Operator: Good morning everyone and thank you for waiting. Welcome to BB Seguridade's second quarter 2014 earnings conference call. This event is being recorded and all participants will be in a listen only mode during the company's presentation. After this, there will be a question and answer session. At that time, further instructions will be given. Should any participant need assistance during this call, please press start 02 to reach the operator. This event is being also broadcast live via webcast, and through BB Seguridade's website at 'www. bancodobrasilseguridade.com.br. The presentation is also available in financial information section. Participants may view the slides in any order they wish. Before proceeding, let me mention that forward - looking statements that may be made during this conference call regarding expectations, growth estimates and projections, and future strategies of BB Seguridade are based on the management's current expectations and projections of future events, and financial trades that may affect the business of the group, and do not guarantee future performance, since these projections involve risks and uncertainties that could extrapolate the control of management. The information presented follows the consolidated and combined financial statements, in accordance with IFR's principles, except when otherwise indicated source. For more information on the statements of the company, please check the MD&A. With us today are Mr. Marcelo Labuto, BB Seguridade CEO, Mr. Werner Suffert, CFO, and Mr. Raphael Sperendio head of investor relations. Please Mr. Labuto, you may now begin.

Labuto: Good morning everyone. SUSEP, the insurance regulator in Brazil, has just released the market data for June, and I believe our company has many reasons to celebrate. For the first time in its history, Brasilprev our company dedicated to pension plans, ranked, uh, the second largest player, in the – in its industry in terms of assets under management. We have been working to grant this position for such a long time. Brasilprev has been the market leader in terms of net inflows over the last 6 years. Following a very challenging scenario in this first quarter, we received many questions from the market about the sensibility of our guidance for pension plans. However, in the second quarter, contributions grew sharply, 59% on a year over year basis, which allowed us to reafirm our guidance for 2014. The first half of this year showed, once again, the potential of

Banco do Brazil distribution network, and its customer base. And, most important, our capacity to induct the sales force towards a strategic mix of products. Back to the beginning of this year, when the pension plans industry was still being affected by the upward shift in the forward yield curve, that occurred throughout 2013, we increased our focus on monthly plans, further exploring long terms attributes of the product. We assured a healthy expansion of reserves, with a sustainable mix of sales and lower redemptions rates. When the market recovered, in the second quarter, our strategy was quickly adjusted, which allowed us to capture this recovery in a more efficient and effective way. The mix that we have been focusing on, not only in pension plans, is behind the earnings growth, and is driven by our efforts to build a more stable revenues and earnings streams going forward. We are emphasizing products that feed the customers need, while pro-providing higher margins, and, uh, as much recurrence as possible. We are working hard to constantly improve the understanding of our customers' needs, and behaviors to fine tune the offering process. That is our core competence, and, what makes our company unique in its market. In the bank channel, we have many initiatives to keep improving our CRM. In the second half of this year, we expect to launch new models that should enhance our capacity to evaluate the consumption propensity of our customers, bringing more effectiveness to the offering process. We are also looking for alternatives to diversify the distribution channels, aiming to reduce the dependence of the bank assurance. In this front, I would highlight the Banco Postal. We are studying opportunities and products that would better fit this channel, in the case of an eventual partnership. All these efforts, carried out with our affiliates in Banco do Brazil, reflect in our growth rate, that are, on average, well above those of the industry. The second quarter 2014 shows the alignment the initiatives we are putting on place – in place, Both in terms of distribution, and in the cost side, net income reaches 845 million Reais, recording a growth of 54% year over year. I would highlight the side costs control, and the decreasing claims in our company dedicated to explore life and insurance. For the coming quarters, I would highlight two initiatives, that should support the base of growth. We have just received the regulatory approval to start the operations as Brasildental. Finally, I would emphasize the performance of credit life insurance for SME, which surpassed a 150 million in written prints, only in June. Thank you all for being with us. Now, our head of investor relations, Raphael Sperendio will guide you through the presentation.

Sperendio: Thank you Labuto, thank you all for joining our conference call. So, moving to page 3, we present some highlights for this quarter, the first one, our net income, uh, 845, million Reais is equivalent to a grow of 54% year over year, and the ROAE of 64.9%. Based on the earnings achieved this semester, our board of directors has approved the distribution of nearly R$1.2 billion as dividends, which represent nearly, uh, an 80% payout. In this quarter, total revenues including premiums, pension plans, contributions, and uh premium bonus collections, total revenues reached R$ 15.7 billion, 37% up, year over year. Another point to be highlight, is the strong improvement in the operating performance, mainly in our company dedicated to life, mortgage life, and rural, our combined ratios for this segment dropped by 60.8 percentage points year over year. Contributions in the pension plan payment segment reached 9.3 Billion Reals, 58.6% higher than the figure reported for the second quarter last year. We chose a recovery in this, of this industry after a very tough scenario for new contributions, in this first semester, Brasilprev kept overcame the industry nearly 66% of the total net flows in the industry. In premium bonds, Brazilcap reached in net income, more than three times higher than the net income reported for the second quarter of 2013, driven mainly by a better financial margin and higher reserves. And lastly, brokerage revenues rose by 36% year over year, and amounted to R$ 610 million, many boosted by Brazilprev and SH1 commissions as the main drivers of this growth. On page 4, we show our performance compared to the market, as you may see, considering year to date data, until June, our performance was much better than the industry, in almost all segments. In a comparative analysis, considering the performance of the market, without, BB Seguridade, which is much more fair comparison, our growth in premiums written reached 9.1% in life, while the industry grew only 1.2%. When we look at rural segment, rural insurance grew by 66% while the industry grew by 7% only. In pension plans, total contributions rose 20.7% while the industry contracted 13.8%. In 1H14, our net inflows grew by 22% while the industry's net inflows dropped by 39%. In premium bonds, collections rose by 6.9% while the industry grew only 4.2%. Moving forward on slide number 5, we can see the extraordinary events, so 2014, we had no extraordinary events until June this year. This is, hum, just to provide you a much more comparable date, so we are providing on recurrent events of 2013. Next page, uh page 6, we have another view of our performance; revenues including premiums written, pension plans, contributions and, uh, collections in- in premium bonds total revenues

amounted to 15.7 billion in the quarter, a growth of 58% quarter on quarter, and, uh, 37% year over year, driven mainly by higher volume in contributions in pension plans and, premiums written in life, mortgage life, and rural insurance. Year to date, total revenues grew by 19% as compared to the first semester of 2013. On the lower left hand side, we can see our profitability in a rising trend, with an income of R$ 1.5 billion for the first half of 2014, and equivalent to a return on average equity of 53.3%, surpassing our guidance that ranges from 44 to 49% percent for this year, a performance driven mainly by a stronger net investment income and the excellent operating performance in our company, dedicated to life, mortgage life, and rural. That's one of the- the main drivers for this growth, and then too, they were responsible for surpassing the dividends that we have for this year in terms of ROE. On page 7, uh, we have the contributions of the net investment income to BB Seguridade net income. As you may see in this quarter, there was a downward shift movement in the forward yield curve a trend that we've had already seen in the last quarter, with the difference that, in- in this quarter, the long end part of the forward yield curve shifted down significantly compared to the movement that we had in the first quarter this year. And so, this movement in- in the forward yield curve, allied to higher average SELIC rates in the quarter, brought some gains to the net investment income, in almost all, uh, of our affiliates, and in- in this quarter, the combined financial results of all our companies grew by 25%, caught quarter on quarter, and I would like to emphasize here that even this, strong growth on a quarterly basis, the contribution itself of the financial results, to the net income dropped by 100 basis points quarter on quarter – so, we can see that the improvements in the operating side was even better than the improvement in the financial side. So, year to date, the net investment income was two times higher than the one for the same period last year; count – accounting for 25.5% of the BB Seguridade's net income, and now coming back to more normalizedlevels in terms of contributions of the financial results , to the- the net income itself of the company. On the following pages, uh, we are gonna' cover the performance of each company more detailed, so in the life, mortgage life, and rural segments, considering the premiums written, net, premiums ceded to reinsurance, we can see a growth of 16%, year over year. Year to date, retained premiums, grew by 21%, we can mainly buy premiums in rurals and in credit life. It's worth mentioning that the improvement in the underwriting results in this company which considers the core operating result of an insurance company, excluding

the- the financial components, so the underwriting grew by 43% quarter on quarter, and 65% year over year. The net investment income also improved in this quarter, keeping the trend observed in the last quarter, and as a result, we had a net income for this company of R$ 567 million in the first semester of 2014; 51% higher compared to the same period of 2013, and equivalent to an annualized return on average equity of 40.6%. On next page, we cover the main performance ratios, of the segments, net of the reinsurance effects, as you can see this quarter we had improvements in all performance ratios, especially in- in the loss ratios, related to lower claims, with the overall improvement in the, uh, loss ratio, uh, and commission ration, G&A ratio, the combined ratio for this company ended the semester at 64.8%, 2.7 percentage points better than in 2013. Moving to P&C now on page 10, uh, retained premiums grew by 9% year over year, um, by year-to-date basis, the growth was of 7%, driven by an overall growth in all segments. On the operating side, there was in increase in claims in auto and, in casualties, leading to a negative underwriting result in this quarter, affecting the net income for the- the P&C segment, which was lower both quarter on quarter, and in the year over year comparison. But, on the other hand the net investment income kept, it, increasing trend and growth of 27% increase in the net income when we look at the year over year, on a year-to-date comparison. Page 11, we have the performance ratios for, SH2, net,reinsurance effects. As I have already mentioned, the loss ratio reached 60% this quarter, we had higher in claims in the auto, and the casualties, commission ratio dropped by 01 percentage points quarter over quarter, mainly due to sales mix more concentrated in the auto segment which has a lower commission ratio. The G&A ratio growth in both quarter on quarter and year over year basis, but this case, it's important to emphasize that its – the first quarter was favored by the reversal of provisions, for , the doubtful debt from the insurance coverage, and, uh, so this is not, uh, a good base that we have, uh, a strong- a hard . The G&A ratio for the first half 2014 was around 18.1% an improvement of 0.6, uh, percentage points compared to the same period last year. And, uh, the result of the combined ratios driven mainly by the deterioration in this last ratio, reached 101.5%, and so wo- worsened 5.4 percentage points quarter on quarter and 7.6 percentage points in the year over year comparison. In pension plans, on the next slide, we can see a strong recover of – re-recovery of, the segment this quarter, Contributions grew by 85% quarter on quarter and, 59% year over year. The redemption ratio dropped sharply to 8.9%, returning to the same levels that we had in 2012. The

highlight here is the net inflow – one of the main drivers of Brasiprev earnings growing at a 22% pace year over year – on a year-to-date basis. And as a result of, lower redemption rates and increasing contributions, we see, AuM increasing by 30% year over year, and reaching R$ 97 billion. Management fee grew in both quarter on quarter, and on a year over year basis, reflecting our increase in volume of assets under management. And, net income increased by 15% year over year – 25% when you compare to the first half 2013, boosted mainly by the growth in revenues, management fees, and as a result of, increasing uh, in, AUM. And also, the improvement in net investment income also helped to this growth in net income. Moving to page 13, we included a comparison between the- the performance of Brasilprev and the industry. As you may see our net inflows grew by 22% year-to-date, the industry, excluding the performance of Brazil Press, is still showing contraction. And, we can say as a result, Brasilprev accounted for 65.7% of the total market net inflows, in the first six months of 2014. The chart at the bottom, we show the year-to-date performance from January to June, in terms of contributions, which indicates that after a weak, first quarter, from April 1, we noticed a strong recover, and, on a year-to-date basis, total contributions were 21% higher compared to the last year. And, it's important to note that the industry is also recovering, at a slower pace compared to ours, but, this a good sign in way, and as we are gonna cover later – thats why we are keeping our dividends for the year. Page 14 (gulps), we show our performance in, premium bonds. On a year over year basis collections were stable, and in this case, it's worth mentioning that the hard count that we had with a very different sales mix – so, second quarter 2013, the very hard count. Last year we focused in- in unique payment bonds, while in 2014 we are emphasizing the monthly payment bonds, which have an, average ticket nearly 10 times lower. When we look at the net investment income, an important source of revenue for this company, it kept improving, its strength so – 50% higher quarter on quarter, and rebounding from a negative result recorde- recorded in the second quarter last year. This result reflects the growth in terms of reserves as well, improving financial margin, the result of also a higher SELIC rate, and the downward shift movement of the forward yield curve. Among our affiliates, we - we see that Brazilcap is the one that benefits the most from the downward shift movement of the forward yield curve, and this is, mostly due to the characteristics of the business, as the predominantly fixed rate liability, thereby requiring assets also more concentrated in fixed rate securities. That's why they get the benefit of,

downward shift movements in the forward yield c- yield curve, and a positive mark to market effect, and, this improvement in the net investment income was th-the main driver that contributed to the significant increasing in Brazil CAP's, net income – as we can see in the second quarter, which was more than three times higher year over year, and grew by 183%, when we compared the first half 2014 with the first half 2013. Moving to BB Corretora on next page, bro- brokerage revenues grew by 25% quarter on quarter, and uh, 36% year over year, and, uh, boosted mainly by the- the increasing pension plan contributions. When we look at the year-to-date basis, brokerage revenues increased by 32%, and here driven mainly by the life, mortgage life, and rural segments, which increased its share in total revenues by 4.4% - percentage points, as you can see in the chart, on the upper right-hand side, net income reached 342 million Reals in the quarter, growing 33% quarter on quarter, and 48%, year over year, to the back of high revenues and an improved net investment income. And, finally, to wrap up this presentation, on page 16, we have our guidance for 2014. The first one, we have the return on average equity – we overcame the range with 53.3%, meaning that - well, and, meaning and a result, err-uh, result of the higher than expected improvement in both net investment income and operating performance ratios, mainly in the company that is dedicated to life, mortgage life and rural insurance here – both in fact led us to surpass the guidance. But by the end of this year we estimate that this ratio will be within the range, and that's why we're not changing it, we are keeping the guidance for the year. In terms of premiums written, uh, SH1, life, mortgage life, and rural insurance, we came within the guidance with, uh, 34 – sorry, 24.1% growth. In SH2, our company dedicated to P&C, premiums written grew by 16.8%, increasing the base compared to the growth that we had of 10.6% until March, but, still below the range that we have from 19 to 26%. This was mainly due to, a lower than expected performance in the auto insurance, mainly in- in the first part – but, considering that the strong recovery that we had in this second quarter, to the increasing pace of growth in this, segment successfully, we are keeping the guidance for the year – so, we are not changing the range. In pension plans, there was a stronger recovery this quarter, gulping a growth of 59% year over year. And here, it is worth noting that – the beginning of the year was challenging for the pension plan industry as a whole, and, uh, in addition we've adopted a sales mix strategy much more focused on, periodic contribution plans, which have a lower ticket, and, – for this reason, we, – and considering the- the strong

performance of the second quarter, we expect- expect that, it is likely to be within the range by the end of the year, so, we are maintaining the guidance of the 33 to 47% growth for 2014.

In premium bonds collections, we have missed the guidance, but at, explained by the- the hard count that we had, the second quarter of 2014, and a sales mix, for this year, much more concentrated on bonds, with, monthly payments, which have a lower average ticket. But, for the coming quarters, we believe that the premium bonds collections will be within the range of the guidance, so for this reason we are not changing our estimate of 10 to 15% growth for this year. Thank you all, and now we can move to the Q&A session.

Operator: Ladies and gentlemen – we will now begin the question and answer session. If you have a question, please press the star 9 on our touch tone phone now. To withdraw the question, please press 'star-9' again. Please hold on while we collect the questions.

Our first question comes from Guilherme Costa with Itaú BBA.

Costa: Good morning guys, congratulations on that outstanding results. I have two questions on credit life insurance. We noticed that the loss ratio from the segment has presented the strong increase in the second Q. could you comment more on that? What are your expectations going forward for the loss ratio of this segment? And, second, could you provide us a break down on the sale of credit life insurance, to individuals and to corporates? And, how much do you expect this break down to be in the future?

Sperendio: Guilherme, this is Raphael speaking, and thank you for the question. I am going to call for, the loss ratio in credit life segment, and , after that Werner will, comment on, the-the… breakdown in terms of the individuals and, corporate credit life. So, what happened in this – second quarter of 2014 – we had an increase in the loss ratio in the credit life product, mainly because of one effect, that, it's important to- to explain – previously, when we look at credit life in our company, we have two main products; one, that is, clients, and the other one, is the bank is buying protection for its credit portfolio. So, previously, when we started the product, it was more common when we didn't have, maybe –big efforts to sell this credit life product to clients, it was more common – the bank, insuring its own credit portfolio instead of selling the- the product to the client. So,

this is a portfolio, that previously, we did not have – and automatized system too linked, the insurance company and the bank, to report the claims occurred in this portfolio. What happens there, in the second quarter, is that we, (chuckles) finalized the – all the process of implementing this, now this, uh, the system, that we automatize, the- the process of reporting the claims, to the insurance company – and then we, uh, finalized this, the system, we I think found, some, claims, that had occurred, what were not reported to the insurance company, in expense of nearly R$ 44 million in terms of claims that were not reported. As now this process is automatized, we do not expect to, have these, claims, that – o- occurred, but were not reported to the company. So, going forward, if we, look at the normalized loss ratio for this, product specifically, we estimate that i- it will be between 25 to 28% in terms of loss ratio. It's important also to, to emphasize here, that, we had provisions, in terms of what we call, technical excess – underwriting excess, in this portfolio – and, but for the a- accounting standards reasons, the reversal of this provision was not booked, and, the line of claims, it was booked as change technical provisions. If we adjust, the line of changing technical provisions, and adjust, earned premiums, and also, bring this reversal – to the claims occurred line claims expenses in the income statement, we would see that, the loss ratio of the credit life in second quarter would be, around 27.6%. So,– it was, weird, historical average for this product. So, in-in summary, we now have a system that will, bring more, I would say,– an automatized process to report the claims mainly related to this portfolio insured by Banco do Brasil, and, going forward, we do expect the claim ratio to be around 25 to 28%, according to the historical average for this product.

Suffert: Raphael, Werner speaking. About the question related to the breakdown of the credit life for SME's and for individuals, we- we believe that in short term, the credit life will increase a lot. We have, with Banco do Brasil, they are a very big player in this- in this market, with, potential growth –a very important potential growth, that we will explore this o- in the next quarters. So in –in the, no- another hand, you have also the average term of these loans; they are shorter than the individual loans, so the- the premiums repayment - is, it will be higher in the first quarters, so, the breakdown will be, increasing, in the occupation of SME's, very sharp in the beginning of course after, some quarters, we will stabilize this, but the potential market we have for both, is almost the same number – nearly R$

100 billion. So, when we reach the, a stable market from, some years from now, we- we believe that this will be, almost half individuals and half SME credit life.

Costa: Perfect – thanks very much for the clarification guys, and congratulations on the results.

Operator: Our next question comes from Raphael Frade with Bradesco.

Frade: Hi, good morning, I have a question relate to dividend payments; Uh, you're, your – not paying an 100% of dividends in some of- of the subsidiaries because of a potential increase in margin for some subsidiaries. You have new rules for pension plans and premium bonds. I would like to know that now that you are with- with already with some surplus in your margin for most of your subsidiaries, if you can revise this, dividend payout for each one of this subsidiaries – is there any discussion related to that?

Suffert: Raphael, thank you for your question. I think that important to mention – to emphasize that, when you look at the numbers from, as you mentioned, the- the premium bond company Brazilcap and Brazilprev, the pension plan company, we need, because of the regulatory, rules, to retain capital in this company to- to the growth that we have related to the capital requirements, and the- in new capital requirement that we will have related to liquidity this year, in 2014, and next year we start with market risk also. So, this is the main, reason why, it's almost in the- in the short term, we don't think that we will be able to change our payout ratio to a higher one, and we will sustain the- the payout, we delivered – we can sustain the payout ratio that we have, nowadays, in 80% as a plan, because, when you look at the- the – our brokers side, BB Corretora we can pay 100% - we will, sustain this 100% payout ratio. But, in the insurance side, we have some companies that they need more capital to- to sustain the growth and there- and the results for the coming, next, for the, the coming, years. So, that's the main reason why we believe that, this payout ratio will not, increase in the- in the short term.

Frade: Perfect wordage, just to make clear, in last year, you had some, additional provisions, some changes in the rules to make this additional capital for pension and capitalization. But still, there are some steps – so, probably the

liquidity, might risk in the next year – is that correct? Only the timeline for those new capital requirements?

Suffert: Yes, the- the liquidity risk, we have already the resolution from- from the regulator that is in place, but, we will need to retain capital from the end of this year, in 2014 we will have to… we will need to retain capital for this reason – and for the market risk, if we will we doesn´t have the regulation yet, the resolution from, SUSEP – but the market i is estimating that- that we will have this, in the next, and the implementation of the market risk will be, only in the end of 2015, and a part of this in the end of 2015 and it will have another step in 2016, and the- the last one will be in 2017. So that's the how it will be, the timeline of these new requirements will be interment in Brazil.

Frade: Alright, thank you – perfect.

Operator: Our next question comes from Carlos with Goldman Sachs.

Carlos: Good morning gentleman, a couple of questions. The First just on your Brasilprev, we've seen reserves increase at a very fast pace on the back of greater contributions, decline, in redemptions. So, a question here; unfortunately we haven't seen the results actually reflect that as much, largely because the management fee has gone down. Can you talk a little about the outlook for the management fee in this business are we gonna see at some point, profitability and, both ROE and bottom line expand at the same pace as, as reserves or is there a more structural trend here that will keep that from happening. The second question is on your guidance, and I appreciate that you say you're not gonna change it, but, to try to get an understanding of what- what initiatives you're carrying out in the second half of the year that will allow you to accelerate guidance, not in ROE- ROE is,eh, pretty clear that you're gonna meet, but in terms of growth, for several of the lines given that the second half of the year is generally expected to be worse than the first.

Suffert: Thank you Carlos for your questions. I will start with the one – the second one related to the guidance, and operational guidance that we have.We have, during the first quarter this year, some difficult, some, I would say, strong comps – so, in Brasilcap for example, or even for SH1, in credit life, we had a very strong second quarter last year. So, that's one of the reasons why we the performance this year in the growth was not, how you say, normalized as we as

expected by the market.But, at the end of this year, we believe the growth level that we, estimate, because of the budget that we have in our channels, we will be able to deliver this growth, and of course, well, as I told you, you look at these these comps, last year, for example for Brasilprev, we have now, uh, very easy comps to, to, achieve to increase our growth, Brasilprev last year, the contributions during the third quarter was R$ 3.7 billion , only, and now, we are… the net inflow was R$ 1.1 billion, in the- in the third quarter last year, and now we believe that we can reach, better much better performance this year, because of the level of the industry – its improving also not only be Brasilprev is in a very good position, but they need to setup all these improvements. So, we will be able to capture this growth during this- this set third and fourth quarter 2014.

Carlos: Are you doing anything different in order to be sure that you're gonna capture, I mean you're- you're facing a little bit of head winds from the economy there. There's something that you're adjusting, you're tightening the screws on the branch manager, the account manager at Banco do Brasil – is there anything that's different?

Suffert: No, it's, totally related to the seasonality of this product, we will be able to look, because of the hard comps that we have left here, this year we believe that we will- we, start the third quarter with a very better performance. And comparing, with the same products last year, so this will, we don't need to change a lot our strategy – we have also some new products that will help us to deliver the growth that we expect, in new channels, so in Brasilcap we have, ex-Nossa Caixa branches that they are. They are providing, very strong growth in the state of Sao Paulo, for meh, for, premium bonds, and, in the, in the other, the companies for pension- for, sorry, credit life we had the SME, credit life increasing very fast we did during the first quarter this year, second quarter this year R$ 150 million, just in one month of course this is not the kind of, average that we have in a monthly, performance, but because we have some –we started with the first months are very strong, and after that we have adjusted performance because some, outstanding balance of some clients, that they want to do this, insurance, and when you launch, this is increased very fast, but we will have this, product also to guidance through a better growth in SH1- and in- in, for

all the insurance SH2, but first, quarter first half of this year is, very for the banking channels, it's not a strong one– it was not a strong, uh, quarter, uh, half, but now we have, uh, several, uh initiatives in our, uh, channel, to increase this, and improve also, not only premiums but uh-uh, eh, uh, add, eh, help us, eh, eh, eh, to- to decrease our loss rates and our claims rate so that we have in this product in SH2. So this will help to the- to the combined ratio for SH2 as well.

Carlos: Ok, and now, on the, sorry to I don't want to extend it any further but, on the management fee on Brasilprev.

Suffert: Ok. this as you said, this- this is the trend that you have, new clients, that could increasing their, share contributions in this product, so when you have clients increasing contributions, mainly when you have private banking clients, and, this, helps to drop the average, fees, but, when you look at the industry as a whole, Brasilprev is still the best performance, as, management fees, and this, we believe that we can sustain -with some initiatives; one of them is increasing our periodic plans and this is helping to- to sustain these fees for- for, we started this- this year, and we have also some- some initiatives related to corporate, products, that will increase the premiums, but of course, will put quite some pressure on the average fees in this company so you will see the market as whole, this will reduce the average fees, but the reserves will remain increasing very well – very fast – and the fees will be in, little bit lower pace, but still, higher than the 10% percent maybe from 10 to 15% from next quarter.

Carlos: Ok, thank you.

Operator: Our next question comes from Gustavo with BTG Pactual.

Gustavo: Hi everyone, I have a question on your reinsurance business, we know that IRB's results are quite volatile, but looking at second quarter fees, they seem particularly strong was there any particular reason for that, did, the gain share any reason for the much lower, loss ratio, and, what's your expectation of this business going forward – Thank you.

Suffert: Thank you Gustavo for your question.

For IRB, we will say that we agree with you, this is a line that we are still, understanding, very deep, trying to increase our understanding of this, line of – business, we have some volatility in the performance of this company, now we have a very, in this quarter, a very low loss ratio, and, and, we believe that this is not a sustainable level that we have for the, this market, reinsurance market is a market that we'll have reach- reach, ROE, that will be lower than the 20% that we achieved this quarter, so, the we believe that the kind of returns that we will have from this company will be between 16 to 18 percent, as an recurrent, ROE, and this, the we believe that, in the coming quarters the loss rate will increase a little bit to the to reach a number that will guide us to the kind of- of returns that I told you.

Gustavo: Ok, so, returns, your expectations for ROE, (speech muddled by voice of other party) for sustainable ROE of this business hasn't changed?

Suffert: Because, this loss ratio that we had this quarter, very low comparing with our, historical numbers, so it's hard to say that all the improvements that we are initiative that we have in that company, we changed it so dramatically, the level of loss ratio in just one or two quarters, so, we think that we will see a little higher loss ratio in the coming quarters, but, we are working hard to increase the returns of ROE, with all our partners there of course.

Gustavo: Okay – that's clear, thank you.

Operator: Our next question comes from Eduardo Nishio, with Brasil Plural.

Nishio: Hi, thank you for taking my question, I have a question on SH1.You mentioned that you might see an improvement in the next few quarters on the credit life business – loss ratio has, increased this quarter to 35%. However you have you know, a very good diversified business, where you had in rural decline, and that sort of offset this decrease, but looking to the overall, business, and still you had a very good evolution – right?

In loss ratio this quarter, you went down to 31%. And looking to the combined ratio, you are running at, roughly 75%, which is very low, compared to any other business in the insurance, in the insurance space. So my question is, how do you

see the sustainability of the combined ratio at this 35%, and where do you see some space to improve, since you said that, the credit life, probably will improve in the next few quarters, to a more normalized level; 25% you said? How do you see that, any further space to- to improve combined ratios in this business? - And then I will make my second question, - thank you.

Suffert: Thank you Nishio for your question. Regarding the combined ratio for SH1, we have a very good quarter with 71%, combined ratio. Mainly due the 31.5% loss ratio that we had this quarter, but also some other points, some we improved our acquisition costs, reduced the acquisition costs in this company, and the G&A ratio, improved also. So, the coming quarters we will see a better combined ratio when we look at the previous quarters, of course – but, it's hard to say that the combined that we have this quarter will be sustainable for, uh, for the coming quarter, so 75 %- percent is, a good approach; I would say that mid 70's will be a good estimate for SH1, but of course, we too have some room to increase G&A, and even a little bit the acquisition costs, to improve these numbers. The loss ratio side, it will be very hard to beat this quarter, as a near performance, but we believe that the 75 %(percent) or mid-70's is something, that we can reach in the coming quarters.

Nishio: Ok, very clear. Then my second question is on Brasilprev; It's a follow up actually, from previous questions, you have a very good evolution on reserves, growing 30% year on year. However, the bottom line is that it's not moving in the same direction, its actually growing slightly at a lower pace. You said that management fees, you expect some compression in management fees – I just wanna clarify if you see, going forward management fees, under pressure, or you see a stabilization in pricing, and therefore, probably, an evolution in revenues, on the revenue line, going quarter on quarter in a sequential basis, thank you.

Suffert: Thank you Nishio. Regarding the, the management fees in the Brasilprev business, we believe that the level of fees that we have, they are they are not changing the last quarter, they are the same, but when you have new

clients come in, and new, volumes, contributions coming from clients, from, Brazil- from private banking, and, these class A, these of course will put some pressure on the average rate- ratio, so average fee rate. So this is something that, we will see in the market. But when you look, each of these levels, when you look at the clients from private banking, clients from middle class, they are not changing, we are sustaining the fees. It's not changing in the, last quarters.

So, as I just to clarify this point, when you have this result increasing a lot, and the total results, a good part of this new contributions coming from private banking clients, this will reduce the average ratio- the average fee, management fee, but not, the fees that we have in each of these, segments.

Nishio: Very clear.

Suffert: So We will be, as I told you before, I we believe that we will sustain the best, management in the market so, when you look at our peers, we have, the leaders in this segment, we have, the highest, management fee in the market, and, of course, this is something that, is completely, linked to it our strategy, and we have several initiatives to sustain, the- the fees in this level, and th-the kind of growth that we are, have and our, strategy this year, changing from not only, looking at the contribution side, but looking at the growing- the growth and reserves, and so on, this is the main reasons why, we will be able to sustain, this adding, to the this also, our periodic plans expansion that we have this quarters, last quarters, this will help us to sustain the fees that we have.

Nishio: Perfect, thank you very much.

Operator: Ladies and gentlemen, as a reminder, if you would like to pose a question, please press 'star-9'.

Operator: This concludes today, the question and answer session. I would like to invite Mr. Marcelo Labuto to proceed with his closing statements. Please Mr. Labuto, go ahead.

Labuto: Thank you all for joining our conference call and for the confidence placed in the company. Here we reinforced our companies for the rest of the

year. Our IR team remains available for any further clarification. Have a good day.

Operator: With this, we conclude BB Seguridade's conference call for today. As a reminder, the material used in this conference call is available on BB Seguridade investor relations website. Thank you very much for your participation, and have a nice day. You may now disconnect.