

# 4Q17

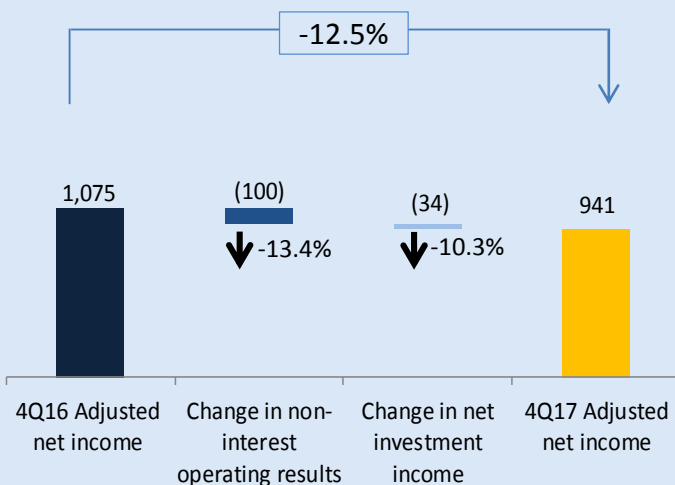
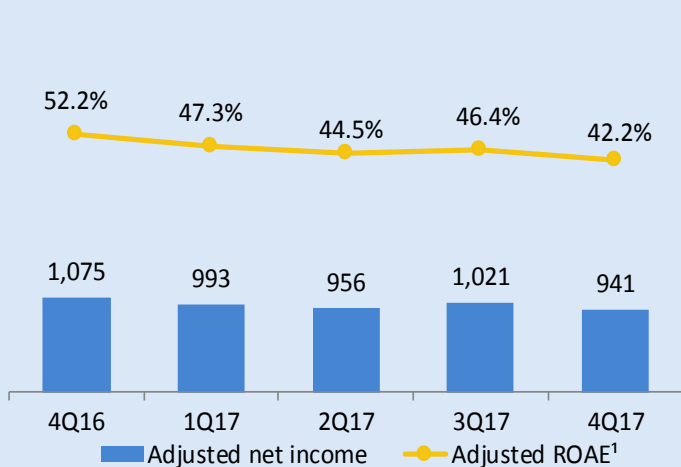


## Earnings Conference Call February 20<sup>th</sup>, 2018

BB Seguridade Participações S.A. | Investor Relations

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.

## ADJUSTED NET INCOME (R\$ MM)



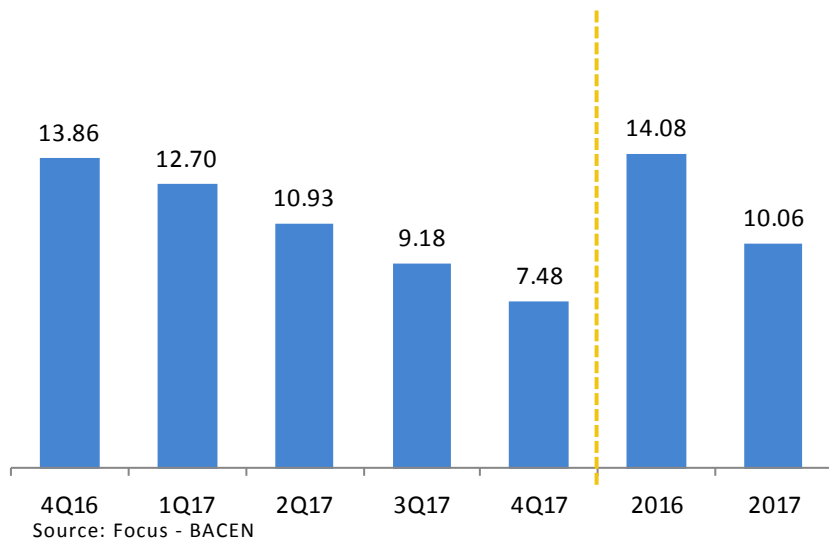
1 – Adjusted ratio calculated by deducting the distribution of dividends.

- ✓ Adjusted net income of R\$941 million and ROAE of 42.2%
- ✓ Loss ratio 4.1 p.p. lower in SH1, highlighting the improvement in life and credit life segments
- ✓ Net income 4.5% higher in pension plans business segment, with an increase in revenues with management fee
- ✓ Improvement of 2.0 p.p. in the redemption ratio
- ✓ Pension plans technical reserves reached R\$235 billion, 18.7% up in 12 months
- ✓ Brokerage revenues 3.7% higher, mainly driven by revenues from credit life and rural insurance
- ✓ Strong sales growth in the 2H17 in comparison to the 1H17, specially in Brasilcap (+58.5%), Brasilprev (+14.7%) and SH1 (+15.3%)
- ✓ Distribution of R\$1.9 billion as dividends, equivalente to 90% of 2H17 net income

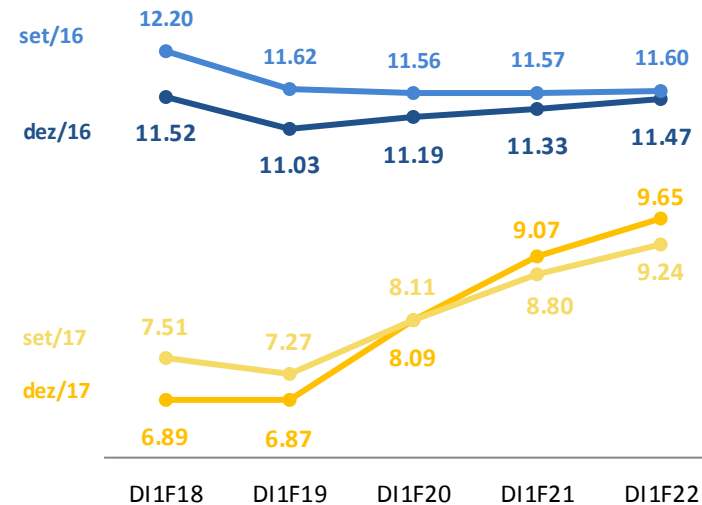
R\$ MM	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q16	3Q17	4Q17	On 4Q16	On 3Q17	2016	2017	On 2016
Non-interest operating results	743	751	644	(13.4)	(14.3)	2,844	2,803	(1.5)
Net investment income	331	270	297	(10.3)	10.1	1,263	1,108	(12.2)
<b>Adjusted net income</b>	<b>1,075</b>	<b>1,021</b>	<b>941</b>	<b>(12.5)</b>	<b>(7.9)</b>	<b>4,107</b>	<b>3,911</b>	<b>(4.8)</b>
<b>Extraordinary events</b>	<b>(93)</b>	<b>171</b>	<b>(33)</b>	<b>(64.7)</b>	<b>-</b>	<b>(93)</b>	<b>138</b>	<b>-</b>
BB Seguros: income from IRB Brasil-RE initial public offering	-	171	-	-	-	-	171	-
SH1: PIS/COFINS deferred tax assets	13	-	-	-	-	13	-	-
SH2: PIS/COFINS deferred tax assets	10	-	-	-	-	10	-	-
BB Seguros: Impairment - MAPFRE BB SH2	(176)	-	-	-	-	(176)	-	-
BB Seguros: Impairment - MAPFRE BB SH2 - tax effects	60	-	-	-	-	60	-	-
BB Corretora: adjustment of commissions receivable	-	-	(15)	-	-	-	(15)	-
MAPFRE BB SH2: adjustment of reinsurance premiums to be paid	-	-	(17)	-	-	-	(17)	-
<b>Net income</b>	<b>982</b>	<b>1,192</b>	<b>908</b>	<b>(7.5)</b>	<b>(23.8)</b>	<b>4,014</b>	<b>4,049</b>	<b>0.9</b>
Adjusted ROAE <sup>1</sup>	52.2%	46.4%	42.2%	-10.0 p.p.	-4.2 p.p.	51.8%	45.5%	-6.2 p.p.

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

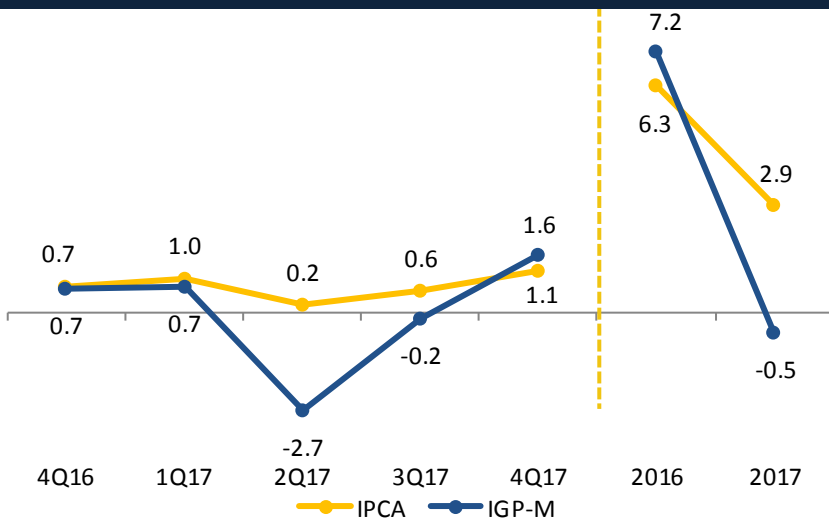
## ANNUALIZED AVERAGE SELIC RATE (%)



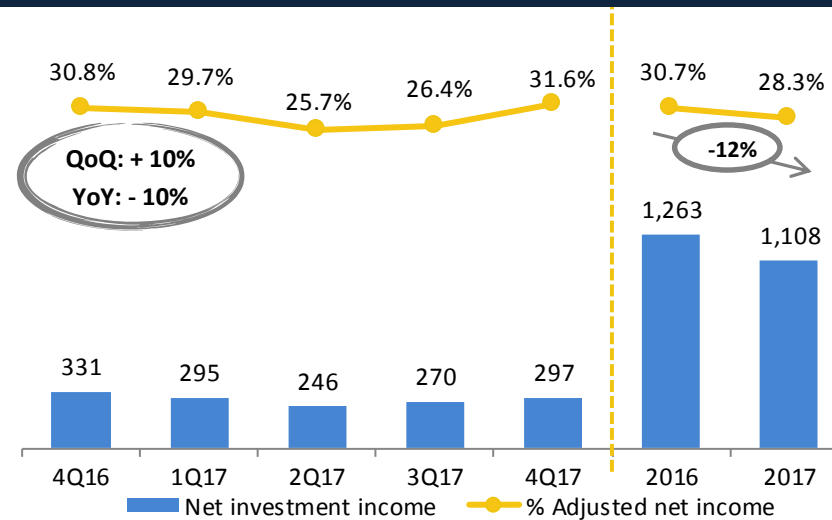
## FORWARD YIELD CURVE (%)



## INFLATION RATES (%)



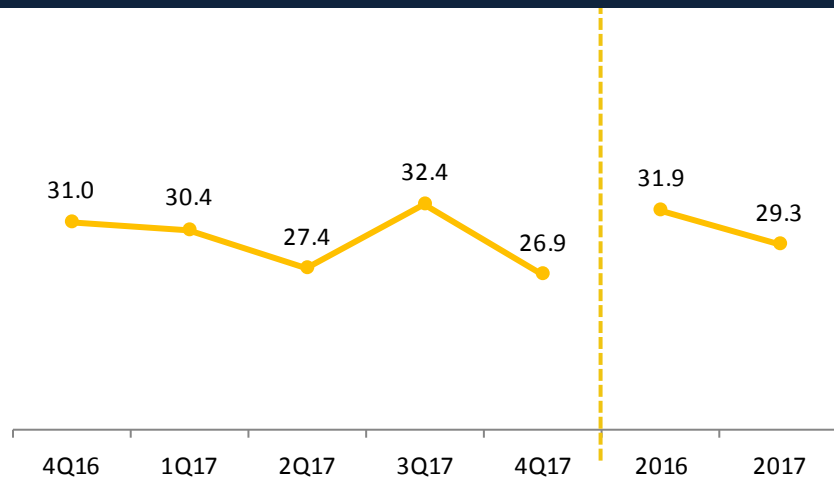
## NET INVESTMENT INCOME (R\$ MM)



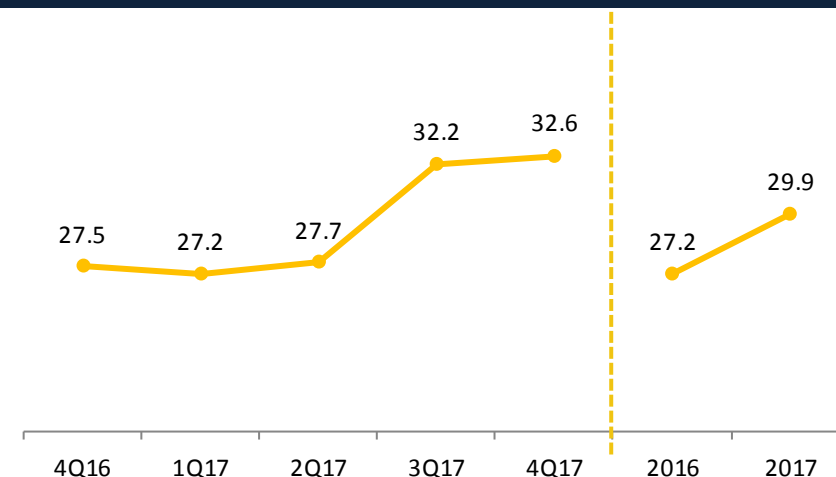
R\$ MM	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q16	3Q17	4Q17	On 4Q16	On 3Q17	2016	2017	On 2016
<b>Premiums written</b>								
Life	896	875	865	(3.5)	(1.1)	3,468	3,353	(3.3)
Credit life	339	315	502	47.8	59.5	1,092	1,220	11.7
Mortgage life	59	58	63	6.2	9.0	217	237	9.4
Rural	638	621	762	19.5	22.8	2,362	2,715	14.9
DPVAT	33	30	21	(37.3)	(30.5)	238	153	(36.0)
<b>Total</b>	<b>1,967</b>	<b>1,899</b>	<b>2,214</b>	<b>12.6</b>	<b>16.6</b>	<b>7,379</b>	<b>7,681</b>	<b>4.1</b>
<b>Retained premiums</b>								
Life	892	873	865	(3.1)	(1.0)	3,458	3,347	(3.2)
Credit life	339	314	499	47.3	58.9	1,088	1,213	11.5
Mortgage life	54	59	61	11.3	2.9	199	225	12.9
Rural	478	421	587	22.7	39.3	1,641	1,912	16.5
DPVAT	33	30	21	(37.3)	(30.5)	238	153	(36.0)
<b>Total</b>	<b>1,798</b>	<b>1,697</b>	<b>2,033</b>	<b>13.1</b>	<b>19.8</b>	<b>6,626</b>	<b>6,852</b>	<b>3.4</b>

# BB MAPFRE SH1 – Performance Ratios <sup>1</sup>

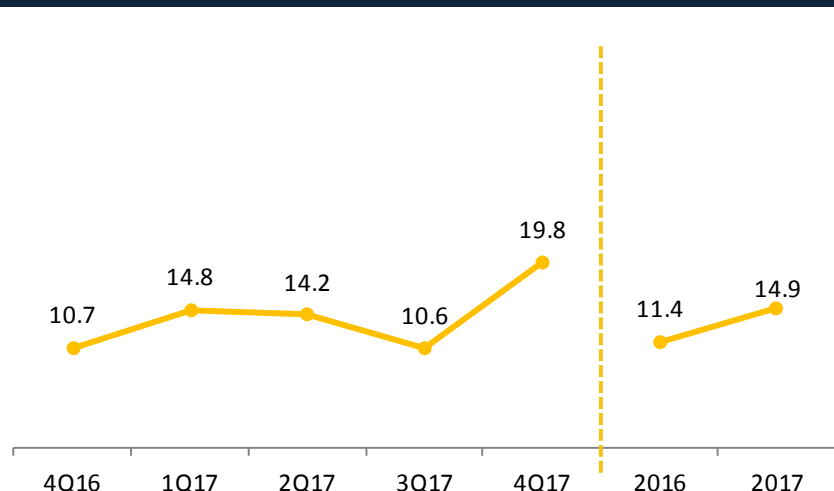
## LOSS RATIO (%)



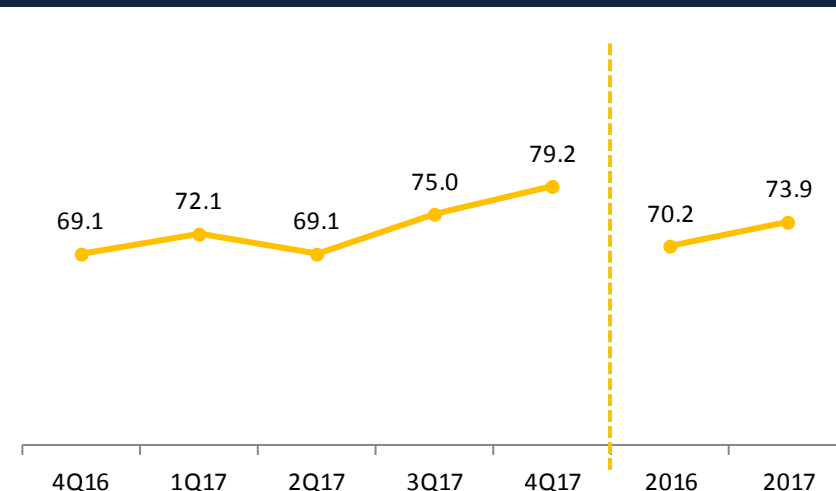
## COMMISSION RATIO (%)



## G&A RATIO (%)

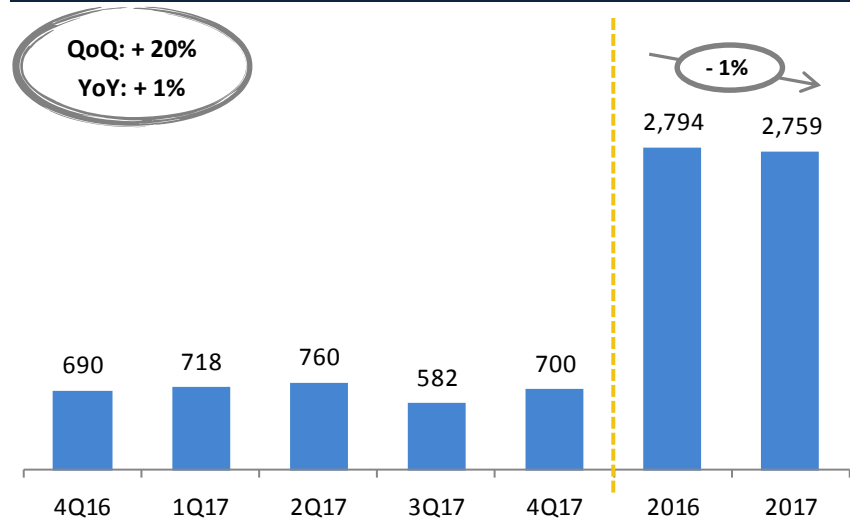


## COMBINED RATIO (%)

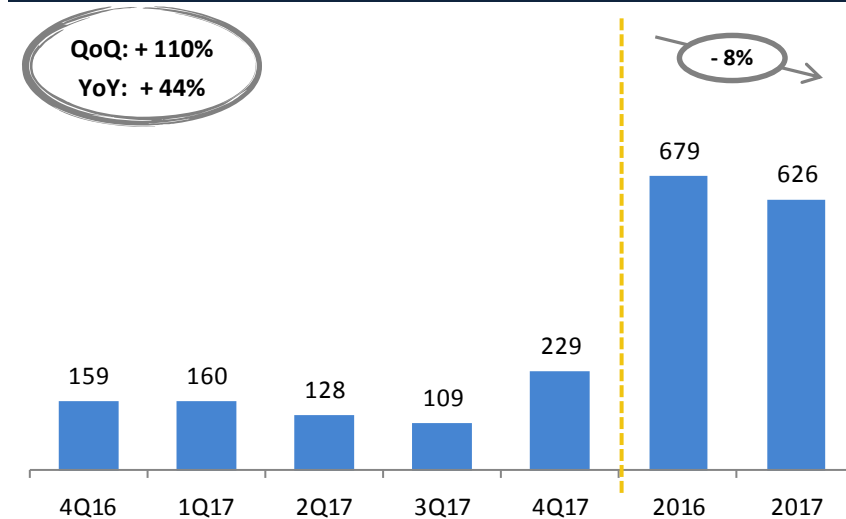


1 – Adjusted ratios prepared distributing the line “result with reinsurance” among the other lines from the income statement.

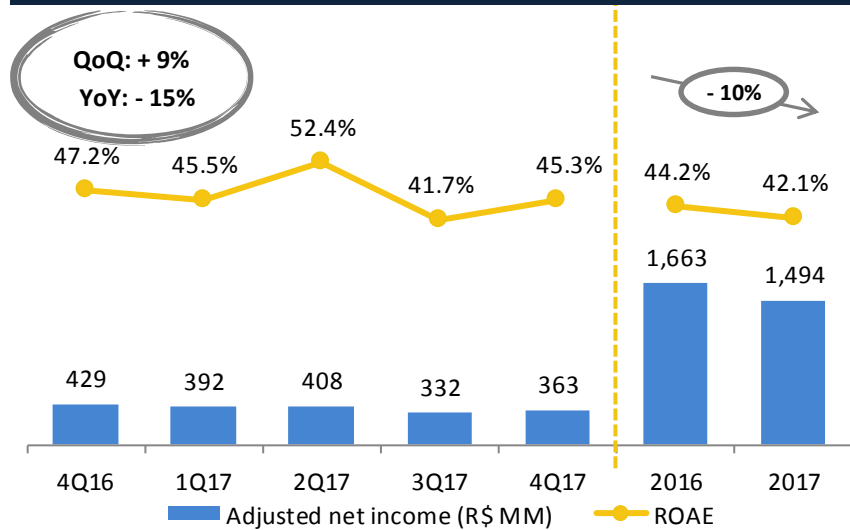
## UNDERWRITING RESULT (R\$ MM)



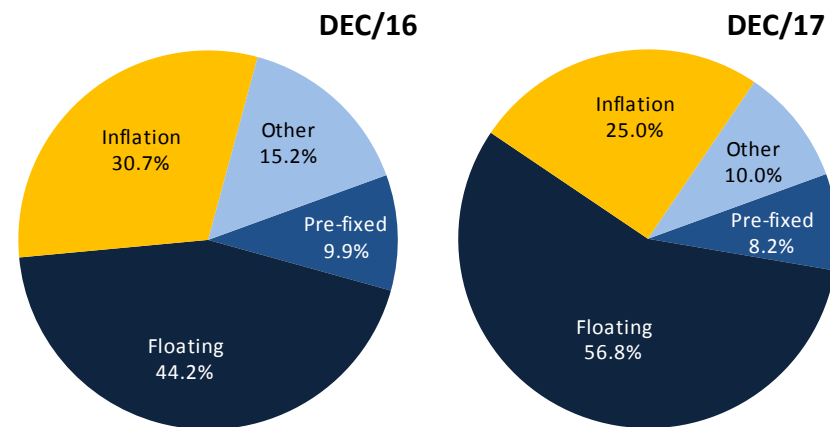
## NET INVESTMENT INCOME (R\$ MM)



## PROFITABILITY



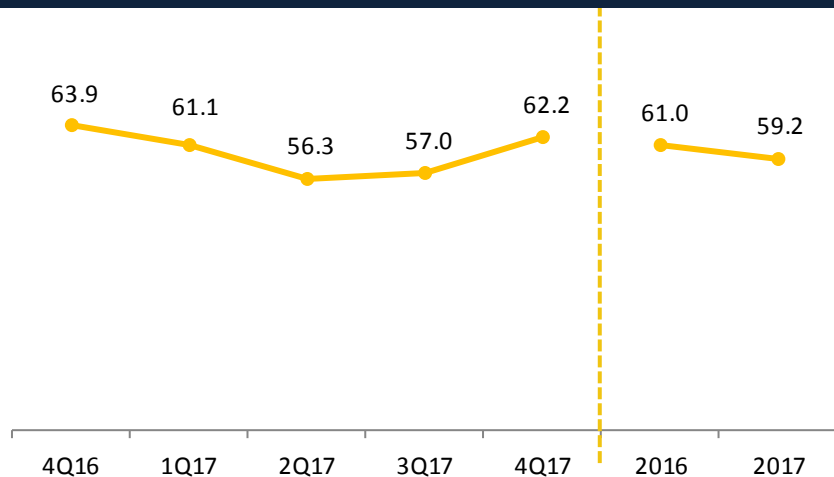
## ASSET ALLOCATION



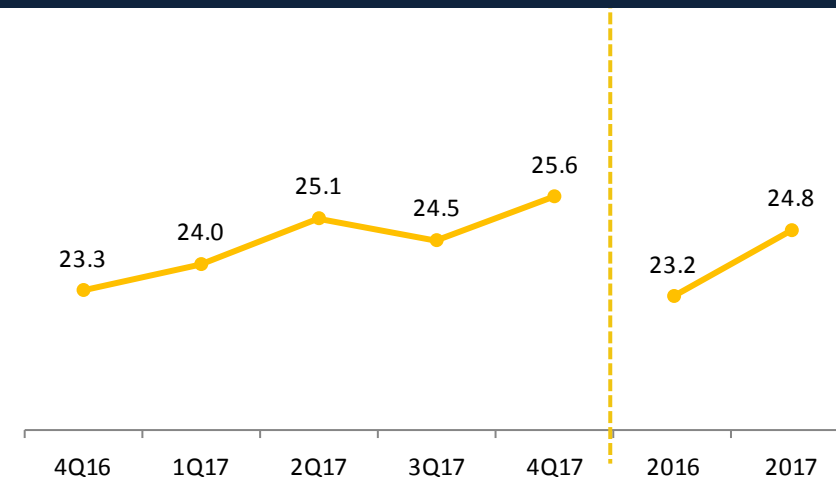


R\$ MM	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q16	3Q17	4Q17	On 4Q16	On 3Q17	2016	2017	On 2016
<b>Premiums written</b>								
Auto	1,009	989	945	(6.3)	(4.4)	4,073	4,022	(1.3)
Casualties	764	758	766	0.2	1.0	3,358	3,351	(0.2)
DPVAT	48	44	31	(35.8)	(30.5)	326	222	(31.8)
Other	175	157	171	(2.4)	9.1	668	643	(3.7)
<b>Total</b>	<b>1,996</b>	<b>1,948</b>	<b>1,913</b>	<b>(4.2)</b>	<b>(1.8)</b>	<b>8,424</b>	<b>8,238</b>	<b>(2.2)</b>
<b>Retained premiums</b>								
Auto	1,009	989	945	(6.3)	(4.4)	4,072	4,022	(1.2)
Casualties	513	516	483	(5.9)	(6.4)	1,944	1,995	2.6
DPVAT	48	44	31	(35.8)	(30.5)	326	222	(31.8)
Other	174	156	171	(2.2)	9.1	666	641	(3.7)
<b>Total</b>	<b>1,745</b>	<b>1,706</b>	<b>1,630</b>	<b>(6.6)</b>	<b>(4.5)</b>	<b>7,008</b>	<b>6,880</b>	<b>(1.8)</b>

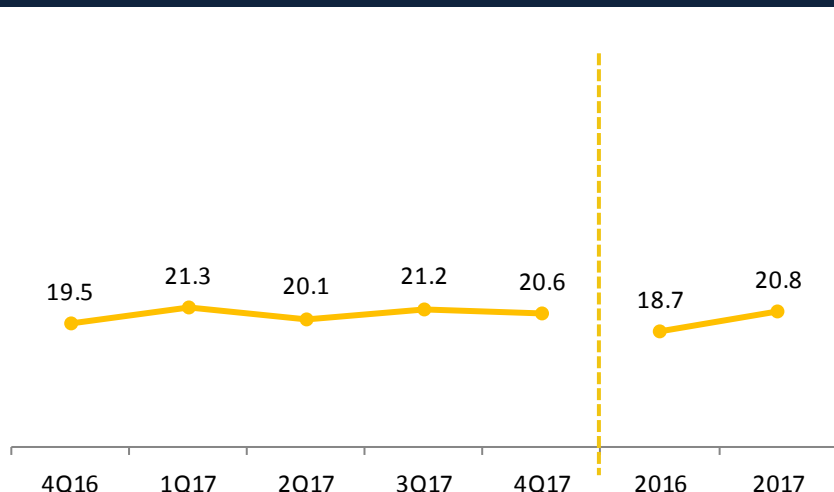
## LOSS RATIO (%)



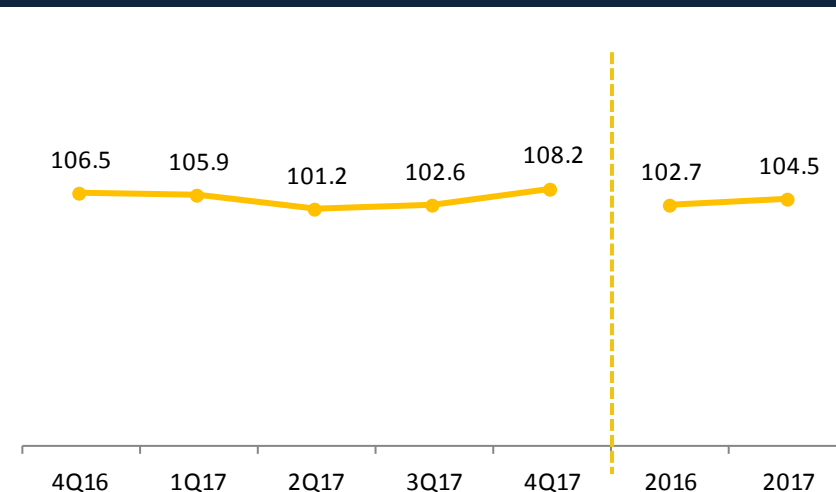
## COMMISSION RATIO (%)



## G&A RATIO (%)

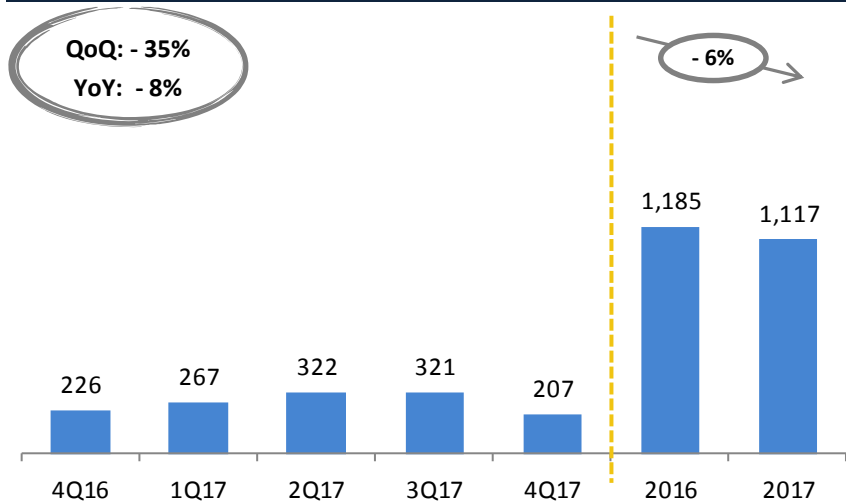


## COMBINED RATIO (%)

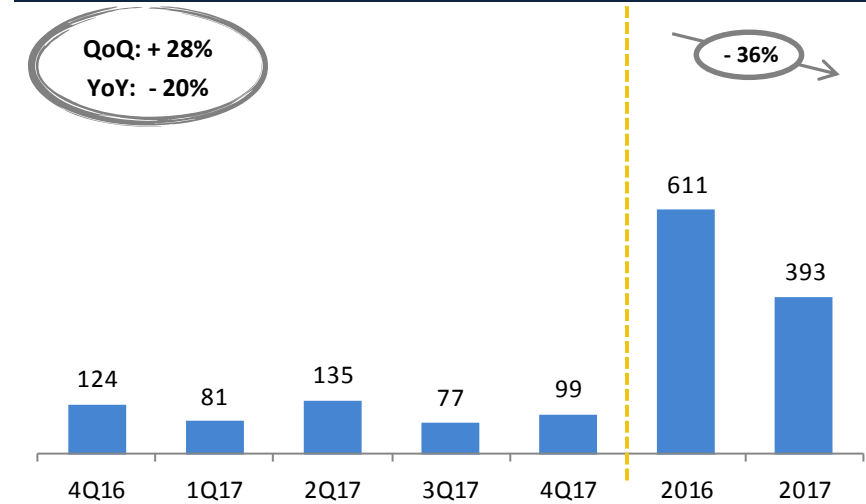


1 – Adjusted ratios prepared distributing the line “result with reinsurance” among the other lines from the income statement.

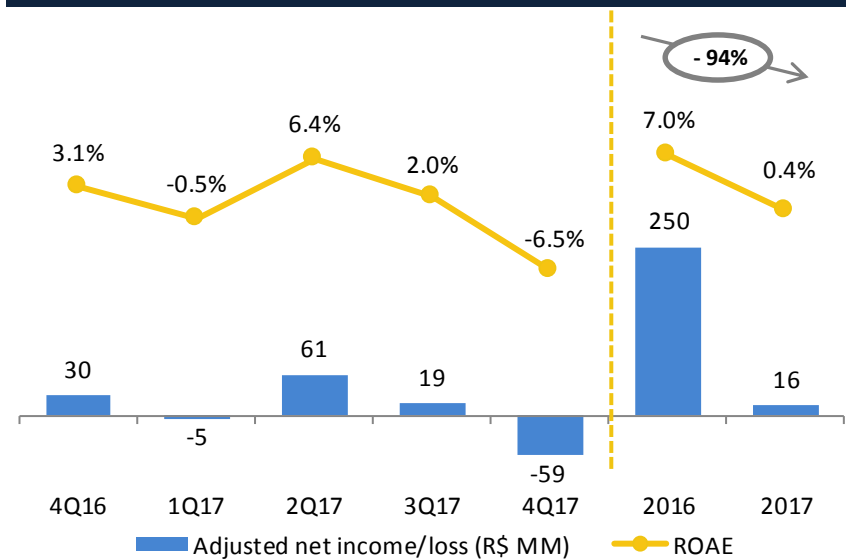
## UNDERWRITING RESULT (R\$ MM)



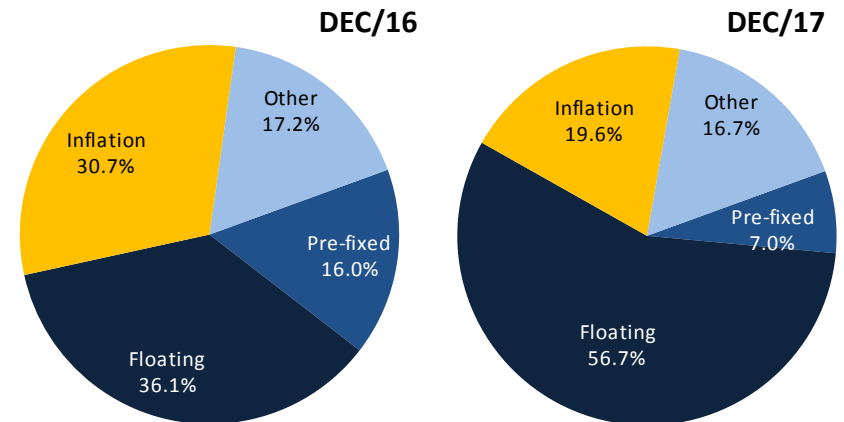
## NET INVESTMENT INCOME (R\$ MM)



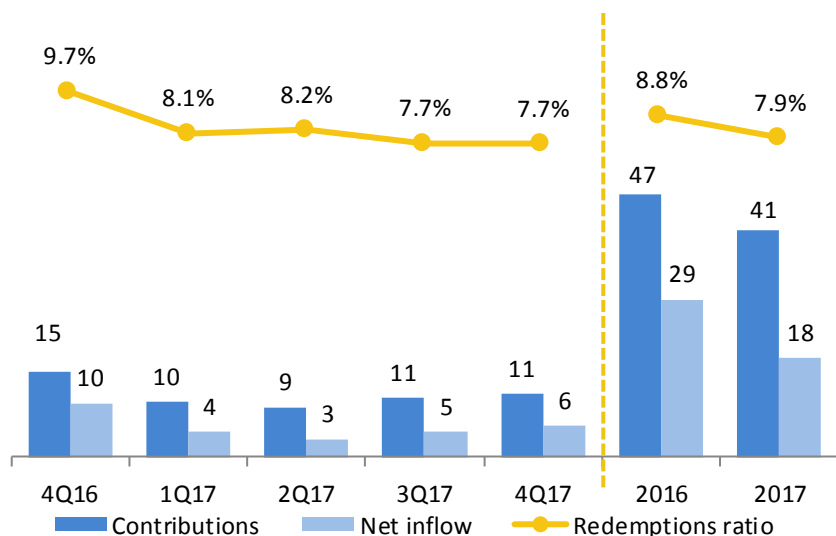
## PROFITABILITY



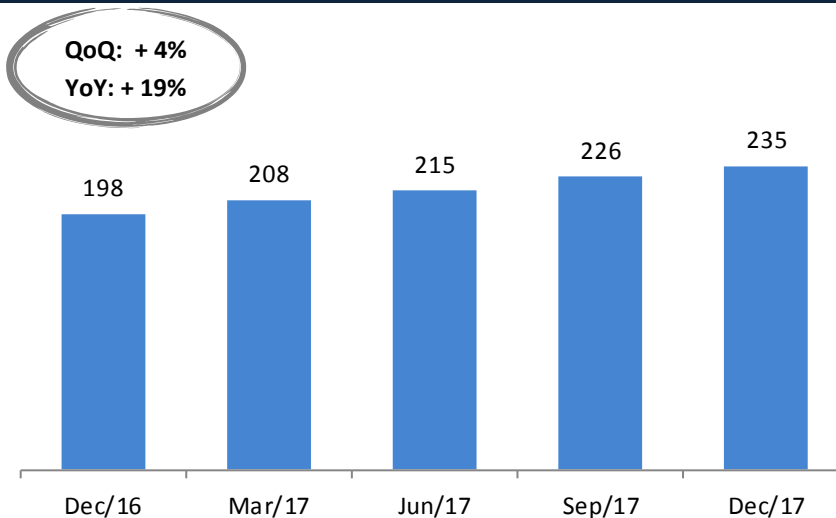
## ASSET ALLOCATION



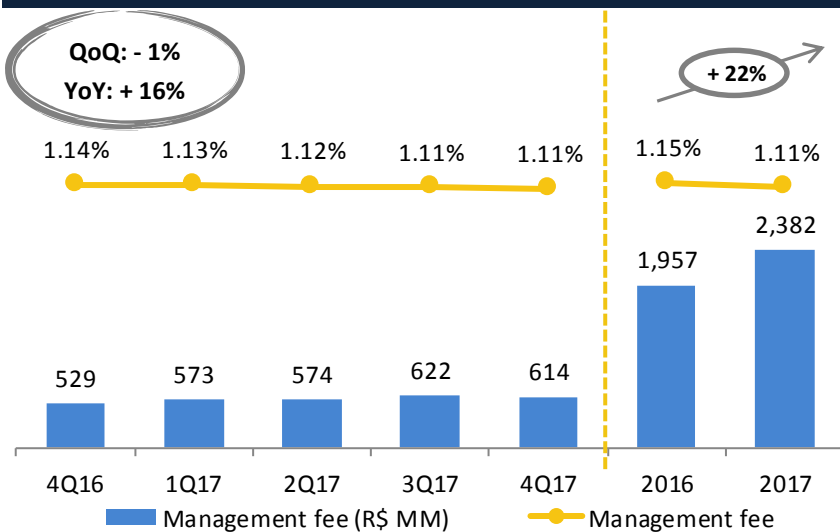
## CONTRIBUTIONS & NET INFLOW (R\$ BN)



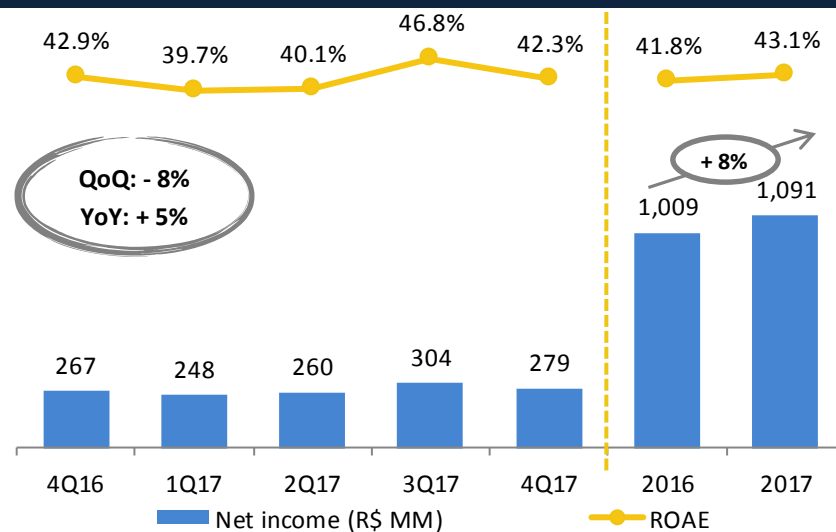
## RESERVES (R\$ BN)



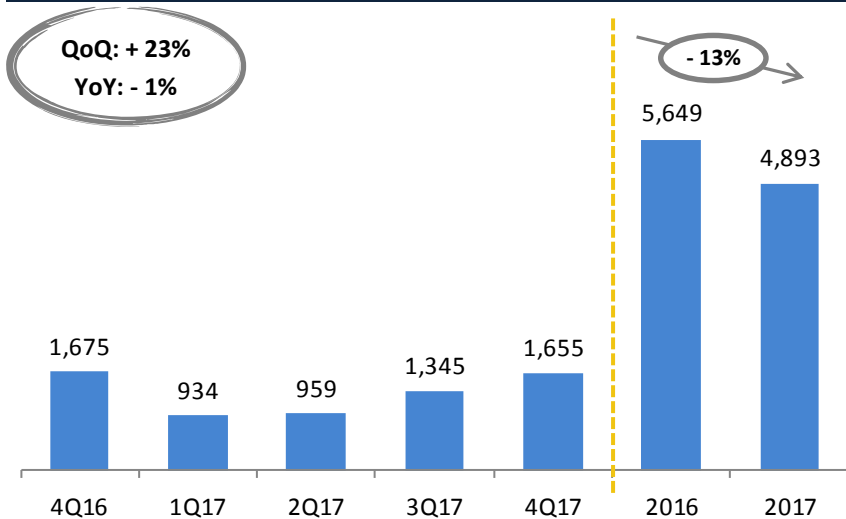
## MANAGEMENT FEE



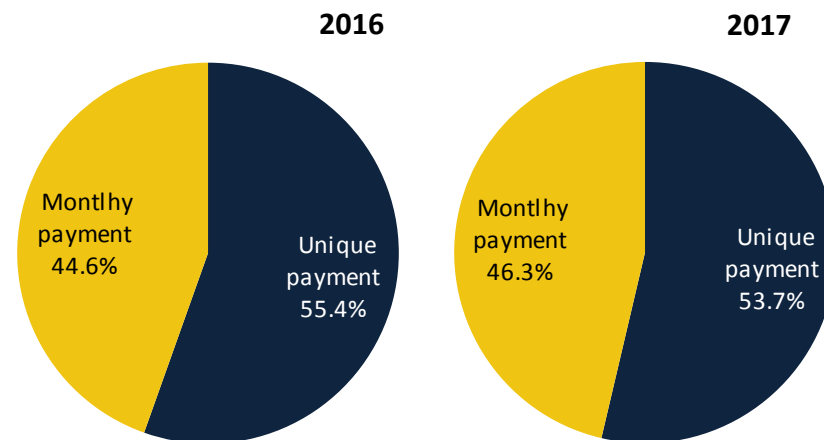
## PROFITABILITY



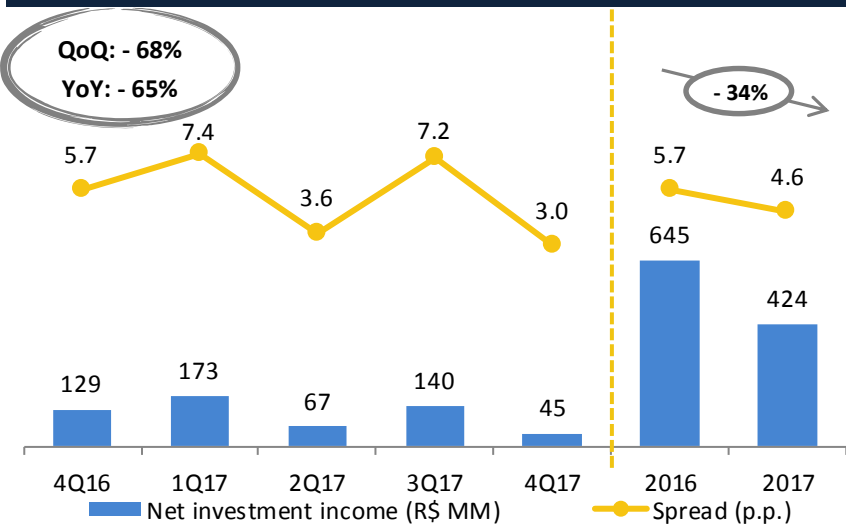
## PREMIUM BONDS COLLECTION (R\$ MM)



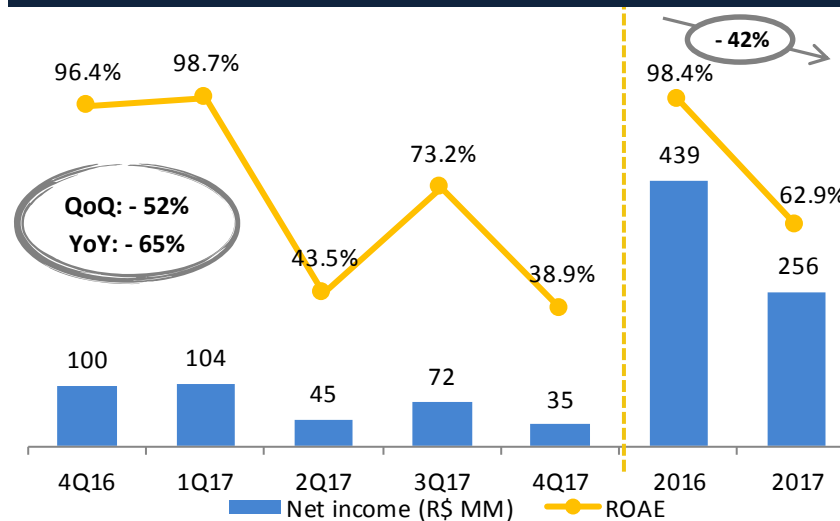
## BREAKDOWN OF COLLECTION



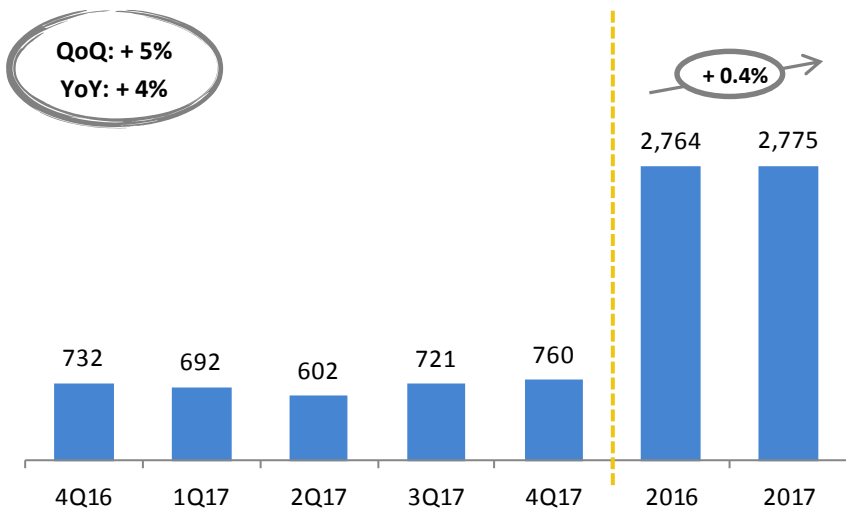
## NET INVESTMENT INCOME



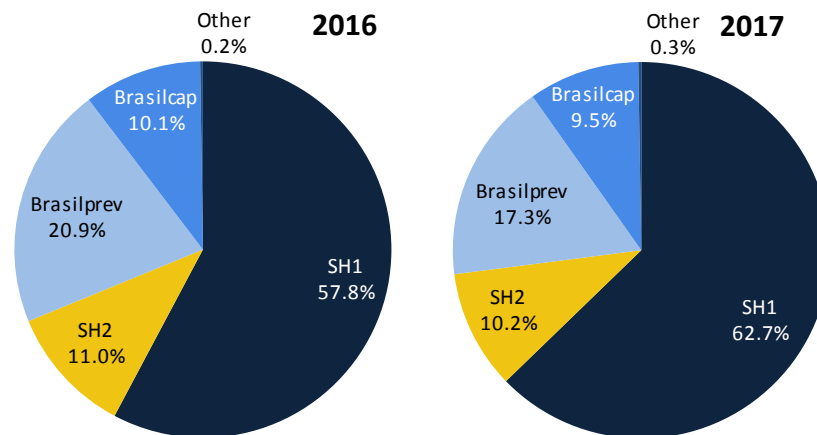
## NET INCOME (R\$ MM)



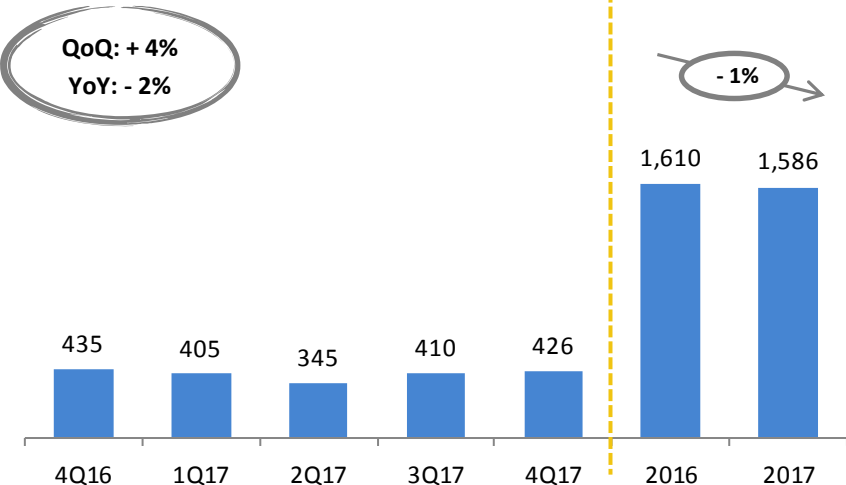
## BROKERAGE INCOME (R\$ MM)



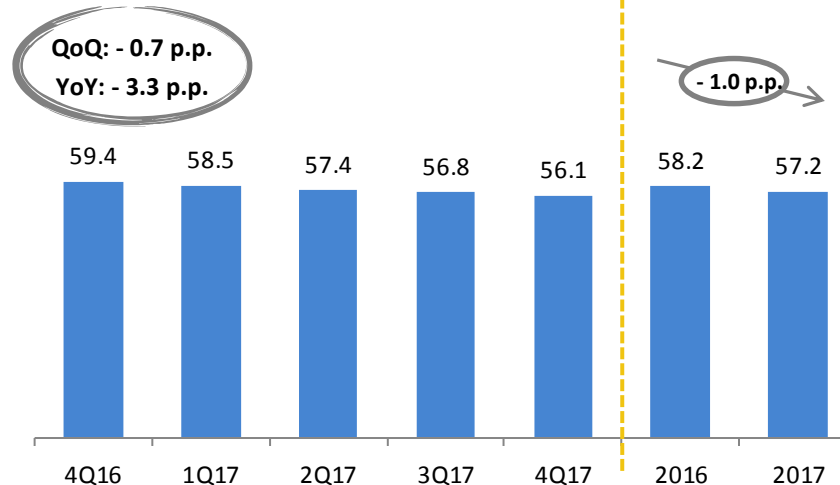
## BREAKDOWN OF BROKERAGE INCOME



## ADJUSTED NET INCOME (R\$ MM)



## NET MARGIN (%)



Ratio	2017 Estimates	2017
Adjusted net income growth (%)	-5.0 a -1.0	-4.8

Ratio	2018 Estimates
Change of the adjusted net income	-2.0% a +2.0%



## Contacts

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