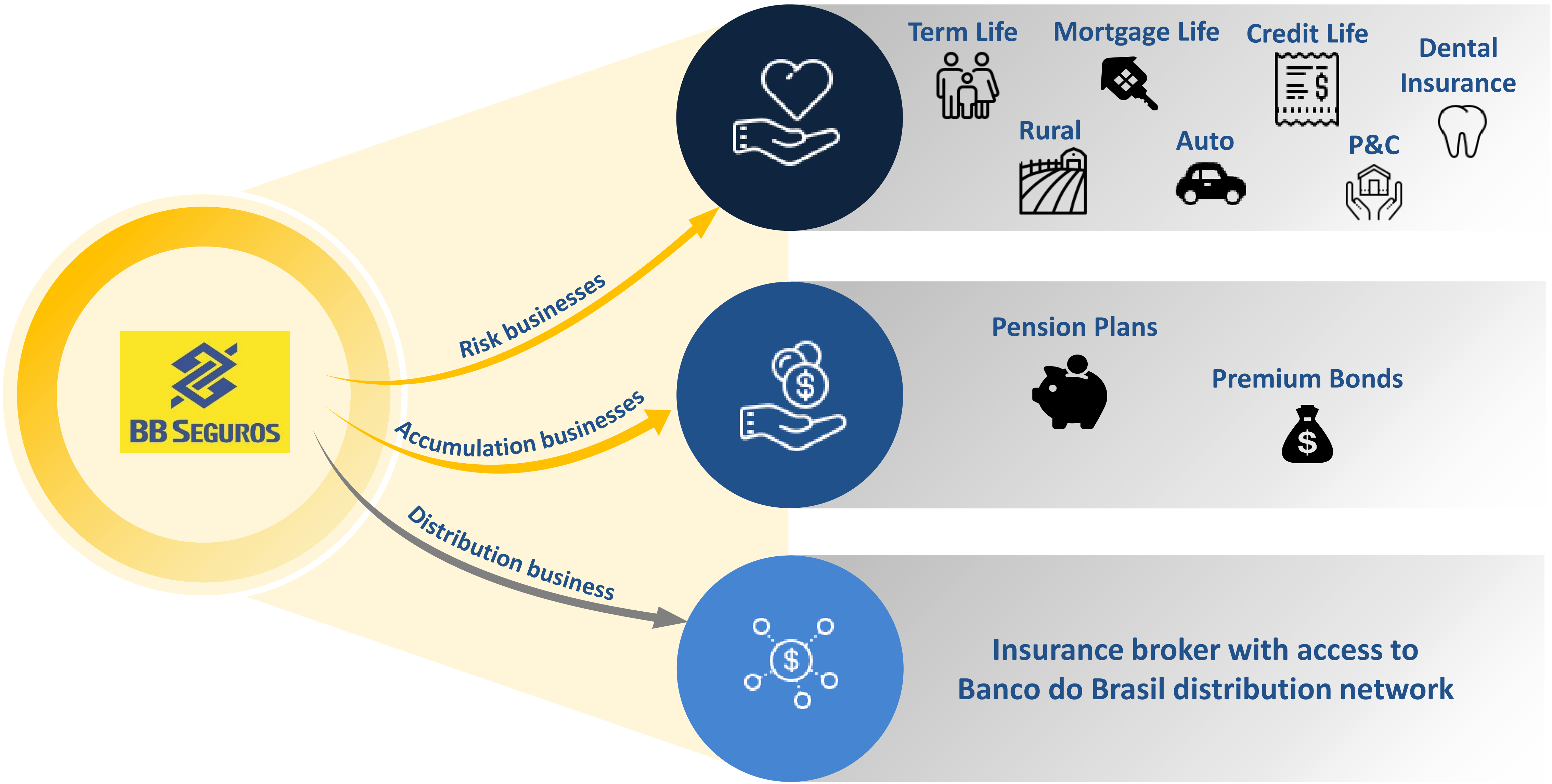
1H18

Institutional Presentation

A holding company that concentrates all insurance-related activities within Banco do Brasil



Ownership structure

- **FREE FLOAT** (33.75%)
  - Individuals: 5.4%
  - Institutional: 11.9%
  - Foreign Investors: 82.7%
- Banco do Brasil (66.25%)

BB Seguridade Participações S.A.

- 100% **BB Seguros** – Insurance Arm
- 100% **BB Corretora** – Bancassurance Distribution Arm

BB Seguros subsidiaries:

	BB MAPFRE SH1 Life, Mortgage Life and Rural	MAPFRE BB SH2 P&C	Brasilprev Pension Plans	Brasilcap Premium Bonds	IRB Brasil - Re Reinsurance	Brasildental Dental Insurance
Standalone contribution to earnings[2]	29.0%	0.4%	23.1%	1.8%	4.5%	0.3%
Combined contribution to earnings (incl. brokerage)[2]	55.9%	4.5%	28.8%	5.7%	4.5%	0.4%
BB Seguridade Economic Stake	74.9%	50.0%	74.9%	66.7%	15.2%	74.9%
BB Seguridade Voting Stake	49.9%	49.0%	49.9%	49.9%	15.2%	49.9%
Board of Directors / Executive Officers Representation	50.0% / 50.0%	50.0% / 50.0%	50.0% / 50.0%	66.7% / 50.0%	20.0% / -	50.0% / 50.0%[1]
Partners	MAPFRE	MAPFRE	Principal	Icatu Seguros	Brazilian Government; Bradesco Seguros S.A.; Itaú Seguros S.A.; Closed Pension Funds; Minorities	OdontoPrev

1 – One of the members is elected by consensus.

2 – Data as of 1H18. Does not consider the individual results from BB Seguridade, BB Seguros and affiliates when negative.

Track record

BB SEGUROS

- **1981** – Establishment of BB's insurance operations
- **1987** – BB Corretora's establishment (BB CORRETORA DE SEGUROS)
- **1993** – Brasilprev's inception (BRASILPREV)
- **1995** – Brasilcap's inception in partnership with SulAmérica, Icatu and Aliança da Bahia (BRASILCAP; Icatu Seguros)
- **1996** – Establishment of Brasilveículos in partnership with SulAmérica (BRASILVEÍCULOS; SulAmérica)
- **1999** – Partnership with Principal Financial Group at Brasilprev (Principal)
- **2008** – Aliança do Brasil Seguros S.A. Acquired with BESC Incorporation by Banco do Brasil
- **2008 - 2011** – Restructuring of BB's insurance, pension plans and premium bonds business
- **2010** – Establishment of the Joint Venture with MAPFRE (MAPFRE)
- **2012** – Establishment of BB Seguridade
- **2013** – **IPO – BB SEGURIDADE**; Equity investment in IRB Brasil RE; Partnership with OdontoPrev (BRASILDENTAL)
- **2014** – Establishment of ADR – Level I
- **2017** – Dealing with Principal Financial Group to establish a digital insurance broker (CiCliC)

Backed by Banco do Brasil with expertise of private partnerships

BB SEGUROS

Market Cap[1]
US$12.7 bn

- Solidity, tradition, security and reliability
- Safe harbor, especially for long term products
- Flight to quality and less susceptible to market conditions
- Brand awareness

- Fast decision making
- Arm's length format
- Flexibility
- Improves corporate governance
- Minimum voting stake of 50.1%

Backed by Banco do Brasil | **Expertise from Private Partners**

Banco do Brasil — Market Cap[1] US$21.3 bn

	Market Cap[1]
Principal	US$15.1 bn
MAPFRE	US$9.3 bn
OdontoPrev	US$1.8 bn

1 – Closing price in June 2018, based on Companies Financial Statement and the currency exchange rate at that time.

Very complete and profitable portfolio...

BB SEGUROS

Life
Credit Life
Mortgage Life
Crop
Credit Life for Farmers
Rural Lien

GRUPO SEGURADOR BANCO DO BRASIL MAPFRE SEGUROS

Insurance SH1

Auto
P&C

GRUPO SEGURADOR BANCO DO BRASIL MAPFRE SEGUROS

Insurance SH2

BRASILPREV

Pension Plan

BRASILCAP

Premium Bonds

BRASILDENTAL

Dental Insurance

IRB Brasil RE

Reinsurance

... with a strong distribution network...

BB Corretora de Seguros

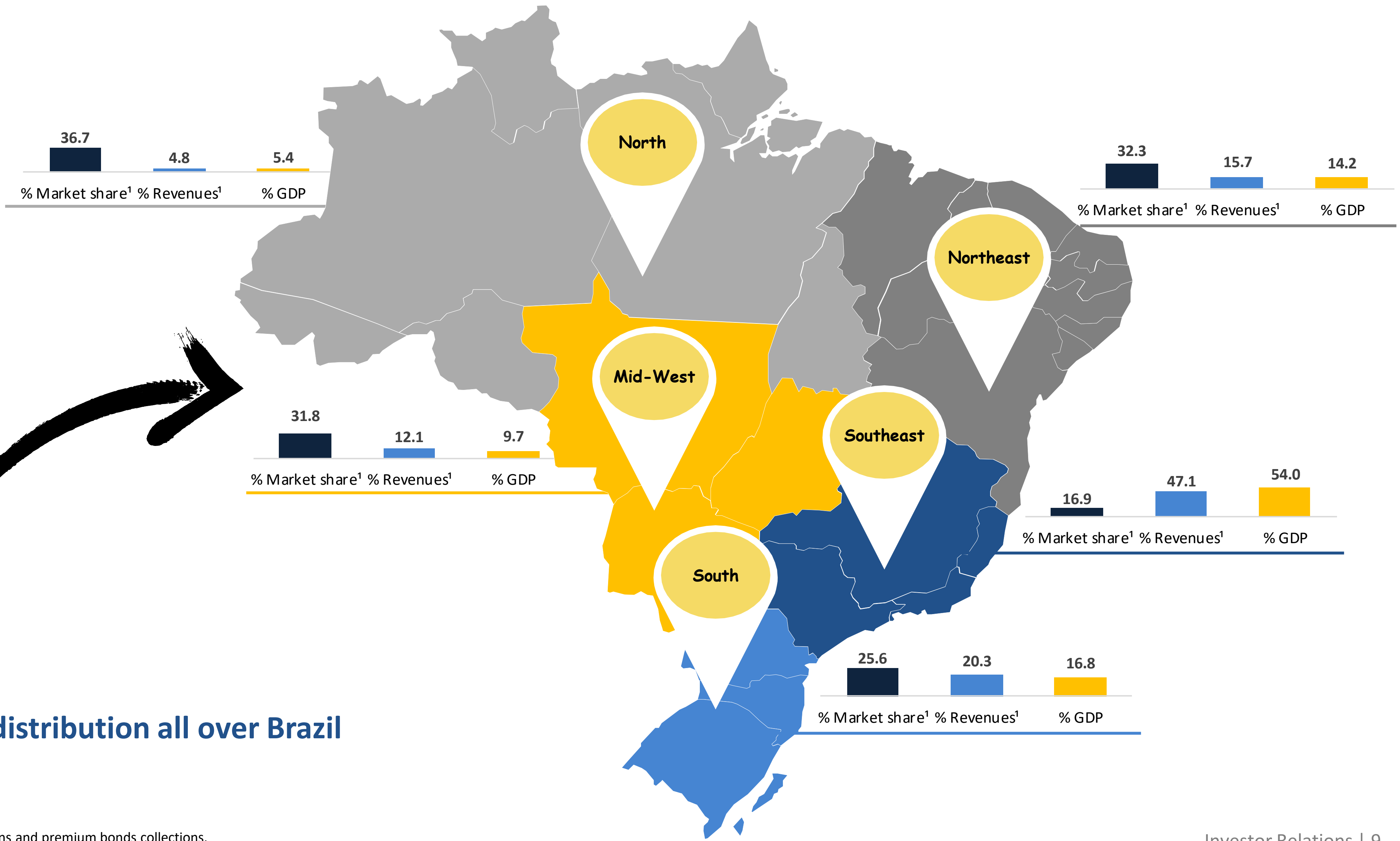
- Low complexity business model
- No underwriting risk
- Low capital needs
- Access to the largest distribution network in Latin America

Banco do Brasil[1]

- 4,759 branches
- 61,077 ATMs
- 13,010 banking correspondents
- 37,688 shared points of service

1 – Data as of June 2018.

... with national reach

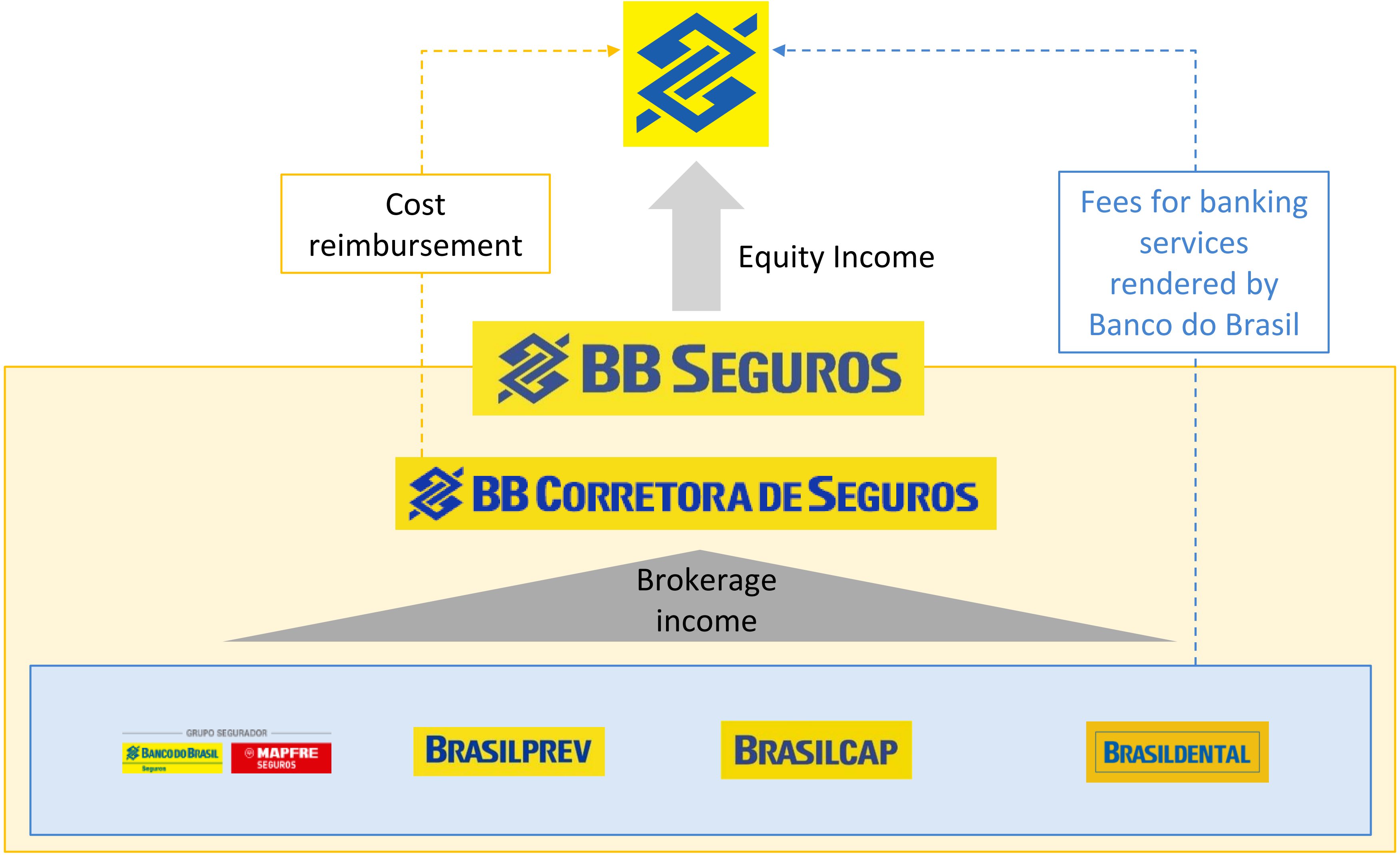


Widespread distribution all over Brazil

Source: Susep (1H18) and IBGE (2015).

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

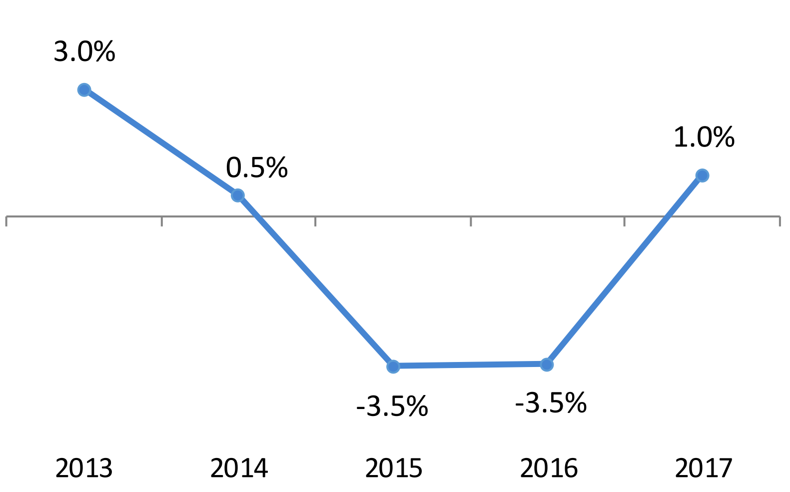
Business model



Any proposal for changes in the agreements must be examined by the Related-Party Committee where the independent member appointed by the minorities has a veto power

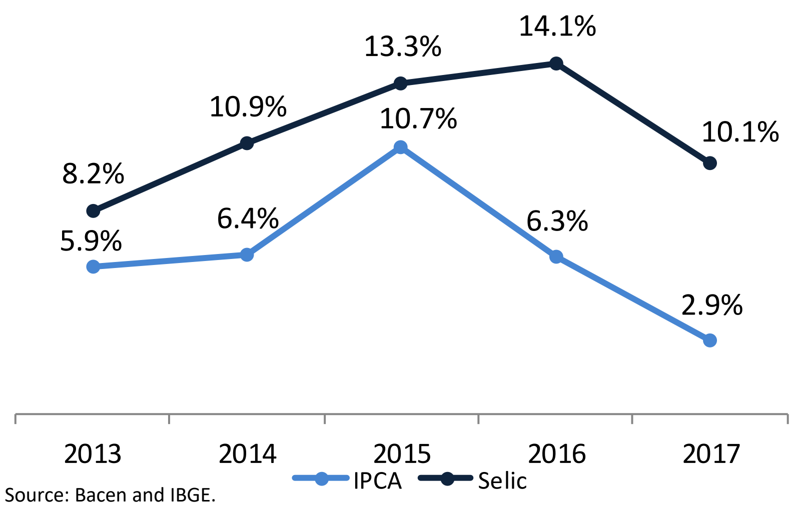
Defensive and resilient business model

GDP GROWTH



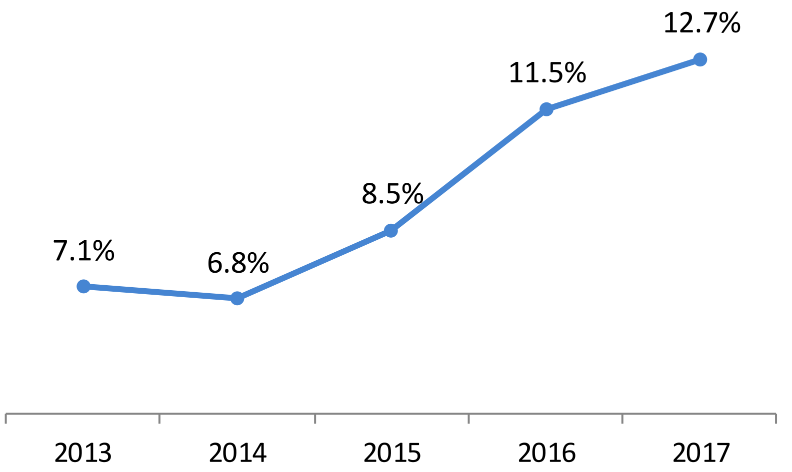
Source: Bacen.

SELIC & IPCA



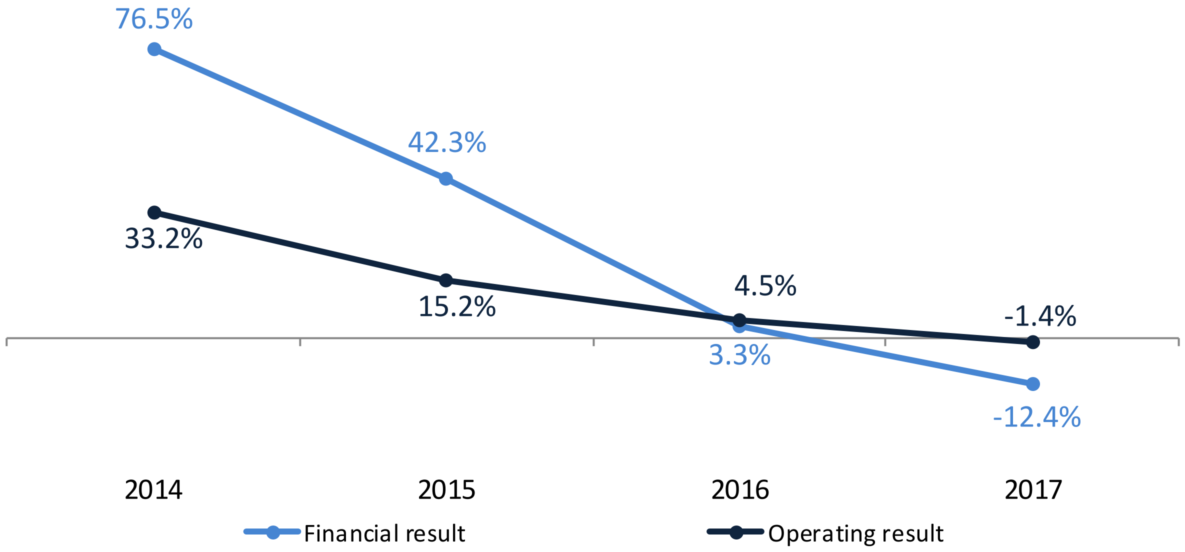
Source: Bacen and IBGE.

UNEMPLOYMENT RATE[1]

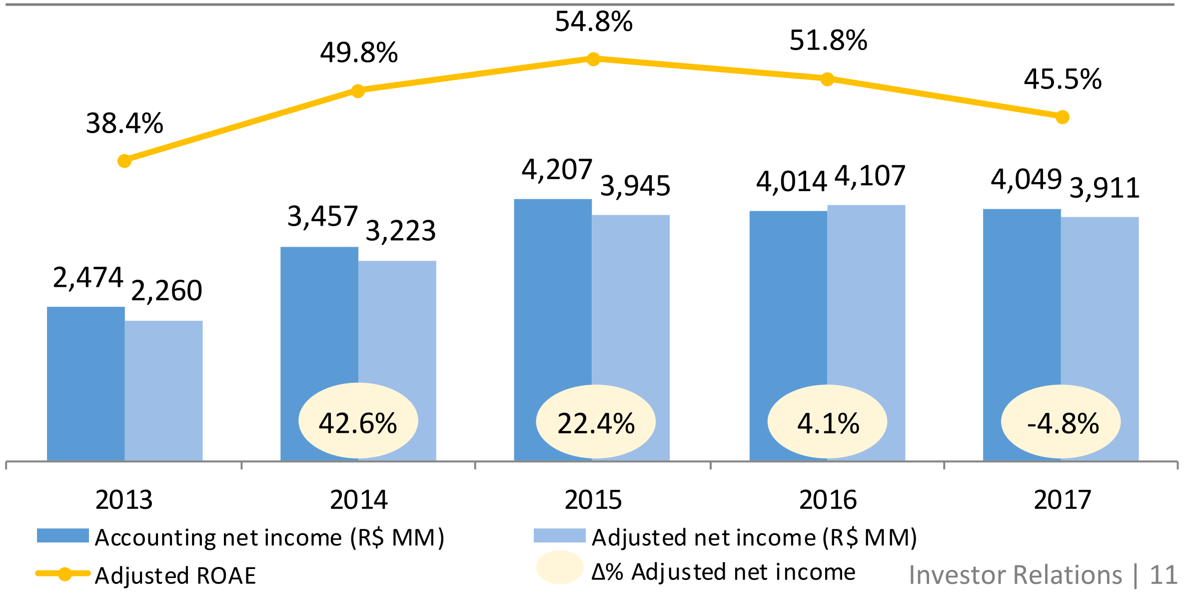


Source: IBGE/PNAD. 1 – Yearly average.

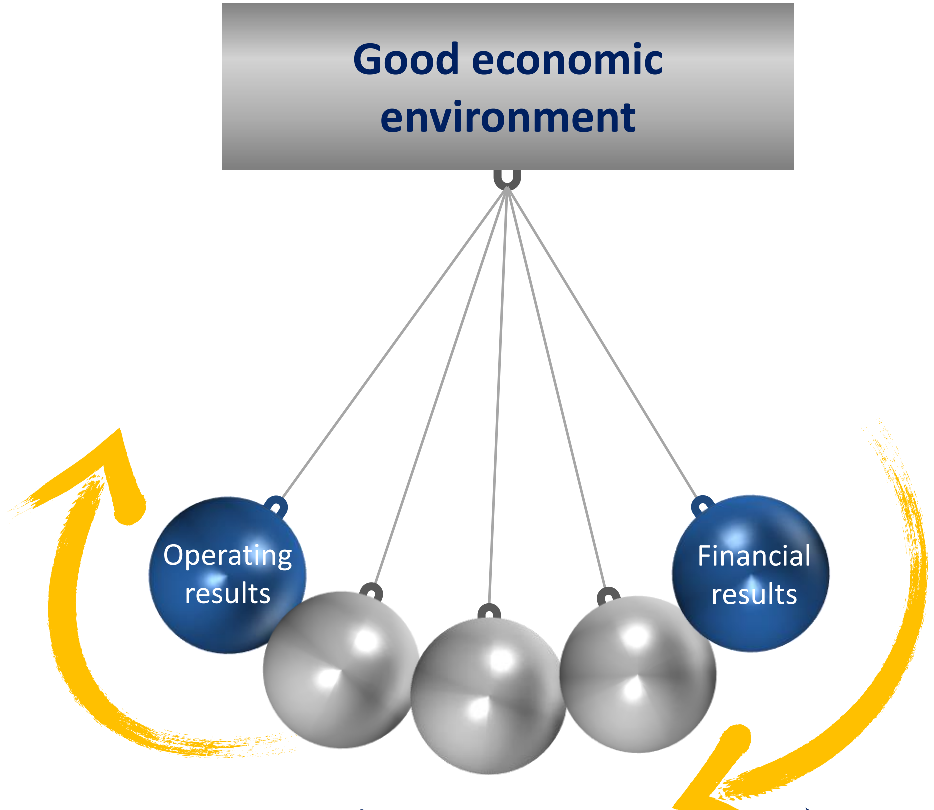
Δ% RECURRING NET INCOME AND COMPONENTS



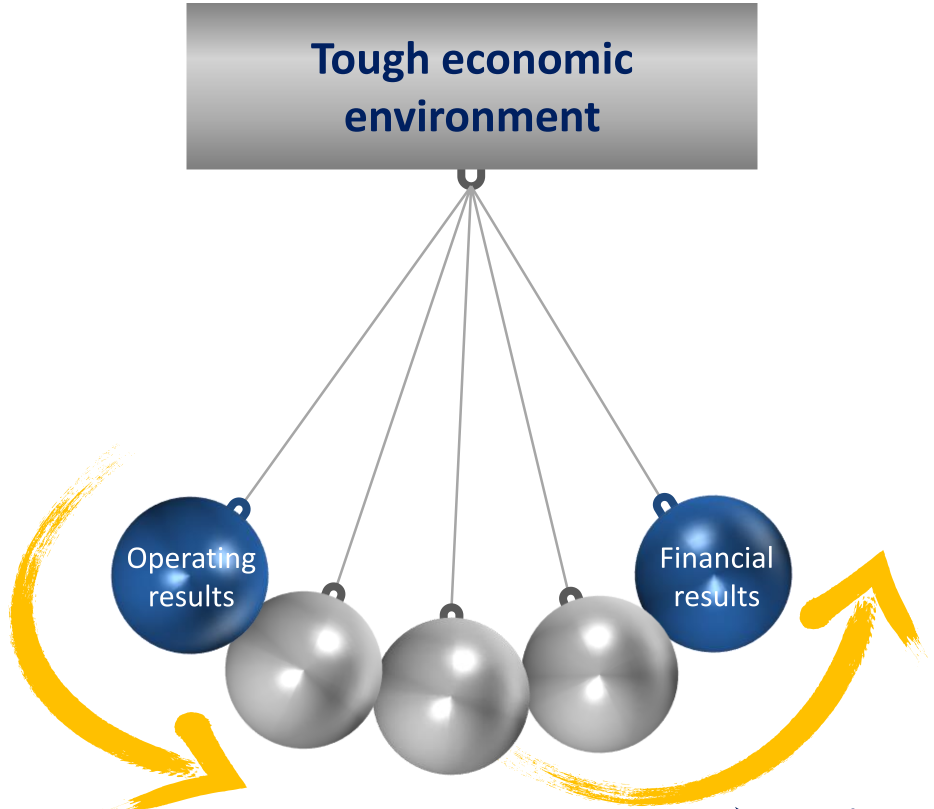
NET INCOME vs. ROAE



Balance between operating and financial results



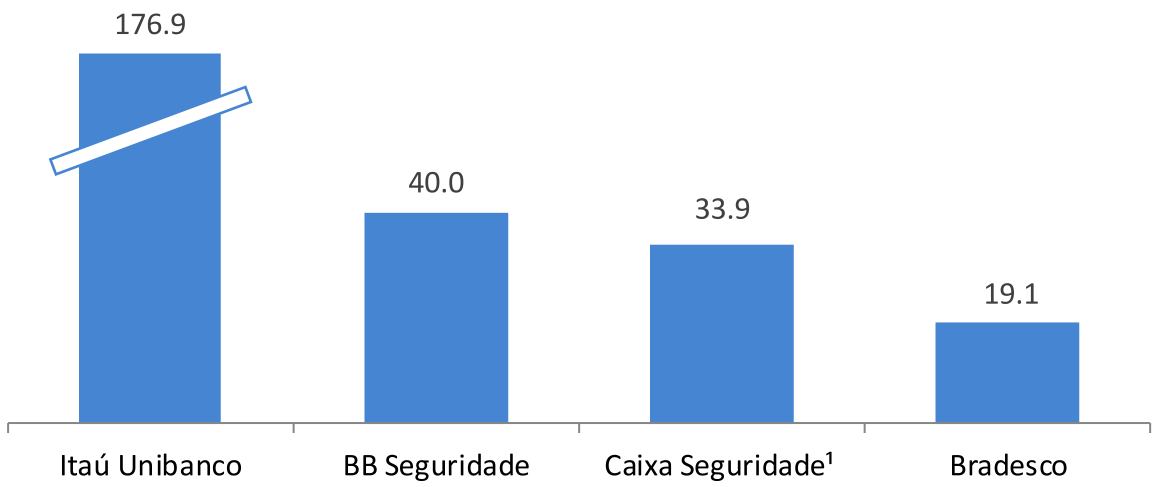
- Decreasing unemployment
- Higher disposable income
- Low interest rates
- Low inflation



- Increasing unemployment
- Lower disposable income
- High interest rates
- High inflation

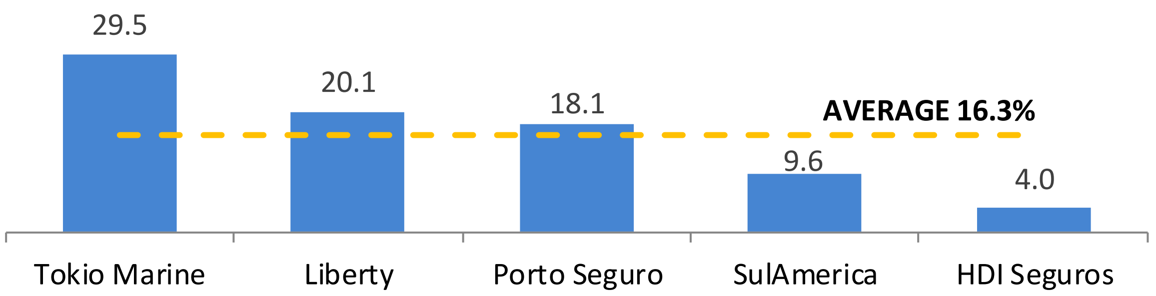
Bancassurance channel

ROAE 1H18 – INSURANCE GROUPS ASSOCIATED WITH BANKS (%)



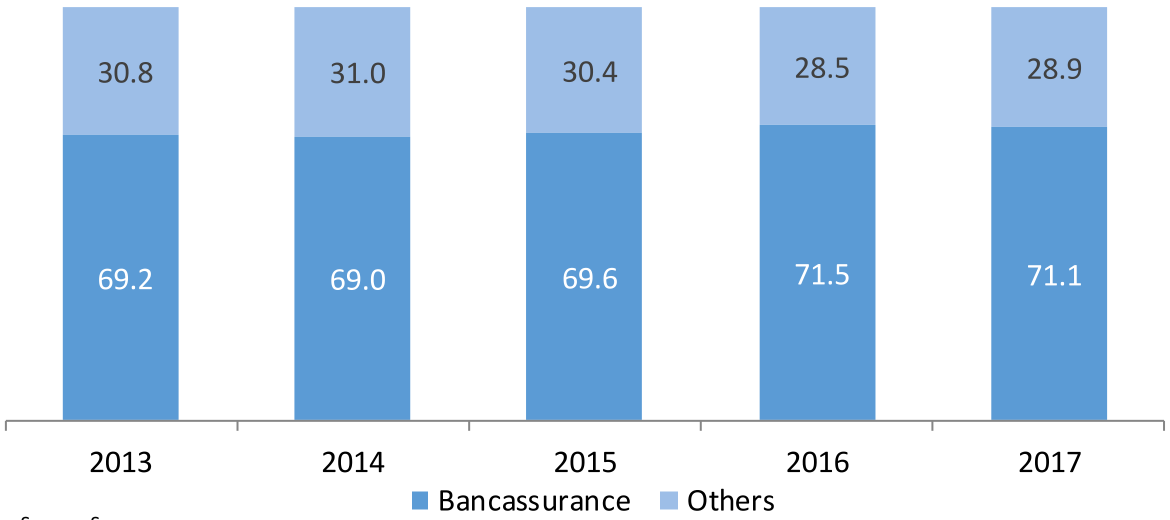
Source: Companies; 1 – Data as of 1Q18.

ROAE 1H18 – TRADITIONAL INSURANCE COMPANIES (%)



Source: Companies and Susep.

BANCASSURANCE VS OTHER TYPES OF INSURANCE DISTRIBUTION (%)

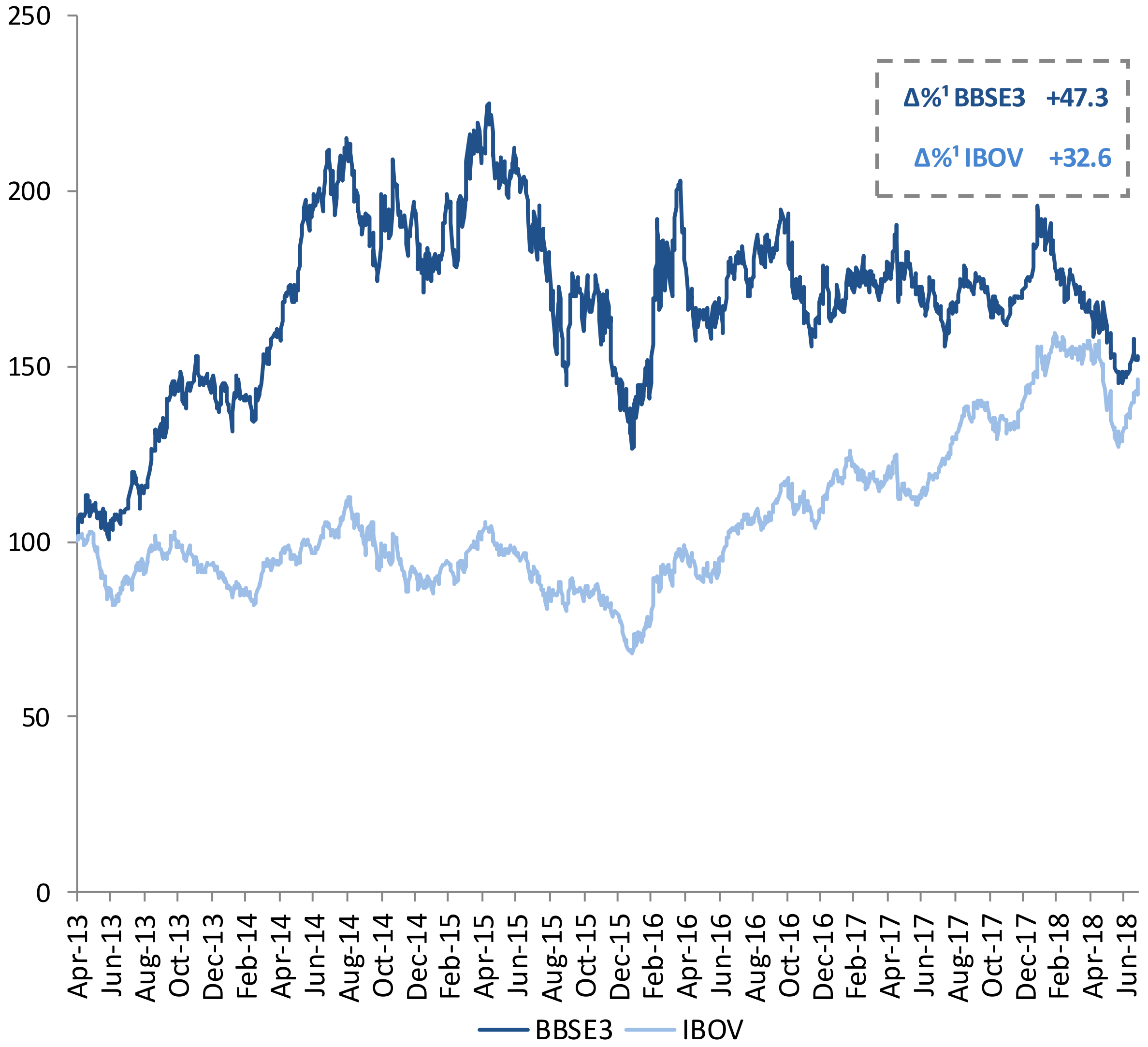


Source: Susep.

The profitability of insurance companies associated with banks is higher and their market share has been increasing.

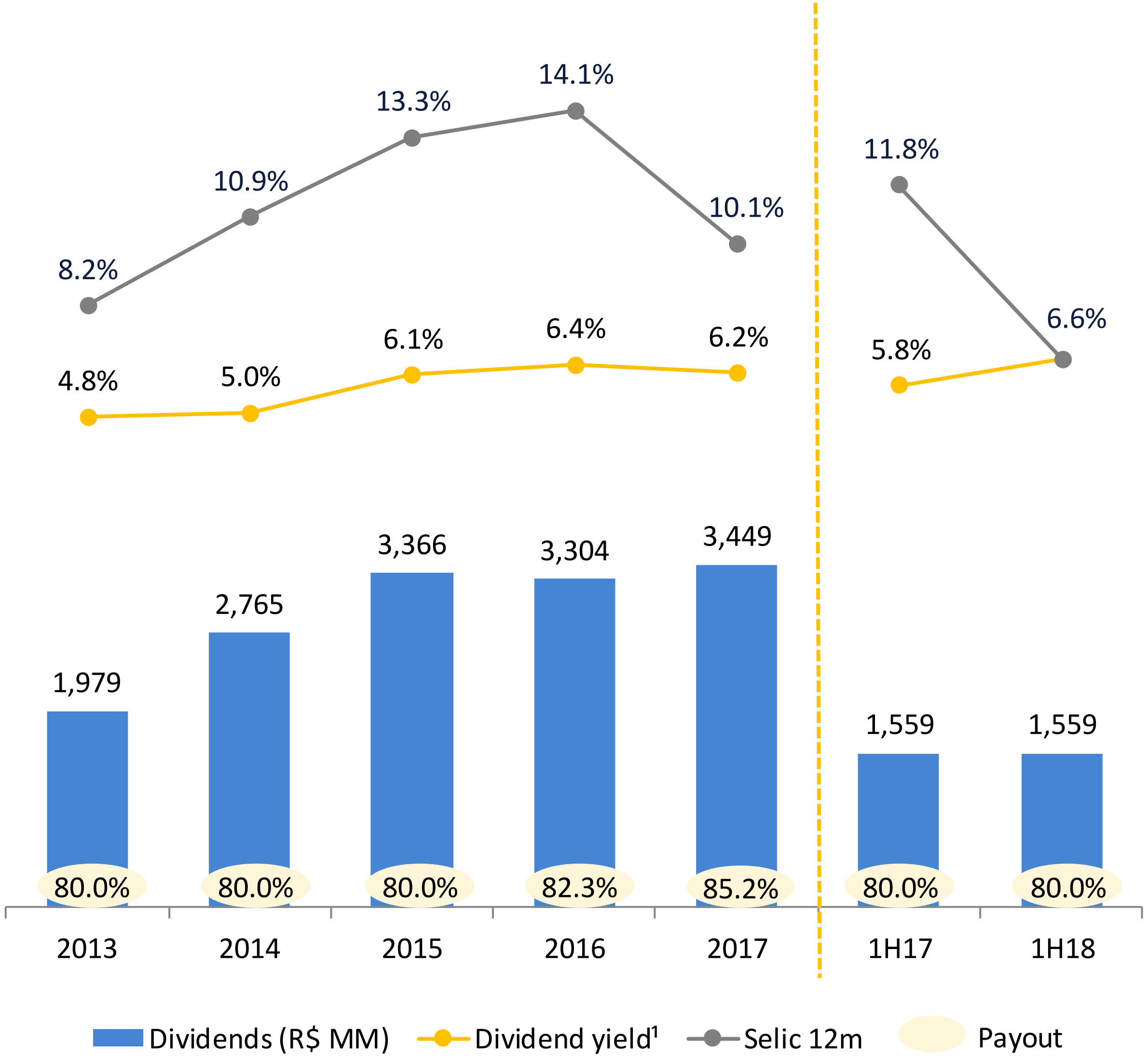
Stock performance & market indicators

BBSE3 vs IBOV – BASE PRICES = 100[1]



Source: ValorPro. 1 – Closing price from April 29, 2013 to June 29, 2018.

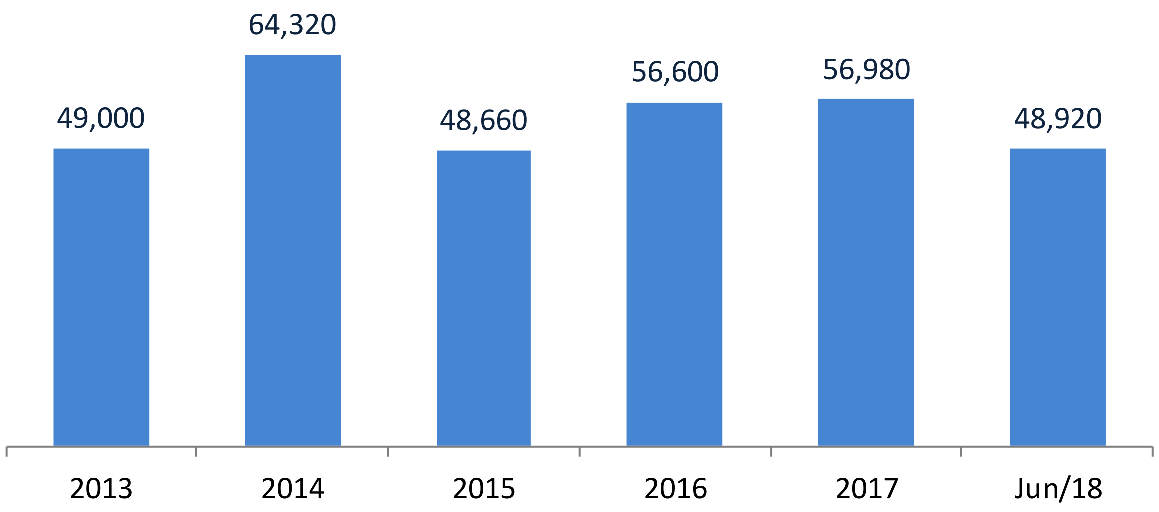
DIVIDENDS



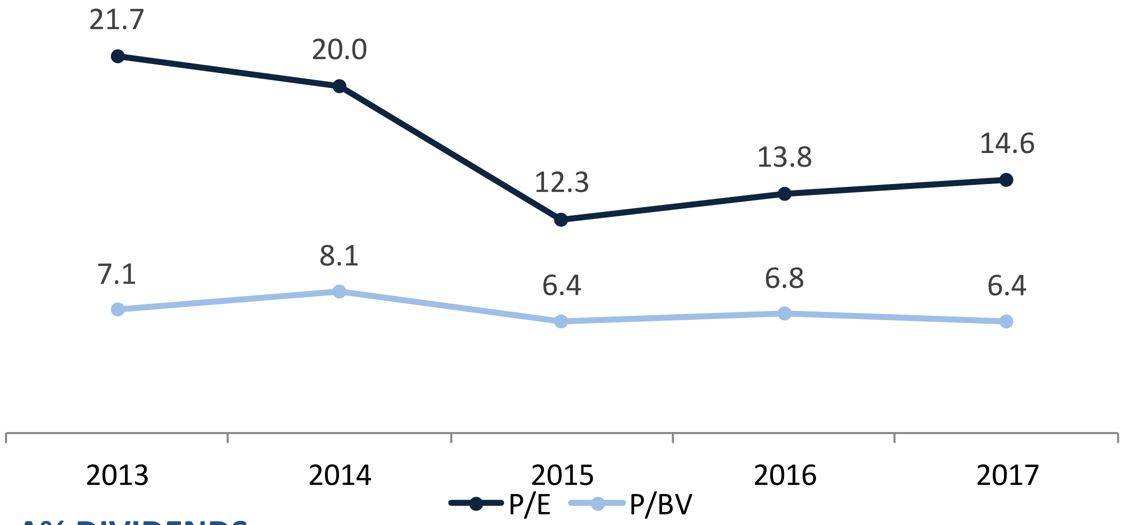
Source: ValorPro. 1 – LTM.

Stock performance & market indicators

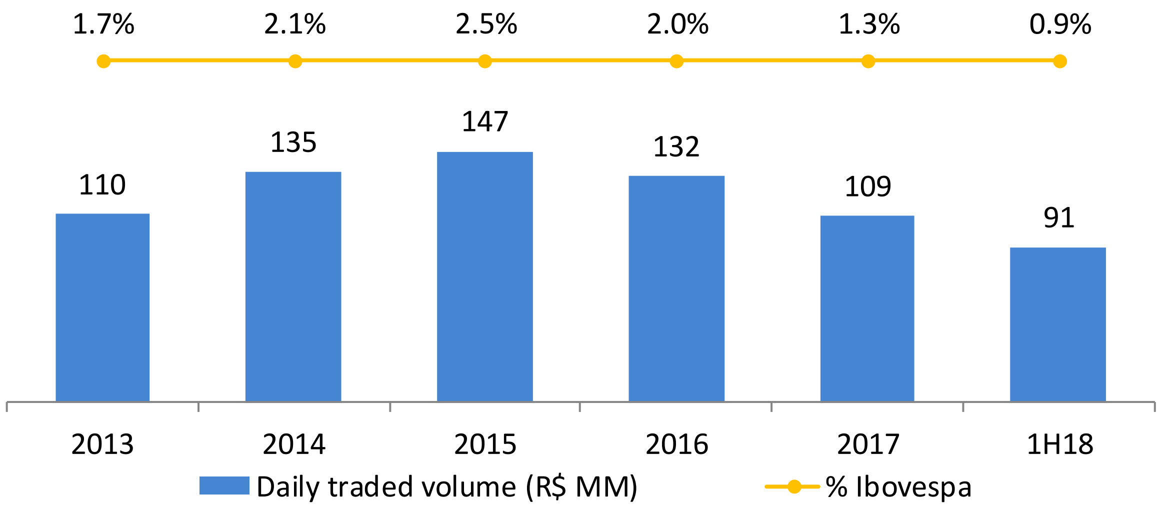
MARKET CAP (R$ MM)



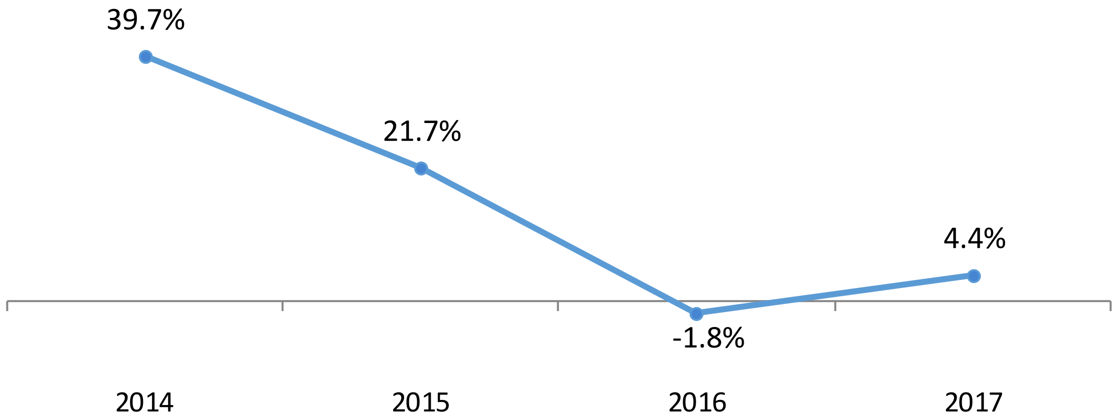
MULTIPLES (X)



AVERAGE DAILY TRADED VOLUME



Δ% DIVIDENDS



Source: ValorPro and Bacen.

ADR program

In 2014, BB Seguridade established a sponsored Level I American Depositary Receipt (ADR) program

- Depositary Bank: Deutsche Bank Trust Company Americas
- Custodian Bank: Banco do Brasil S.A.
- Ticker: BBSEY
- Structure: Level I ADR
- Exchange: Over-the counter (OTC) market
- Ratio: (ADR:ORD): 1 ADR: 1 ORD
- DR ISIN: US05541J1034
  CUSIP: 05541J103

Corporate governance

Board of Directors

Six members:

- Two members appointed by Banco do Brasil from its Board of Executive Officers;
- Two members appointed by the government, one appointed by the Ministry of Planning, Budget and Management and the other one appointed by the Ministry of Treasury;
- The CEO of BB Seguridade;
- One member appointed by the minority shareholders.

Board of Executive Officers

Four members:

- Elected among the active employees of Banco do Brasil;
- Remuneration policy: fixed monthly wage plus variable portion between six and twelve monthly wages. The variable portion is paid as 50% in stocks with vesting period of 4 years.

Related-party Committee

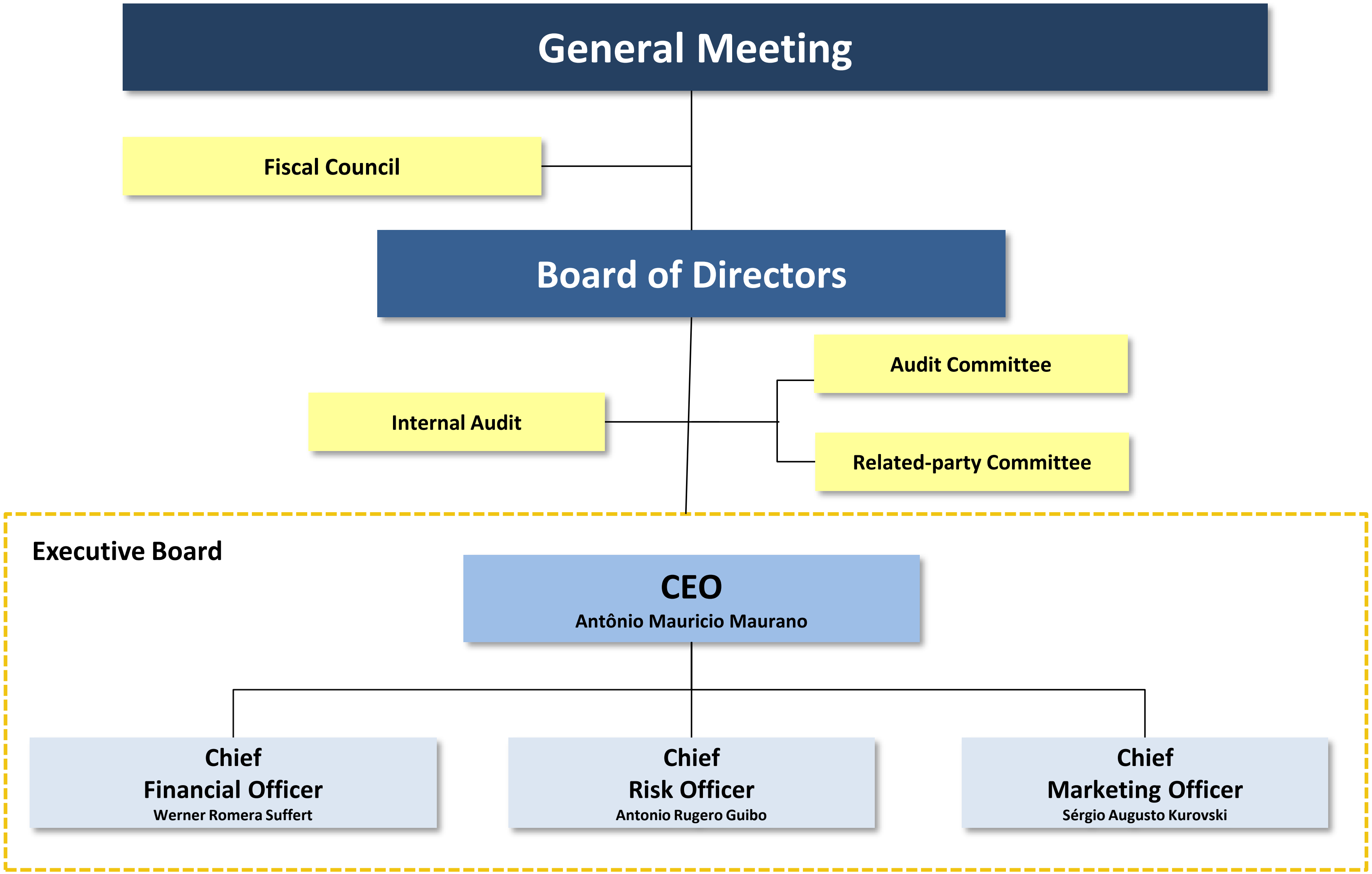
Three members:

- One is the independent member appointed by the minority shareholders;
- The independent member has veto power.

Stocks

- Only common shares;
- 100% tag along;
- Payout has been 80% or higher (semi annual dividends).

Internal structure



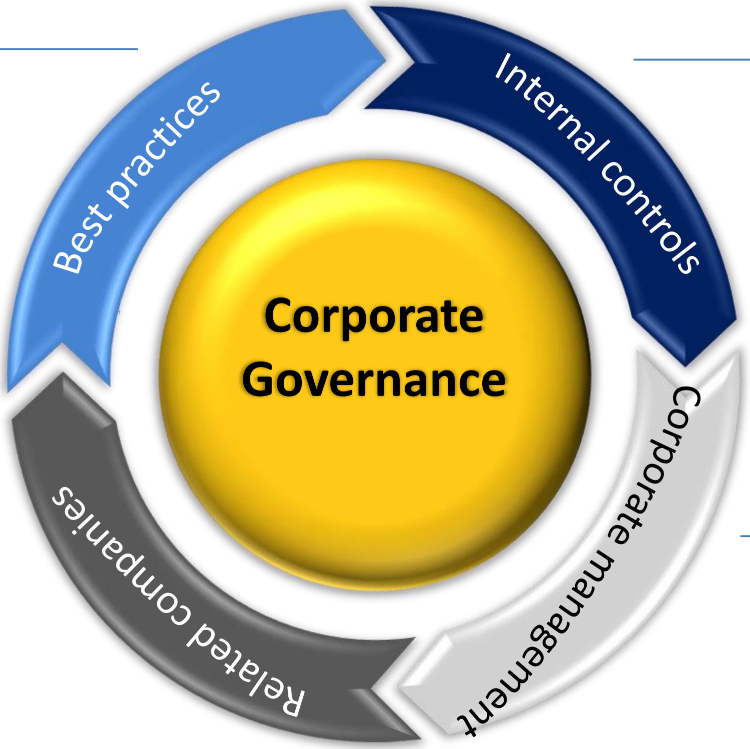
Corporate governance

Best practices of corporate governance

- ✓ In strategic planning
- ✓ In strategic projects and M&A processes
- ✓ To prepare/improve documents
- ✓ To improve risk management frameworks

Related companies

- ✓ Representation
- ✓ Interaction
- ✓ Follow-up
- ✓ Monitoring



Integrity Program

Development of a environment of the integrity program management

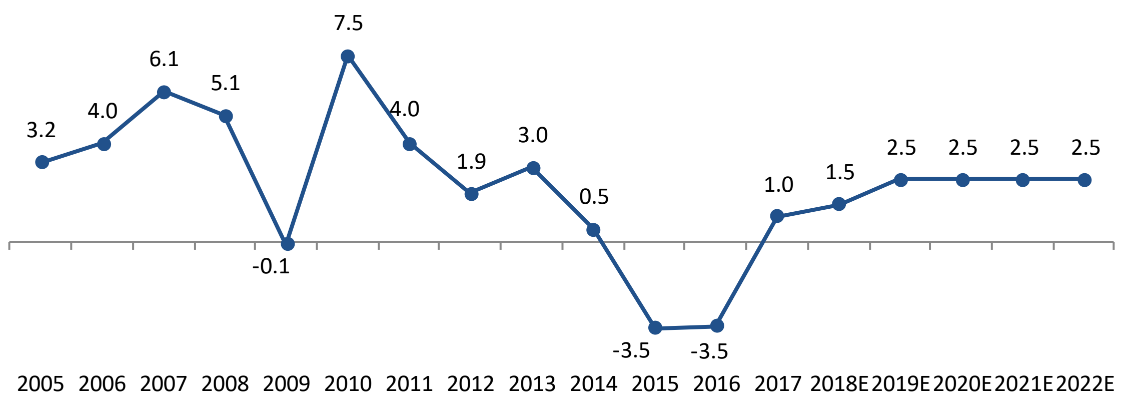
State-owned enterprise governance program

- ✓ Transparency
- ✓ Internal controls
- ✓ Management composition
- ✓ Controllers commitment

Macro stability might support the development of the Brazilian insurance industry

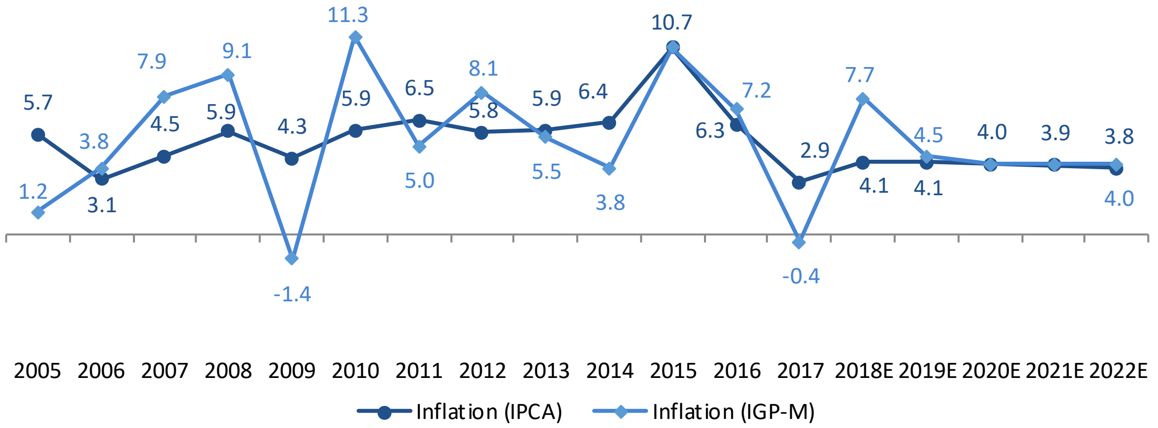
BB SEGUROS

GDP GROWTH (%)



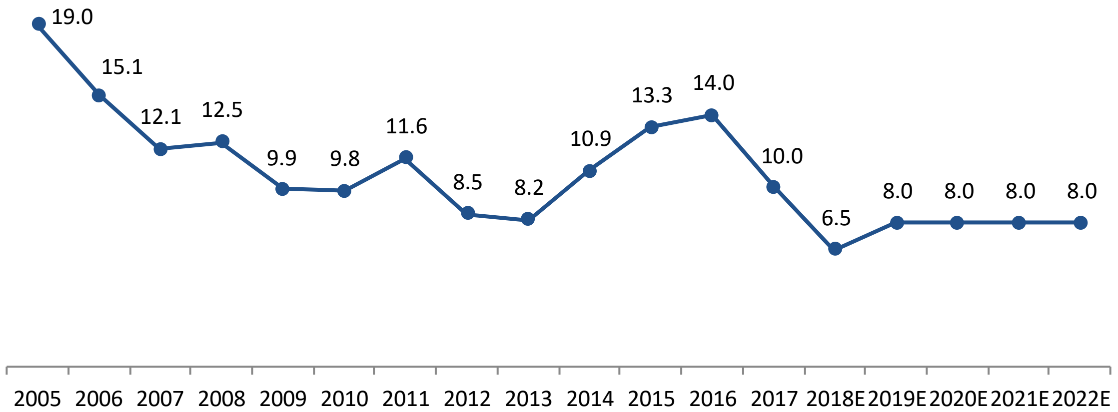
Source: Bacen (August 03, 2018).

INFLATION FORECAST (%)



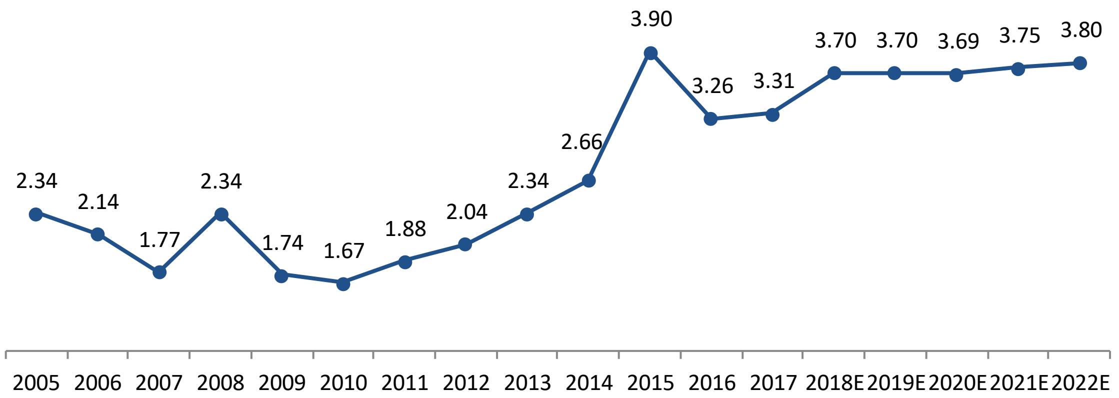
Source: IBGE, FGV and Bacen (August 03, 2018).

INTEREST RATE FORECAST | YEAR-END (%)



Source: Bacen (August 03, 2018).

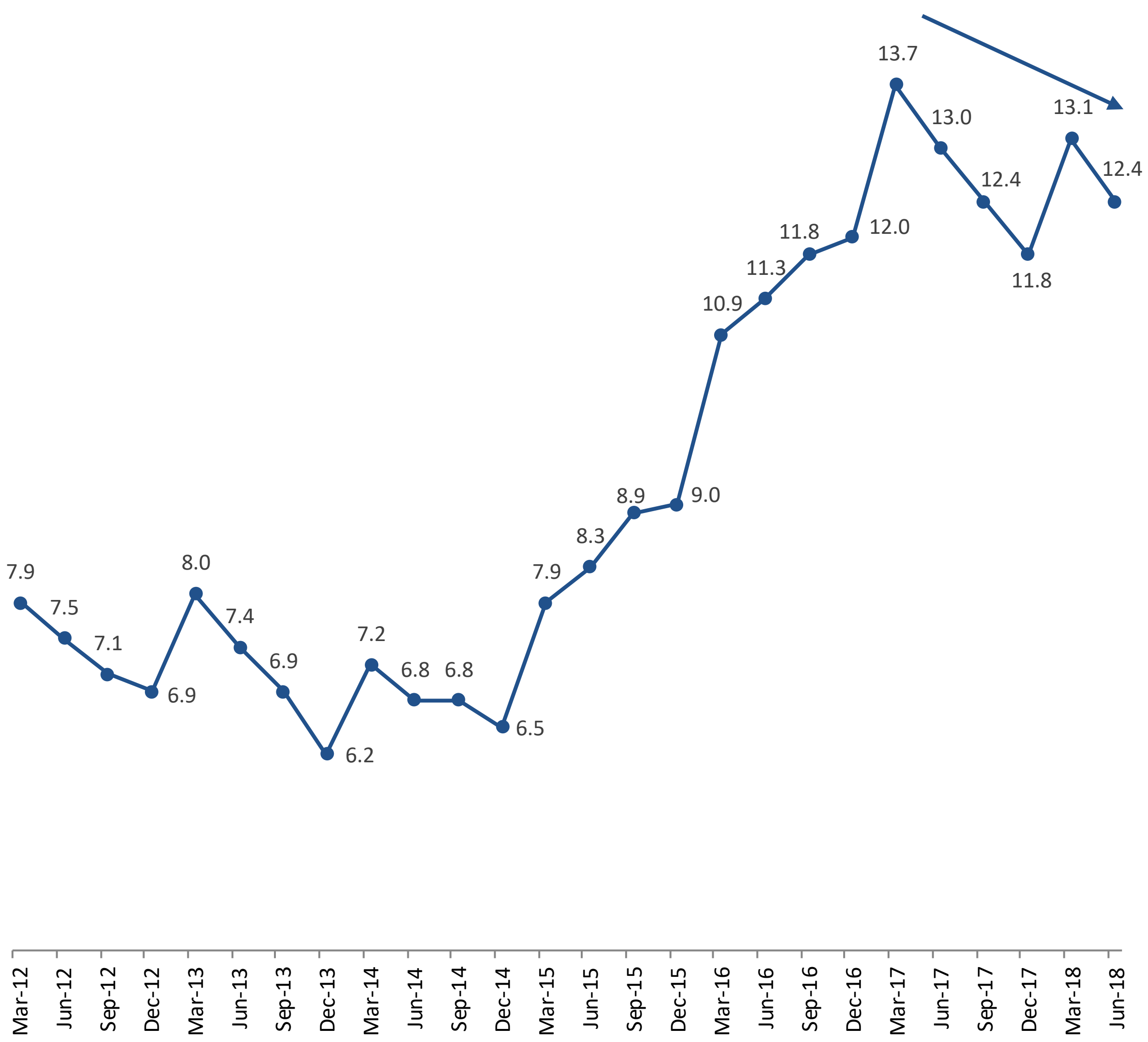
CURRENCY EXCHANGE RATE | USD/BRL (%)



Source: Bacen (August 03, 2018).

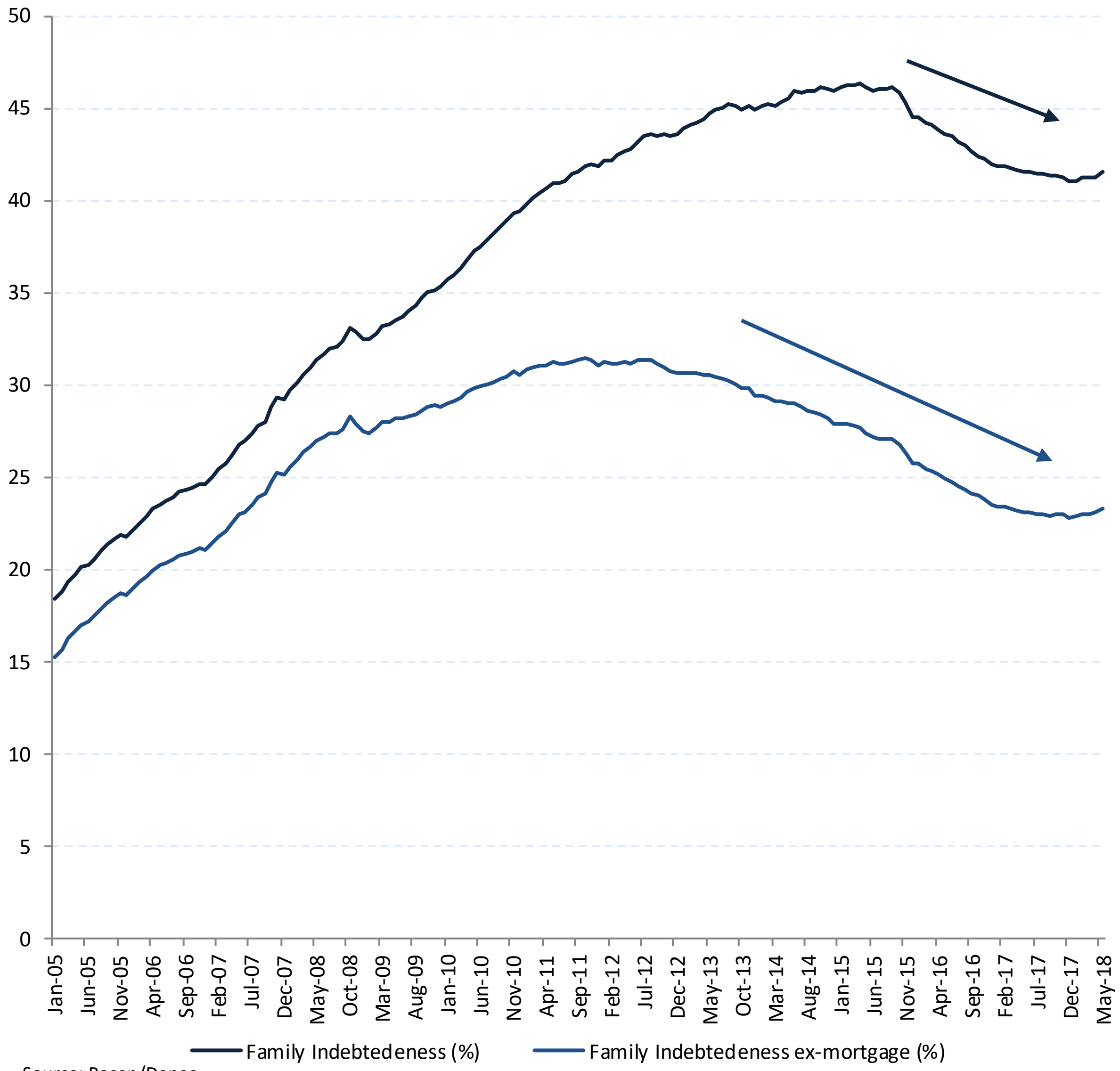
Consumption scenario

UNEMPLOYMENT RATE[1]



Source: IBGE/PNAD.
1 – Quarterly data: 3-month average.

INDEBTEDENESS (LTM WAGES)



Source: Bacen/Depec.

Company Overview

Corporate Governance

Macroeconomic Environment

Insurance Industry

Performance

Capital Requirements

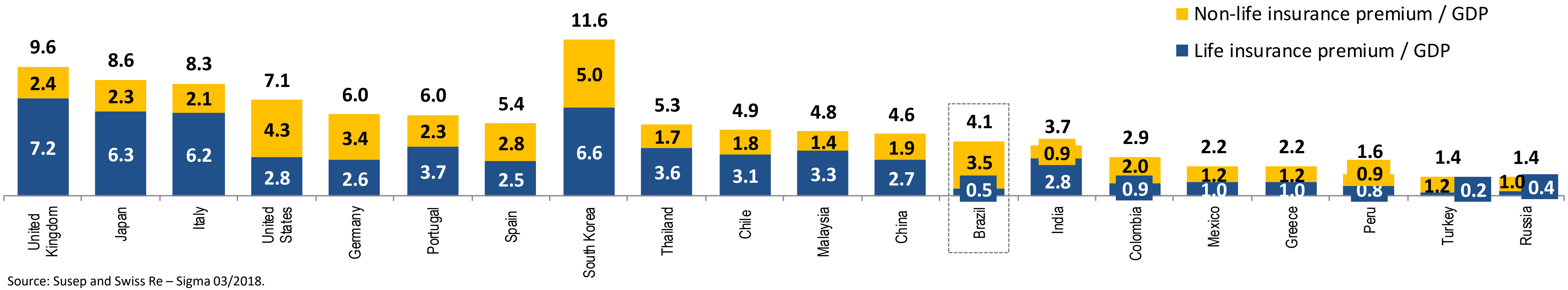
Guidance

Appendix

Brazilian insurance industry

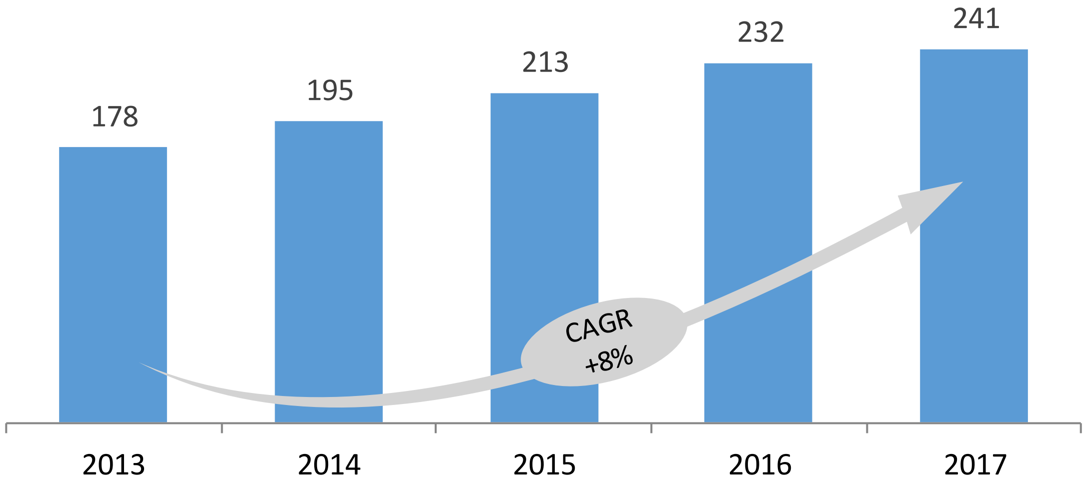
INSURANCE PREMIUMS/GDP (%)

Advanced Markets[1] | Emerging Markets[1]



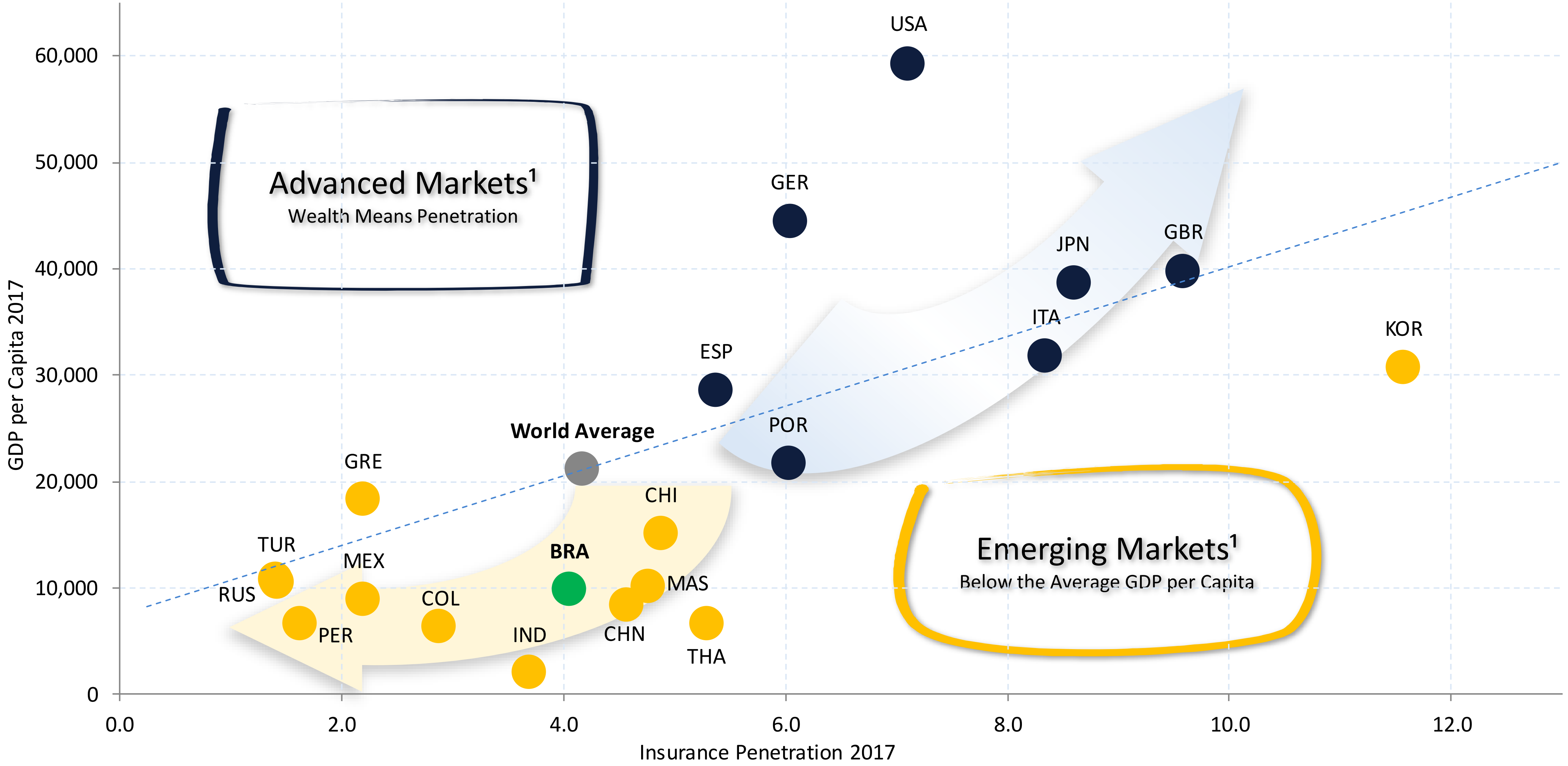
Source: Susep and Swiss Re – Sigma 03/2018.
1 – MSCI Market Classification.

INSURANCE INDUSTRY EVOLUTION IN BRAZIL (R$ BN)



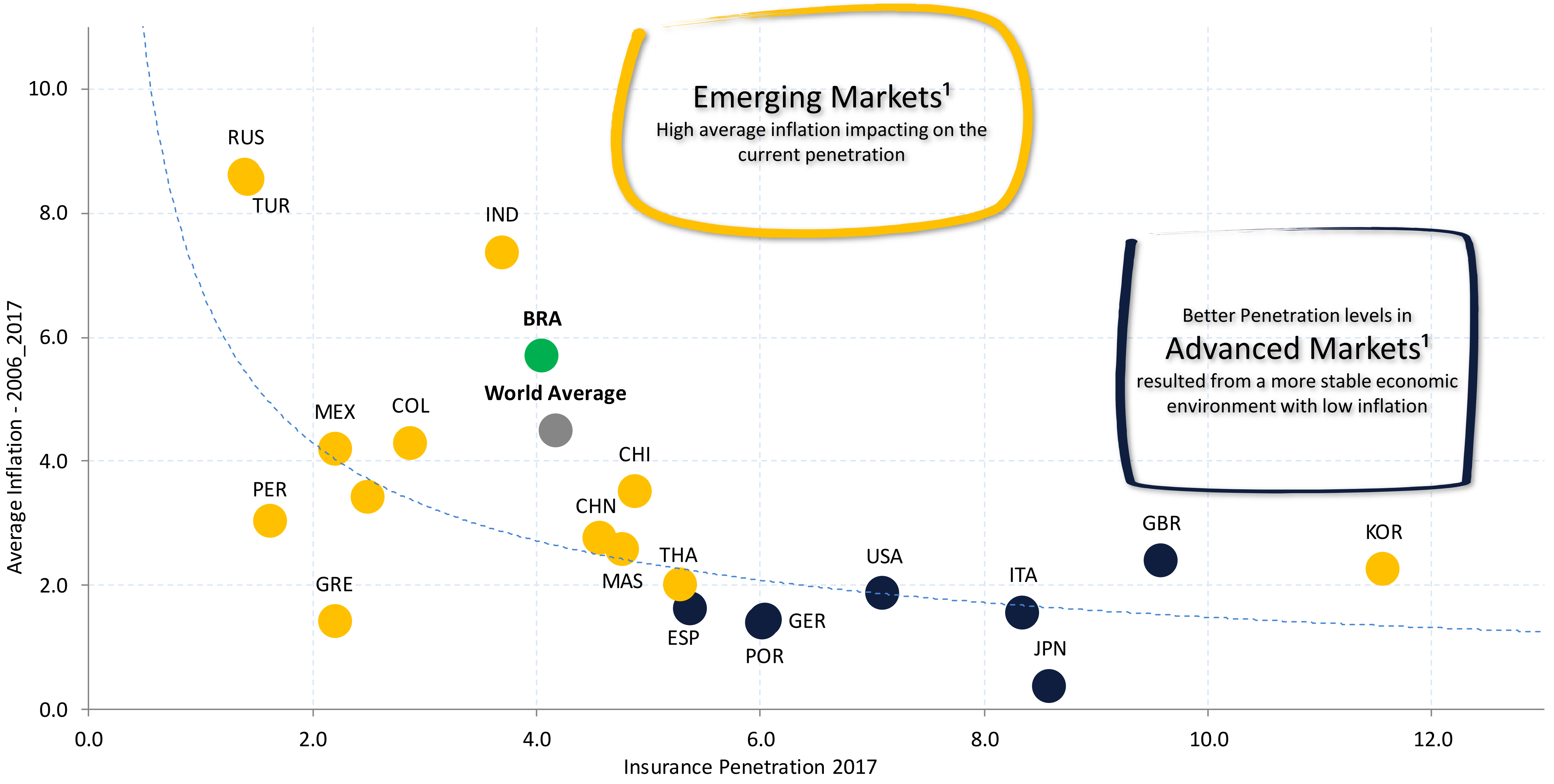
The insurance industry in Brazil has been growing, but penetration stands at 4.1% only of the Brazilian GDP

Wealth sets insurance penetration trend



Source: Swiss Re (Sigma 3/2018) and IMF.
1 – MSCI Market Classification.

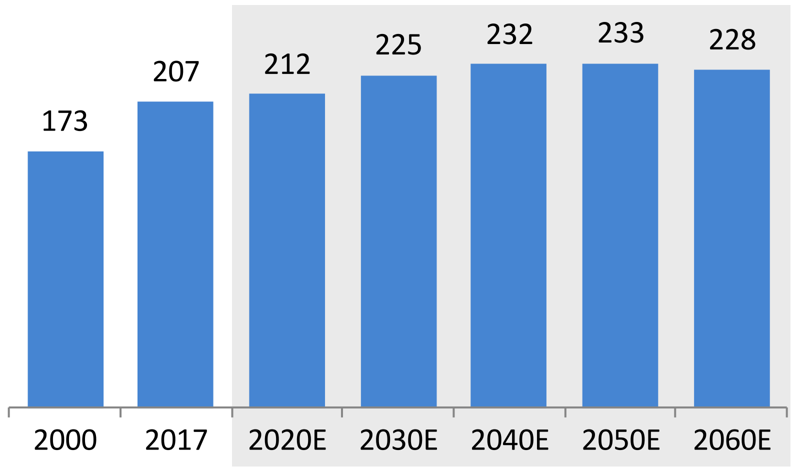
Low inflation can be considered a strong penetration driver



Source: Swiss Re (Sigma 3/2018) and IMF.
1 – MSCI Market Classification.

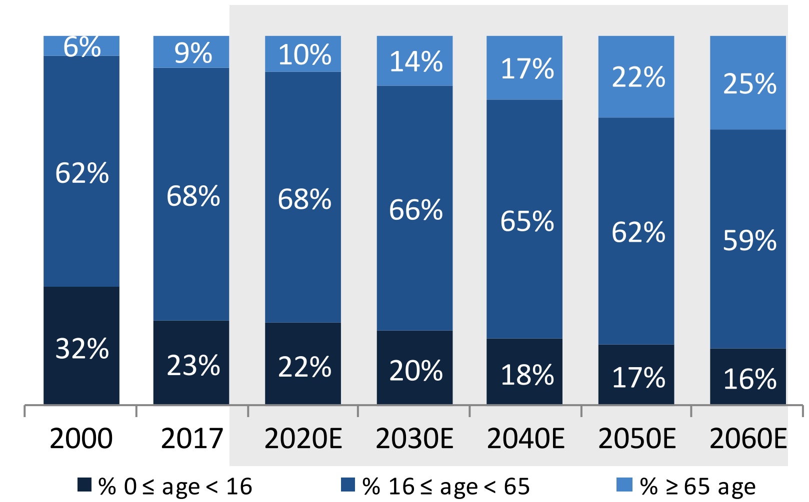
A snapshot of the Brazilian Social Security

BRAZILIAN POPULATION (MM)



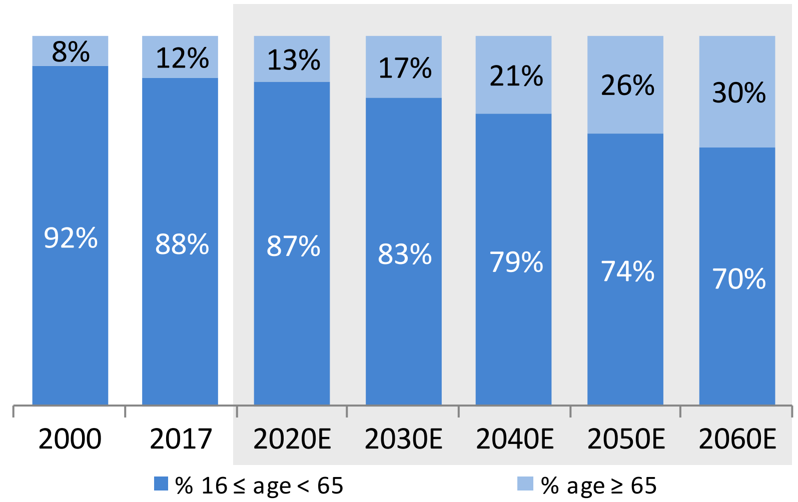
Source: IBGE.

DEMOGRAPHIC BONUS



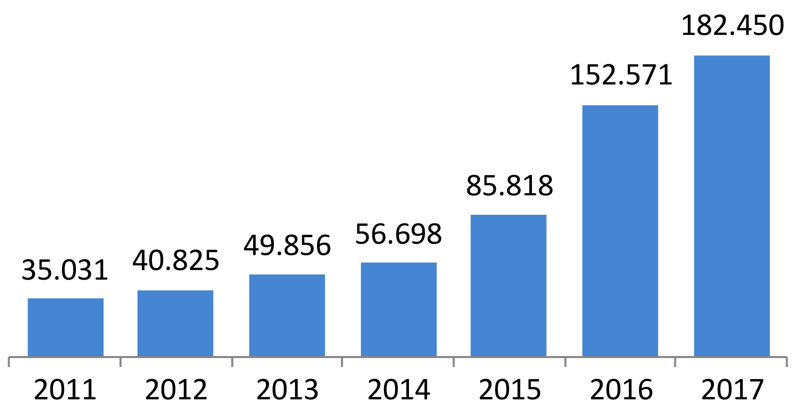
Source: IBGE.

WORKERS vs RETIRED



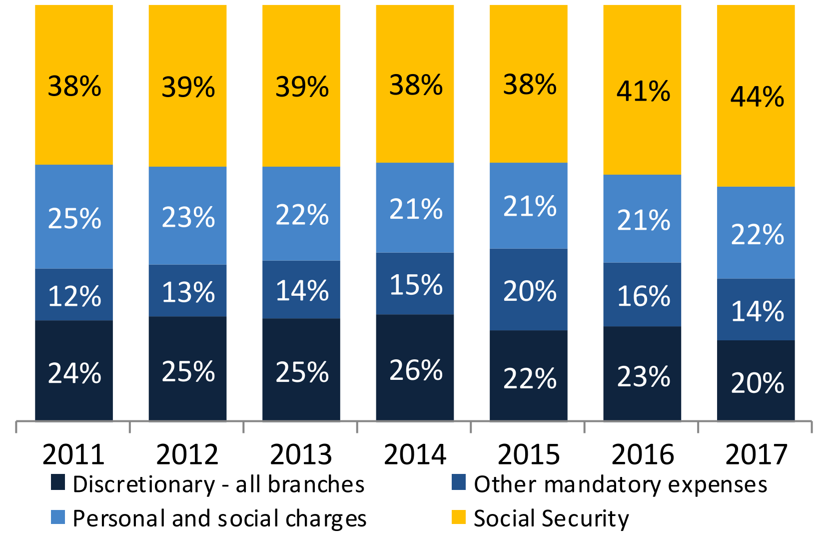
Source: IBGE.

DEFICIT BRAZILIAN SOCIAL SECURITY (R$ MM)



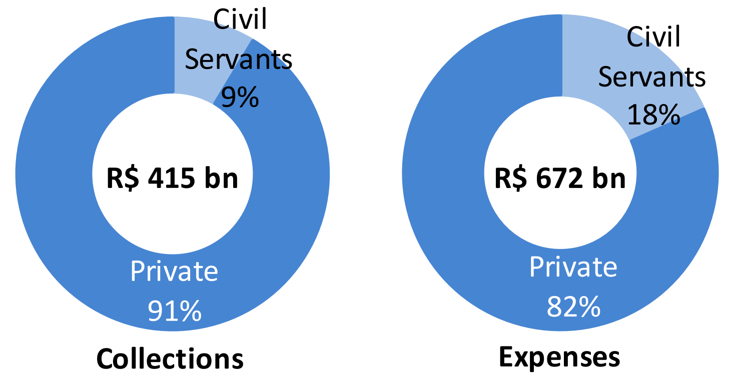
Source: INSS ex-civil servants (Boletim Estatístico da Previdência Social).

BREAKDOWN GOVERNMENT EXPENSES



Source: Ministério da Fazenda. Does not include debt service.

PRIVATE EMPLOYEES vs CIVIL SERVANTS

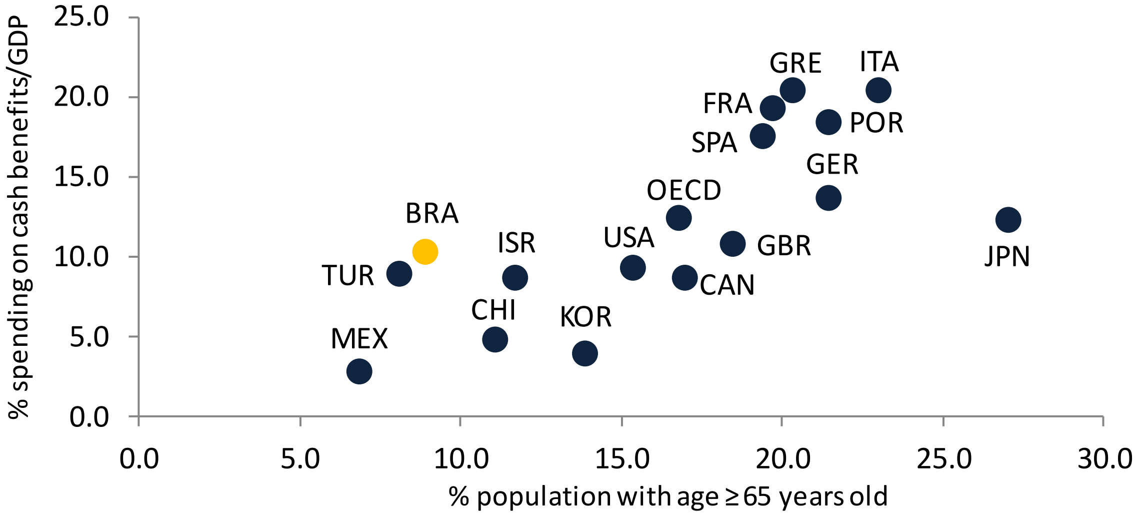


Source: Relatório da Execução Orçamentária (2017).

Current environment favors the search for an additional source for retirement

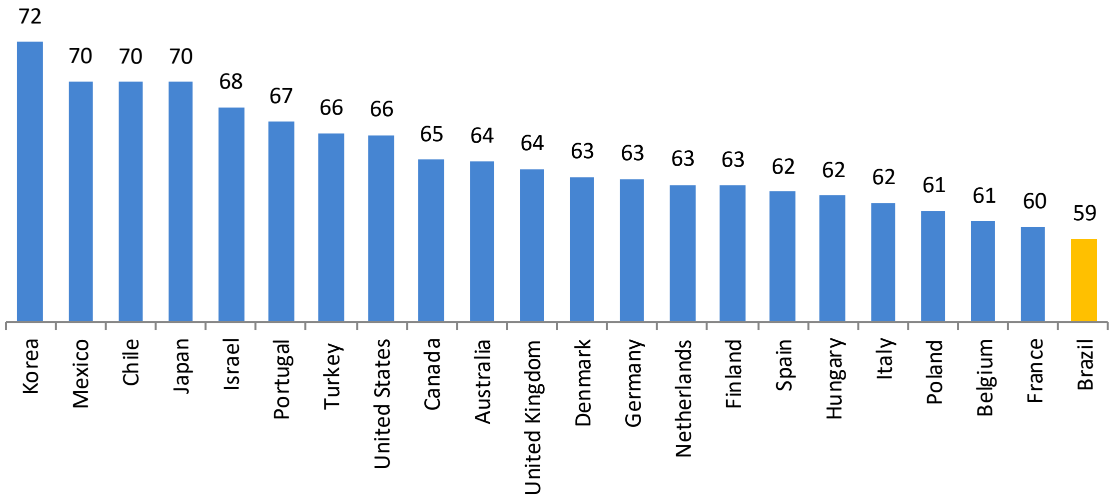
BB SEGUROS

SPENDING ON RETIREMENT



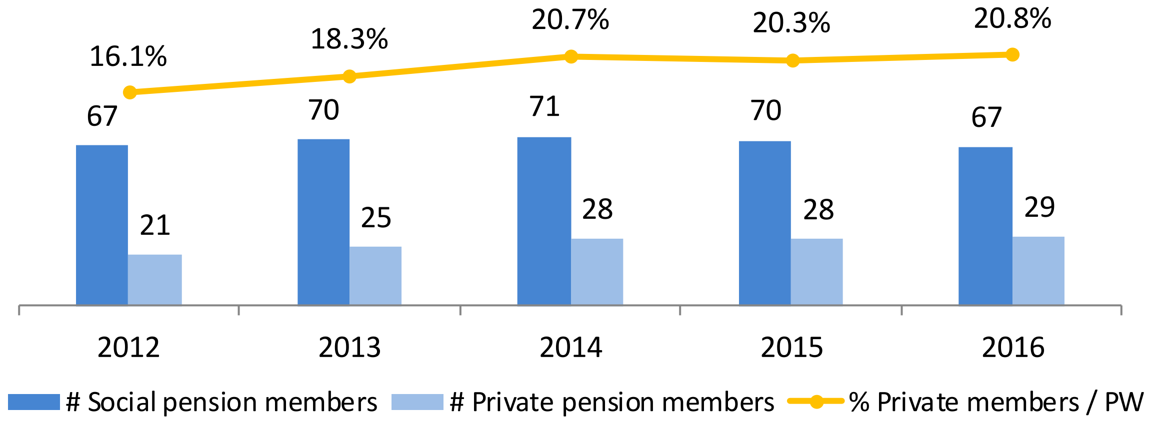
Source: Ministério do Planejamento, OECD (2016), World Bank (2016).

AVERAGE RETIREMENT AGE



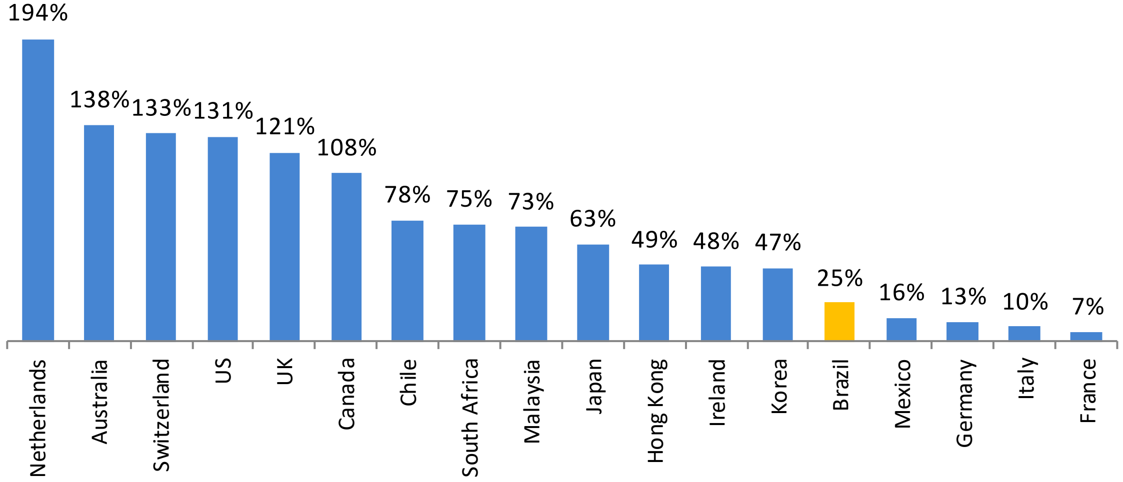
Source: INSS, OECD – Pension at glance Brazil (data as of 2015).

OF SOCIAL AND PRIVATE PENSION MEMBERS (MM)



Source: Susep, INSS (Anuário Estatístico da Previdência Social).
PW: Potential Workers: 16 ≤ age < 65.

PENSION ASSETS/GDP

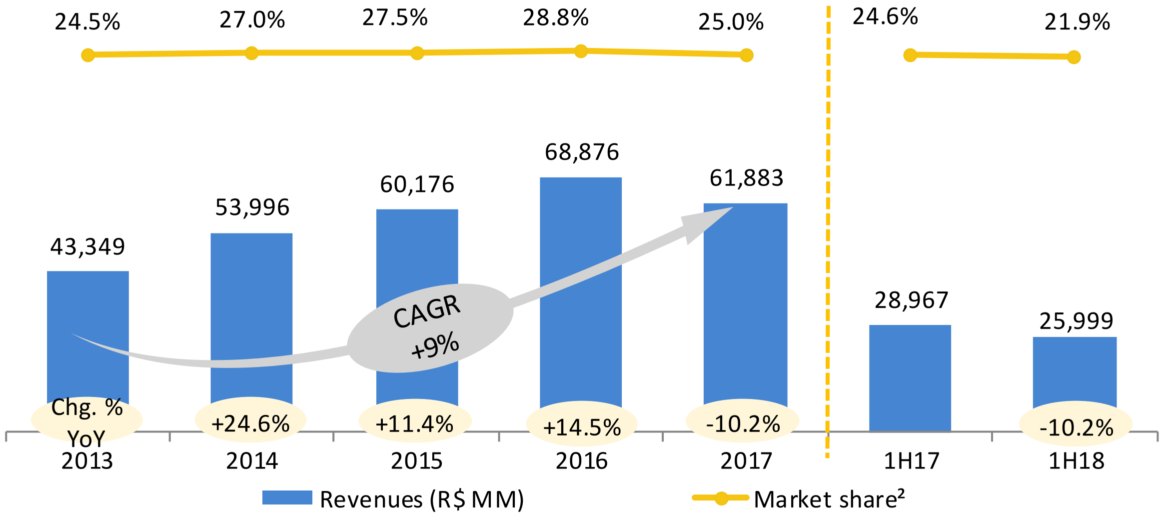


Source: Bacen, Fenaprevi, ABRAPP, Towers Watson (Data as of 2017).

- Company Overview
- Corporate Governance
- Macroeconomic Environment
- Insurance Industry
- **Performance**
- Capital Requirements
- Guidance
- Appendix

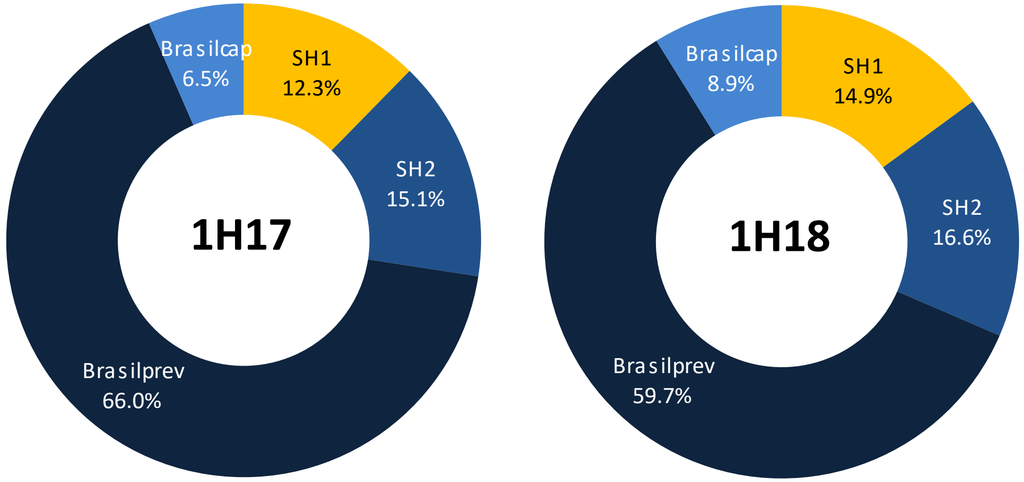
BB Seguridade performance

PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1]



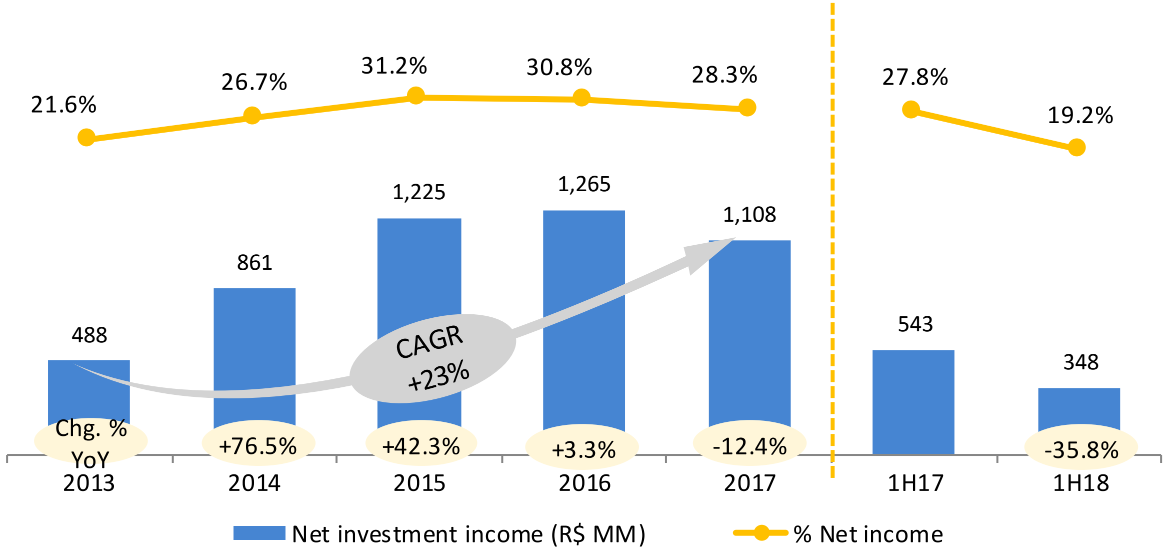
1 – Premiums written, pension plans contributions and premium bonds collections.
2 – Susep.

BREAKDOWN OF PREMIUMS, CONTRIBUTIONS AND COLLECTIONS[1]

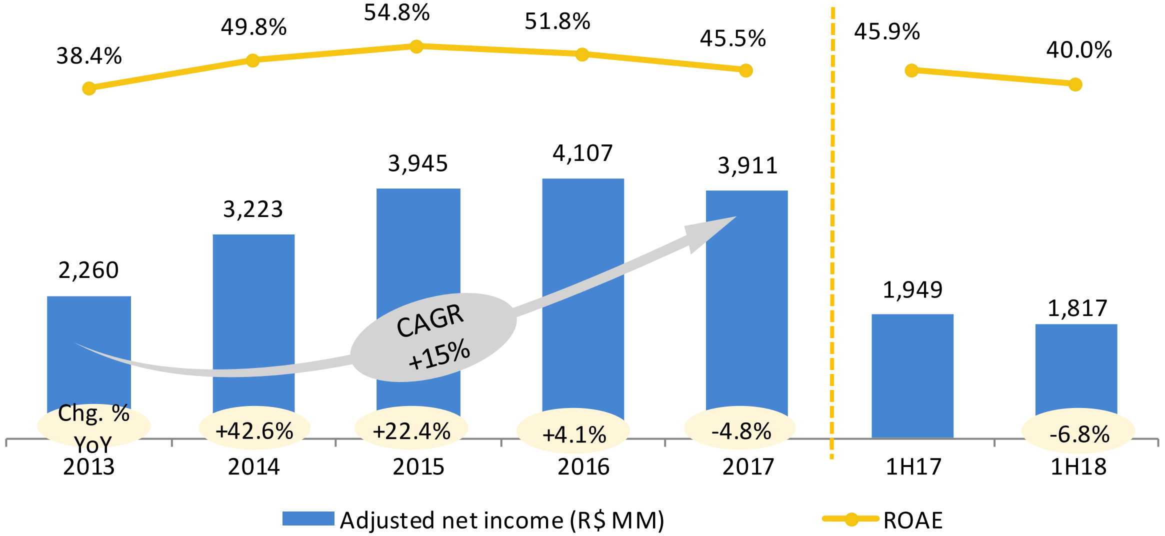


1 – Premiums written, pension plans contributions and premium bonds collections.

NET INVESTMENT INCOME



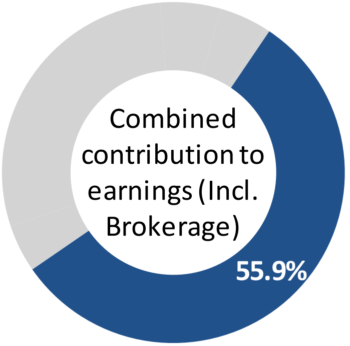
PROFITABILITY

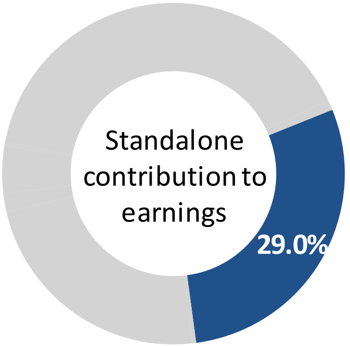


BB SEGUROS

49.1%

Return on Average Equity



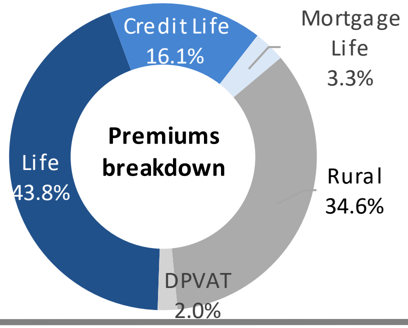


Operating result[1] 82.8%

Financial result[1] 17.2%

R$3.9 bi in premiums written

1



73.1% combined ratio

31.0% loss ratio

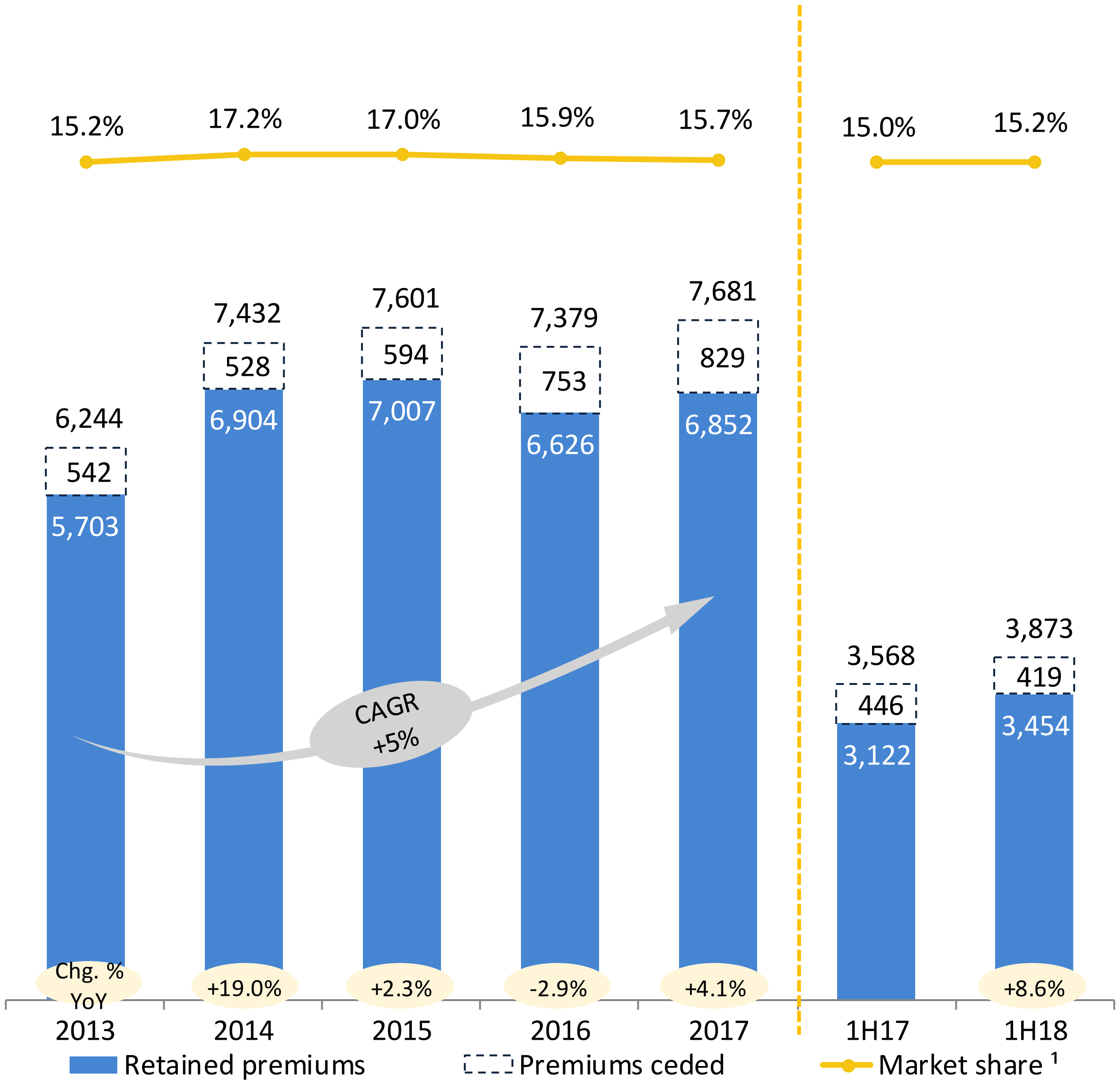
30.1% commission ratio

12.2% G&A ratio

1 – Net of taxes considering the Company's effective tax rate.

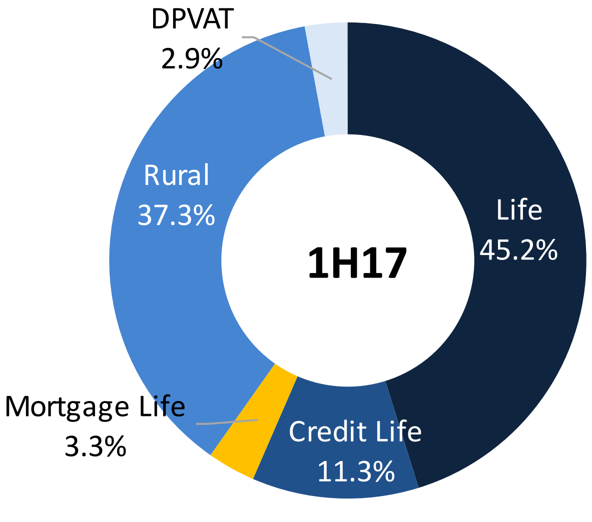
BB MAPFRE SH1

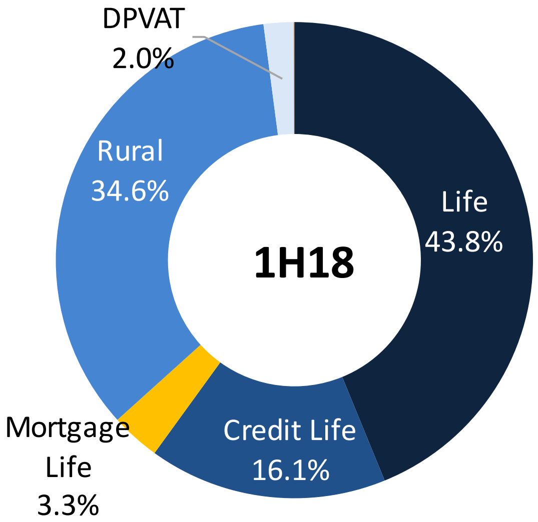
PREMIUMS WRITTEN (R$ MM)



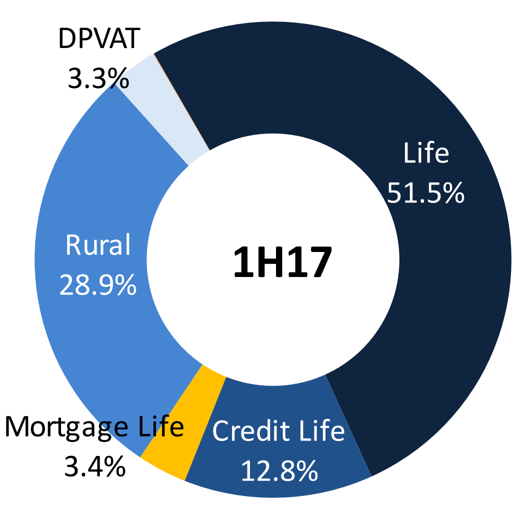
1 – Source: Susep.

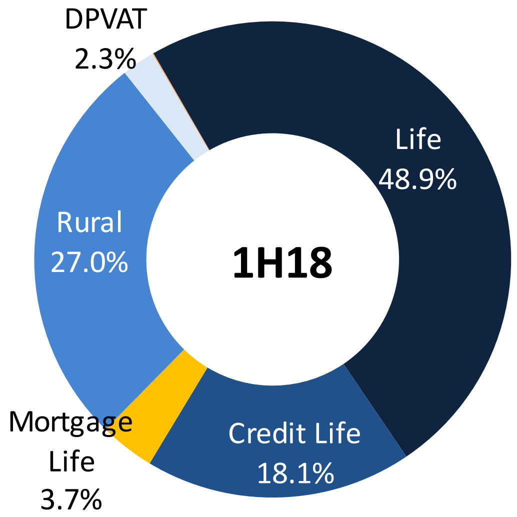
BREAKDOWN OF PREMIUMS WRITTEN





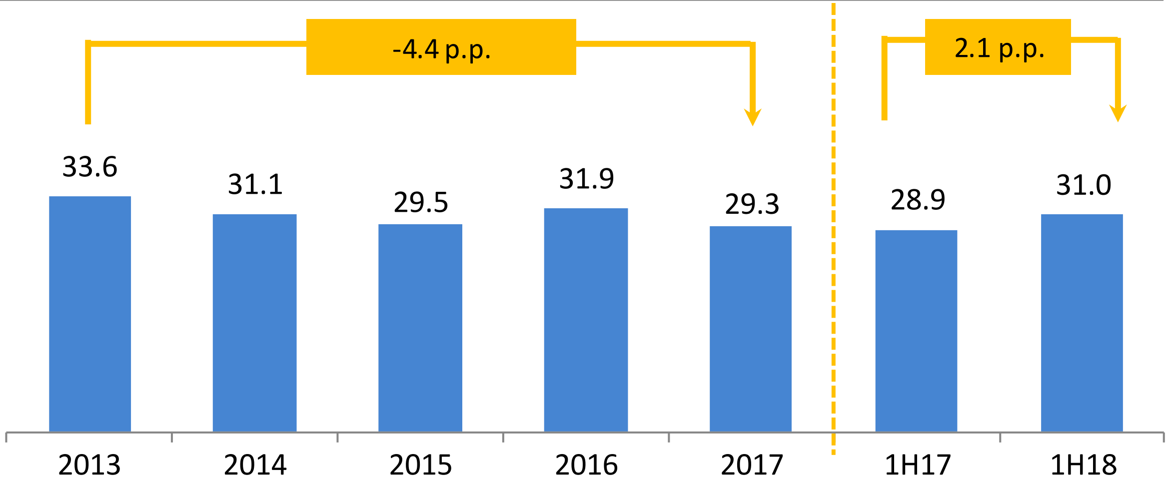
BREAKDOWN OF RETAINED PREMIUMS



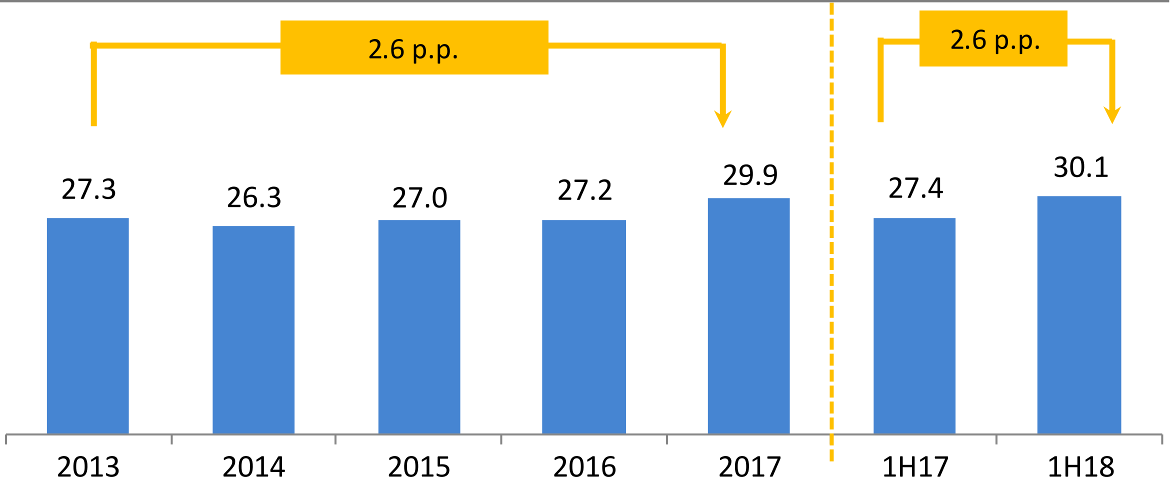


BB MAPFRE SH1 – Performance ratios[1]

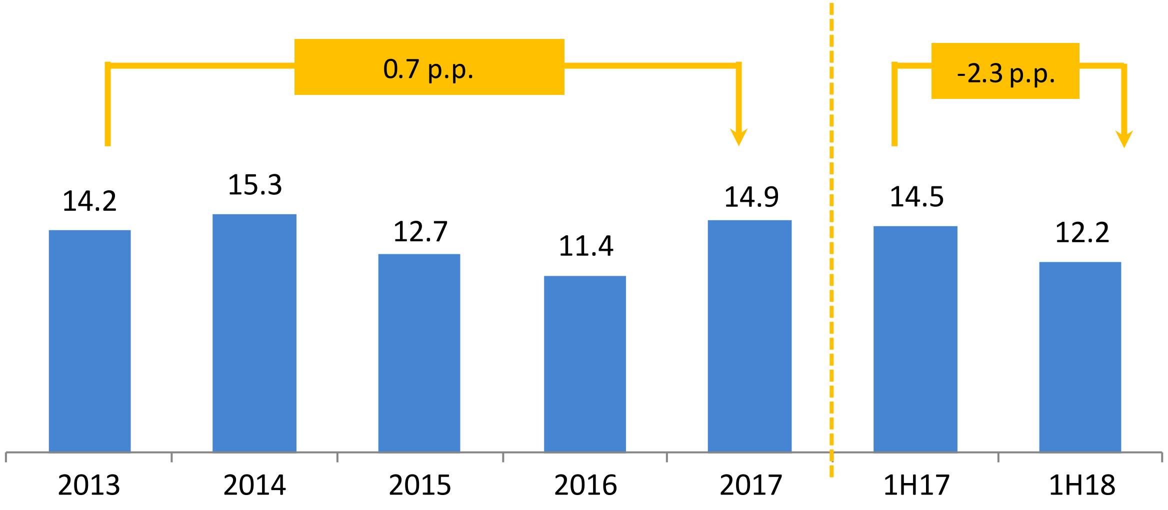
LOSS RATIO (%)



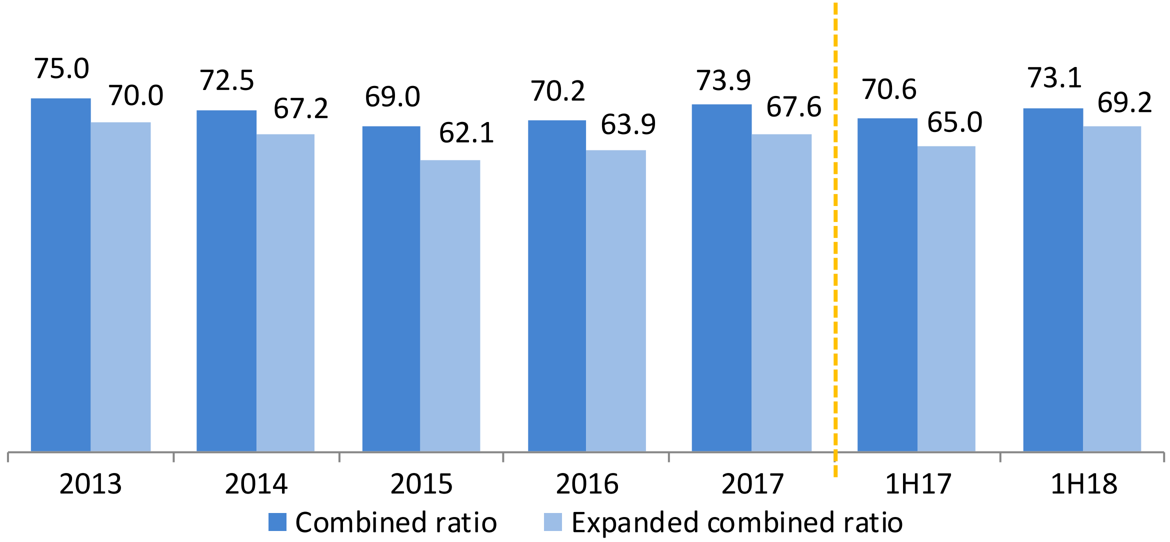
COMMISSION RATIO (%)



G&A RATIO (%)



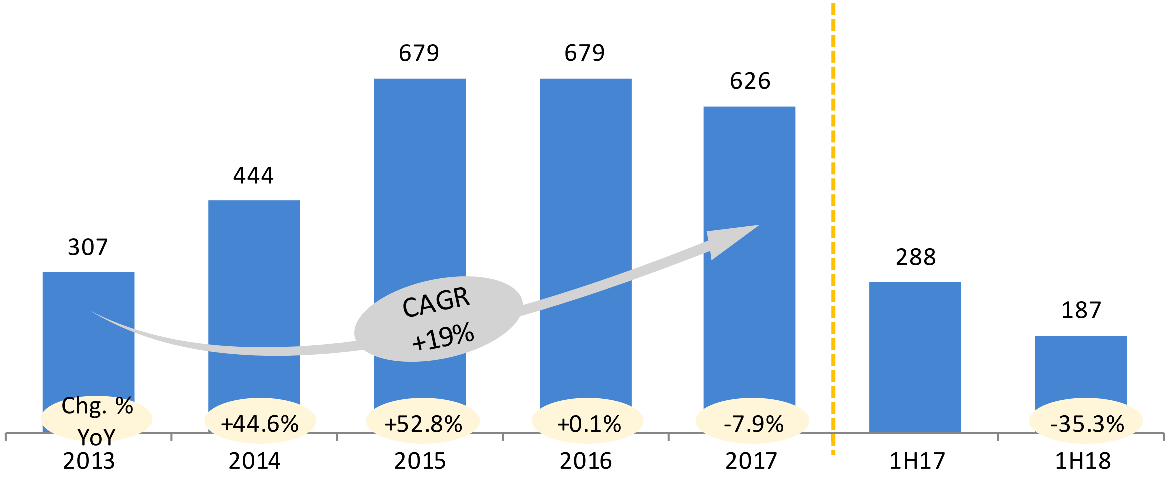
COMBINED RATIO (%)



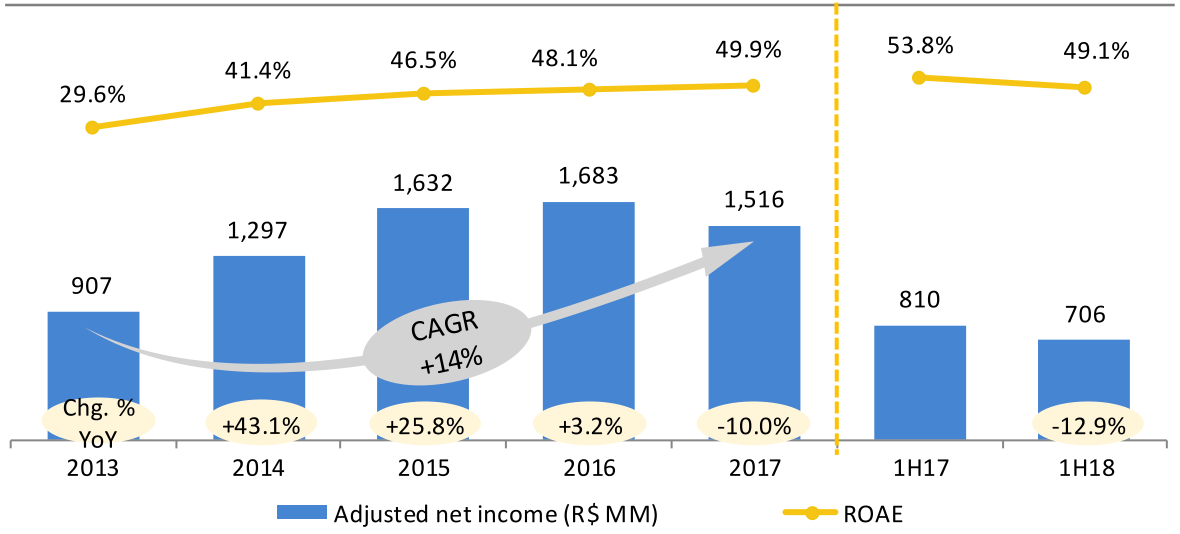
1 – Adjusted ratios, considering the reinsurance effects.

BB MAPFRE SH1

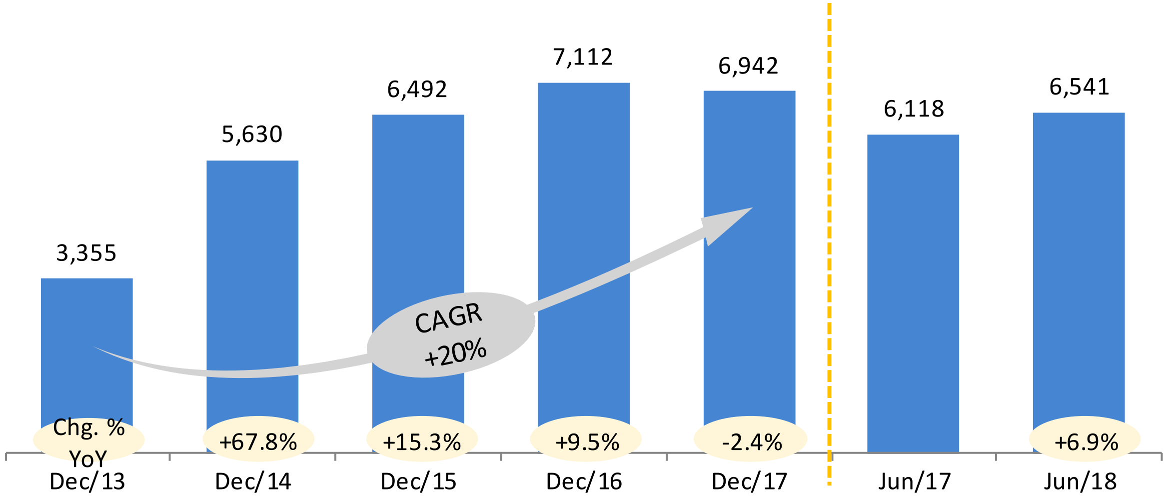
NET INVESTMENT INCOME (R$ MM)



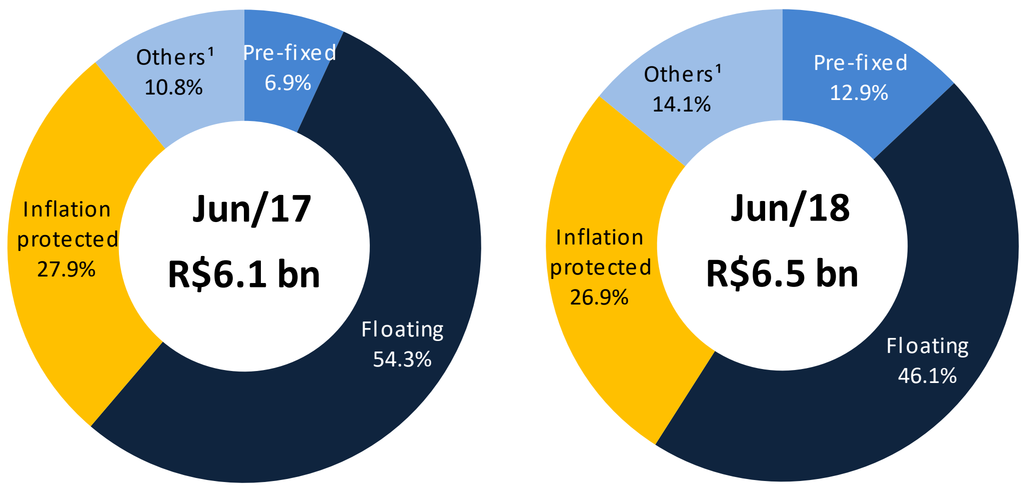
PROFITABILITY



FINANCIAL INVESTMENTS (R$ MM)



ASSET ALLOCATION



1 – Agrarian debt bonds, DPVAT, Investment funds.

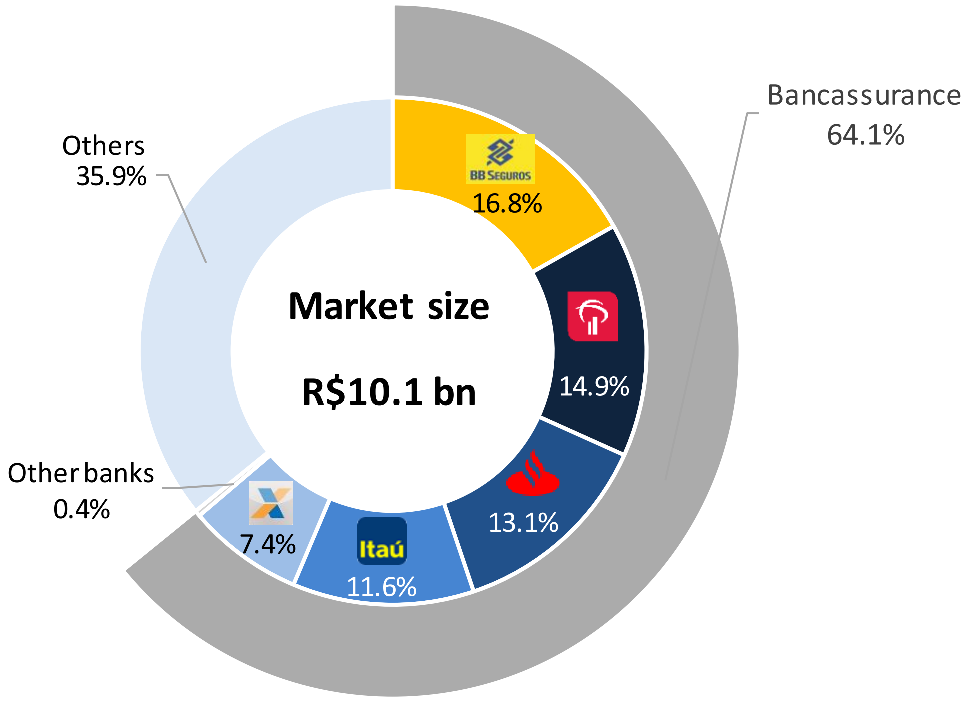
BB MAPFRE SH1 | Life insurance – Key figures | 1H18

R$1.7 bi in premiums written — # 1

35.4% loss ratio

36.6% commission ratio

Competitive Landscape | Premiums Written[1]

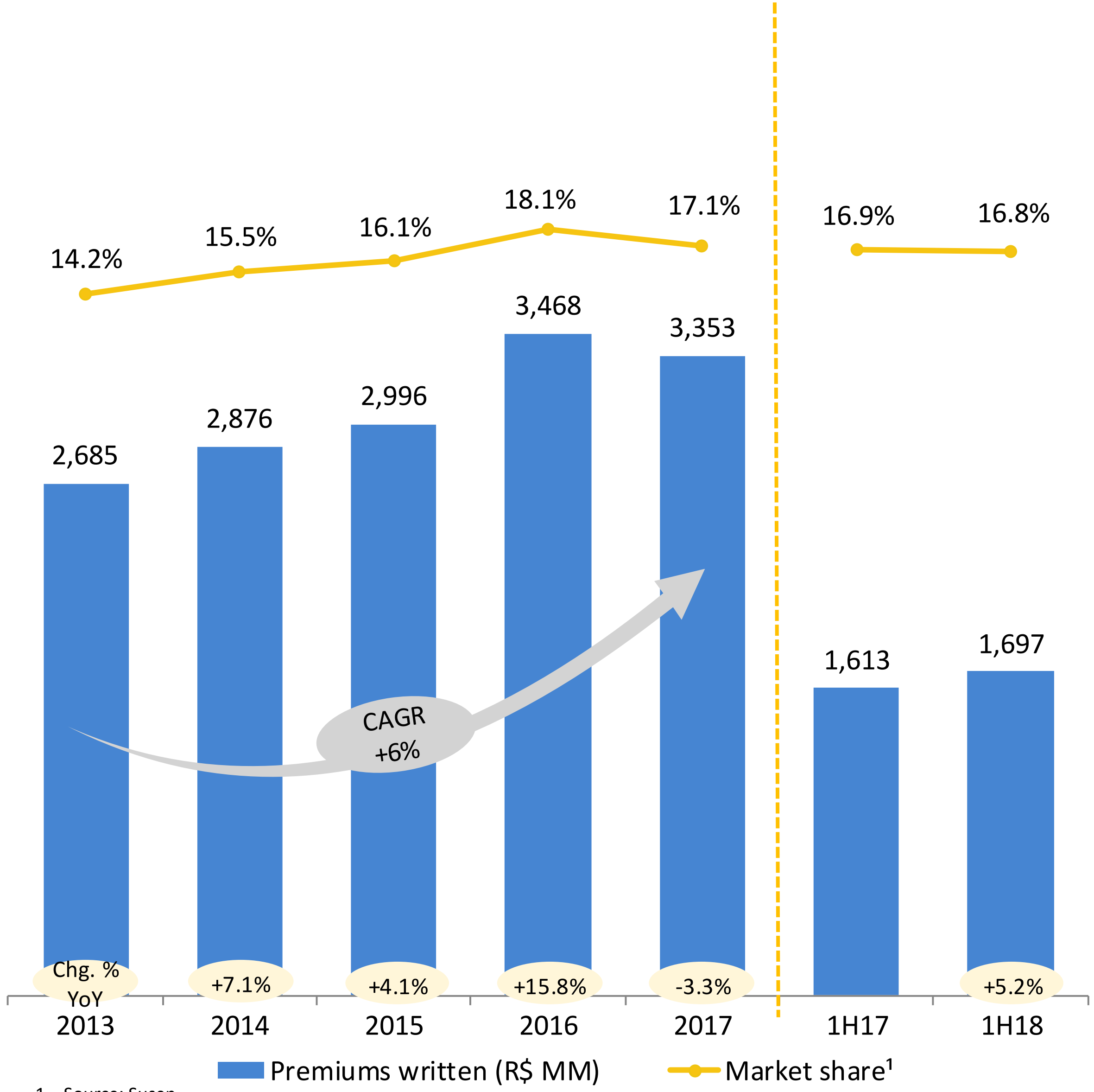


Source: Susep.
1 – Excludes dotal life insurance.

Portfolio of Products

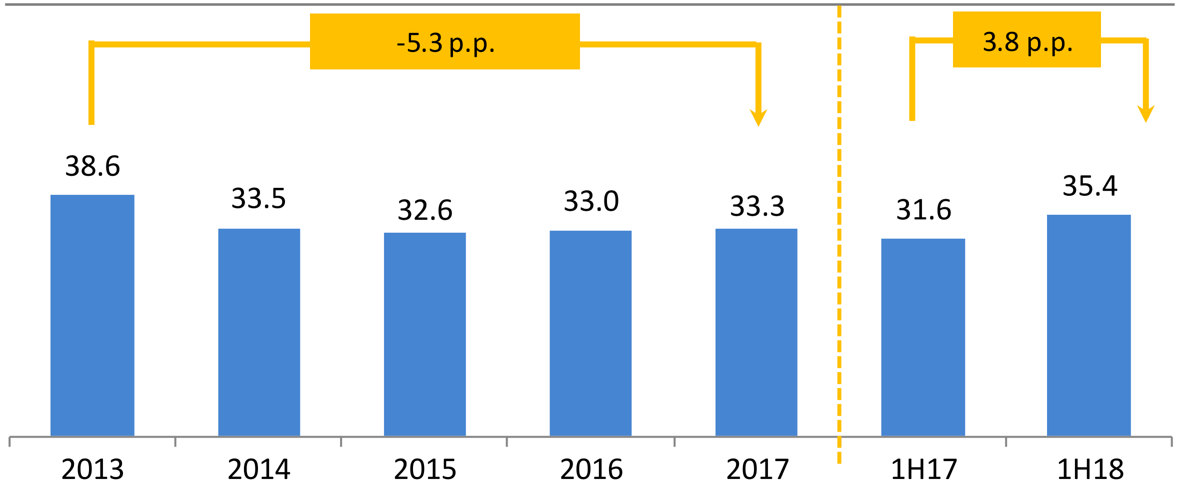
- Focused on individuals, assures financial protection to the beneficiaires, chosen by the policeholder, in case of death (natural or accidental), or permanet disability of the insured;
- If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary; and
- The life insurance sold by BB MAPFRE SH1 is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.

PREMIUMS WRITTEN

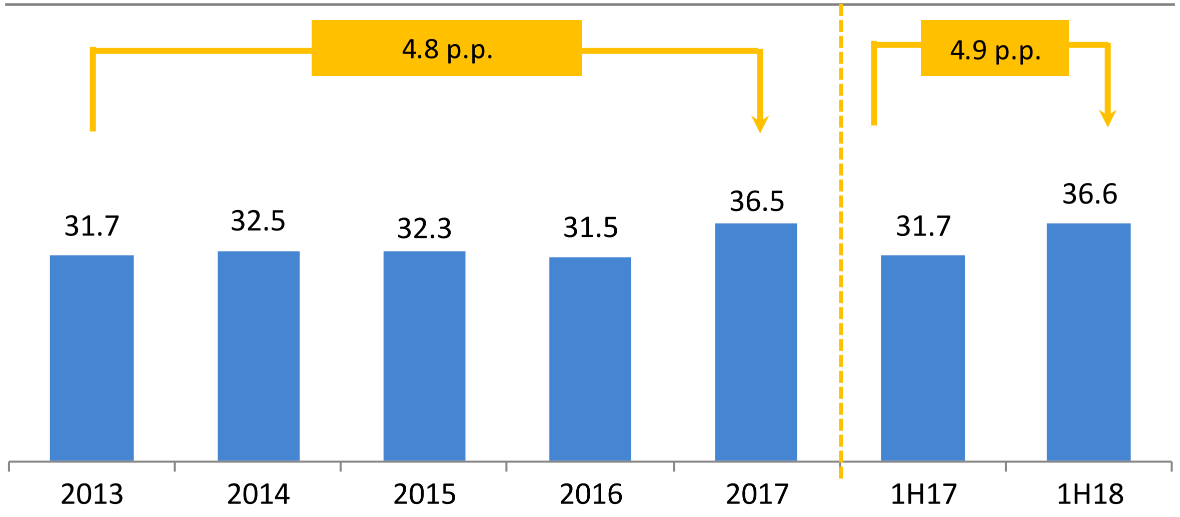


1 – Source: Susep.

LOSS RATIO (%)



COMMISSION RATIO (%)



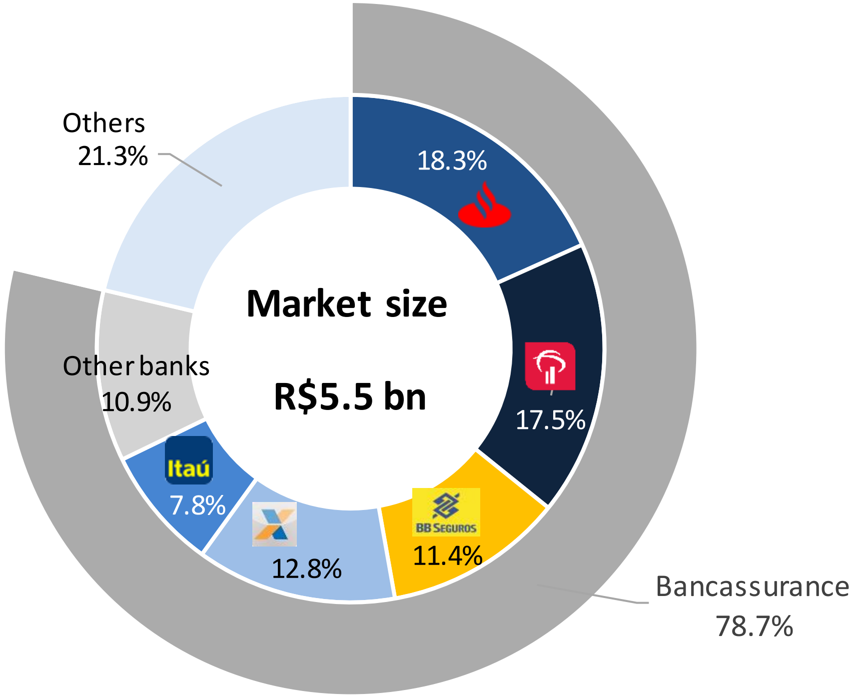
BB MAPFRE SH1 | Credit life insurance – Key figures | 1H18

R$625 mm #4
in premiums written

28.7%
loss ratio

31.5%
commission ratio

Competitive Landscape | Premiums Written



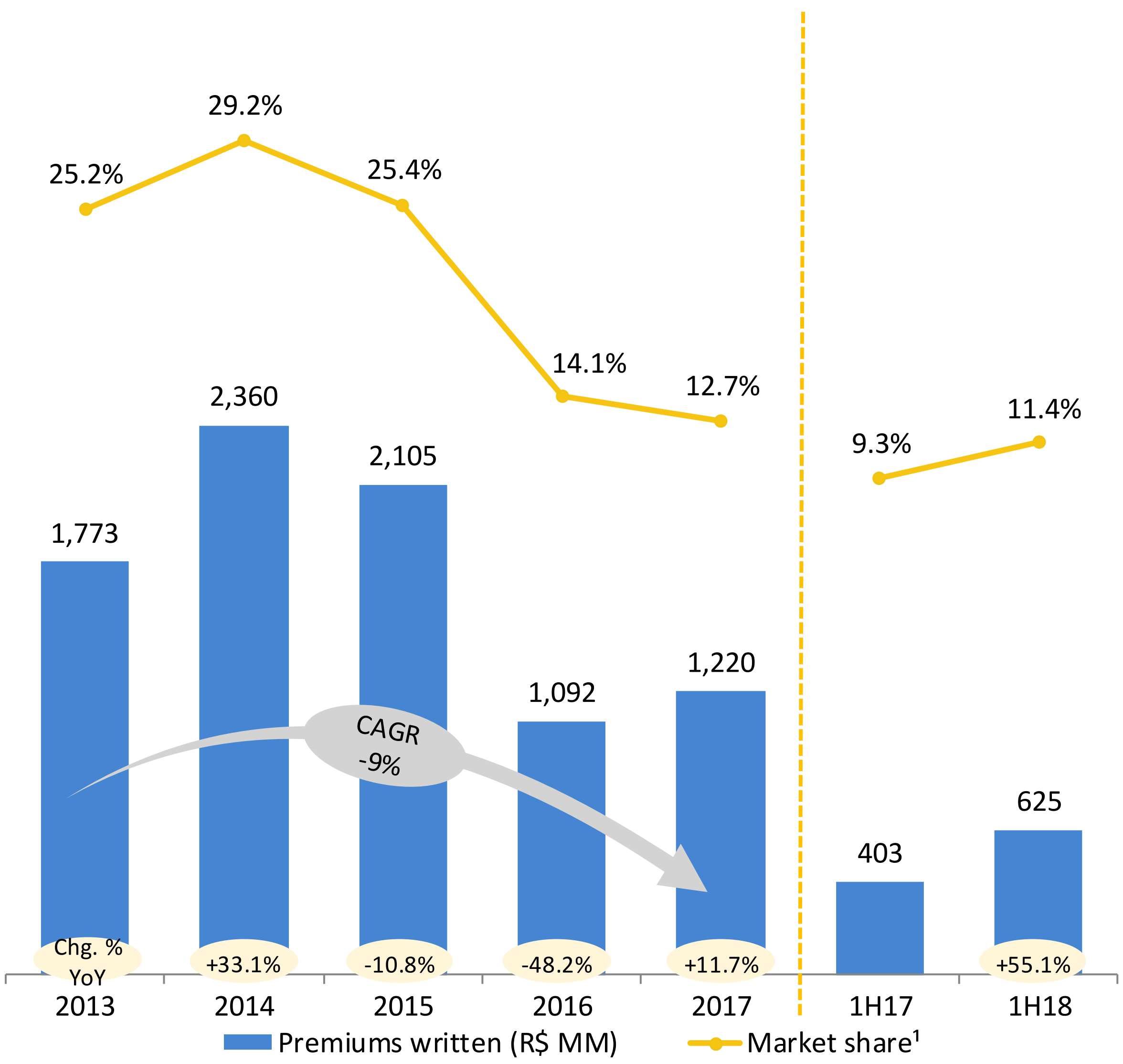
Source: Susep.

Portfolio of Products

- Credit life insurance is a life insurance policy intended to pay off a borrower's loan in case of death of the insured;
- Designed to protect both the lender and the insured dependents, preventing them to inherit this liabitlity;
- This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio; and
- The lender is the main beneficiary of this type of product.

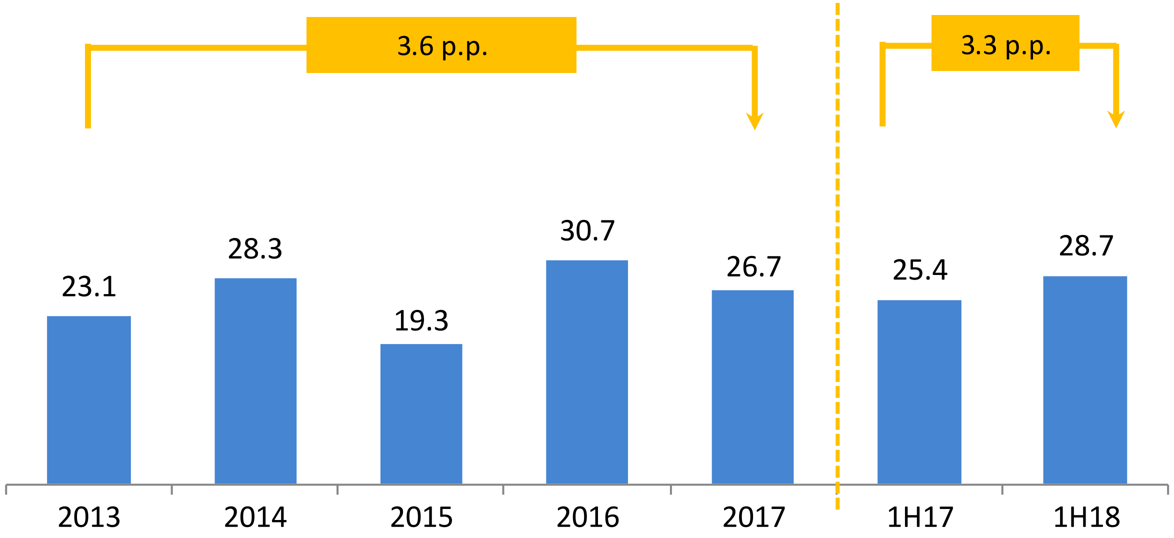
BB MAPFRE SH1 | Credit life insurance

PREMIUMS WRITTEN

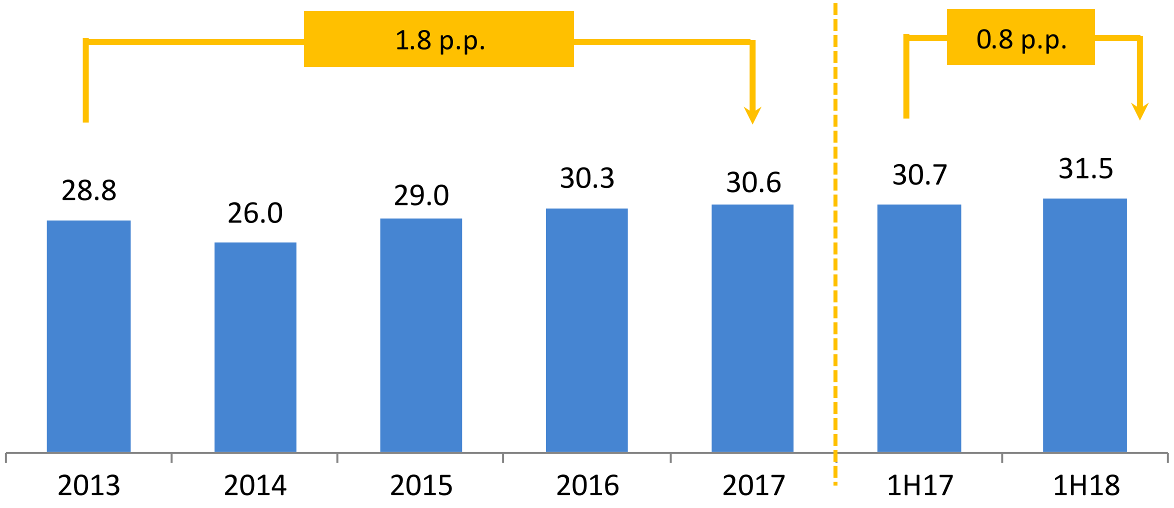


1 – Source: Susep.

LOSS RATIO (%)



COMMISSION RATIO (%)



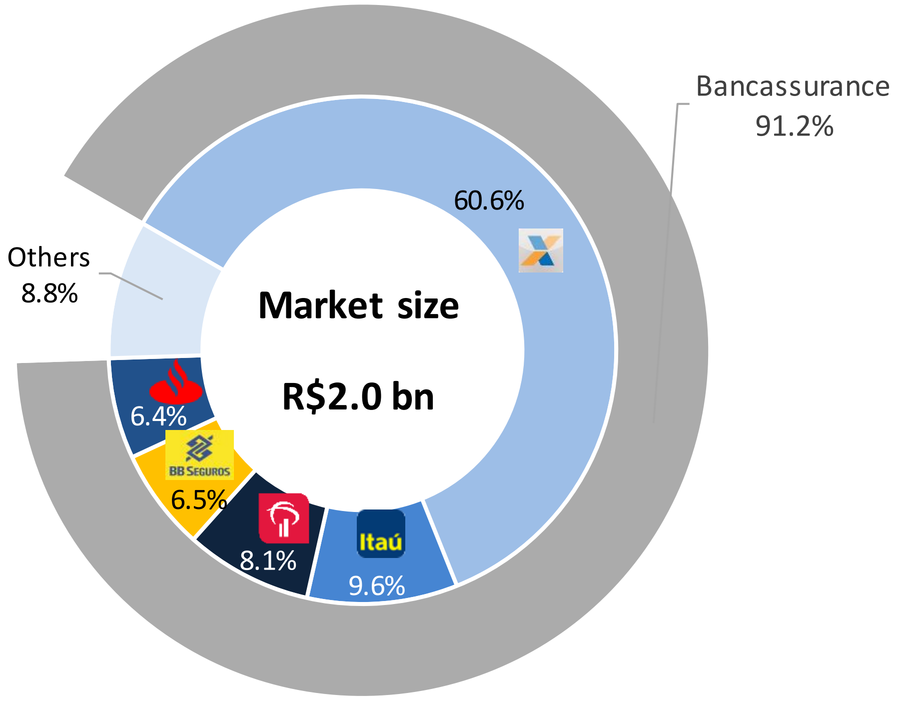
BB SEGUROS

R$129 mm in premiums written **#4**

21.3% loss ratio

14.9% commission ratio

Competitive Landscape | Premiums Written



Source: Susep.

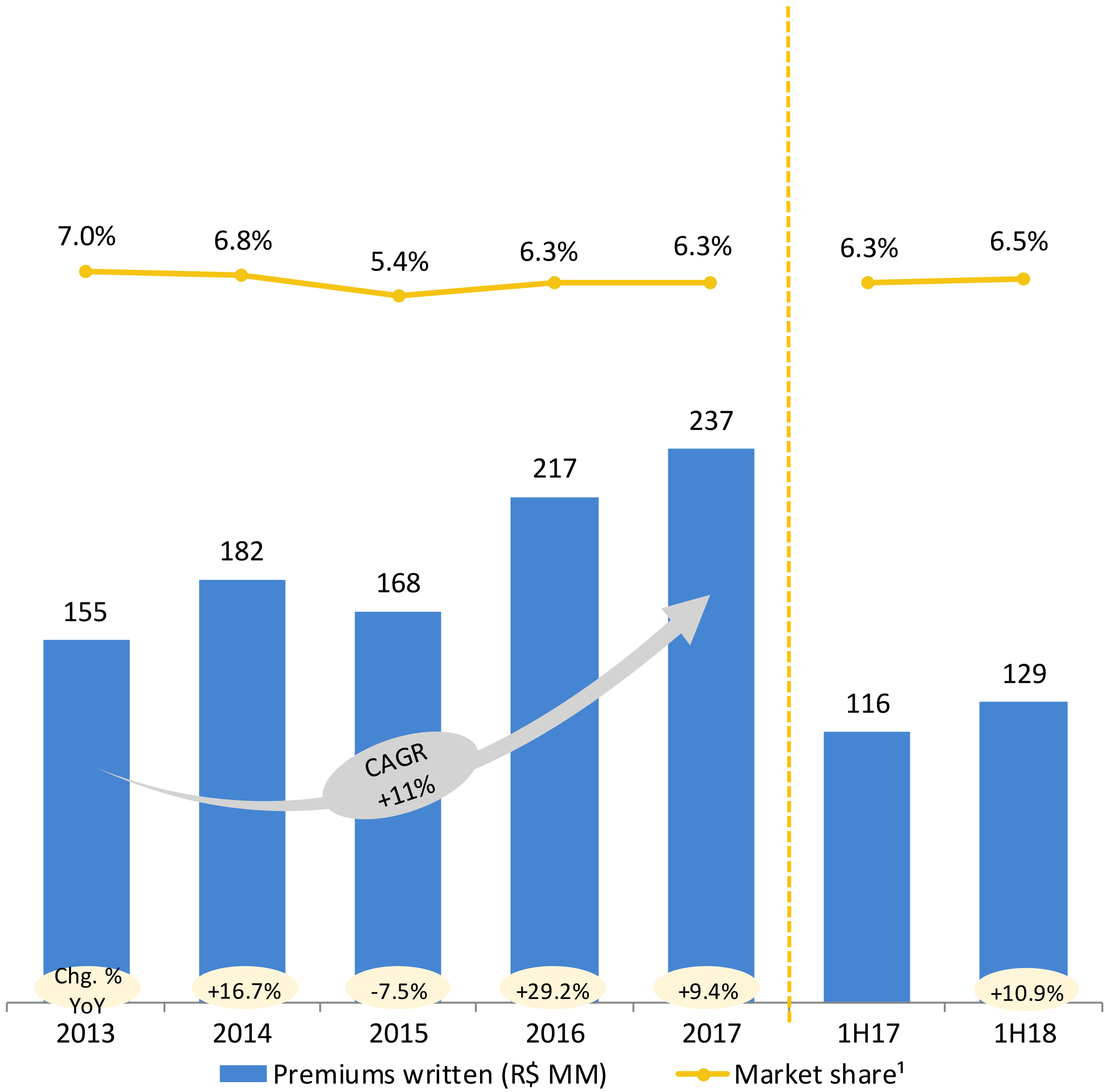
Portfolio of Products

- Mortgage life insurance is a life insurance policy intended to pay off a mortgage in case of death or disability of the insured;
- The insurance policy gives the guarantee that his family will keep the property and the bank will receive the full payment of the mortage debt;
- The mortgage life insurance also protects against physical damage to the insured property; and
- Premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower’s age.

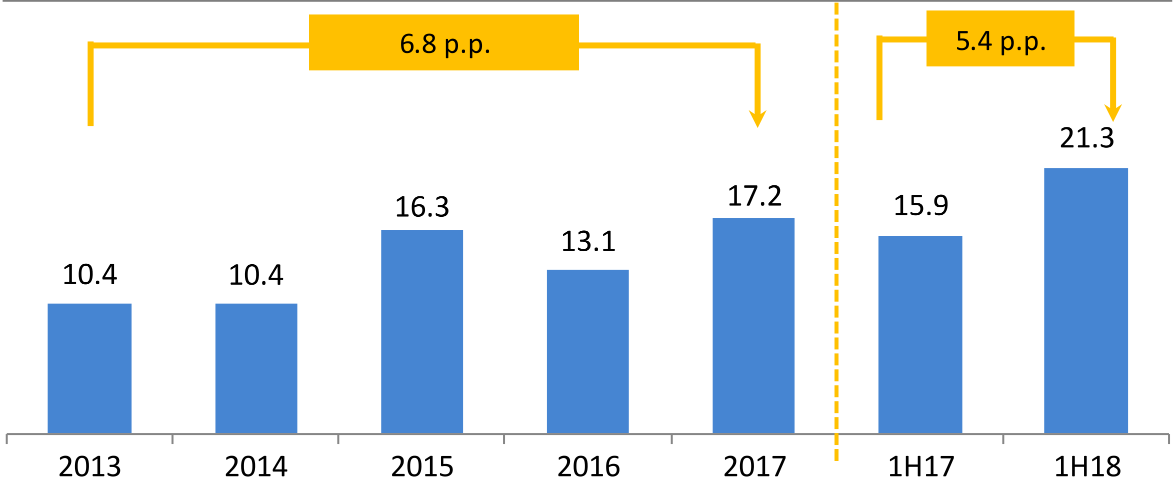
BB MAPFRE SH1 | Mortgage life insurance

BB SEGUROS

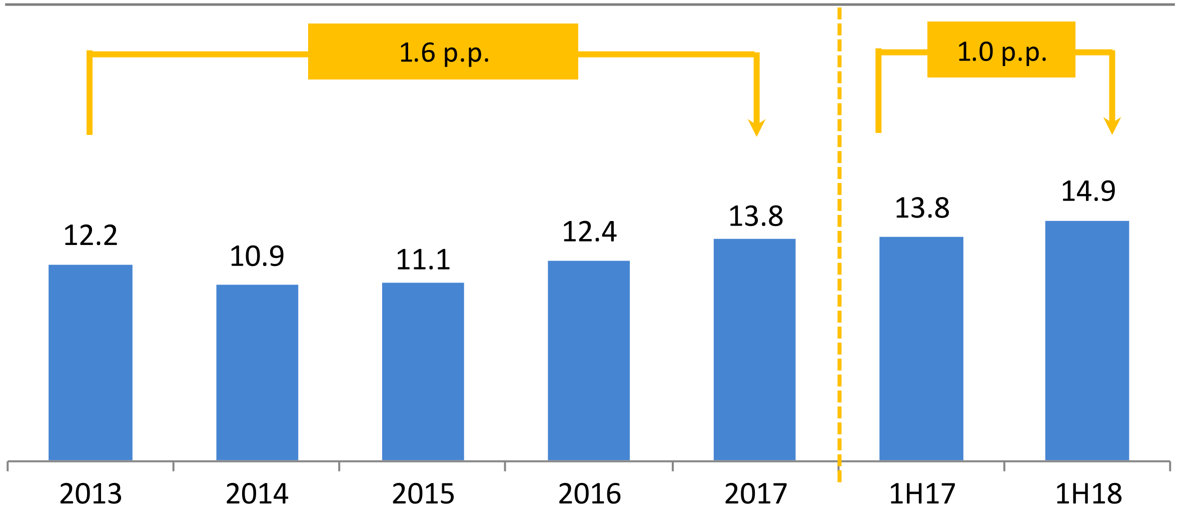
PREMIUMS WRITTEN



LOSS RATIO (%)



COMMISSION RATIO (%)



1 – Source: Susep.

BB MAPFRE SH1 | Rural insurance – Key figures | 1H18

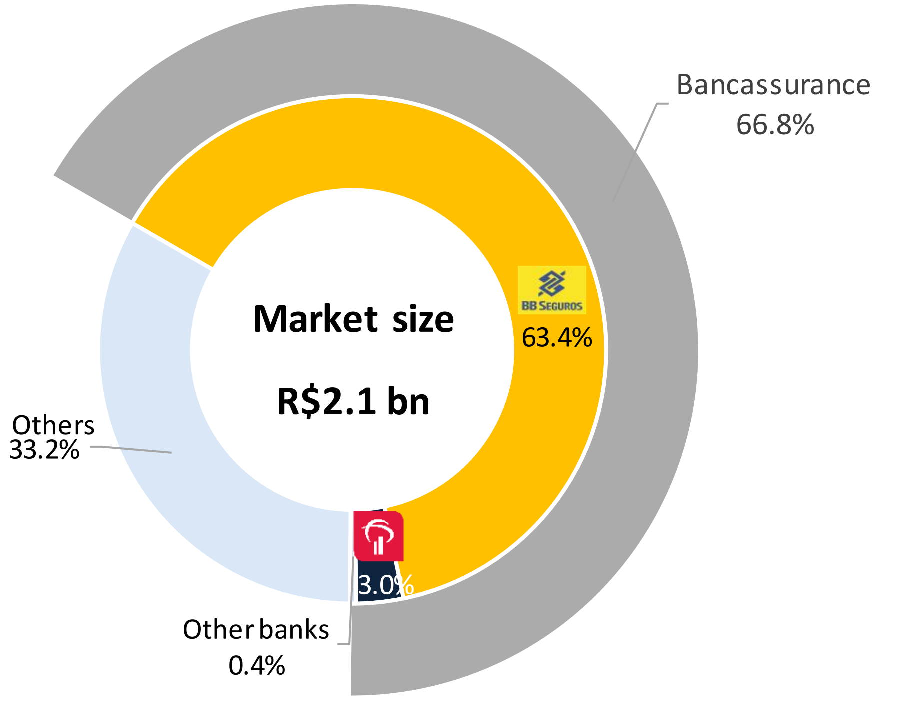
R$1.3 bi
in premiums written

1

21.6%
loss ratio

21.9%
commission ratio

Competitive Landscape | Premiums Written



Source: Susep.

Portfolio of Products

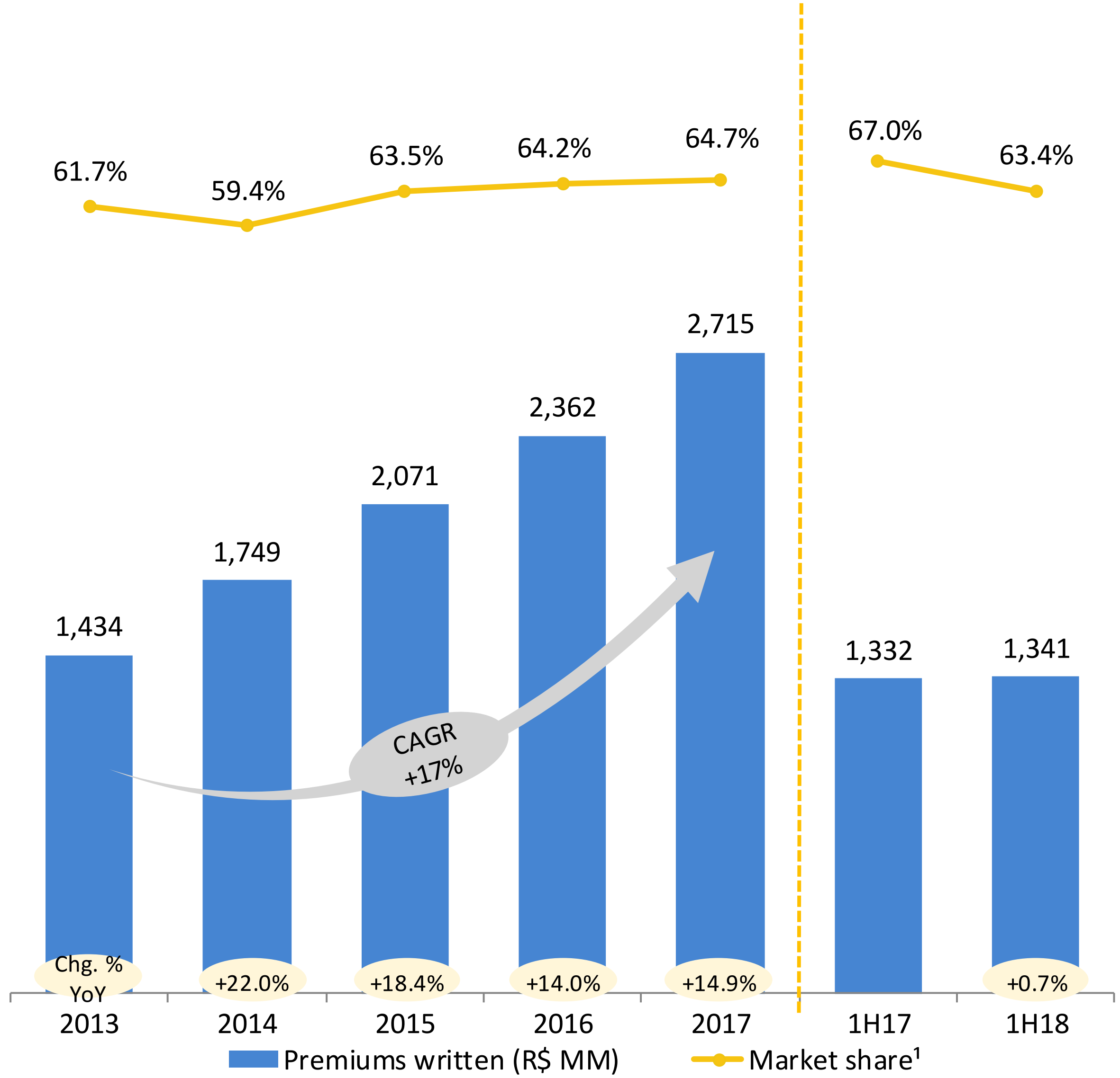
Crop insurance: protects the farmers from weather hazards and falling prices of the production

Rural lien insurance: protects the asset given as colateral for a rural loan

Rural producer credit life insurance: designed for farmers intended to pay off the rural loan in case the insured dies

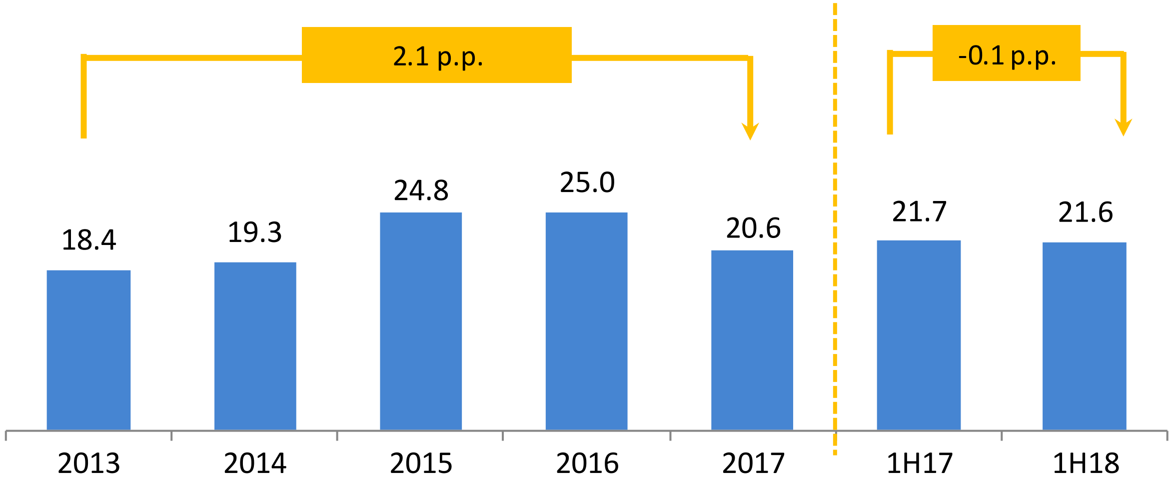
BB MAPFRE SH1 | Rural insurance

PREMIUMS WRITTEN

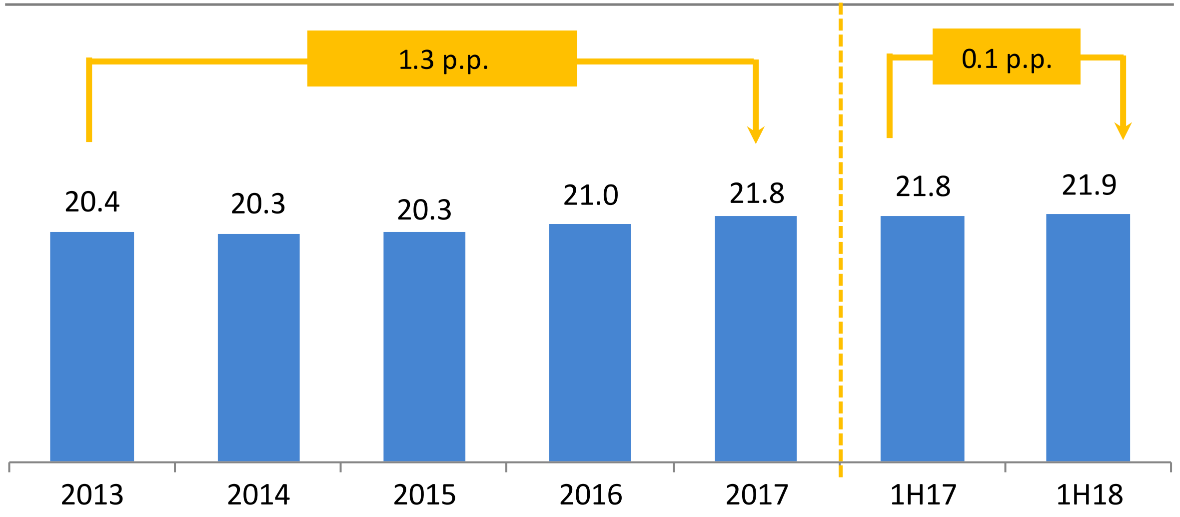


1 – Source: Susep.

LOSS RATIO (%)



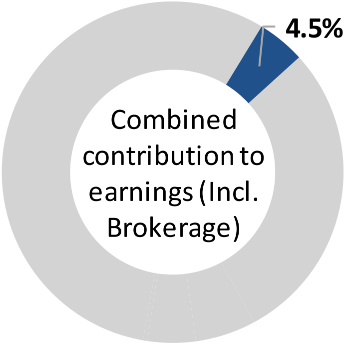
COMMISSION RATIO (%)

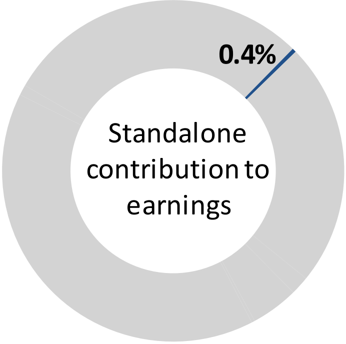


BB SEGUROS

0.5%

Return on Average Equity



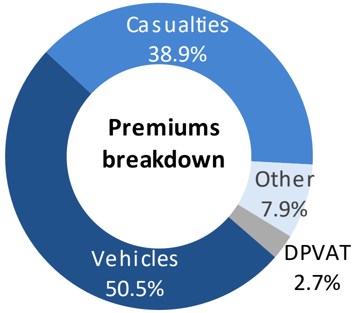


Operating result[1] -R$64 MM

Financial result[1] R$72 MM

R$4.3 bi in premiums written

2



102.7% combined ratio

57.0% loss ratio

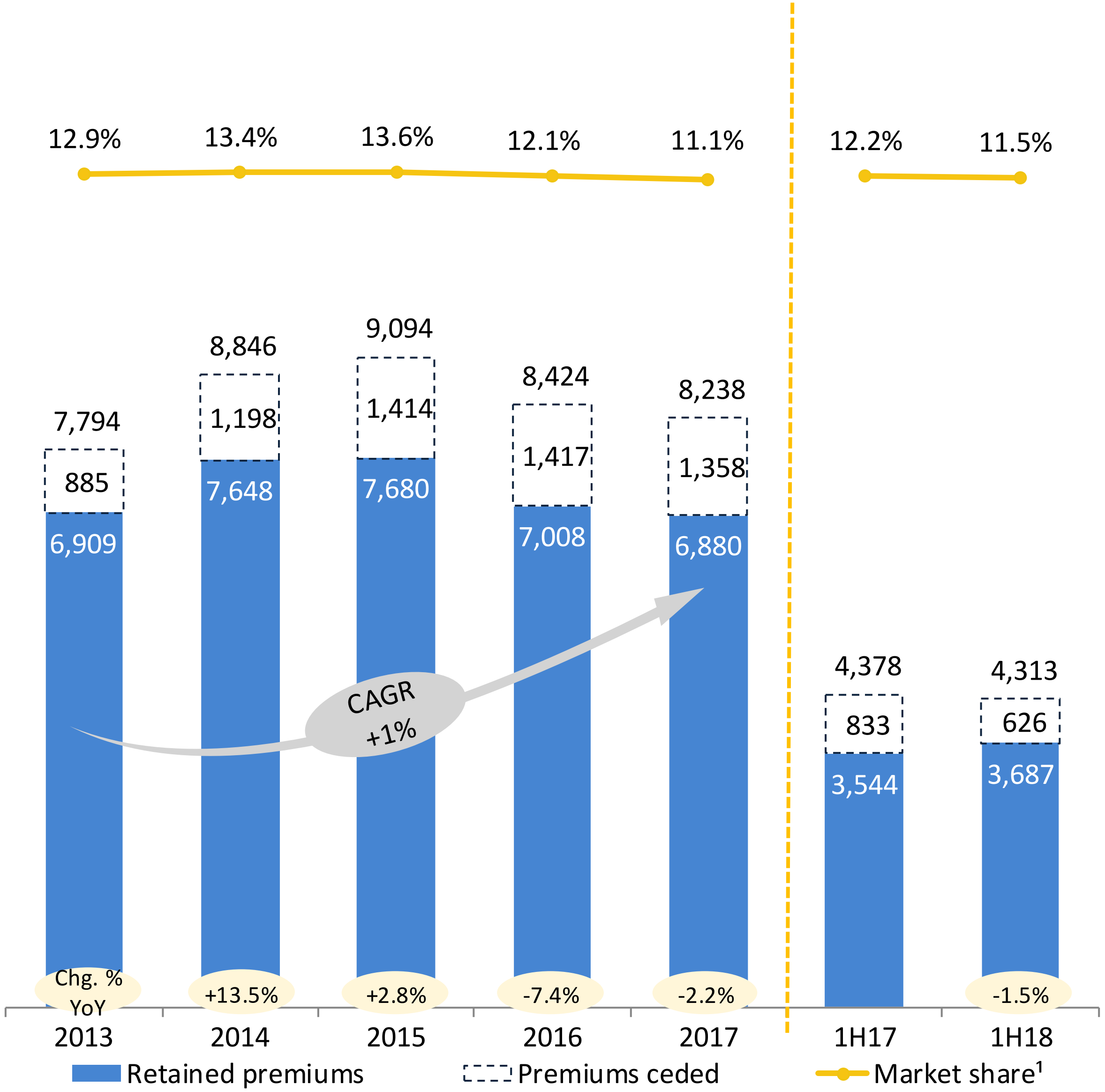
25.2% commission ratio

20.8% G&A ratio

1 – Net of taxes considering the Company's effective tax rate.

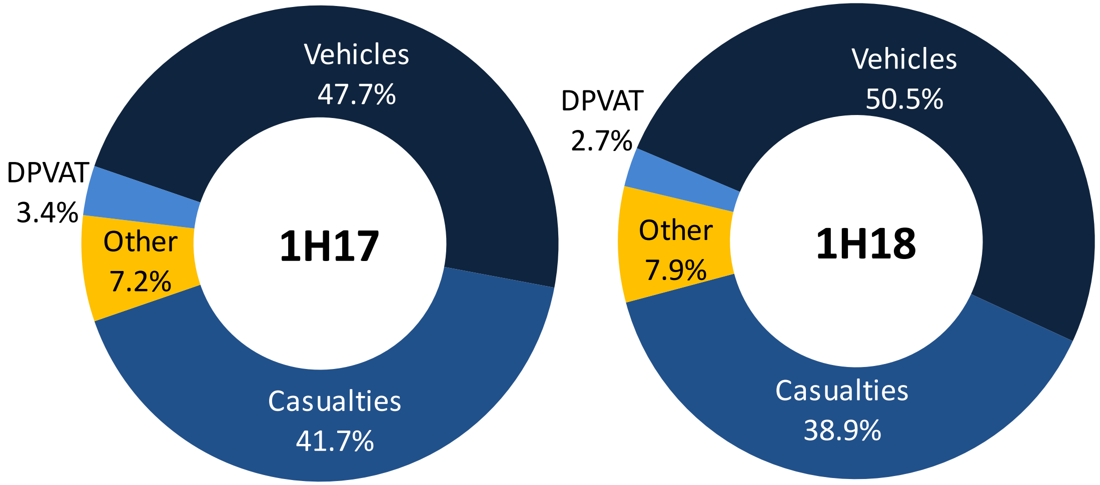
MAPFRE BB SH2

PREMIUMS WRITTEN (R$ MM)

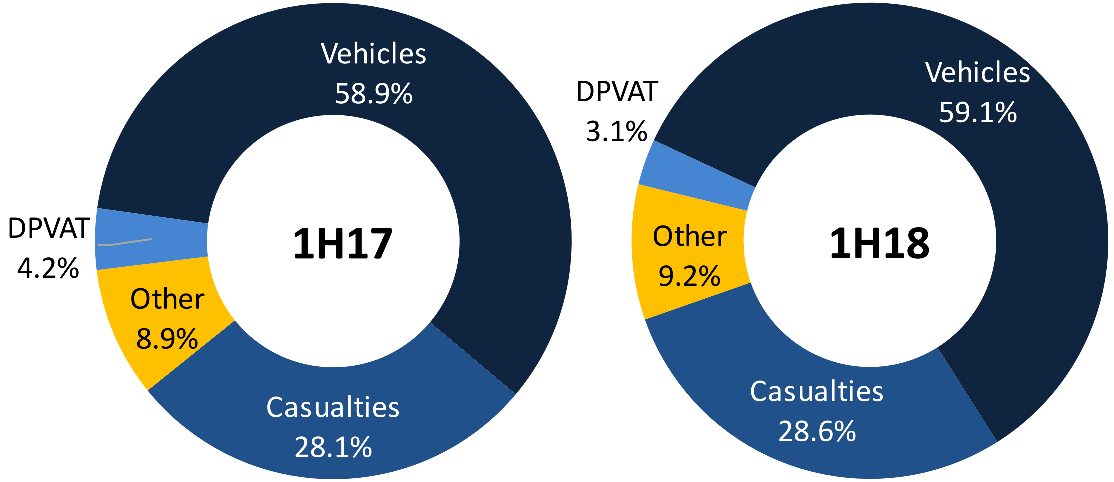


1 – Source: Susep.

BREAKDOWN OF PREMIUMS WRITTEN



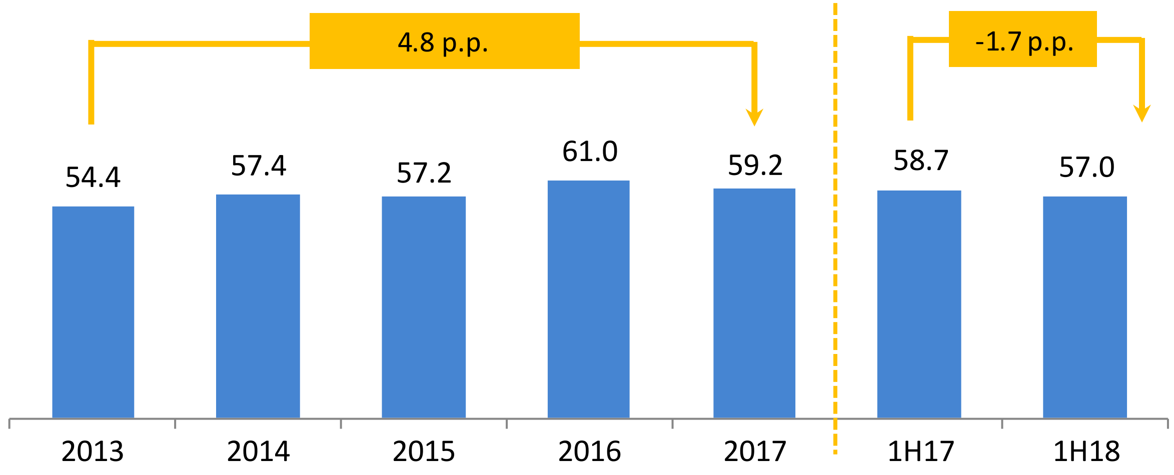
BREAKDOWN OF RETAINED PREMIUMS



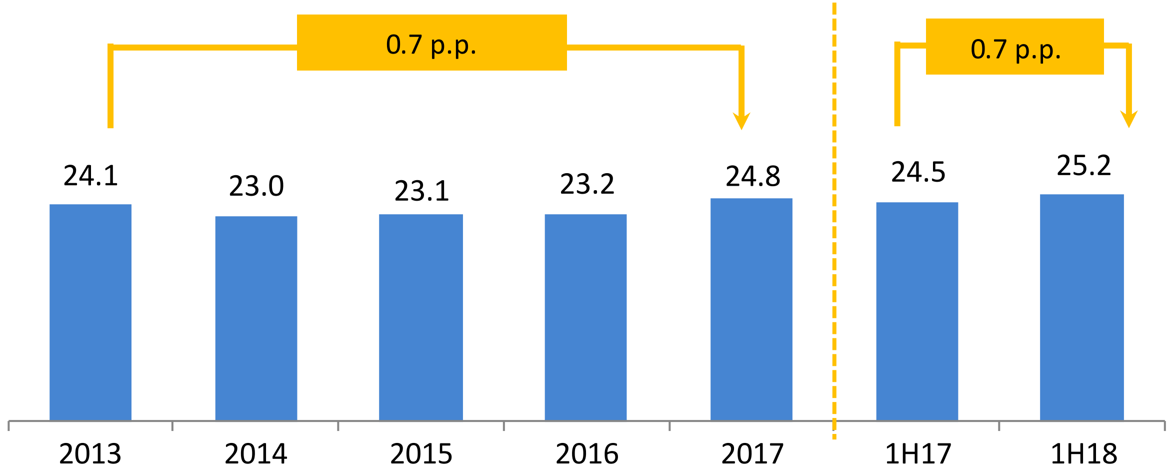
MAPFRE BB SH2 – Performance ratios[1]

BB SEGUROS

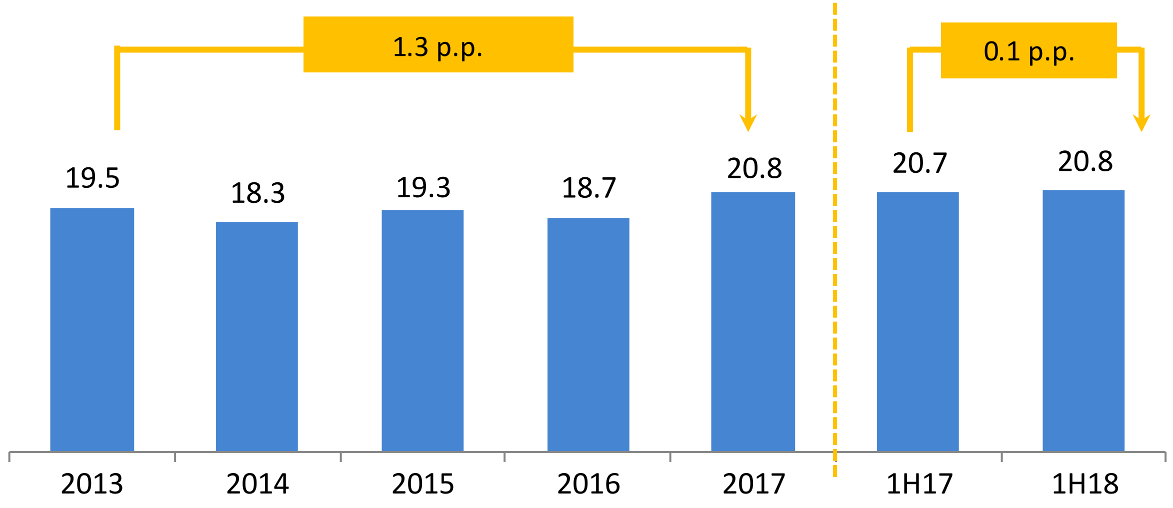
LOSS RATIO (%)



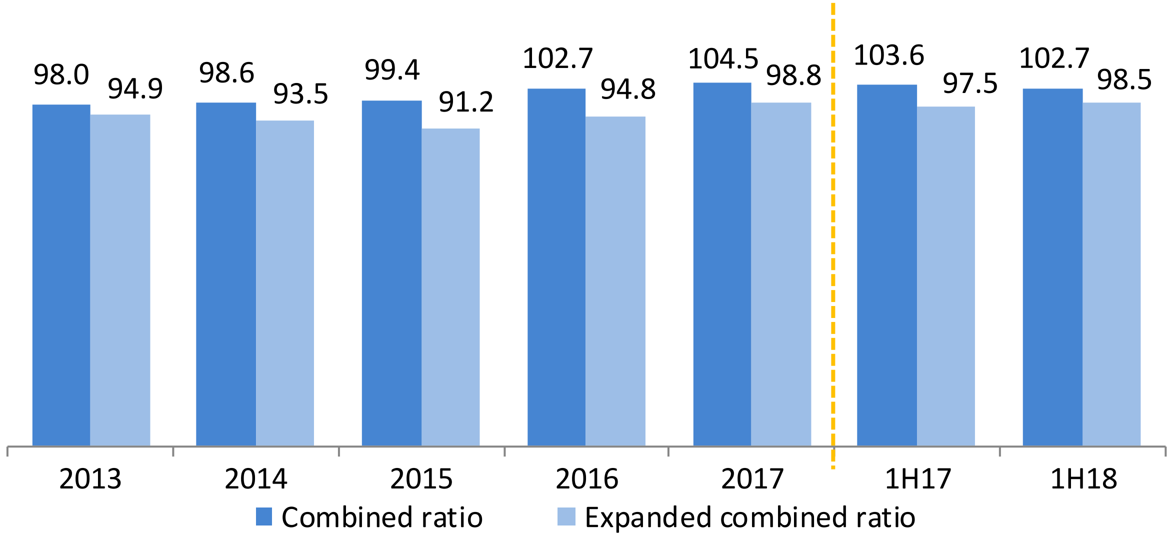
COMMISSION RATIO (%)



G&A RATIO (%)



COMBINED RATIO (%)

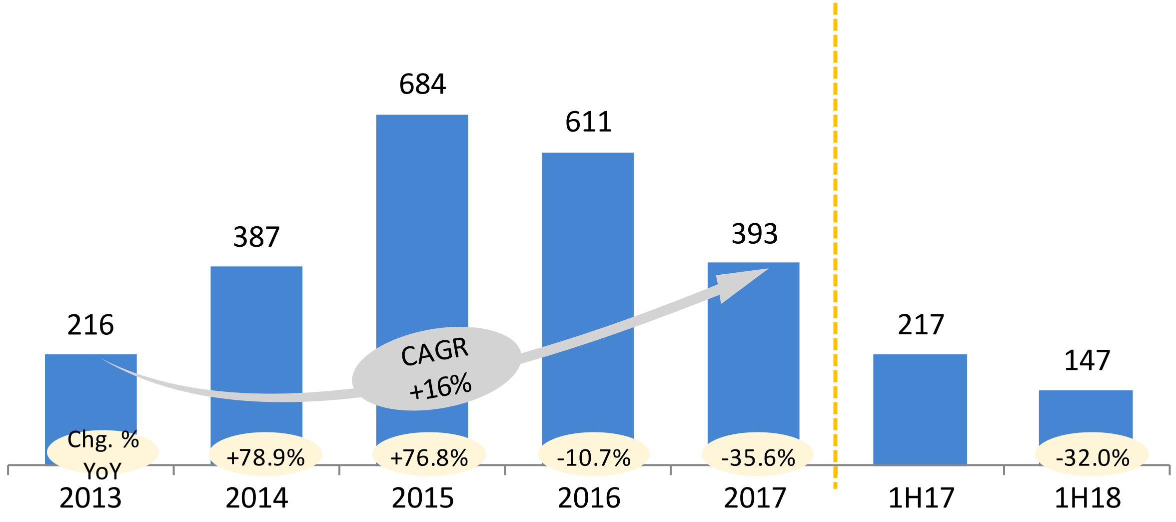


1 – Adjusted ratios, considering the reinsurance effects.

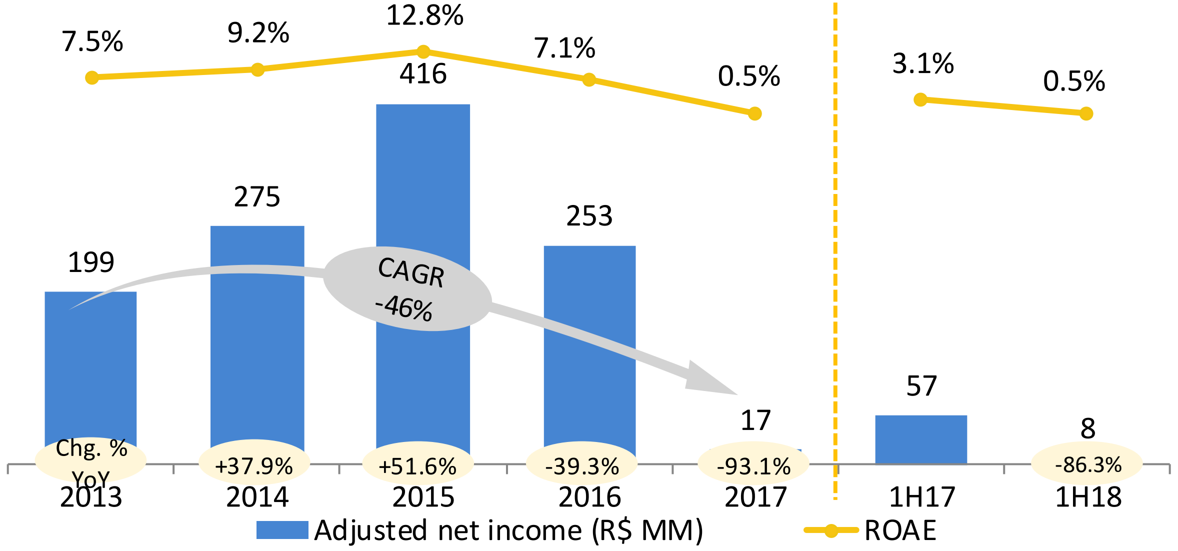
MAPFRE BB SH2

BB SEGUROS

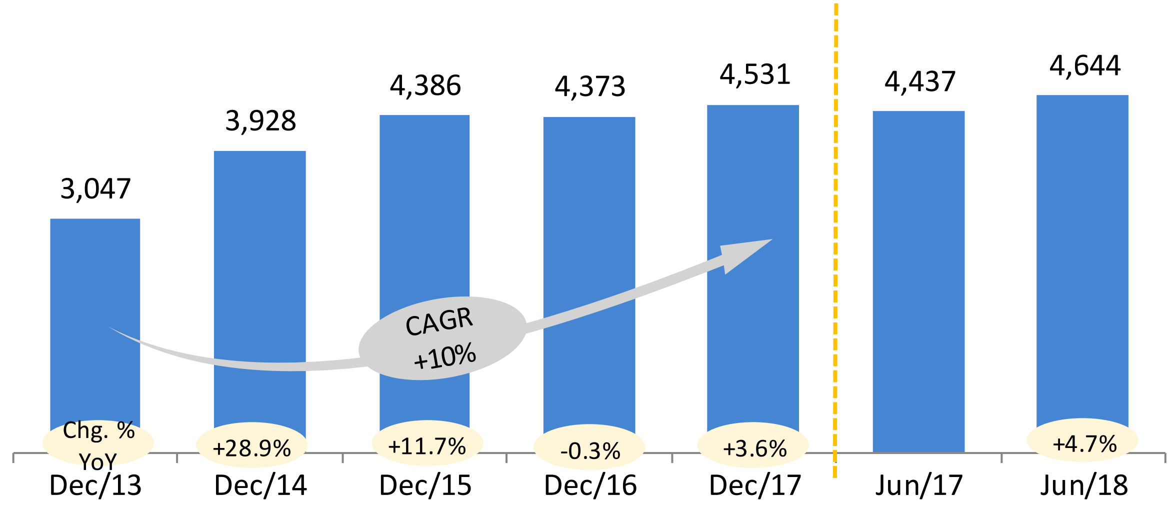
NET INVESTMENT INCOME (R$ MM)



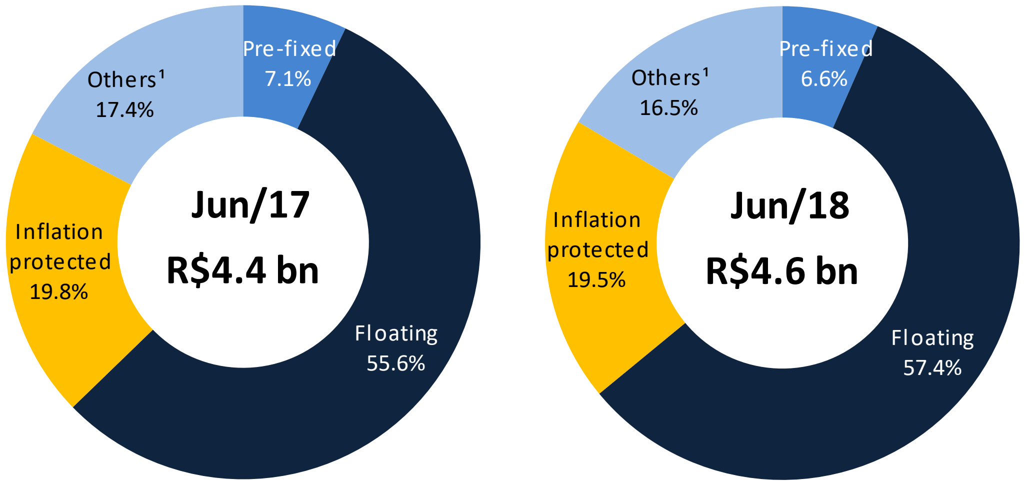
PROFITABILITY



FINANCIAL INVESTMENTS (R$ MM)



ASSET ALLOCATION



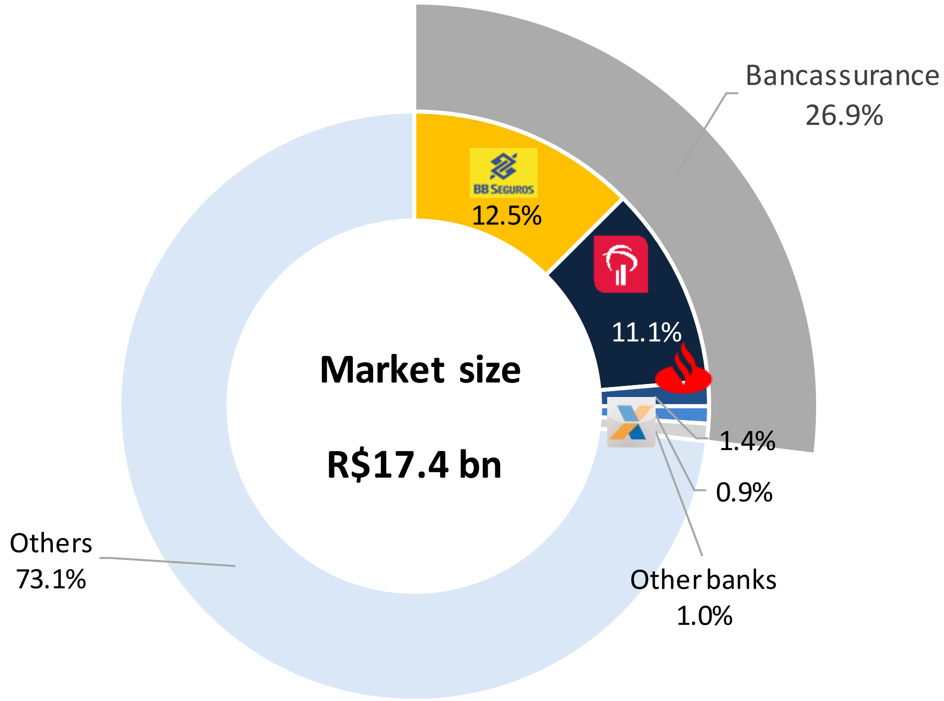
MAPFRE BB SH2 | Auto insurance – Key figures | 1H18

R$2.2 bn
in premiums written
2

68.1%
loss ratio

19.9%
commission ratio

Competitive Landscape | Premiums Written



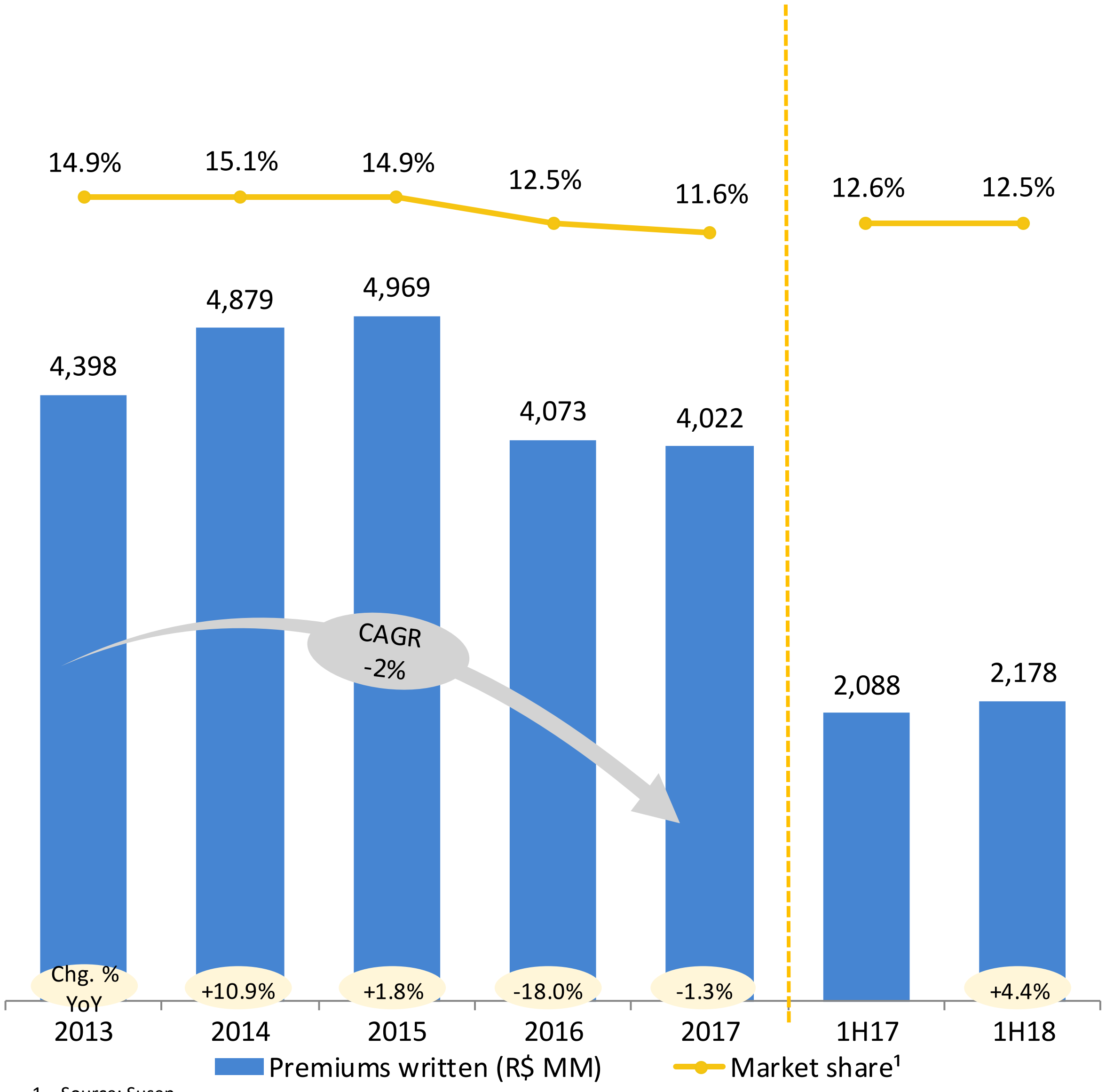
Source: Susep.

Portfolio of Products

- Designed to provide protection for vehicles, of comercial or particular use, against theft, physical damage and/or bodily injury resulting from traffic collisions, besides other assistances provided to the policy holder;
- The auto insurance is a dynamic and competitve market, what favors the cliente to shop around for the best price; and
- The renewal occur on a yearly basis, what makes easier for competitors to go after the clients and makes it difficult to establish and strengthen a long term relationship with costumers, unlike other segments.

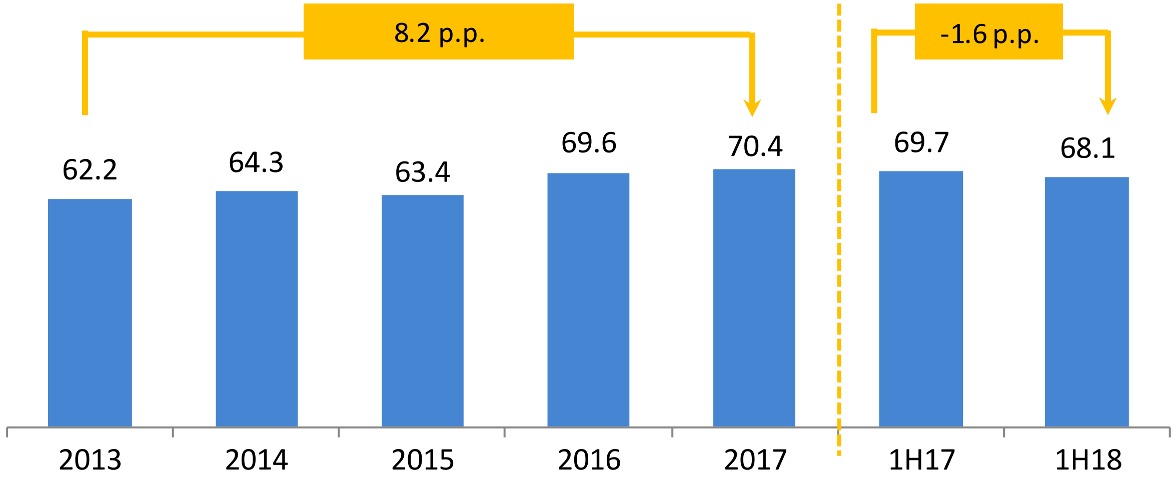
MAPFRE BB SH2 | Auto insurance

PREMIUMS WRITTEN

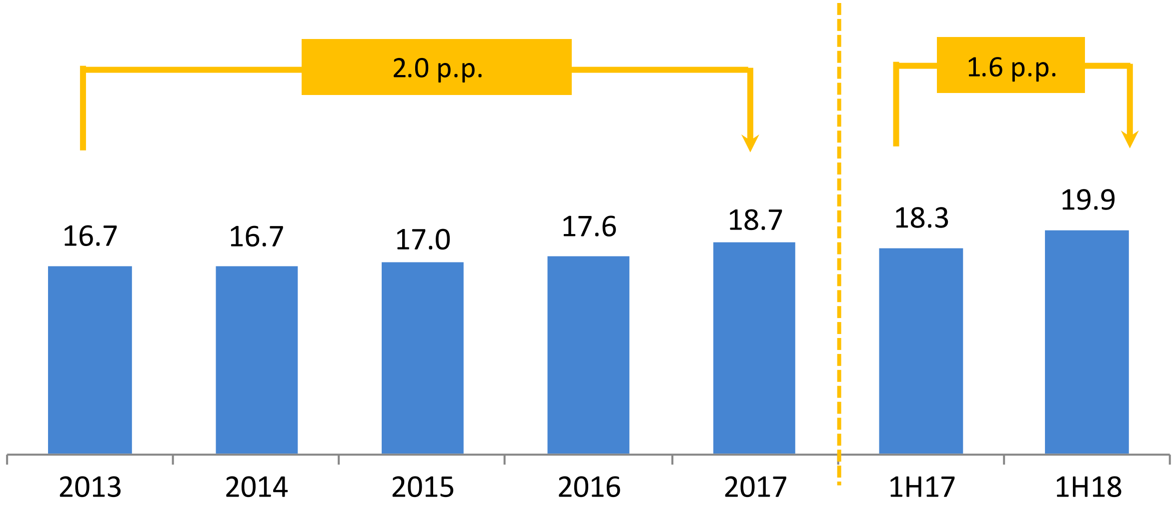


1 – Source: Susep.

LOSS RATIO (%)



COMMISSION RATIO (%)



R$1.7 bi
in premiums written
2

42.4%
loss ratio

34.1%
commission ratio

Portfolio of Products

Type of insurance sold to individuals or companies that provides protection against risks to properties, linked or not to loans;

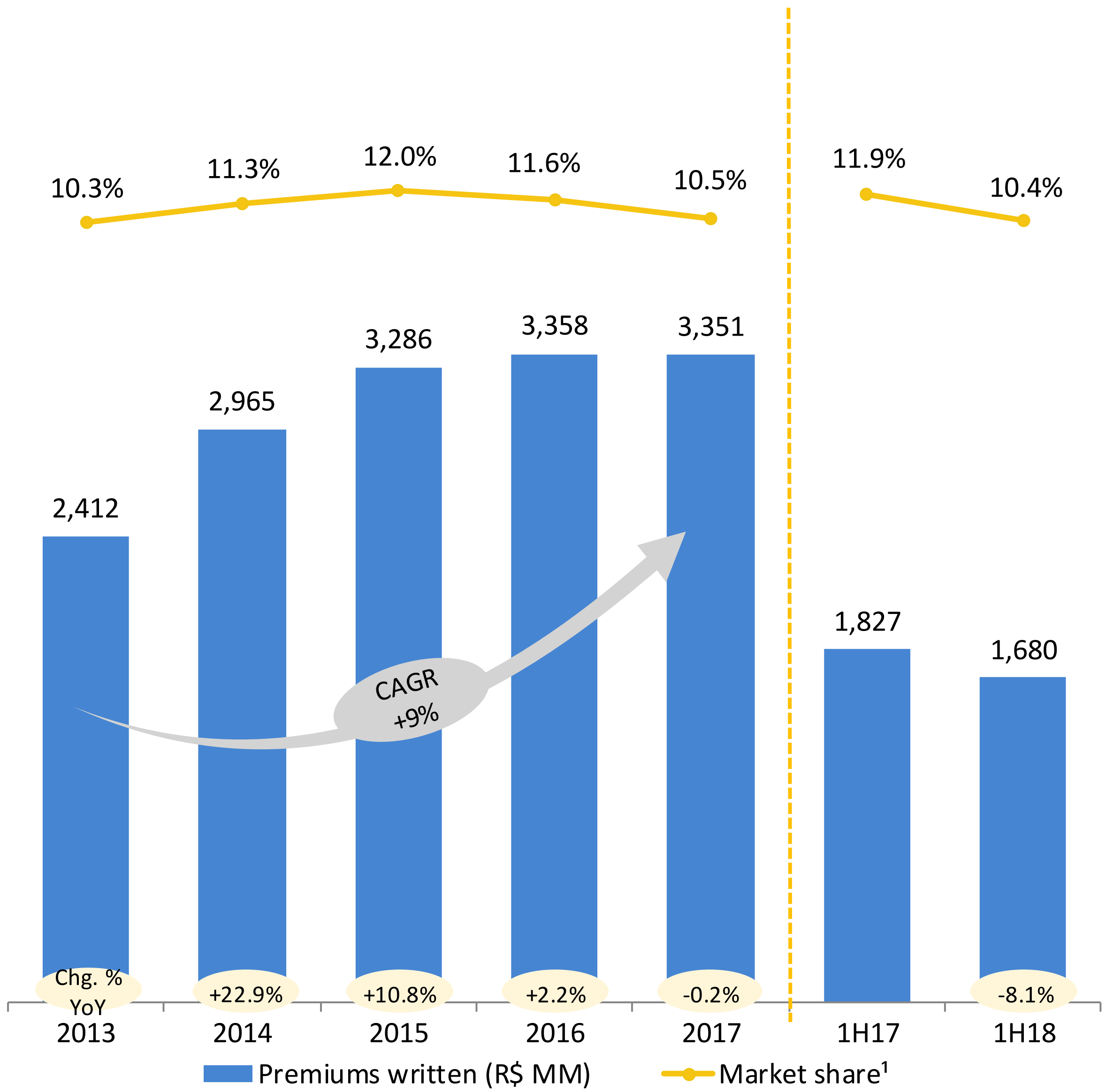
The main products of this segment are:

- **Home insurance:** covers the risks related to a private residence;
- **Business insurance:** covers the risks related to a property that belongs to a company; and
- **Insurance for machinery and equipment:** protection to a property that belongs either to individuals or companies.

MAPFRE BB SH2 | Casualty insurance

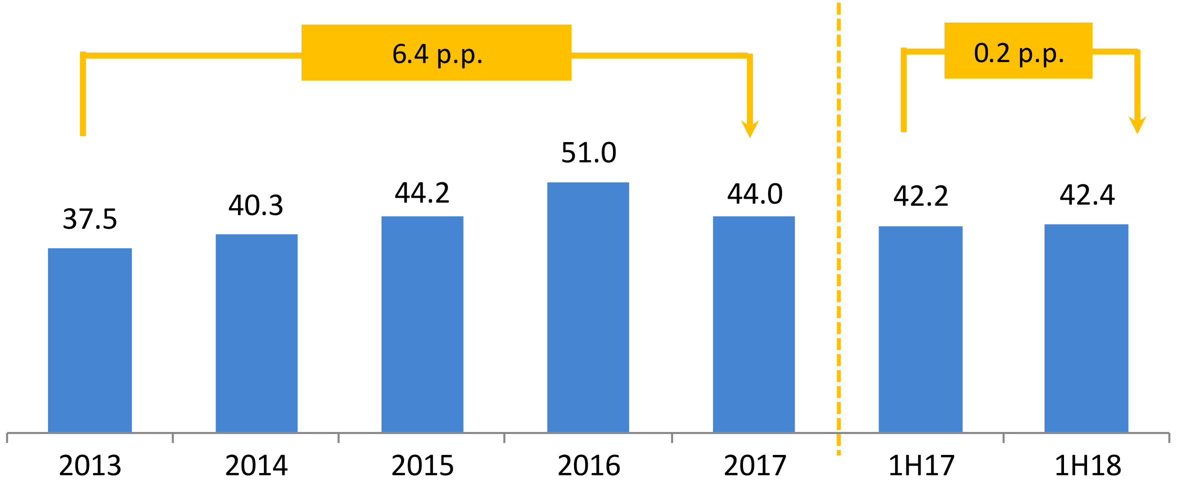
BB SEGUROS

PREMIUMS WRITTEN

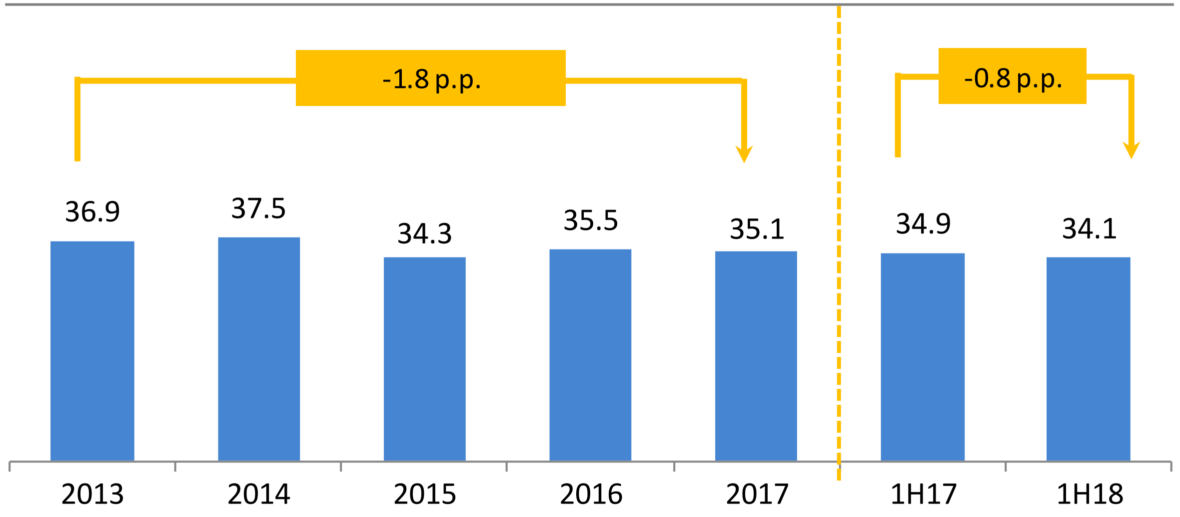


1 – Source: Susep.

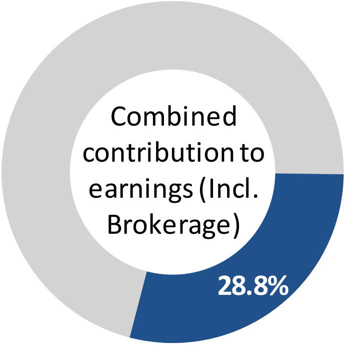
LOSS RATIO (%)

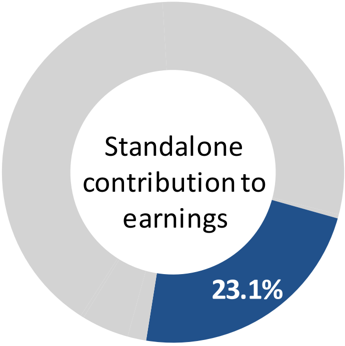


COMMISSION RATIO (%)



41.0%
Return on Average Equity





Operating result[1] 82.3%

Financial result[1] 17.7%

R$15.5 bi # 1
in contributions

R$2.9 bi # 3
in net inflows

R$242.5 bi # 1
in technical reserves

44.9%
cost to income ratio

8.0%
redemption ratio[1]

1.09%
management fee[2]

1 – Net of taxes considering the Company's effective tax rate. 2 – Annualized ratio.

Brasilprev – Key figures | 1H18

Portfolio of Products

PGBL – Free Benefit Generator Plan
- Recommended for people who fill their income tax statement in the complete form;
- Contributions deductible up to the limit of 12% of the anual gross taxable income;
- Principal + interest are taxed when annuity/lump sum is received;
- Taxed in the progressive or in the regressive tax system;

VGBL – Free Benefit Generator Life Plan
- Recommended for people who fill their income tax statement in the simplified form or is exempt;
- Only the interest component is taxed;
- Taxed in the progressive or in the regressive tax system;
- Simplicity of the process related to the inheritance transmission.

Tradicional Plan (***these plans are no longer sold)
- Defined benefit
- Guarantees a fixed interest of 6% + inflation (IGP-M) or Taxa Referencial (TR) per year.

Tax Statement

- **Complete form:** an individual can inform not only the income, but also deductible expenses, such as expenses with healthcare, education, investments in PGBL, and other.
- **Simplified form:** contributions are not tax deductible.

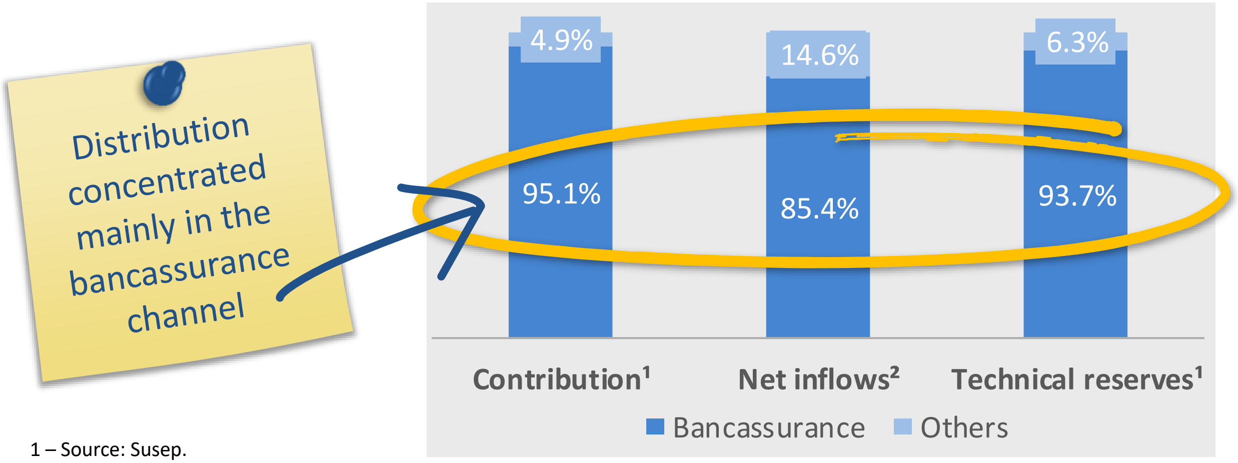
Tax System

Progressive
- Taxes are charged when money is received;
- Tax brackets can vary from zero to 27.5%;
- Redemptions are taxed at 15%, with adjustments in the income tax declaration.

Regressive
- Taxed when cash is received either on redemptions or when benefit is granted;
- Tax is withheld and definitive;
- Tax rates are determined by the lenght of stay, starting at 35%, and reaching a level of 10% after 10 years.

Competitive Landscape

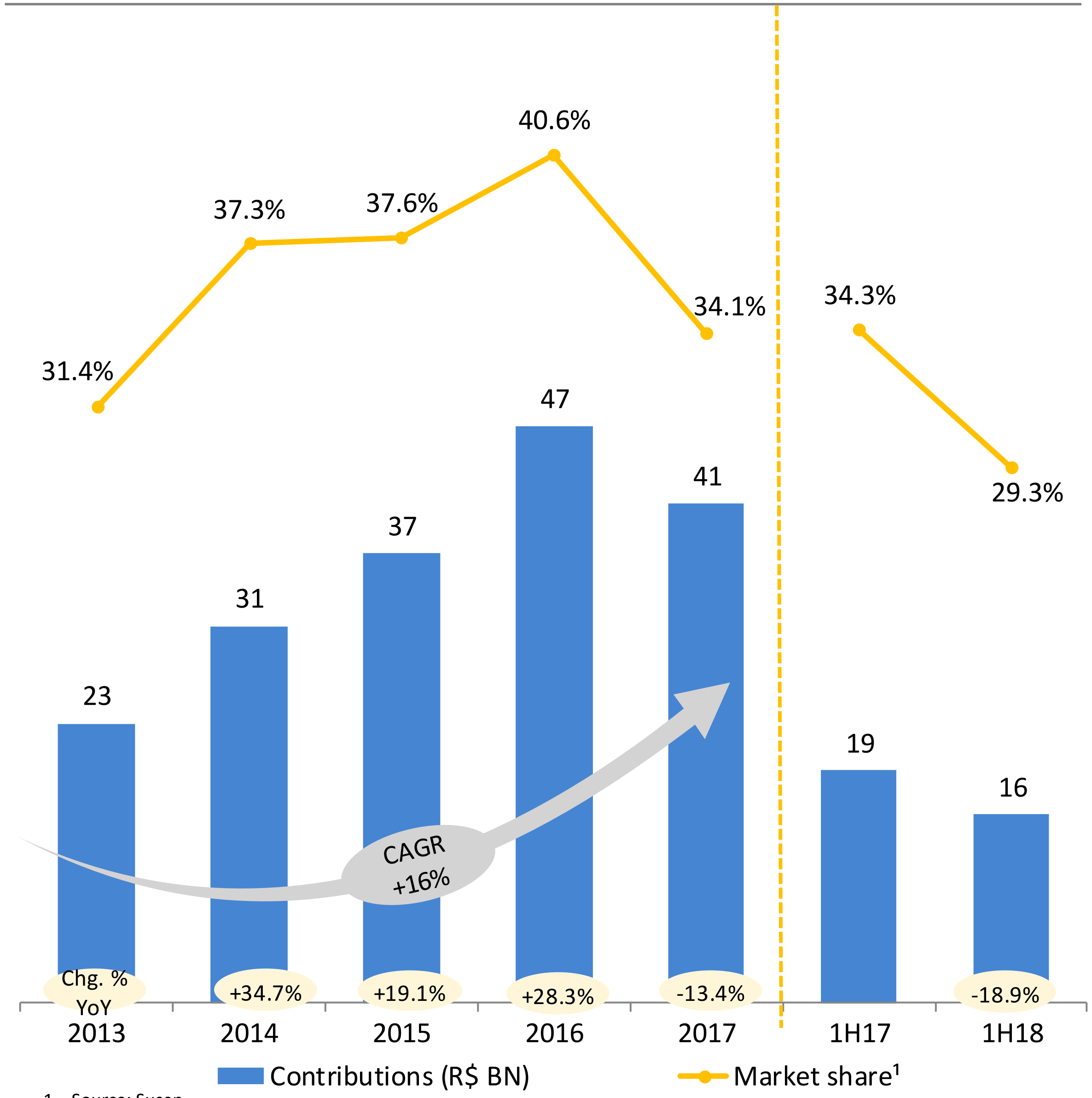
	Contribution[1]	Net inflows[2]	Technical reserves[1]
# 1	BB Seguros 29.3%	Itaú 34.4%	BB Seguros 30.5%
# 2	Bradesco 26.2%	34.2%	Bradesco 27.4%
# 3	Itaú 18.8%	BB Seguros 20.5%	Itaú 23.3%
Market size (R$ bn)	53.3	13.9	793.5



1 – Source: Susep.
2 – Source: Quantum Axis.

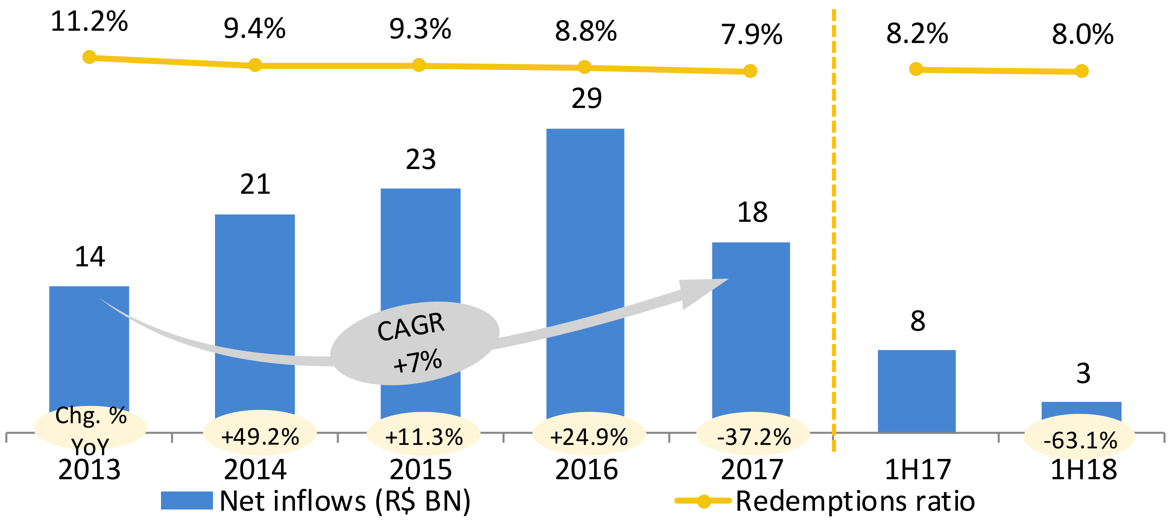
Brasilprev

CONTRIBUTIONS



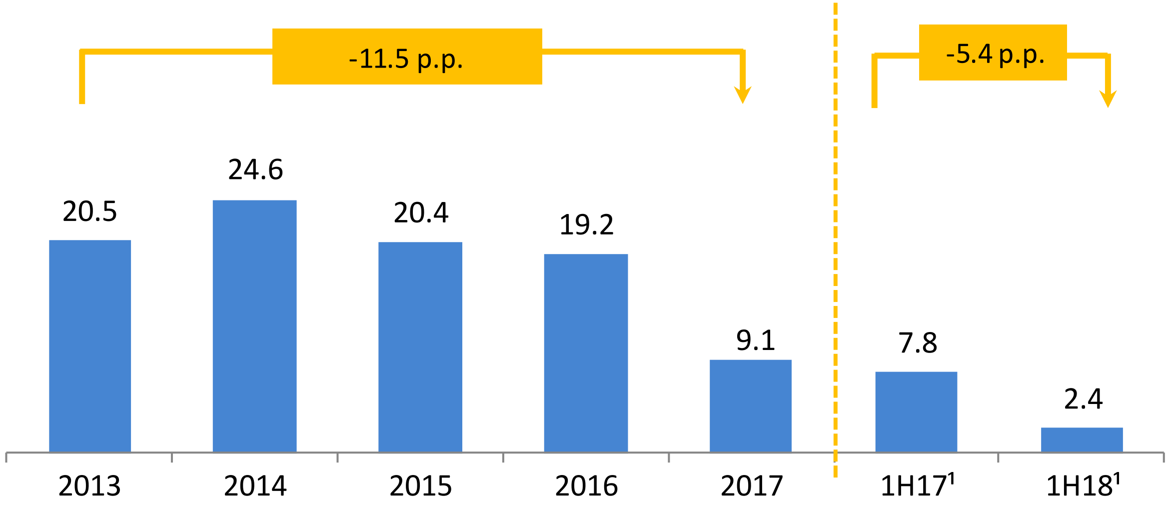
1 – Source: Susep.

NET INFLOWS



Source: Quantum Axis.

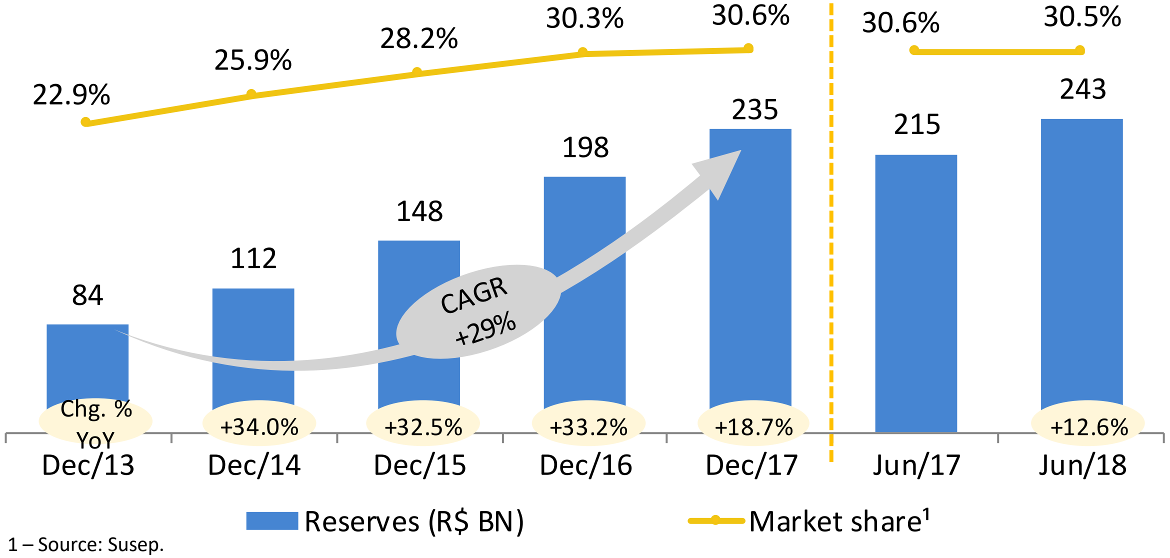
NET INFLOWS/AuM (%)



1 – Annualized ratio.

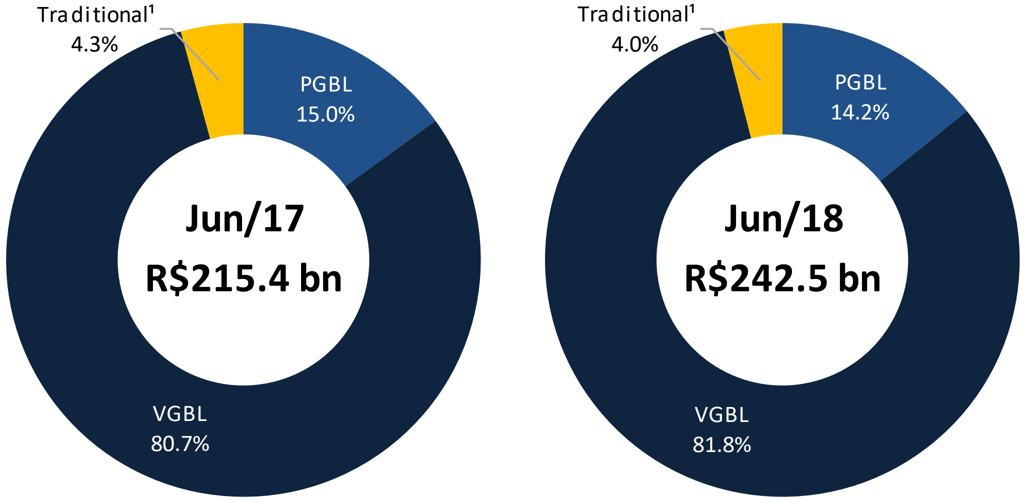
Brasilprev

RESERVES



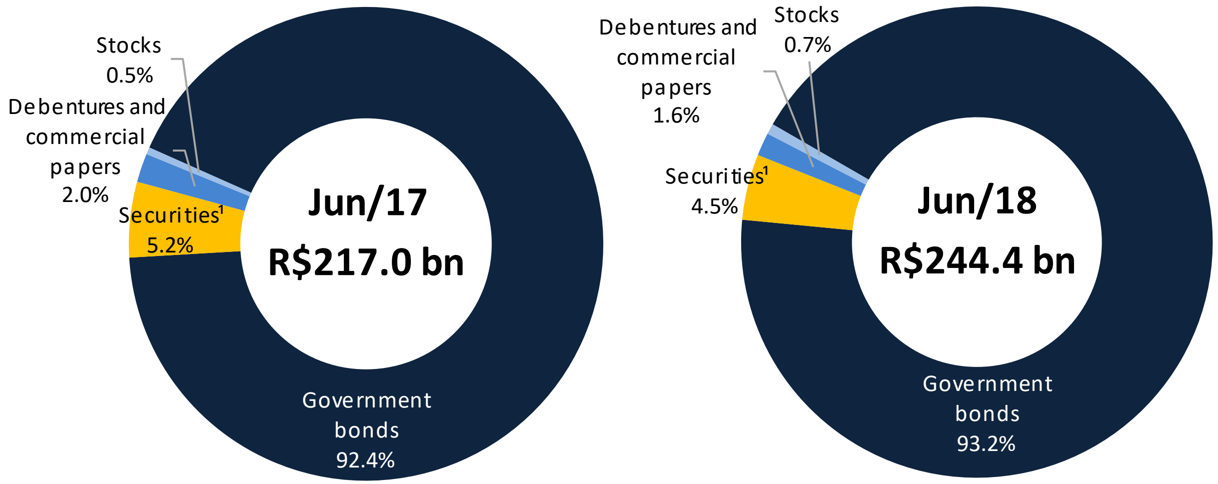
1 – Source: Susep.

BREAKDOWN OF RESERVES



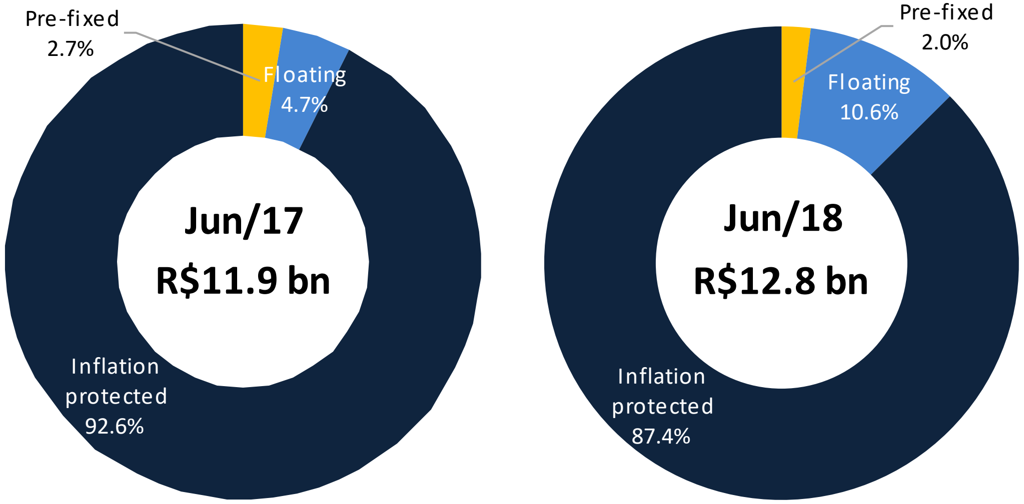
1 – Defined remuneration plan.

ASSET ALLOCATION (TOTAL)

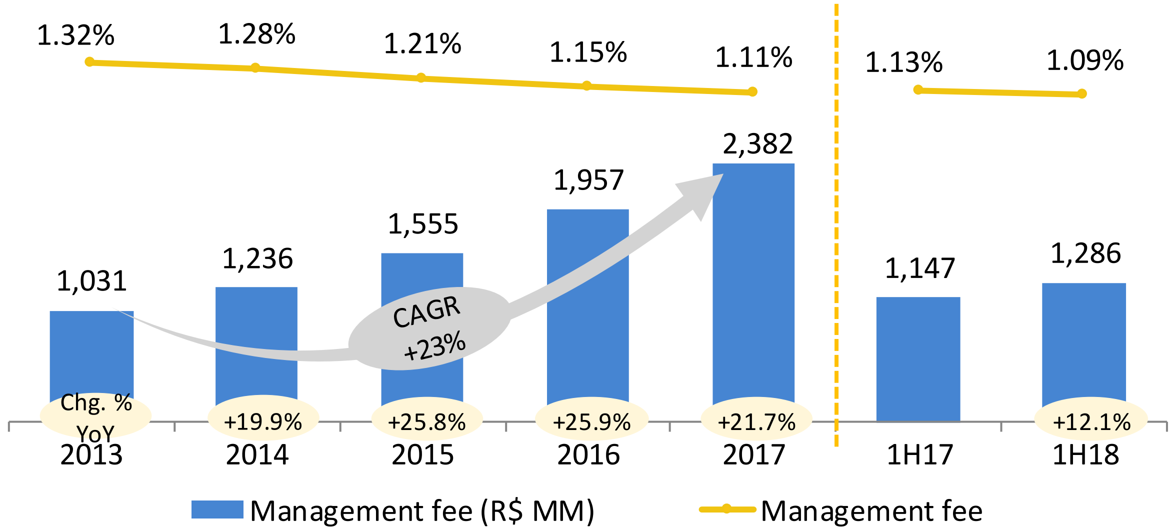


1 – Securities: time deposits, time deposit with special guarantee, real state receivables certificate, creditory rights, letras hipotecárias and letras financeiras.

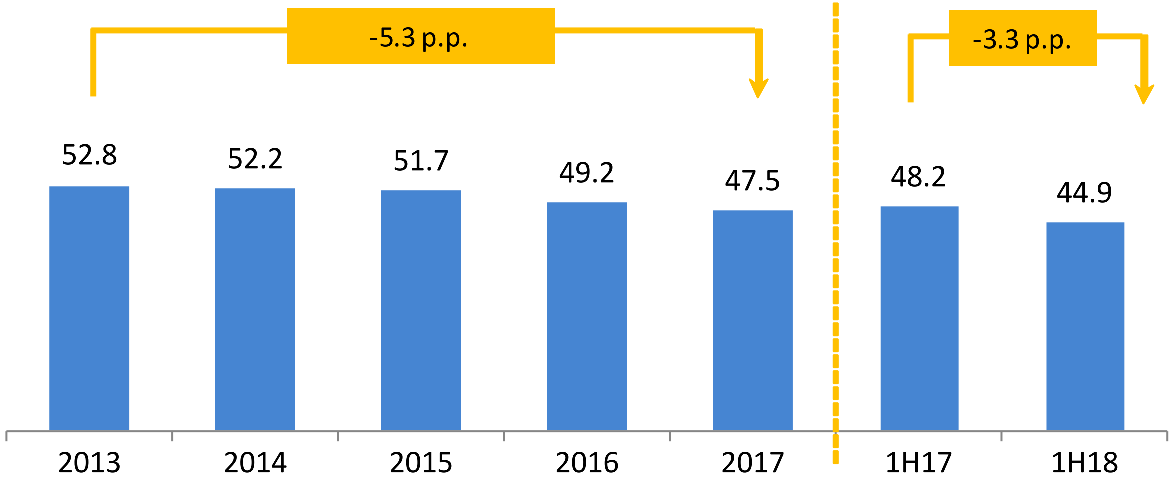
ASSET ALLOCATION BY INDEX (EXCEPT P/VGBL)



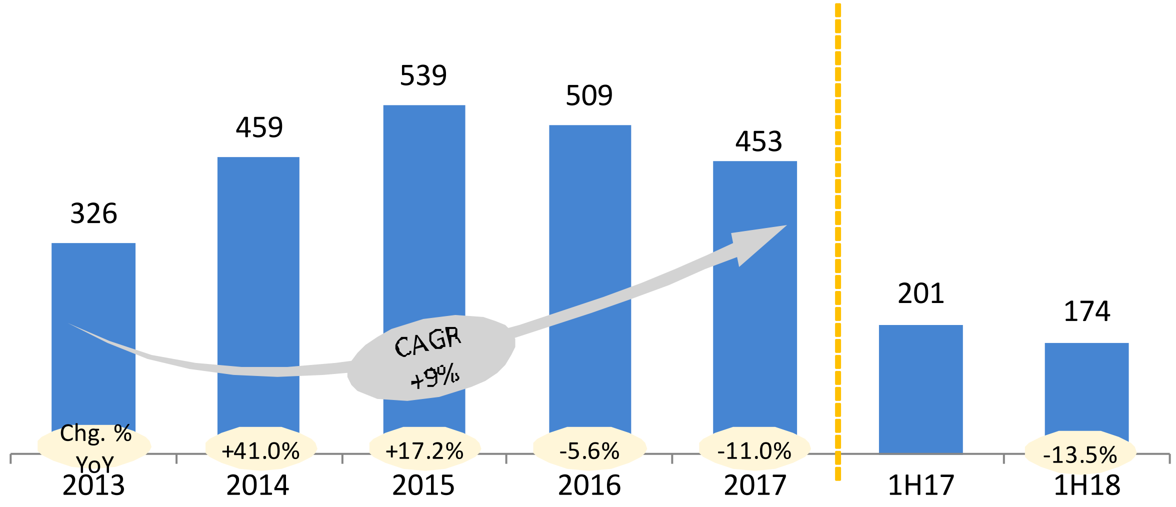
MANAGEMENT FEE



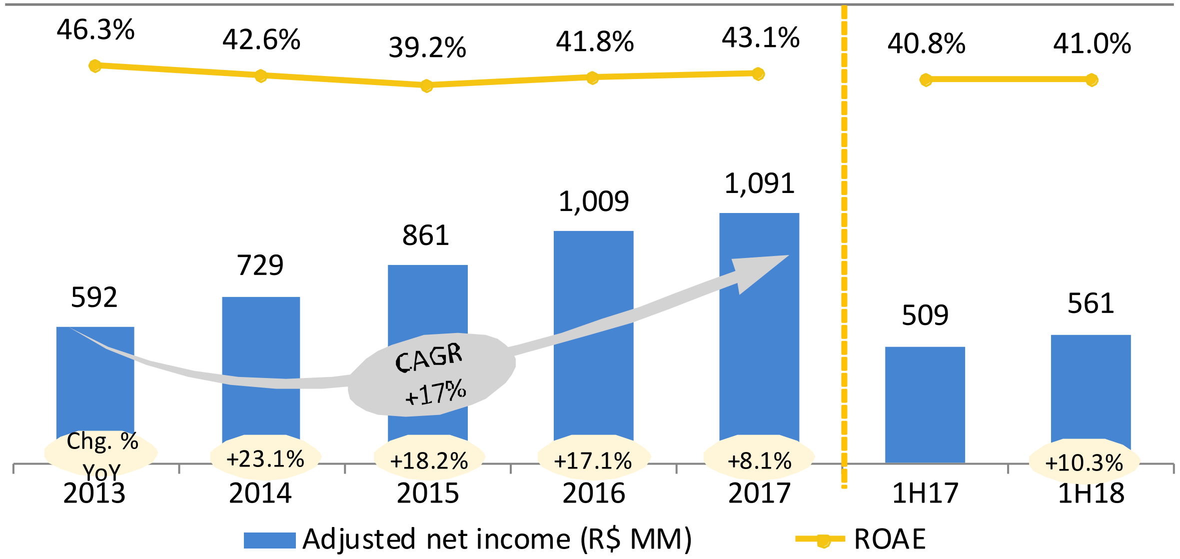
COST TO INCOME RATIO (%)



NET INVESTMENT INCOME (R$ MM)



PROFITABILITY

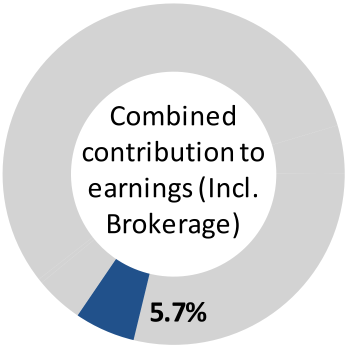


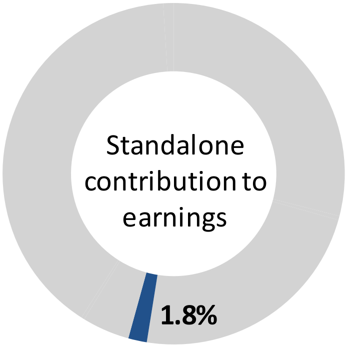
Brasilcap – Key figures | 1H18

BB SEGUROS

26.4%

Return on Average Equity





Operating result[1] 23.1%

Financial result[1] 76.9%

R$2.3 bi # 2
in collections

46.0% monthly
54.0% unique

6.3 mm
of bonds outstanding

R$9.5 bi # 1
in technical reserves

R$63 mm
lottery expenses

2.8 p.p.
net interest margin

1 – Net of taxes considering the Company's effective tax rate.

BB SEGUROS

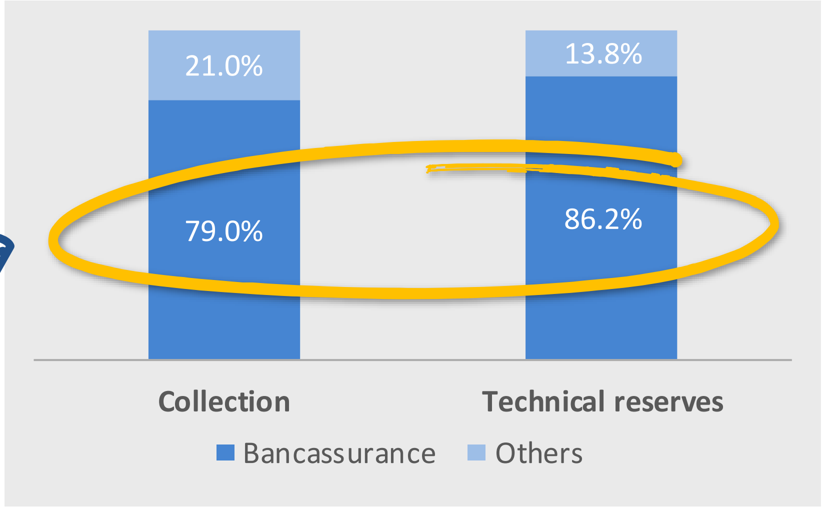
Portfolio of Products

- Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in United Kingdom and in other countries;
- Premiums bonds are an alternative way to accumulate reserves, with term and interest rate previously determined, entitling the bondholder to participate in lotteries;
- Prizes are distributed through periodic draws, being most frequent the usage of a combination of numbers in pre-determined series, based on the Brazilian Official Lottery;
- In case of early redemption, the bondholder must obey a grace period (12 months in most products);
- Beyond the grace period, penalties will be applied, if the bondholder decides for early redemption; and
- Penalties will decrease as the bond approaches to maturity.

Competitive Landscape

	Collection	Technical reserves
# 1	Bradesco 29.9%	BB Seguros 32.5%
# 2	BB Seguros 22.2%	Bradesco 26.9%
# 3	Itaú 13.1%	Itaú 11.5%
Market size (R$ mm)	10,355	29,227

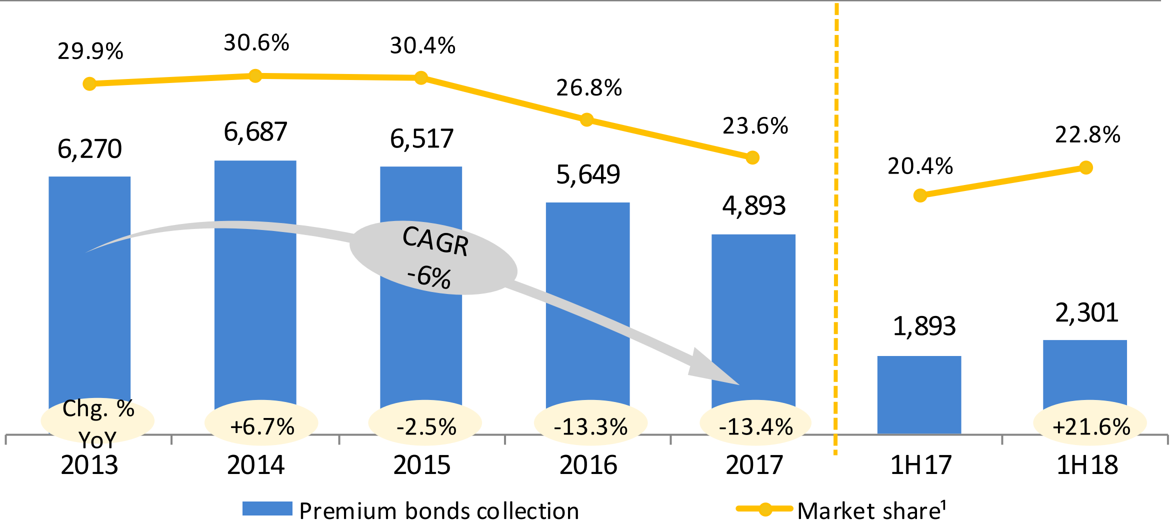
Premium bonds are mainly sold through the bancassurance channel



Source: Susep.

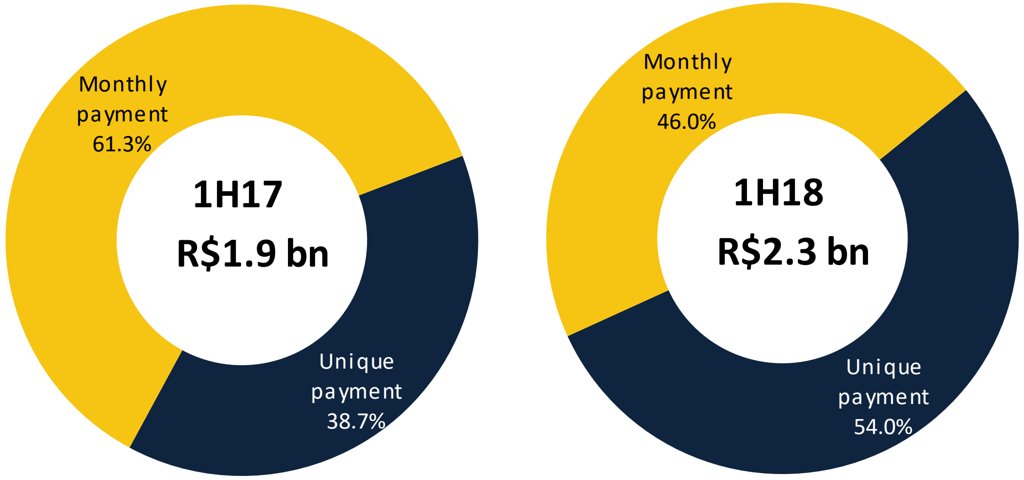
Brasilcap

PREMIUM BONDS COLLECTION (R$ MM)

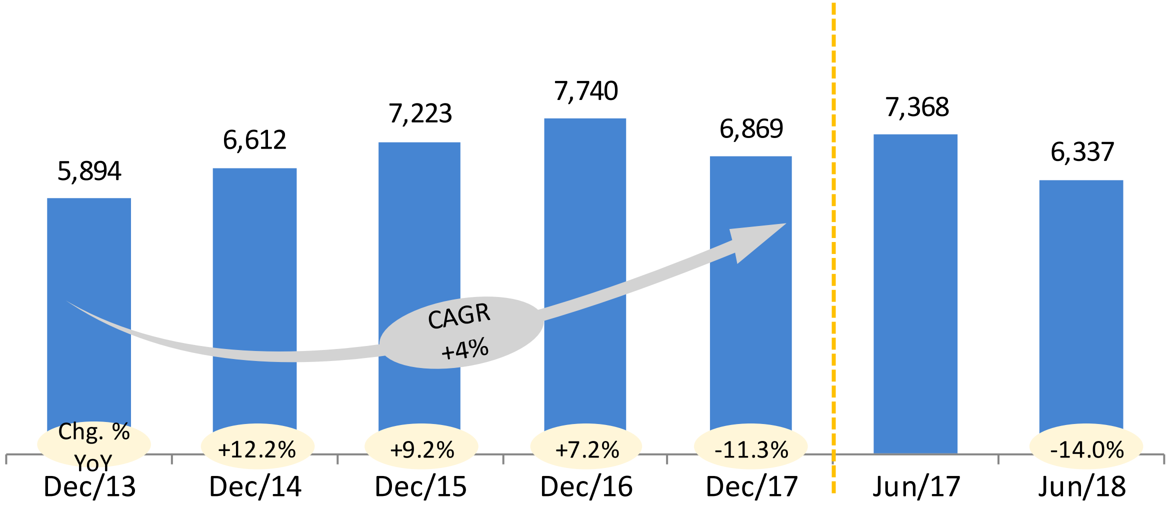


1 – Source: Susep.

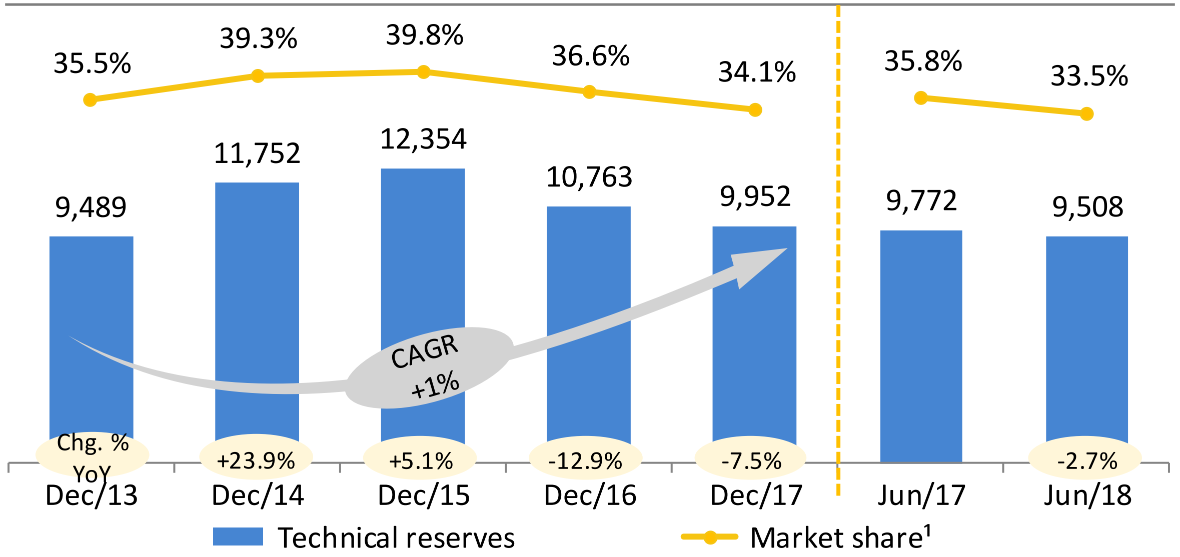
BREAKDOWN OF COLLECTION



BONDS OUTSTANDING (THOUSAND)



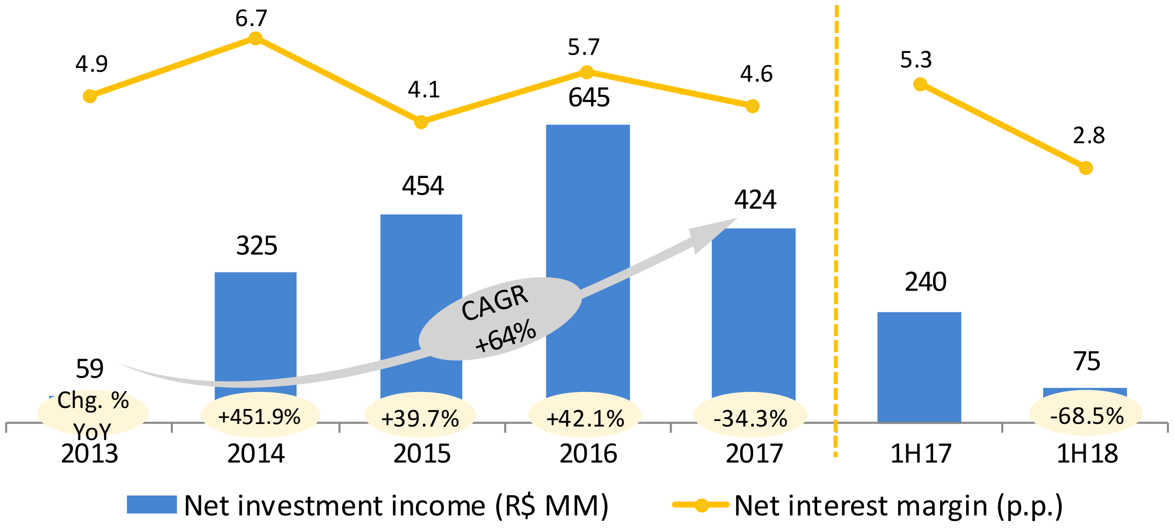
TECHNICAL RESERVES (R$ MM)



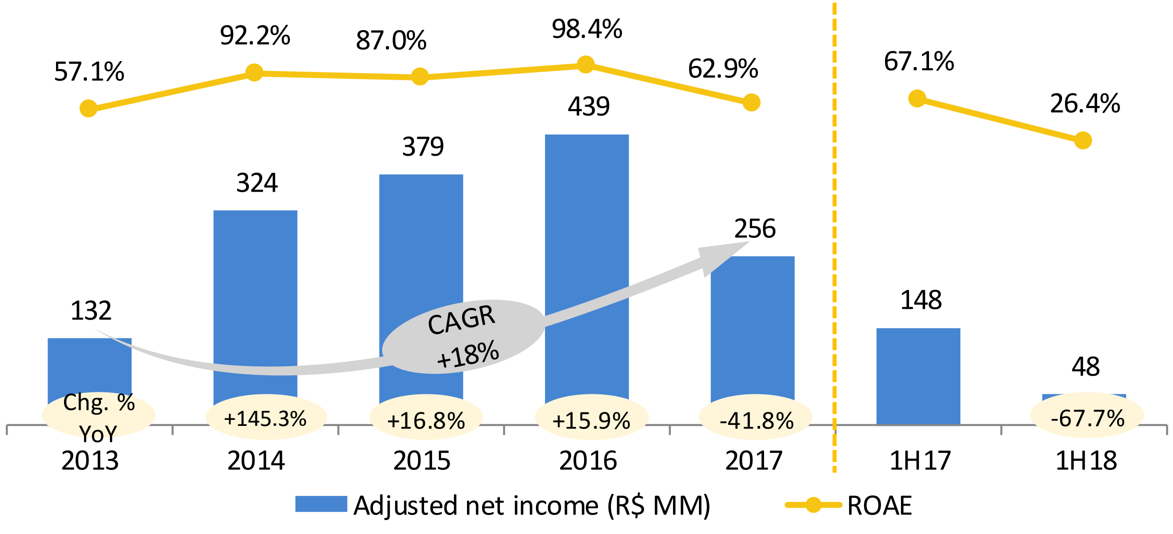
1 – Source: Susep.

BB SEGUROS

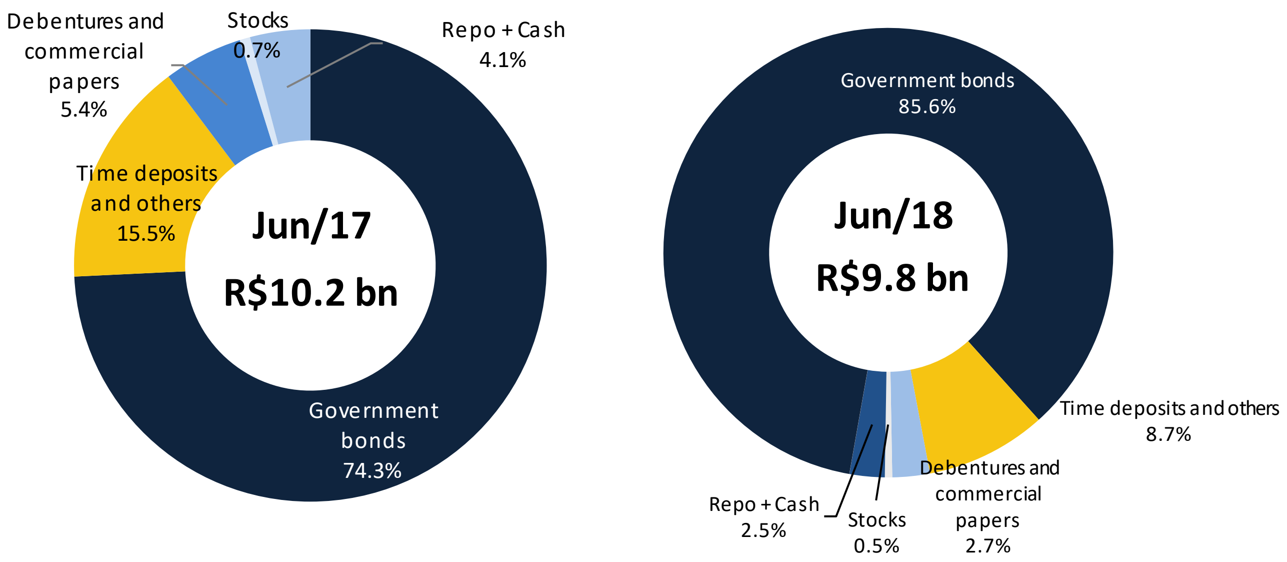
NET INVESTMENT INCOME



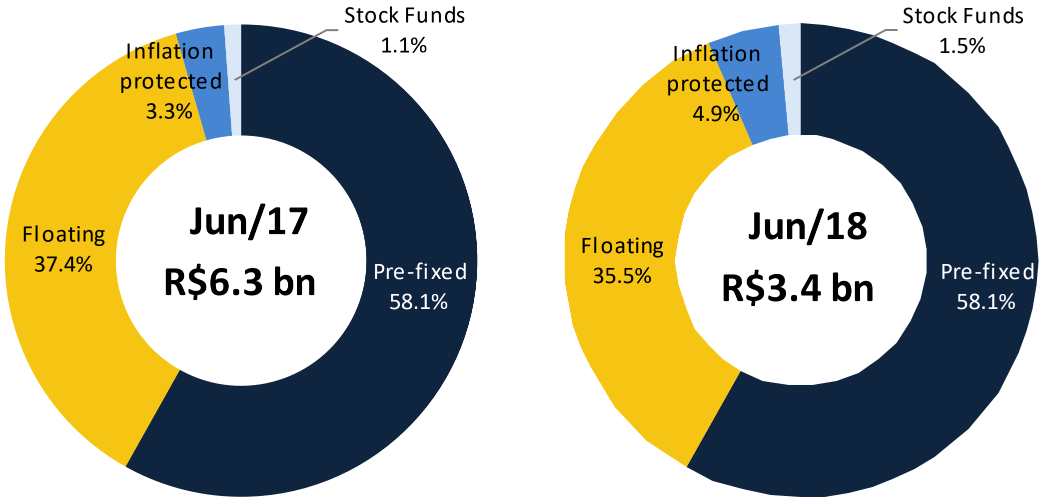
PROFITABILITY



ASSET ALLOCATION



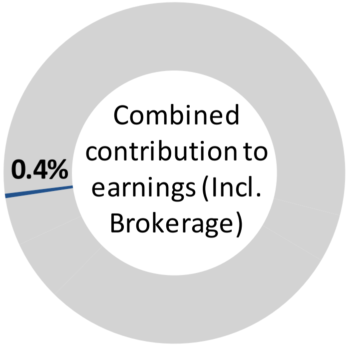
ASSET ALLOCATION | TRADING PORTFOLIO

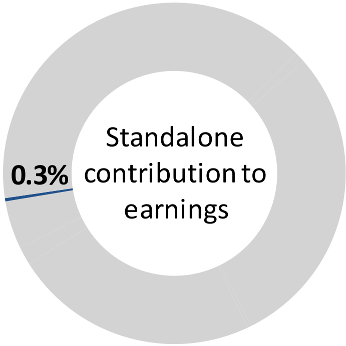


BB SEGUROS

88.3%

Return on Average Equity





Operating result[1] 98.3%

Financial result[1] 1.7%

R$52 mm
in net operating revenues

542 thousand
# of insured lives

72.6% corporate
19.0% SME
8.4% individuals

46.2%
loss ratio

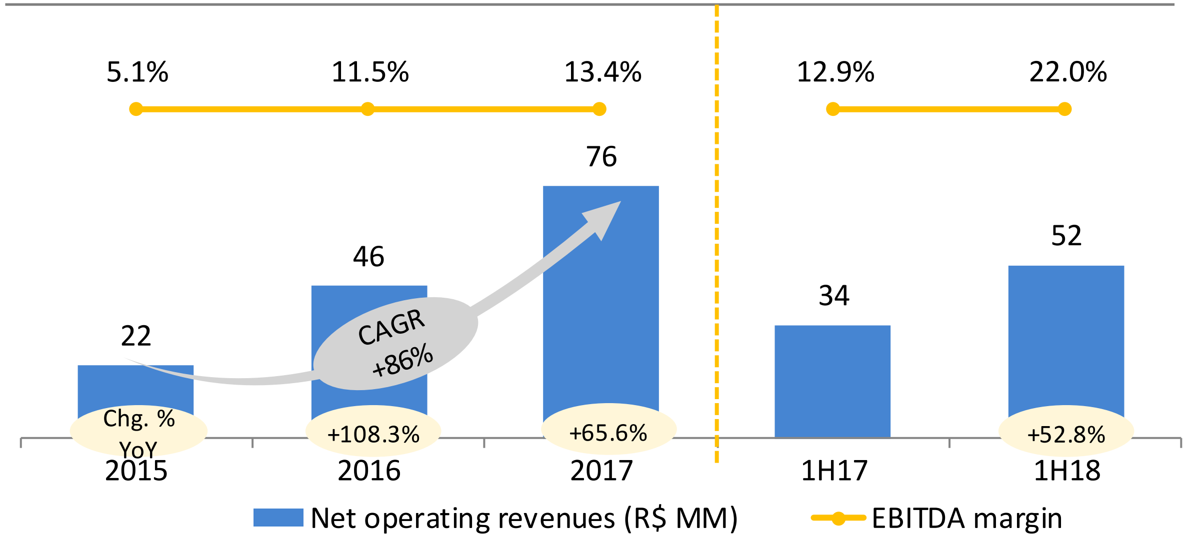
78.0%
combined ratio

22.0%
EBITDA margin

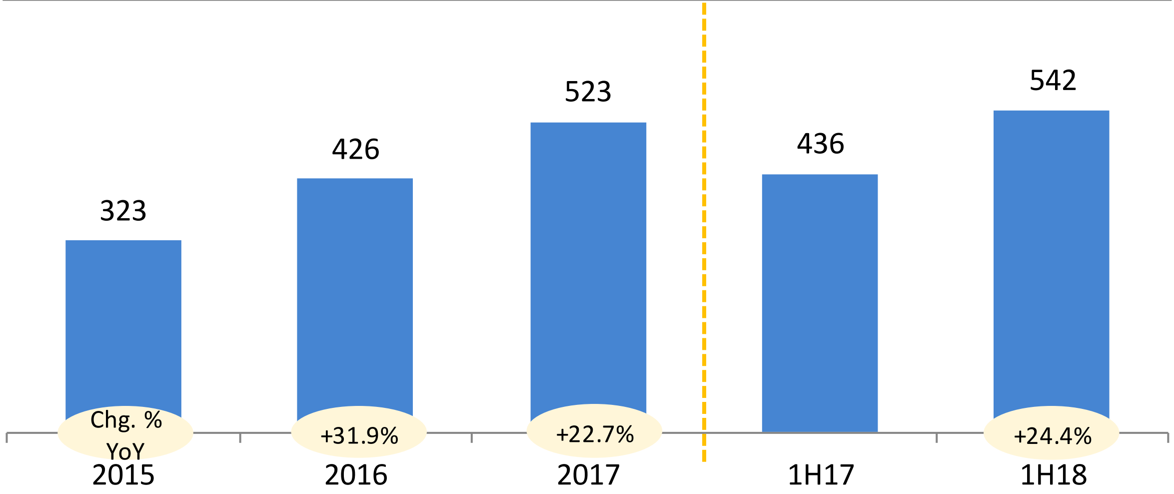
1 – Net of taxes considering the Company's effective tax rate.

Brasildental

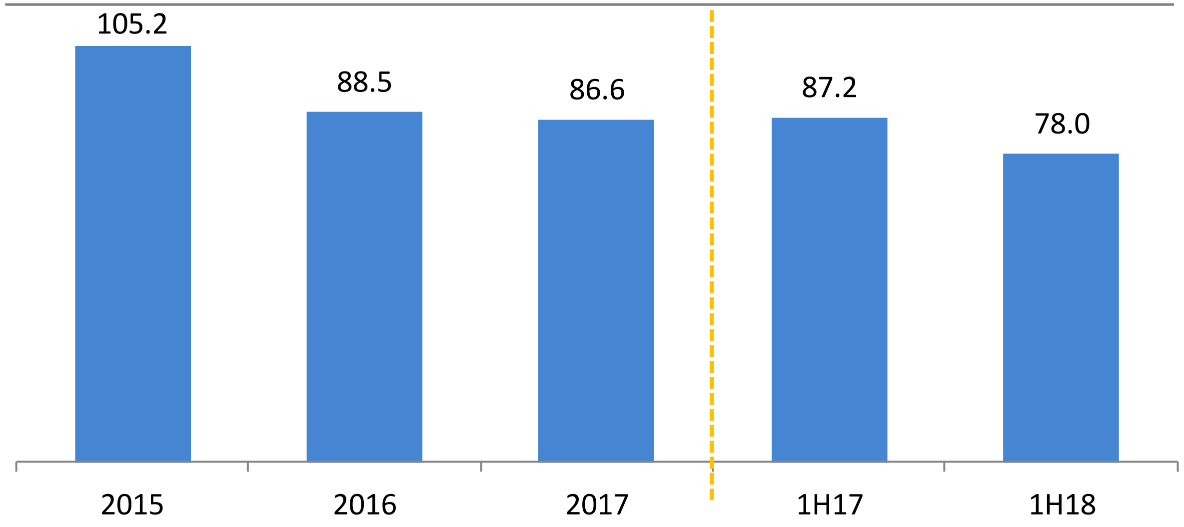
NET OPERATING REVENUES



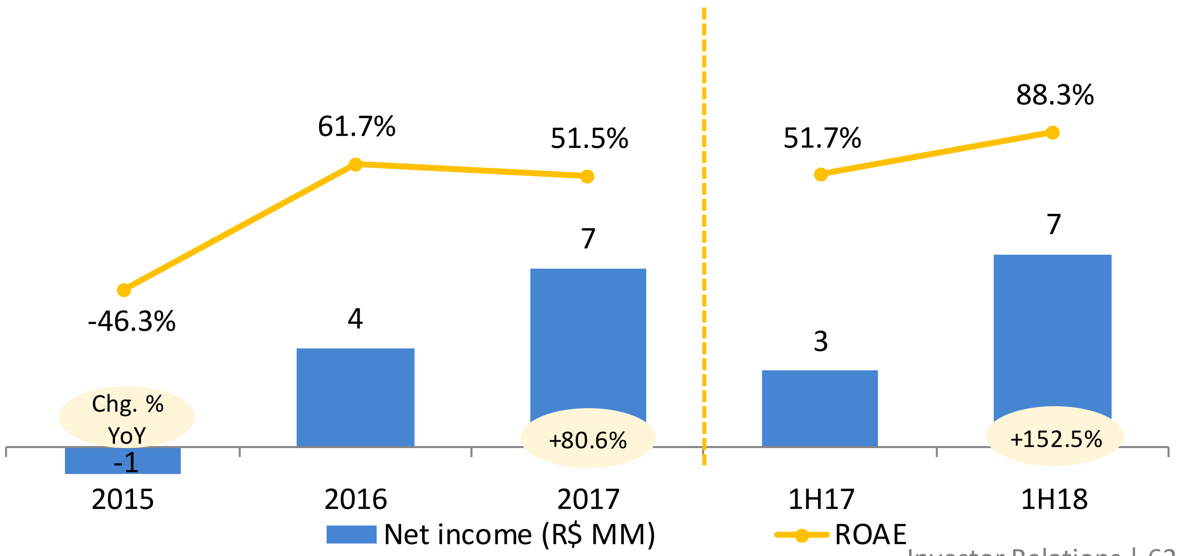
CLIENTS (THOUSAND)



COMBINED RATIO (%)



PROFITABILITY



IRB Brasil-RE – Key figures | 1H18

30.1 %

ROAI[1]

1 – Equity income/ Average investment balance.

R$3.3 bi

in premiums written

82.6%

combined ratio

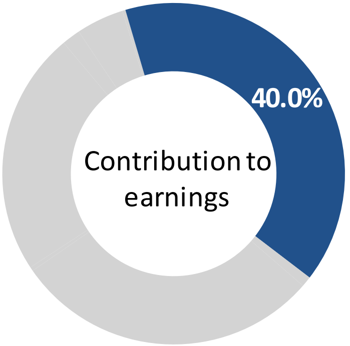
Company Overview

- The reinsurance industry in Brazil has been growing substantially since the market became opened in April 2008. With the approval of the Complementary Law 126/2007, the state monopoly, held through IRB ceased to exist.
- In some cases, due to contract or regulation, reinsurance becomes mandatory, and according to SUSEP data, the main risks covered today are P&C, financial, rural and transportation.
- In 2013, BB Seguridade, through its subsidiary BB Seguros Participações acquired a stake in IRB, and after the process of privatization and capital increase, BB Seguros became the holder of 20.51% of IRB's total capital, and became part of its control block;
- As a result of the IRB's initial public offering, 16,206,387 shares held by BB Seguros were sold, which generated a net gain of R$171.2 million. After the offering closing, BB Seguros, became to hold 15.2% of IRB's capital stock.

BB SEGUROS

54.9%

Net margin



Operating result[1] 95.8%

Financial result[1] 4.2%

R$1.3 bi

in brokerage revenues

79.5%

EBIT margin

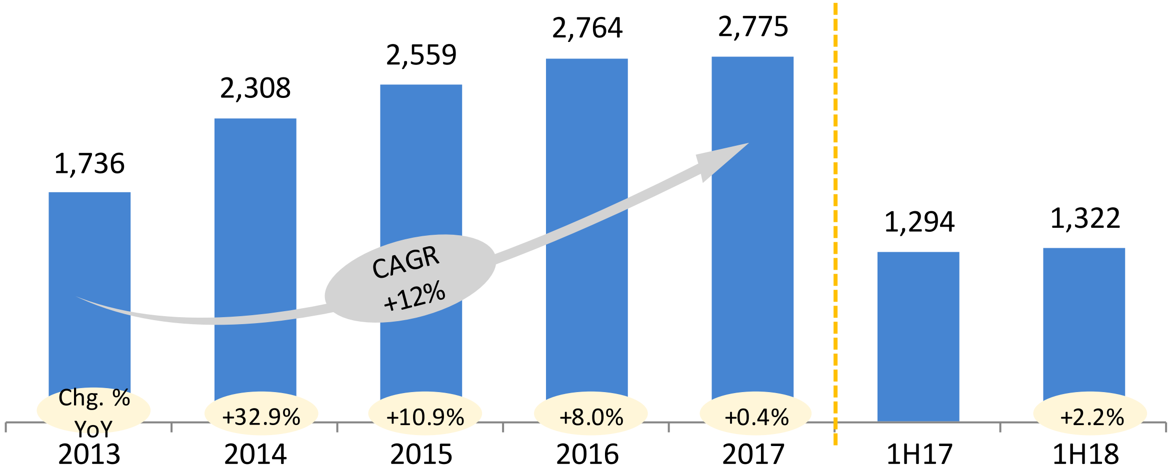
Company Overview

- The distribution of BB Seguridade affiliates' products – BB MAPFRE SH1, MAPFRE BB SH2, Brasilprev, Brasilcap and Brasildental – in the bancassurance channel takes place through a fully owned broker named BB Corretora;
- BB Corretora is remunerated by BB Seguridade affiliates through the payment of commissions;
- As a result of the usage of Banco do Brasil's distribution network, including the workforce, IT solutions and facilities, it reimburses the costs incurred by the Bank during the selling and maintenance of insurance, pension plans, premium bonds and dental care products;
- The brokerage business in the bancassurance channel is not a complex business model, as it does not incur in the underwriting risk and has low capital needs.

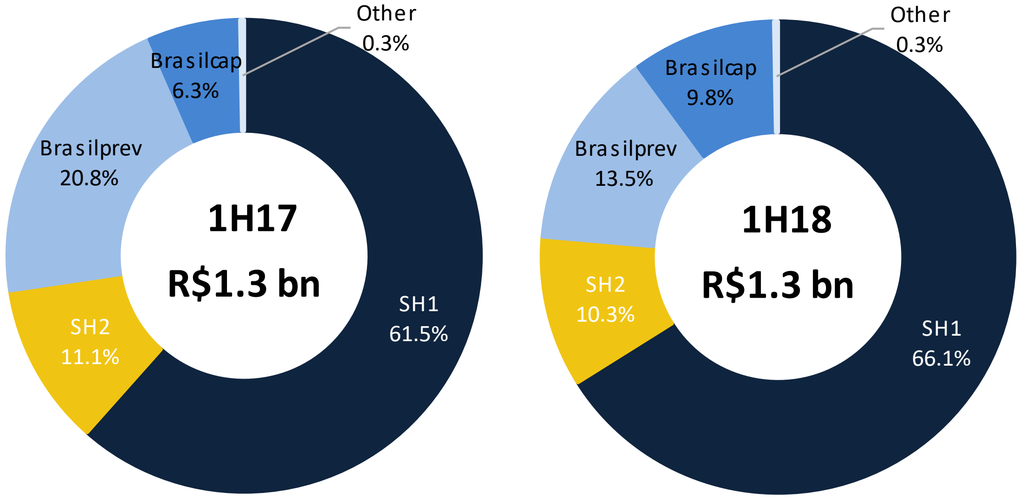
1 – Net of taxes considering the Company's effective tax rate.

BB Corretora

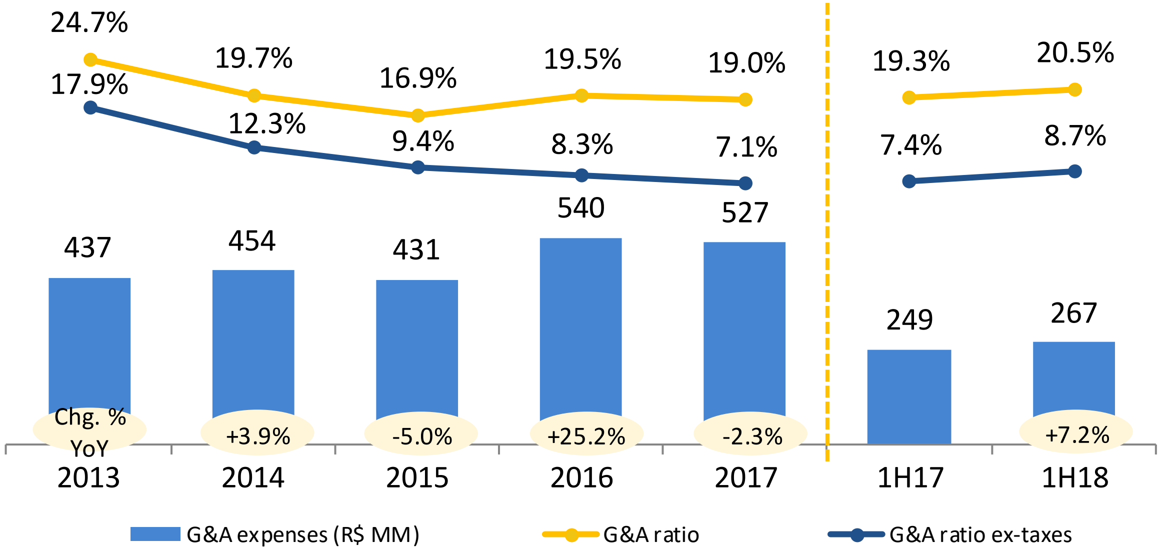
BROKERAGE REVENUES (R$ MM)



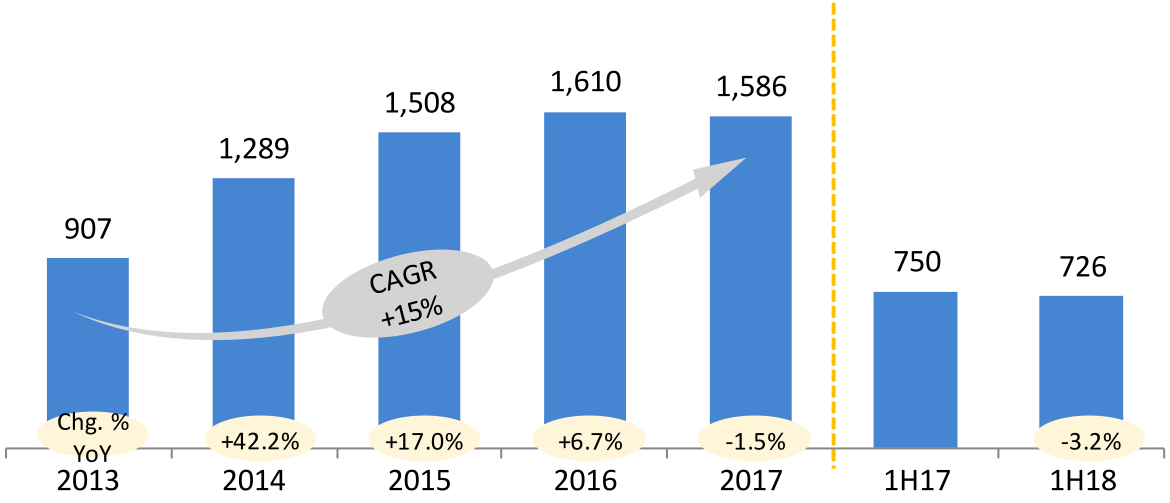
BREAKDOWN OF BROKERAGE REVENUES



G&A



ADJUSTED NET INCOME (R$ MM)



Digital transformation

Present in multiple channels through Banco do Brasil…

Insurance products sold by digital channels accounted for 13.6% of sales in the 1H18

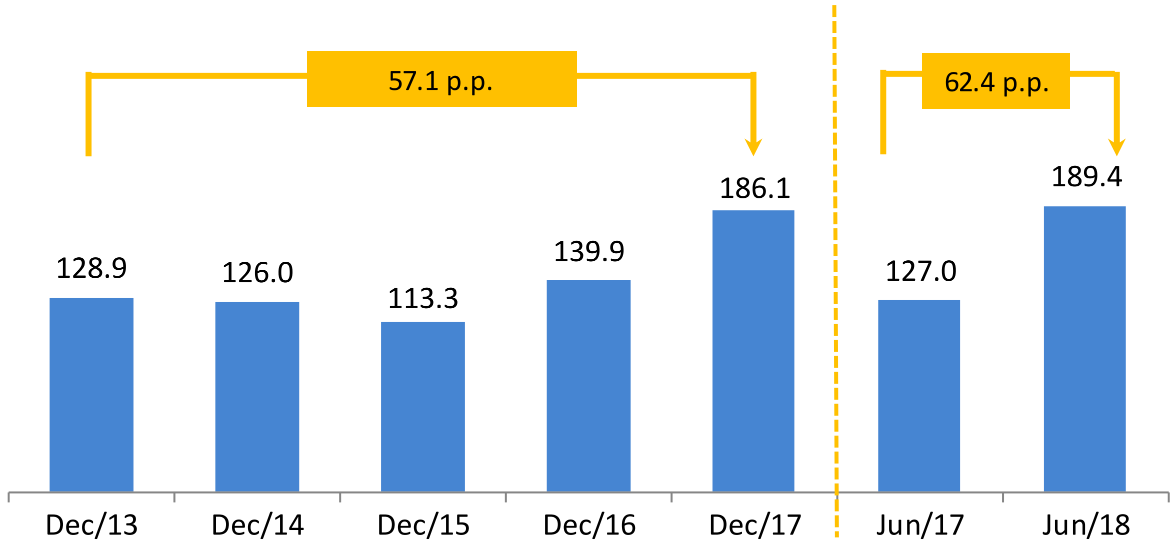
… and targeting the open market

CICLIC acts initially in the distribution of private pension plans through digital channels.

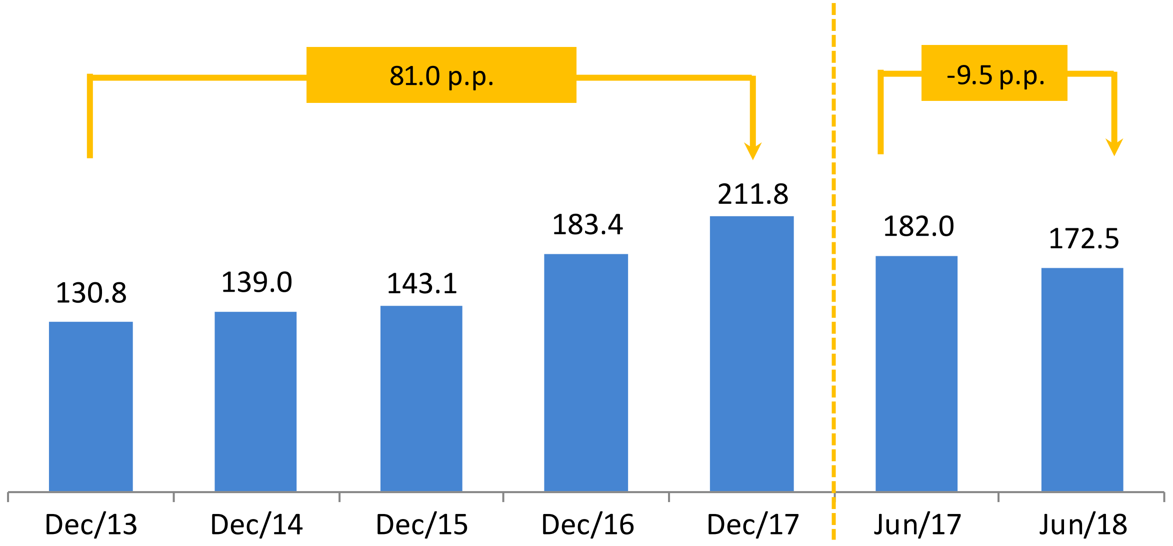
Focus on clients outside Banco do Brasil universe, which have not been captured by their channels.

Solvency ratio

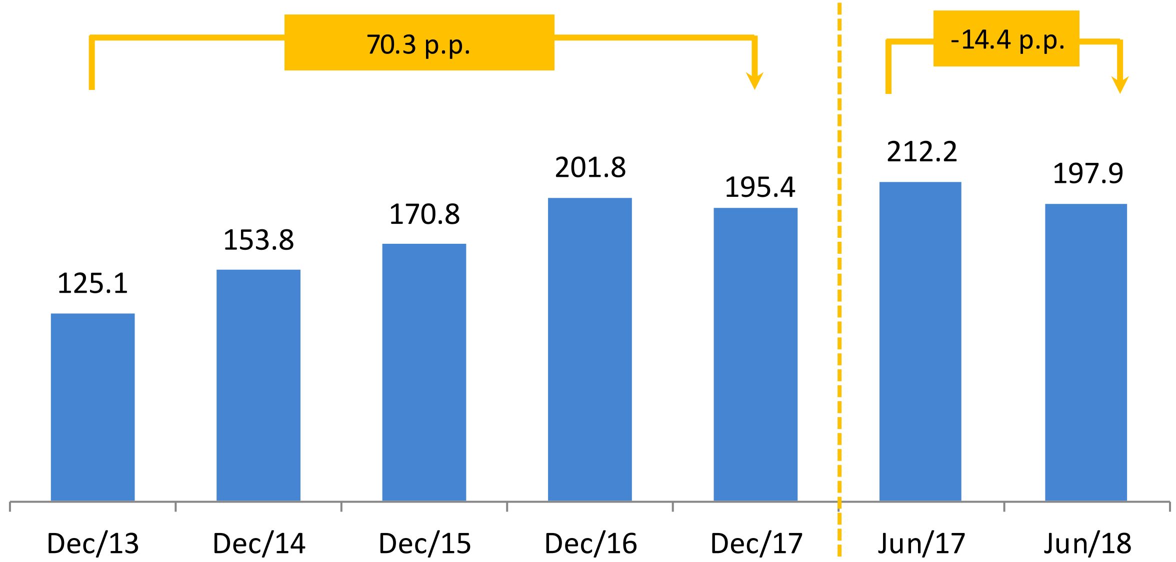
BB MAPFRE SH1



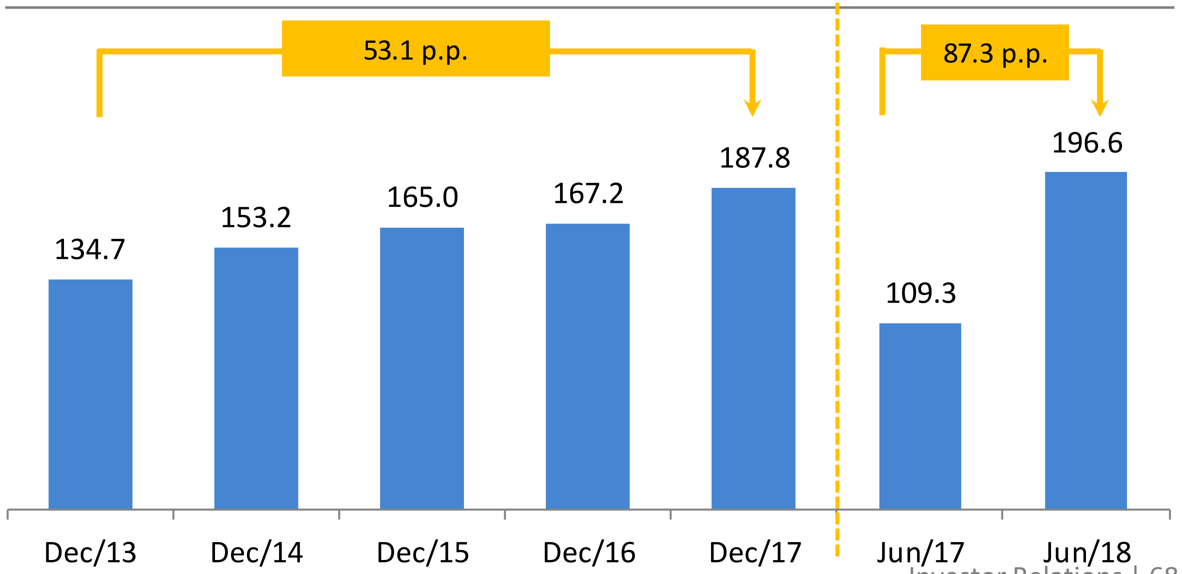
MAPFRE BB SH2



BRASILPREV



BRASILCAP



Guidance 2018

Ratio	2018 Estimates	Revised Estimates	1H18
Change of the adjusted net income	**-2.0% to +2.0%**	**-6.0% to -4.0%**	**-6.8%**

Company Overview

Corporate Governance

Macroeconomic Environment

Insurance Industry

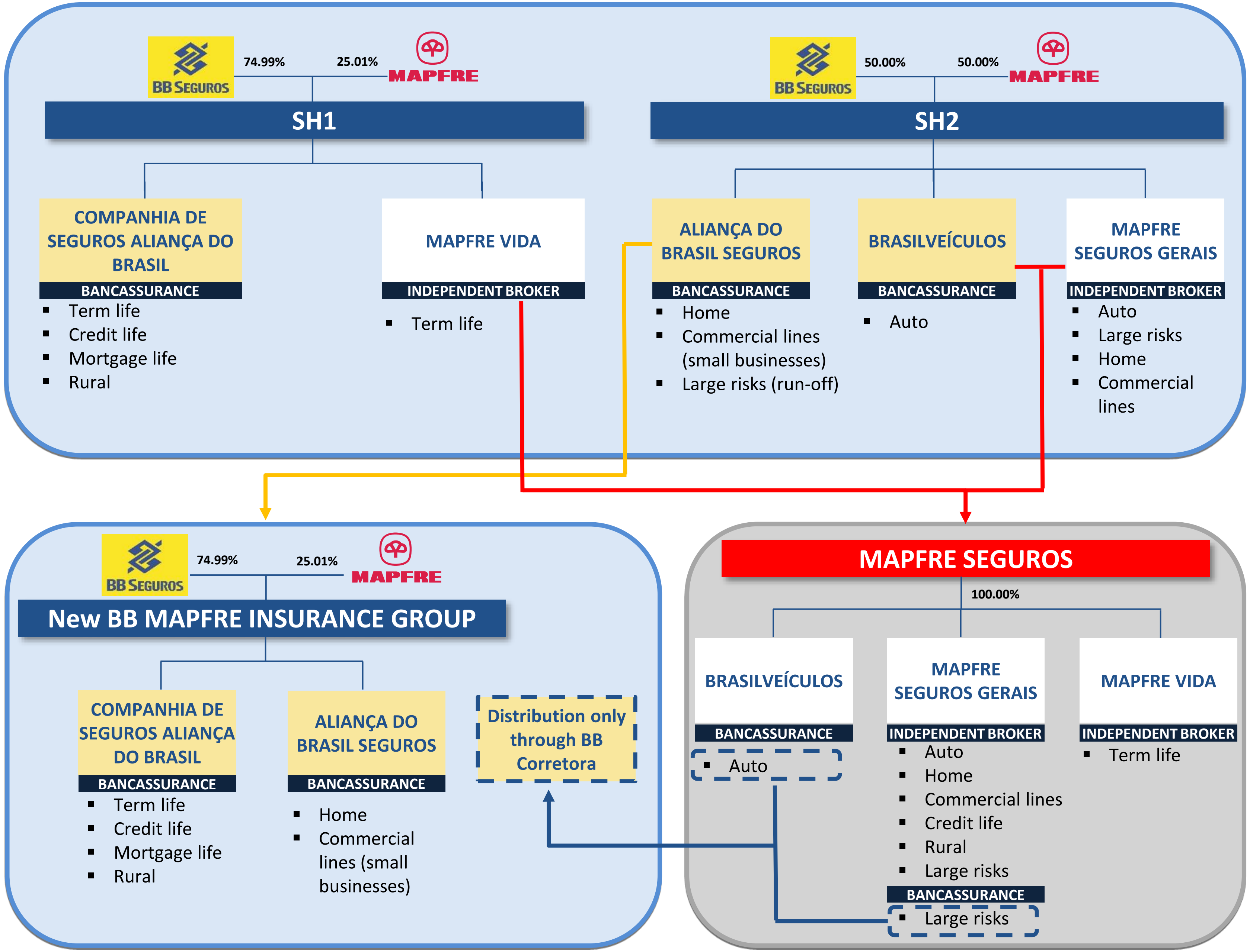
Performance

Capital Requirements

Guidance

Appendix

Restructuring the joint venture with MAPFRE



Summary of the transaction

Cash received by BBSE: R$2.4 billion (adjusted by any dividends and/or interest on capital paid until the closing date)

Changes in business model:

✓ BBSE will quit completely the distribution through independent brokers
✓ BBSE will quit completely the underwritting risk of auto and large risks
✓ BB Corretora will keep selling auto insurance and insurance for large risks to Banco do Brasil clients
✓ Regarding other P&C lines, BBSE will increase its stake in home insurance and commercial lines and move it from SH2 to SH1

New arrangement for commissions:

✓ **Credit life & credit life for farmers:** a commission bonus might be paid in case the commercial performance outperforms the expected real growth rate in premiums
✓ **Auto insurance:** a commission bonus capped at 3 p.p. might be paid in case the loss ratio goes below the forecast

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