ BI)



Source: SUSEP

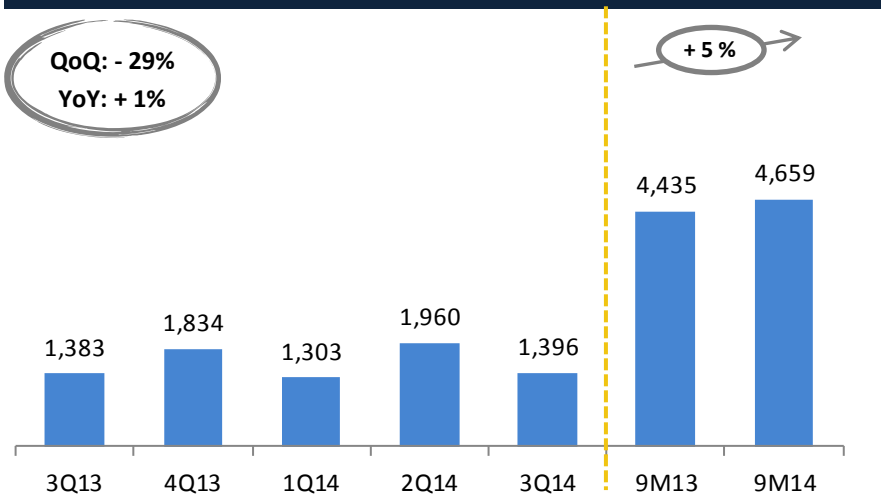
INDUSTRY (ex-BRASILPREV) - NET INFLOW (R$ BI)



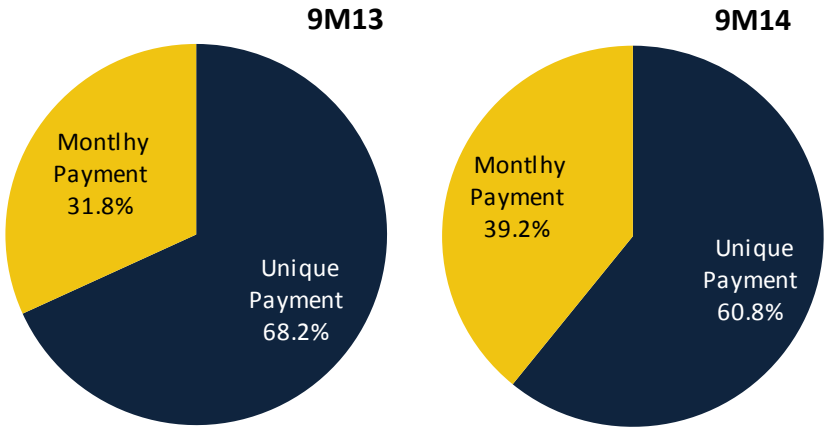
Source: Quantum Axis

Brasilcap

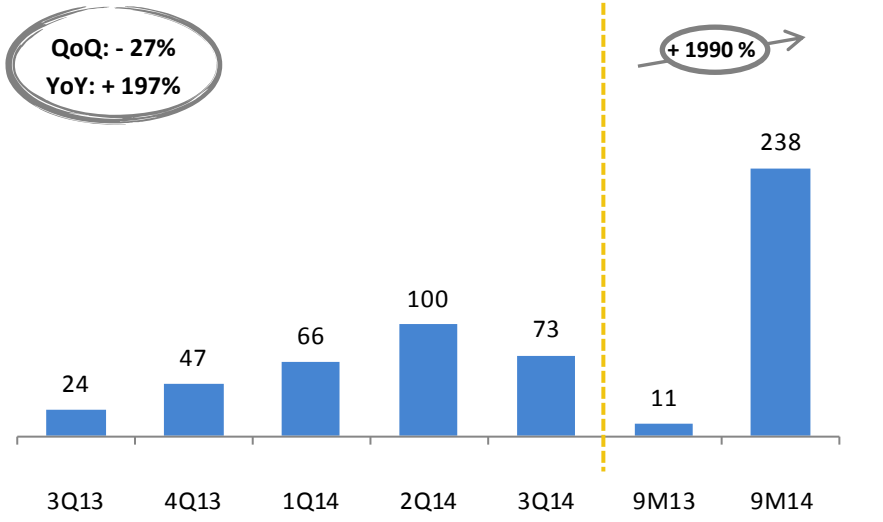
PREMIUM BONDS COLLECTION (R$ MM)



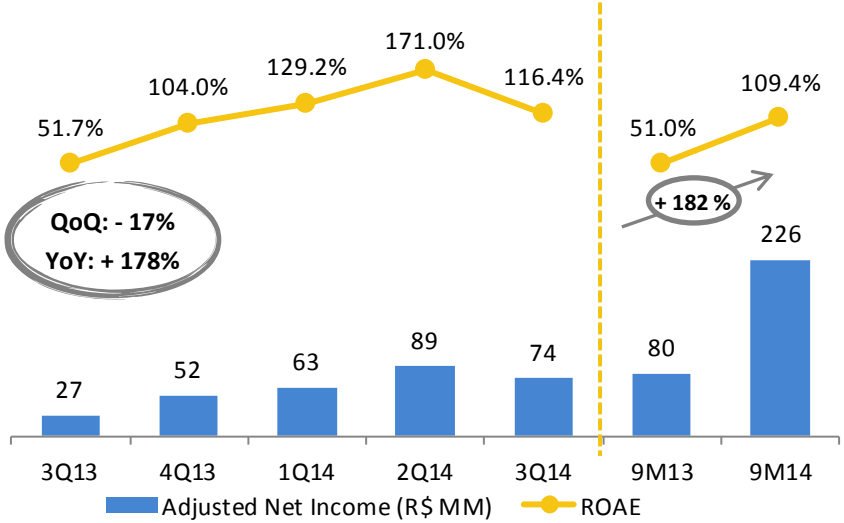
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME (R$ MM)

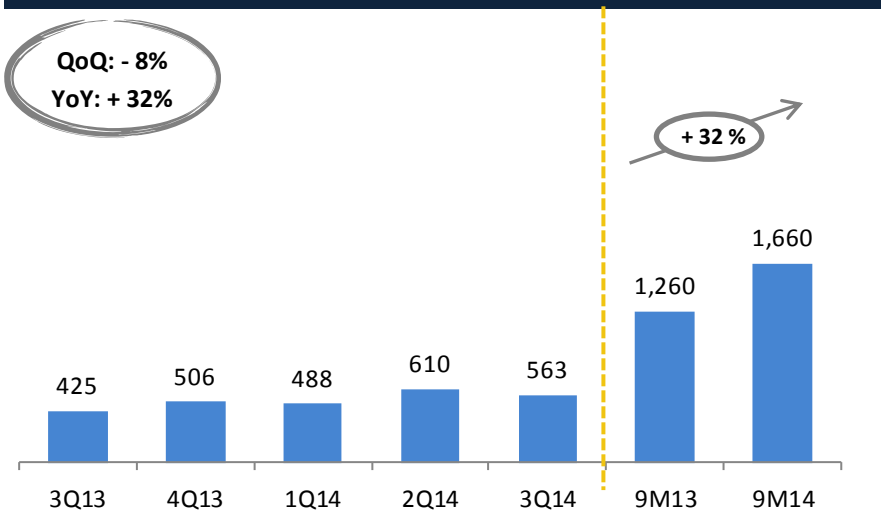


PROFITABILITY

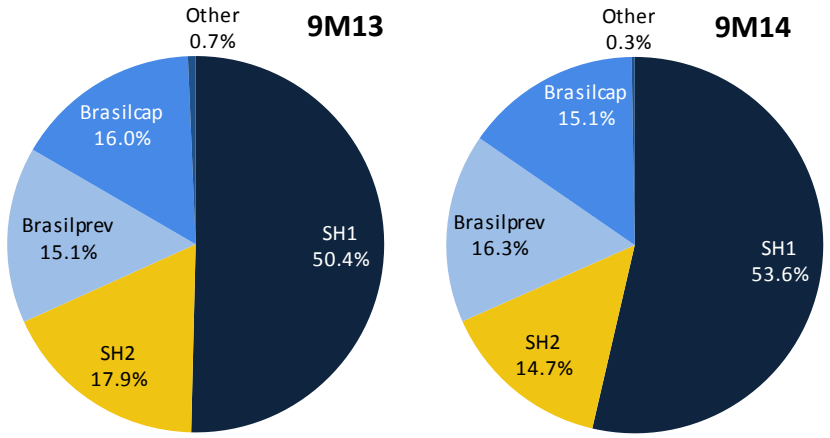


BB Corretora

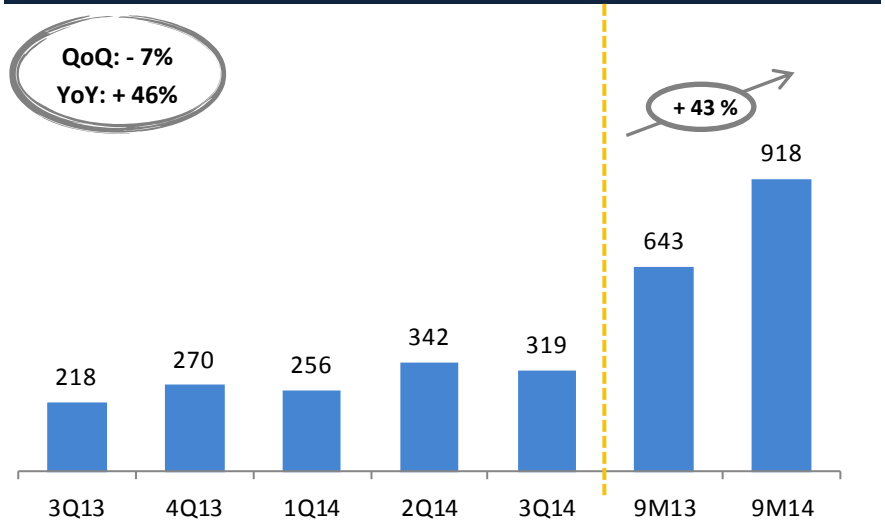
INCOME BROKERAGE (R$ MM)



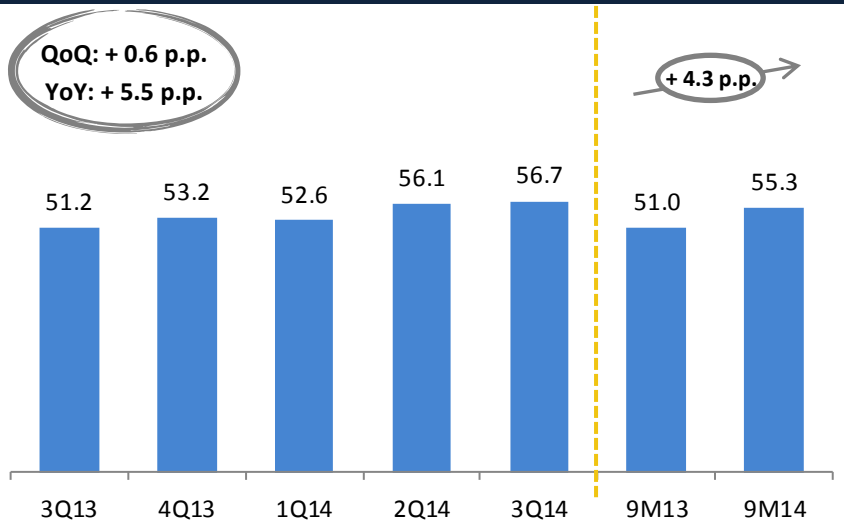
BREAKDOWN OF INCOME BROKERAGE



ADJUSTED NET INCOME (R$ MM)



ADJUSTED NET MARGIN (%)



Guidance 2014

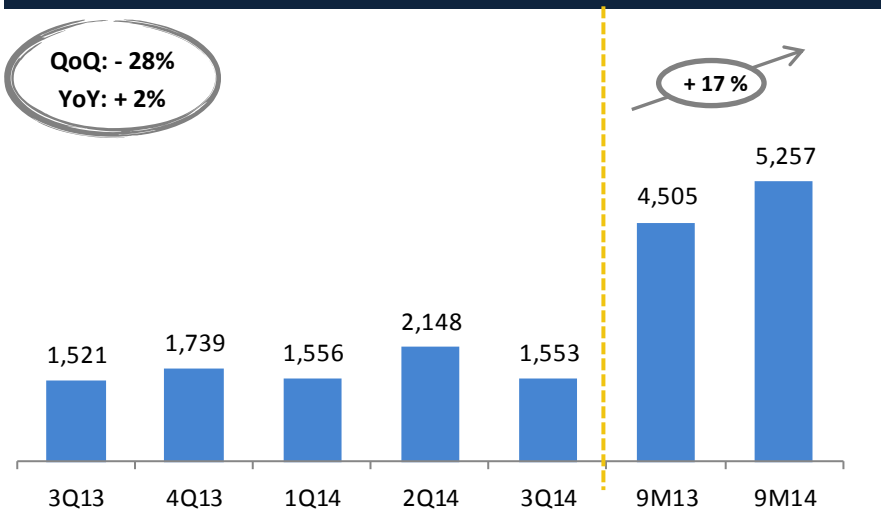
Ratio	Previous Estimates	Revised Estimates	9M14
BB Seguridade - Adjusted ROAE[1]	44% - 49%	Maintained	51.3%
Premiums written growth - BB Mapfre SH1	24% - 32%	Maintained	16.7%
Premiums written growth - Mapfre BB SH2	19% - 26%	12% - 15%	14.8%
Contribution growth - Pension Plans	33% - 47%	Maintained	38.0%
Collection growth - Premium Bonds	10% - 15%	3% - 6%	5.0%

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

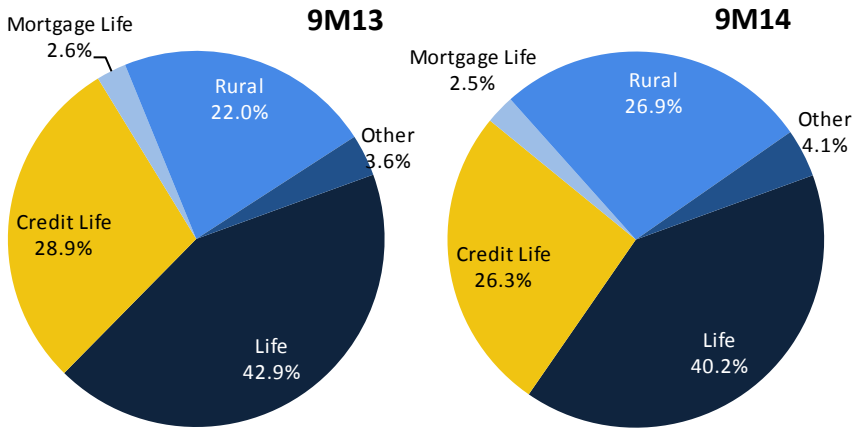
Appendix

SH1

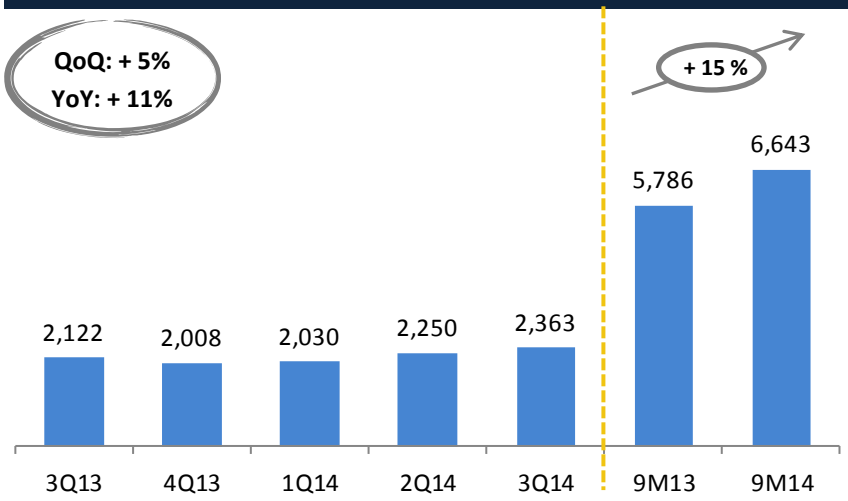
PREMIUMS WRITTEN (R$ MM)



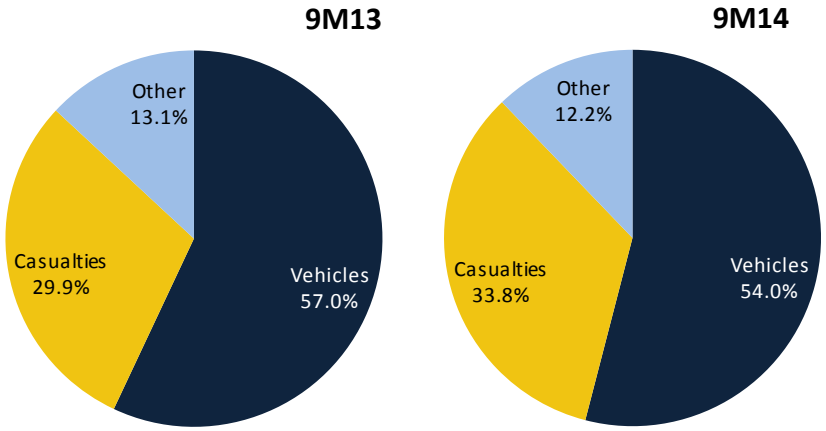
BREAKDOWN OF PREMIUMS WRITTEN



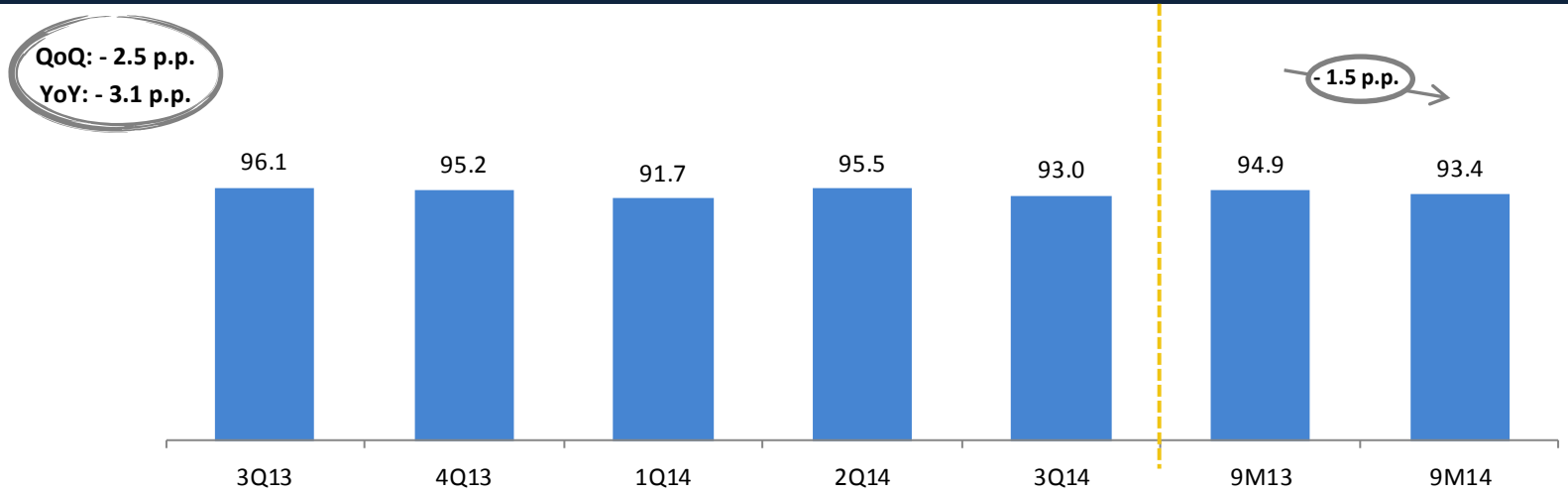
PREMIUMS WRITTEN (R$ MM)



BREAKDOWN OF PREMIUMS WRITTEN



EXPANDED COMBINED RATIO[1] (%)



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

Contacts

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