



# Company Presentation

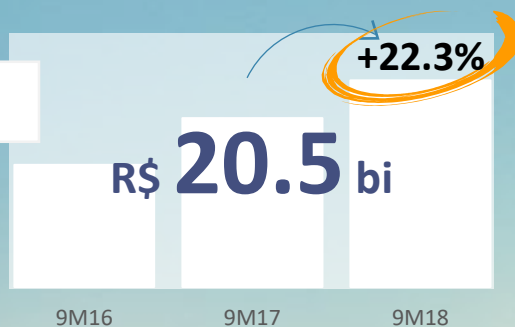
3<sup>rd</sup> Quater  
2018

**CAIXA**  
seguridade

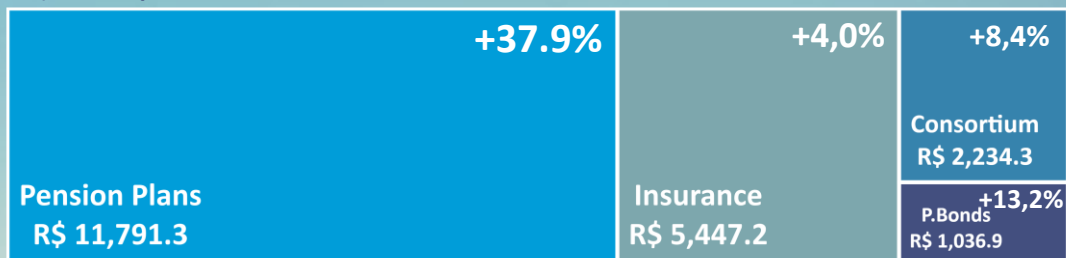
# HIGHLIGHTS

## 9M18

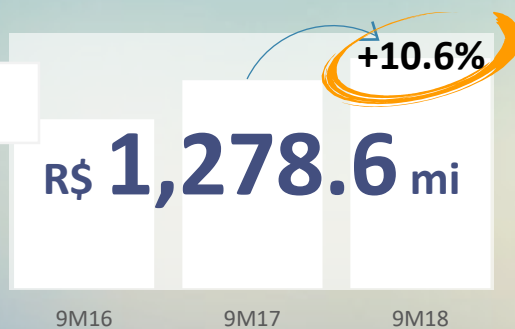
### Group Revenue



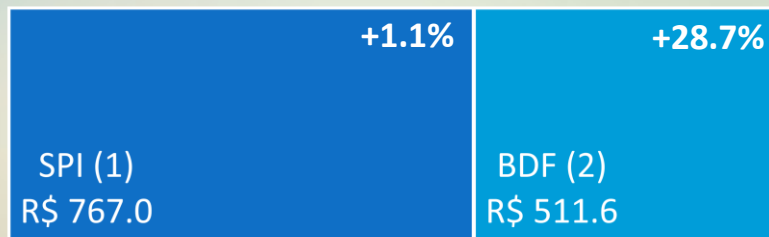
R\$ million / YoY



### Operating Revenue



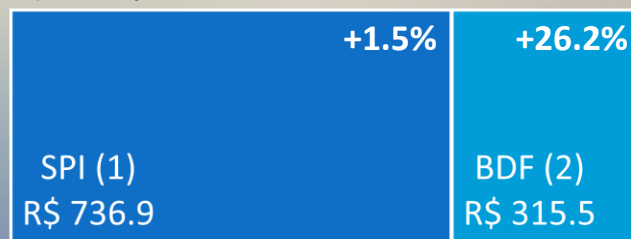
R\$ million / YoY



### Net Profit



R\$ million / YoY



Market Share

**10.2%**

2Q18: 10.4%  
3Q17: 8.1%

ROE

**33.7%**  
a.a.

2Q18: 36.3% p.a.  
3Q17: 34.1% p.a.

Profit Margin

**82.3%**

2Q18: 81.4%  
3Q17: 84.5%

(1) SPI – Share of Profit of Investees. (2) BDF – Bancassurance Distribution Fee



**Raimundo Lima**  
CEO

Bachelor in Mathematics, holds post-graduate degrees in Retail Marketing and in Development and Project Analysis. CAIXA's career employee, joined the bank in 1989. In the most recent period, held the position of Director of New Acquisitions of CAIXA Participações SA and Director of Channel and New Business Management at Caixa Seguros Saúde.



**Thiago Souza**  
CFO

Holds a degree in Accounting, a post-graduate degrees in Controllershship and Finance and currently competes for the master's degree in economics. CAIXA's career employee, joined the bank in 2001. In the most recent period, held a position of the National Superintendent of Finance, Controllershship and IR in the company. Previously, acted as Consultant for the Vice Presidency of Finance and Controllershship and Accounting National Manager at CAIXA.



**Paulo Furtado**  
Chief Risk and Compliance  
Officer

Holds a degree in Law and a post-graduate degree in Economic and Corporate Law and Corporate Governance. CAIXA's career employee, he joined the bank in 1979, where acted as Lawyer in many diferent areas. Was a board member das Centrais Elétricas do Pará S.A., Foz do Brasil S.A., Tele Norte Leste Part. S.A., Companhia Vale do Rio Doce S.A. and Valepar S.A.. Was also CEO of FUNCEF and Postalís and held key positionS in the administration of FGTS (Guarantee Fund for Length of Service).



**Gustavo Fernandes**  
Chief Comercial and Products  
Officer

Holds a degree in Law, a post-graduate degrees in Corporate Finance and Management and post-graduate degrees in Business Management. CAIXA's career employee, joined the bank in 1998. In the most recent period, held the position of National Superintendent of Business with Big Companies, Corporate Executive Superintendent, Regional Superintendent of Southern Pará, Regional Manager of the Regional Superintendence of Campinas/SP and Regional Manager of the Regional Superintendence of Sorocaba/SP at CAIXA.



**Tunas Ferreira**  
Chief Governance  
Officer

Holds a degree in Civil Engineering and a post-graduate degree in Business Management. CAIXA's carrer employee, joined CAIXA in 1984. In the most recent period, held the position of Superintendent of Ownership Governance of Caixa Seguridade and advisor to the CAIXA's presidency between.



General Meeting

Fiscal Council

Board of Directors

Internal Audit

Audit Committee

Related-Party Committee

Eligibility Committee

Compensation Committee

In its implementation phases

CEO



EXECUTIVE BOARD

CFO

Risk and Compliance

Governance

Commercial and Product

# AGENDA

1

## Company

*Timeline.* Insurance Business at CAIXA.  
Current Business Structure. Current Sales Model.  
Distribution Platform. Growth Potential.

2

## Insurance Sector

World – Insurance Penetration.  
Brazil – Insurance x GDP .  
Brazil – Bancassurance Dominance.

3

## CAIXA Seguridade Results

Growth History. Earnings Dashboard.  
Holding Dashboard. Group Dashboard.

4

## Growth Strategy

Sales Team.  
New Business Structure.  
New Sales Model.

## Attempt to go public

Company was still in a pre-operational stage Brazil's largest distribution platform and strong investment case attracted the market to the process, but the business was considered complicated

## CAIXA Seguridade

CAIXA Seguridade is created by CAIXA to organize its shareholdings in the insurance segment  
Concession of 35 years renewable for the same period for exploration of CAIXA network.

2015

## Postponement

Adverse market conditions and the agreement with CNP ending as early as 2021 would bring risks and discounts into the IPO process and the company decides to postpone it

## Operacional Capacity

Finance and IR Officer is formed  
Comercial Officer joined CAIXA Seguridade  
Governance, Risk and Compliance Officer is created

## Financial Advisors

Credit Suisse and BB Investimentos are hired to advise on the process of **commercial partnerships'** reorganization

2016

## Reorganization

CAIXA Seguridade starts the reorganization of its commercial partnerships

## McKinsey

McKinsey is hired to prepare a business plan for each segment of the Company's operations

## Negotiation Process

In June 2017, negotiations began with CNP Assurances for selected segments.  
In September 2017, a non-binding memorandum of understanding was signed

## Competitive Process

Launch of the competitive process to find partners for housing and consortium insurance and for auto and elementary insurance

## Highest Net Profit Ever

CAIXA Seguridade profits R\$ 1.3 billion, 19.2% growth compared to 2016

2017

## New Executive Board

Risks, Compliance, Internal Controls and Legal are treated in a new Officer  
Governance is treated separately and will gain strength with the new business model

## CNP New Agreement

CAIXA Security signs new agreement with CNP for a new partnership until 2041

NEW SCOPE

NEW TERM

NEW PARTICIPATION

NEW GOVERNANCE

NEW BUSINESS MODEL

NEW PARTNERS

## Wiz Agreement

Agreement also signed with Wiz Soluções, enabling the brokerage's exclusivity at the CAIXA network until February 2021

2018

# INSURANCE BUSINESS AT CAIXA

CAIXA

THE BANK

CAIXA  
seguridade

THE HOLDING

CAIXA  
seguradora

THE INSURER

WIZ

THE BROKER

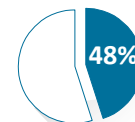


100%



100%

CAIXA



48%

CAIXA

seguridade



25%

CAIXA

seguradora



- Government Ownership
- Controlled by the Federal Government

- Government Ownership
- Controlled by CAIXA

- Private Company
- Associated Company of CAIXA Seguradora

- Private Company
- Investee of Caixa Seguradora



- Owner of the largest banking distribution platform in Brazil

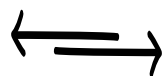
- Created by CAIXA to organize its holdings in the insurance and private pension sectors

- Partnership with the French CNP Assurances

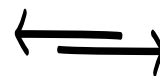
- Broker of Caixa Seguradora



- Defines business strategy
- Performs the sale through its distribution network



- Develops and implements commercial strategy
- Establishes the link between the bank and the insurer
- Develops and implements product strategy



- Issue the insurance premiums at CAIXA's branches
- Manages reserves of accumulation businesses
- Formats insurance products

- Support the sale
- Carry out the backoffice activities in the sales process



Net Profit of Caixa Seguridade

100%

Consolidates the holding company's results



BDF



Net Profit of CAIXA Seguradora

48%

Receives dividends from the insurer



Net Profit of CAIXA Seguros



Net Profit of WIZ

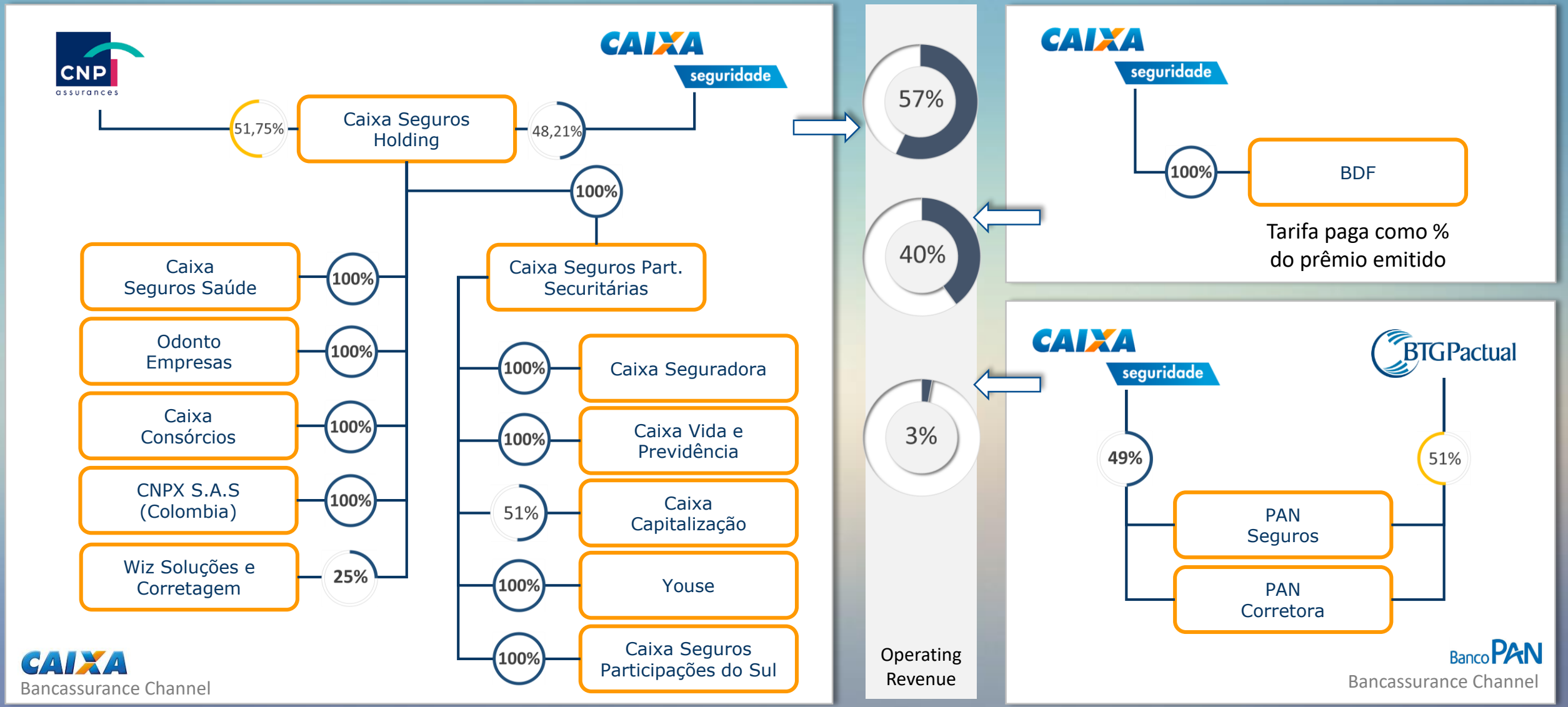
25%

Receives dividends from the broker



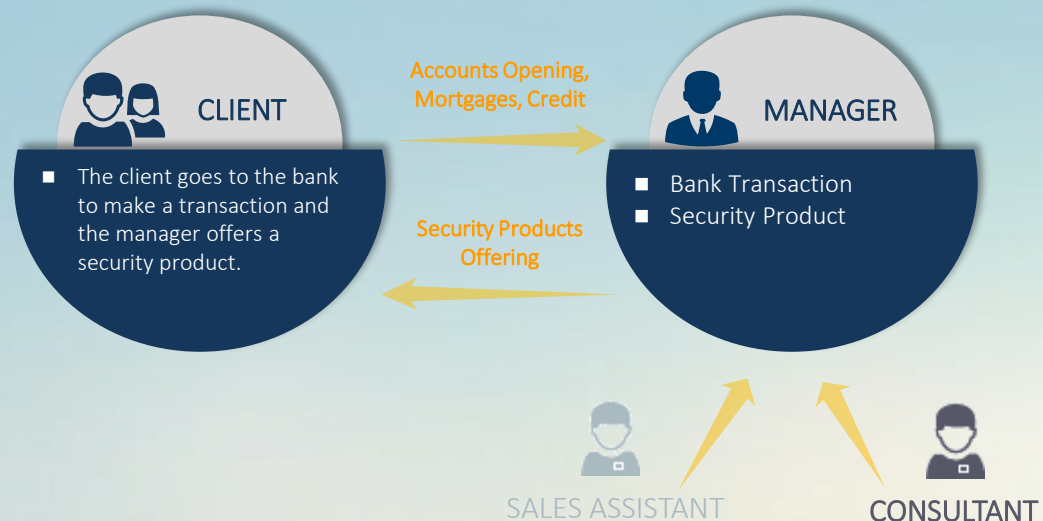
Net Profit of Wiz

# Current Business Structure













## Bancassurance Model



## Products Offered

Channels		Products	
 Branch	Correspondents	 Housing	 Life
	Lottery Outlets	 Letters of Credit	 Private Pension
		 Auto	 Premium Bonds
		 P&C	 Credit Risk

## Commissioning Dynamics

Insurance premium is paid in cash or in instalments



CLIENT

Insurance Premium Payment

**CAIXA**  
seguradora

Receives the total amount and pays a fee back to the commercial chain

**WIZ**  
Commission fee

- Rates by product

**CAIXA**  
seguradora  
Distribution revenues

- Revenue received regarding the use of the distribution channel ("BDF")

**CAIXA**  
Empregados

- Incentive plan that award points that employees can exchange for benefits – relationship program

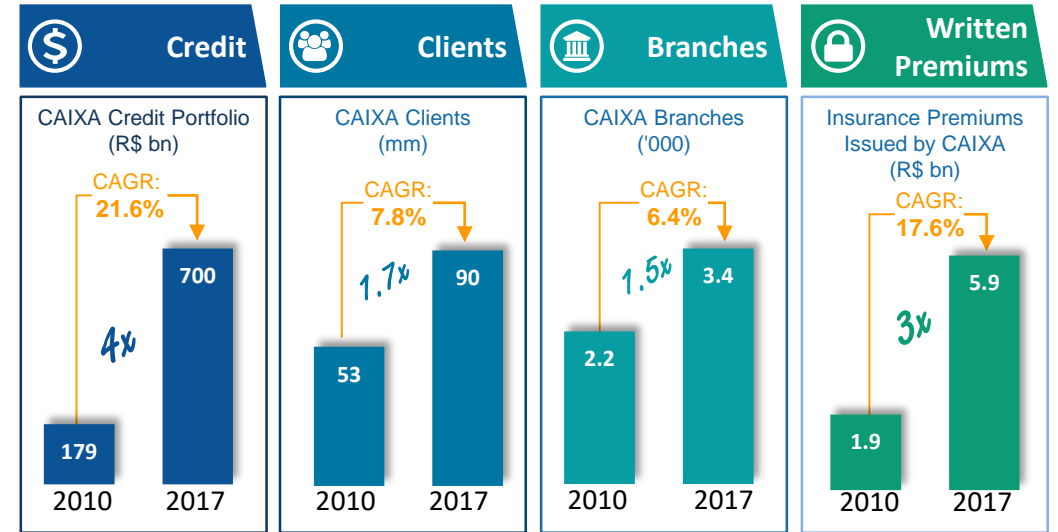
**CAIXA**  
Outros Canais

- Commissions to bank correspondents and lottery outlets to distribute insurance products

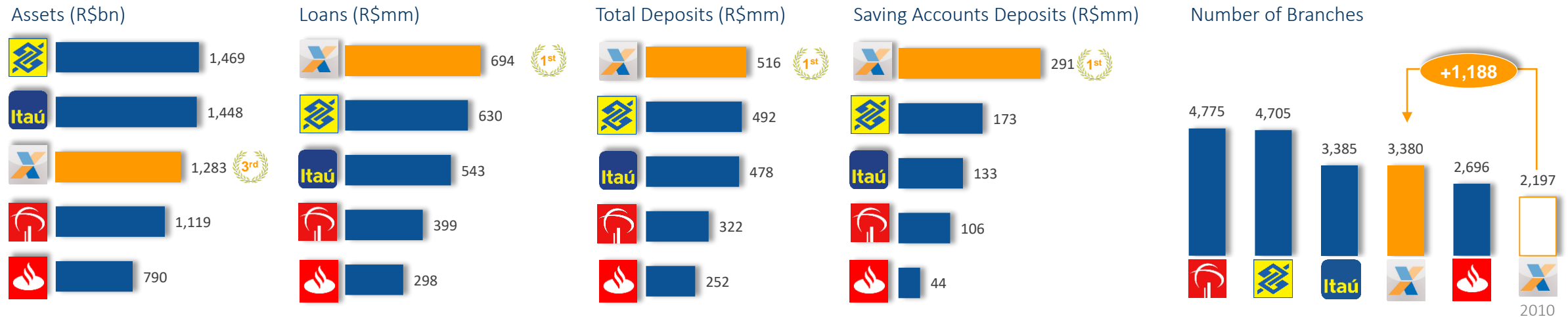
Largest distribution platform in Brazil <sup>(1)</sup>



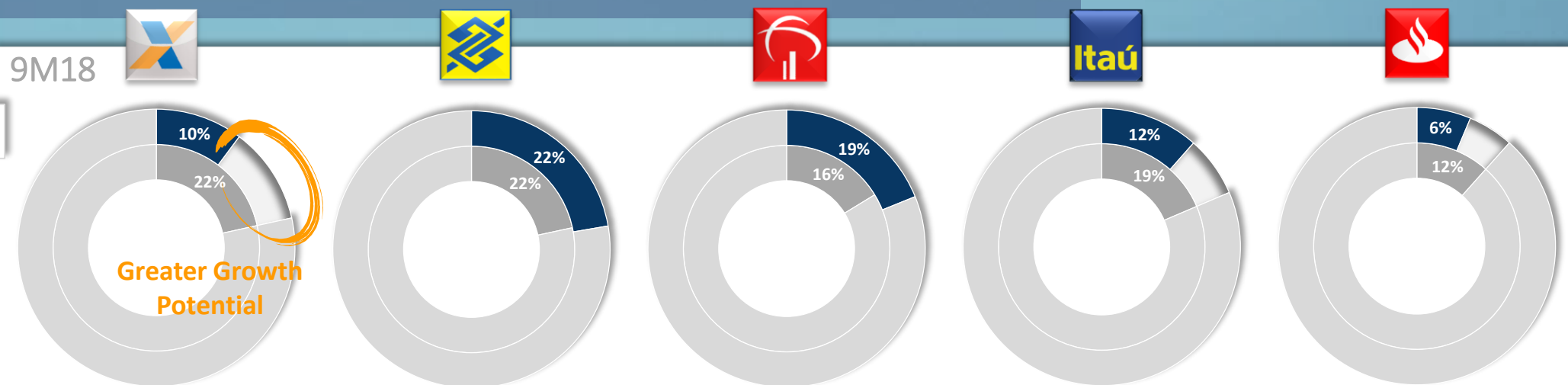
Level change in recent years



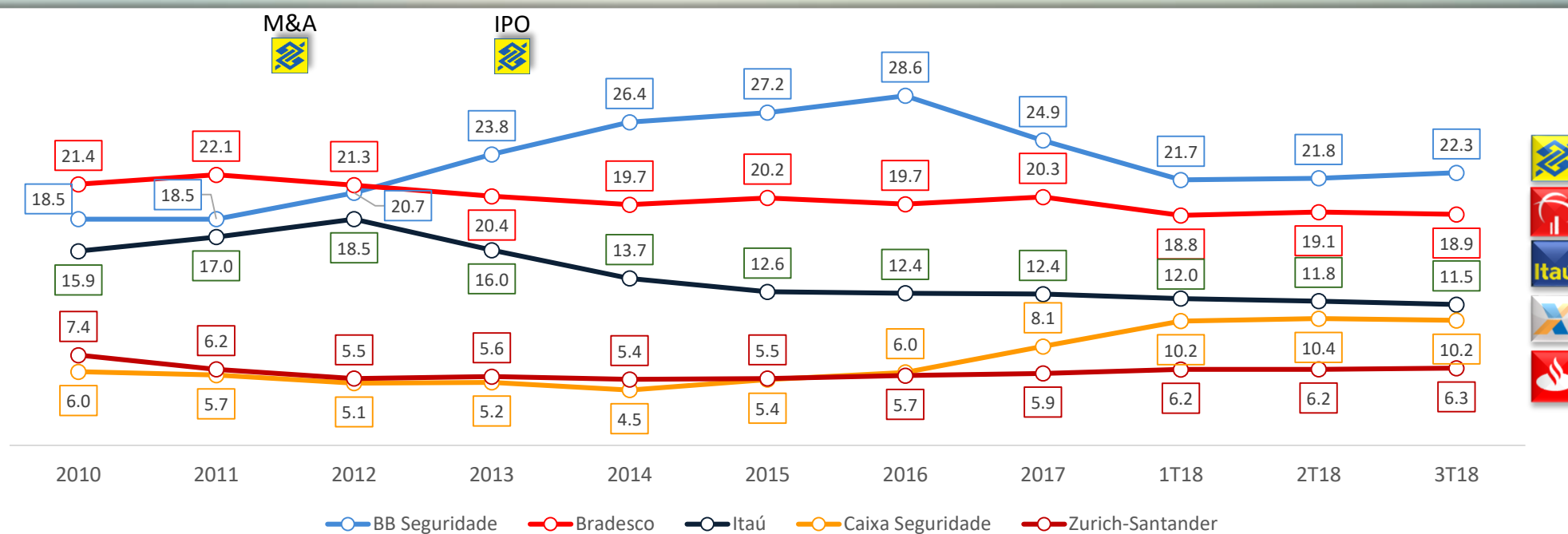
Leadership position in Brazil <sup>(2)</sup>



## Credit vs Insurance



## Market Share (%)<sup>1</sup>



(1) Source: SUSEP  
(2) Source: Central Bank and Banks Financial Statements

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## CAIXA Seguridade Results

Growth History. Earnings Dashboard.  
Holding Dashboard. Group Dashboard.

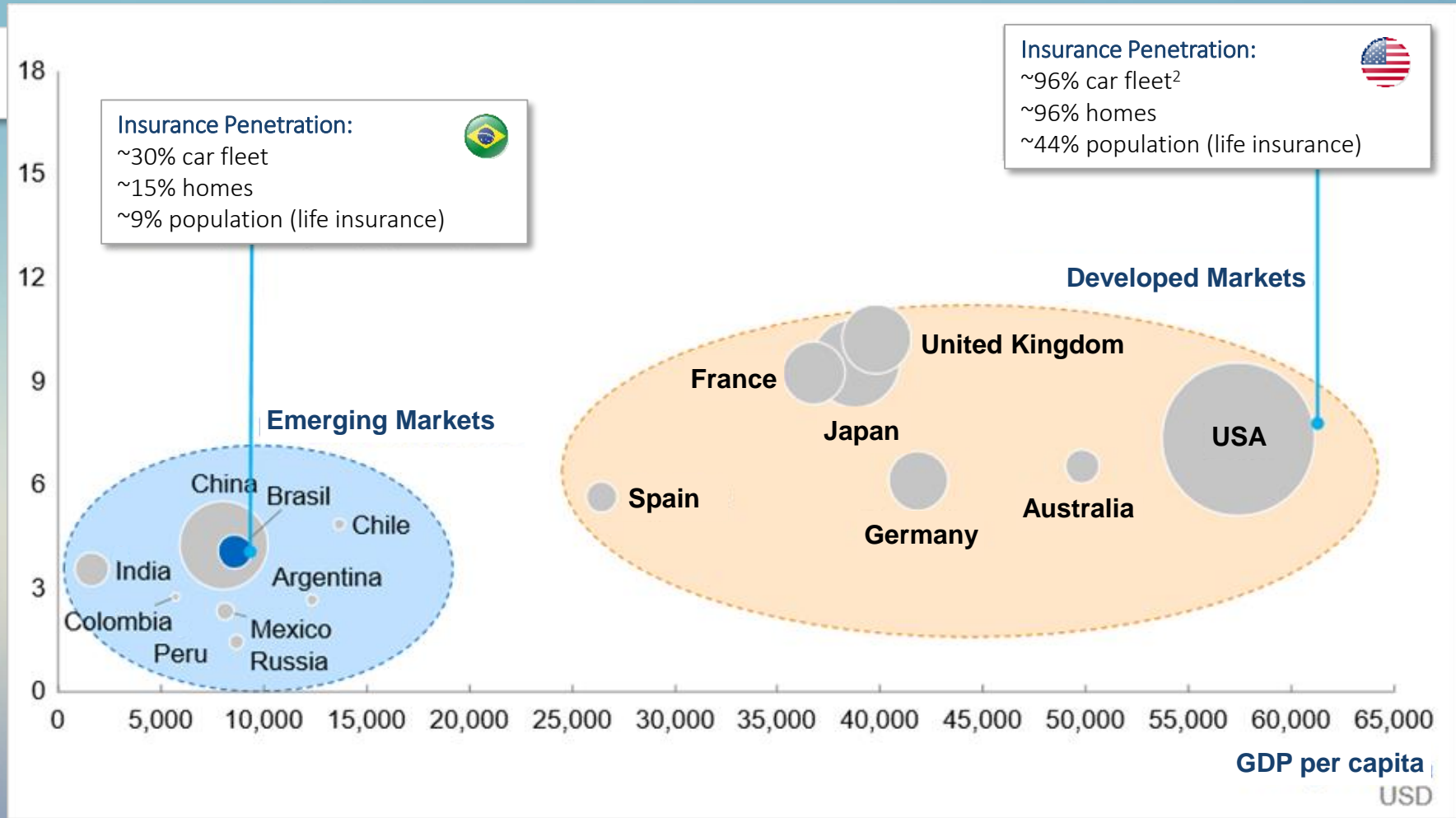
4

## Growth Strategy

Sales Team.  
New Business Structure.  
New Sales Model.

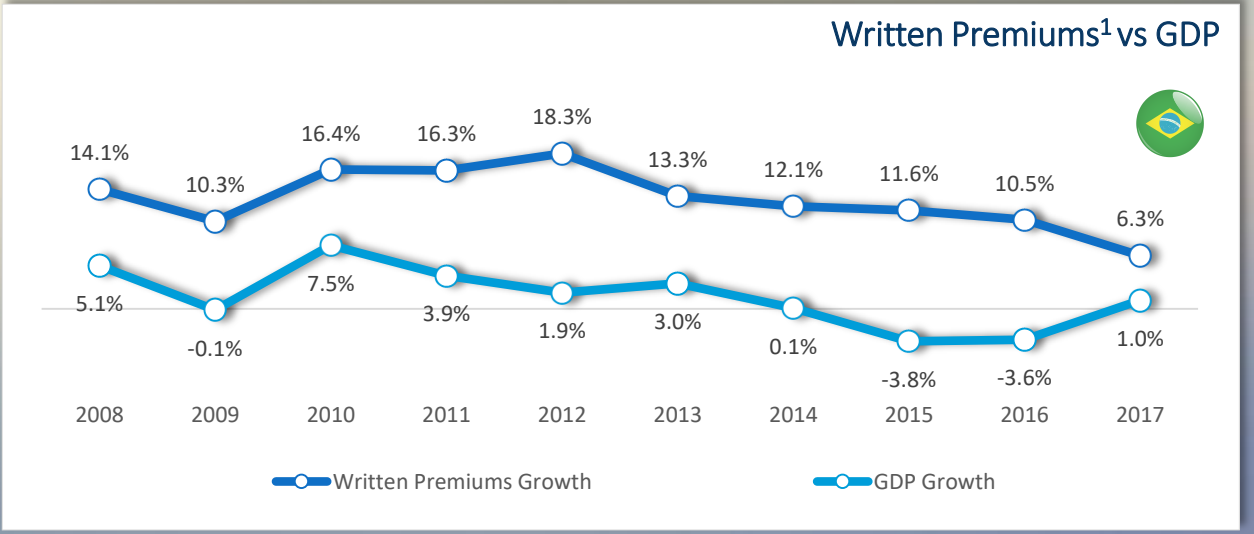
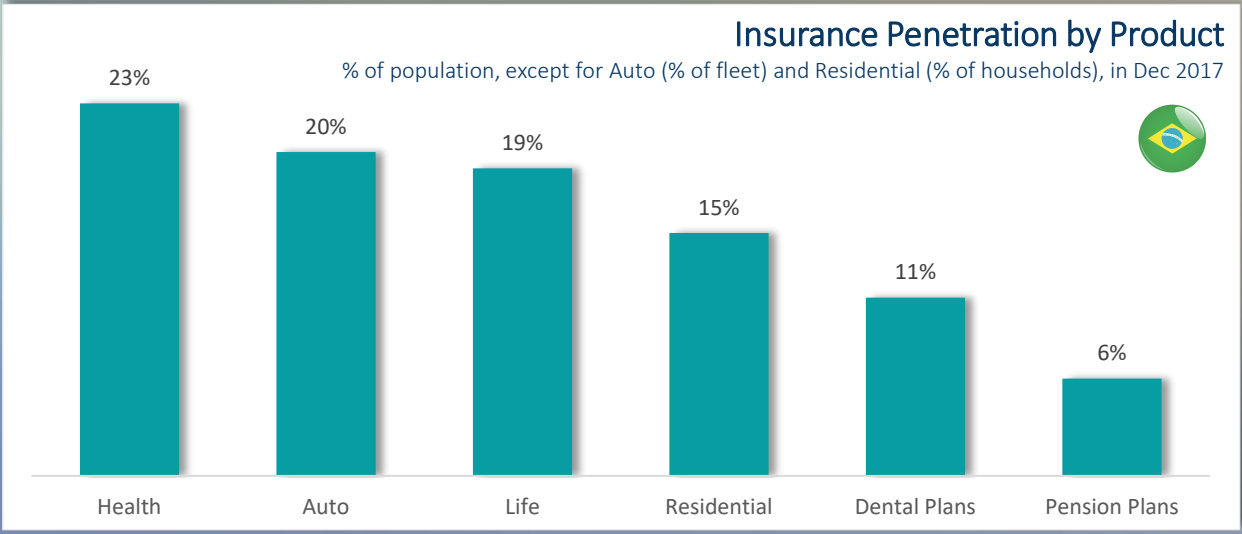
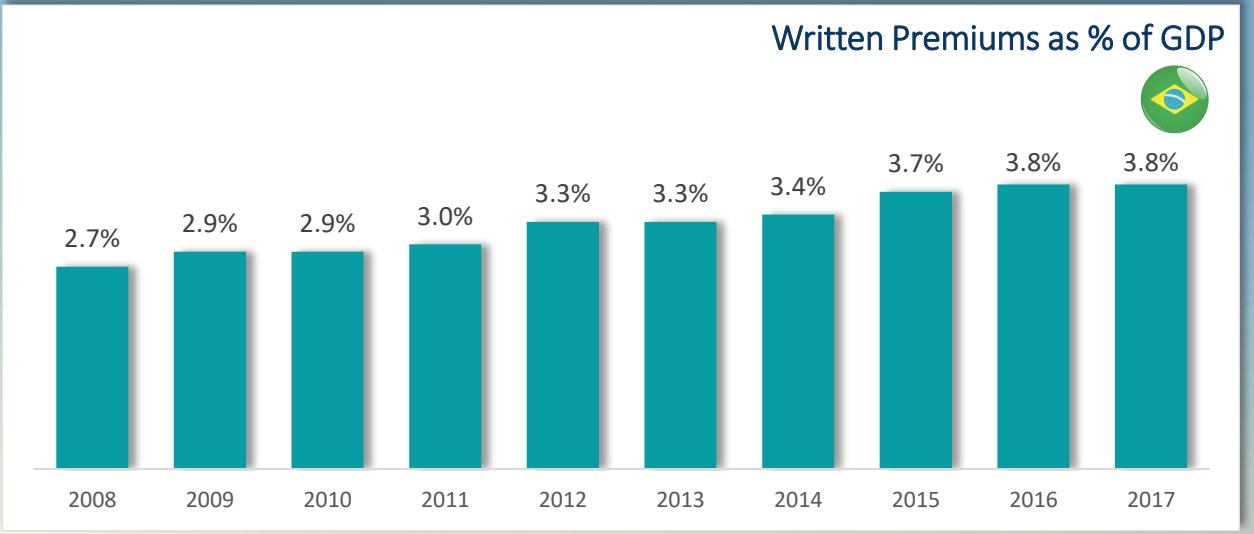
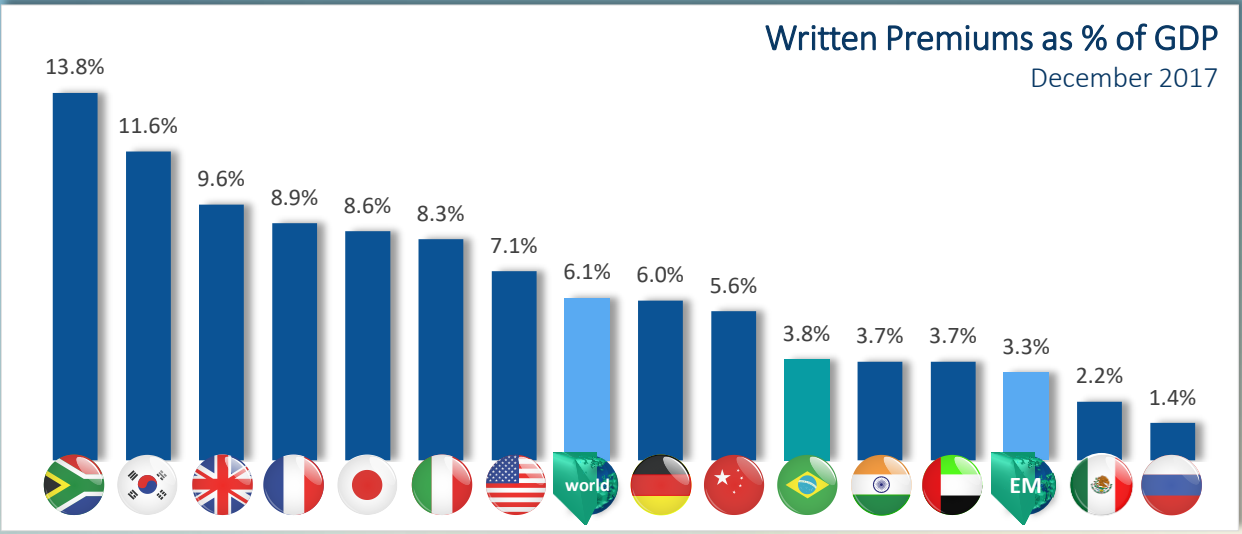


## Insurance Penetration<sup>1</sup> % Premium/GDP, 2016

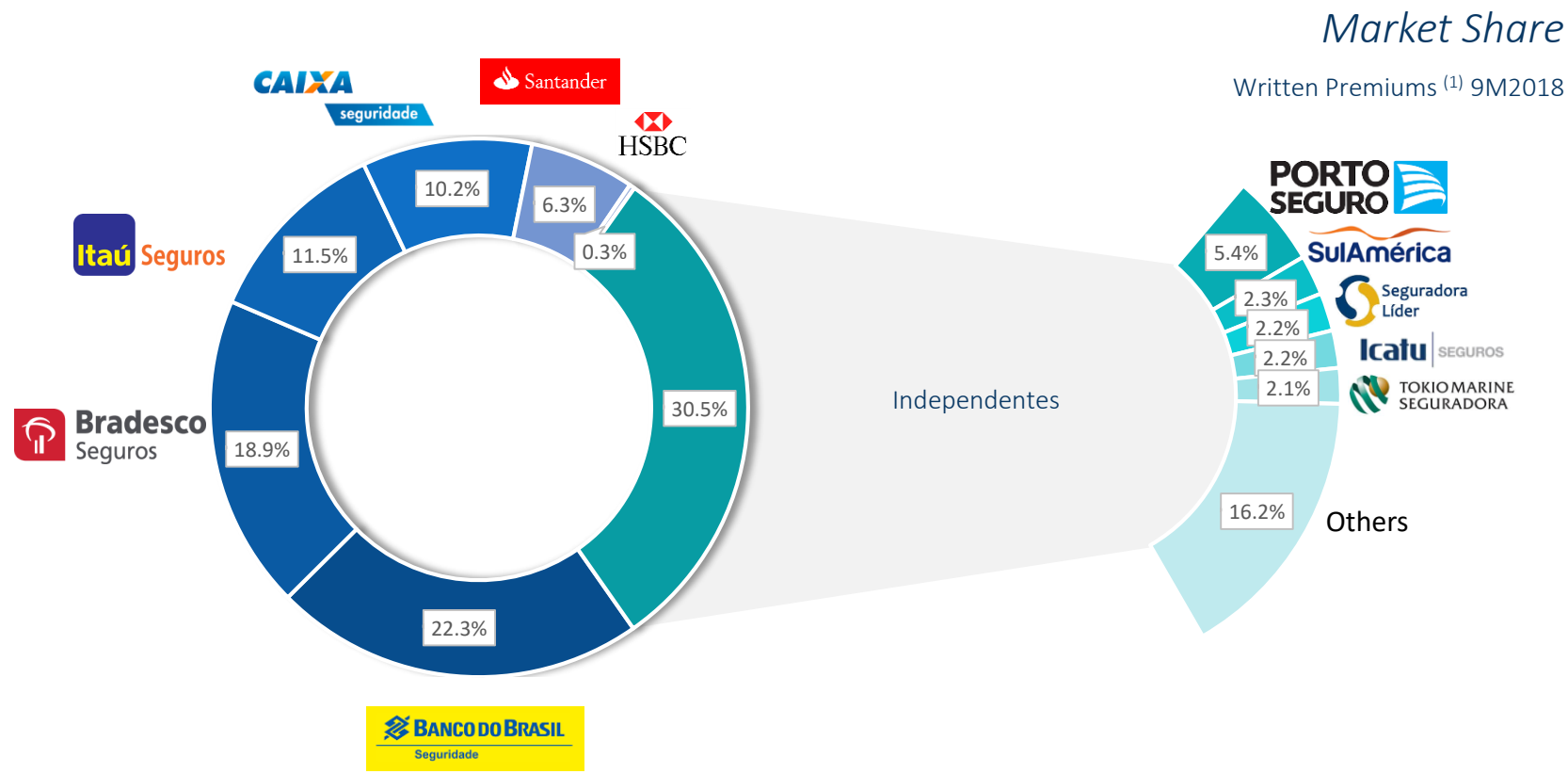


<sup>1</sup> Includes Life, Private Pension and Non-Life

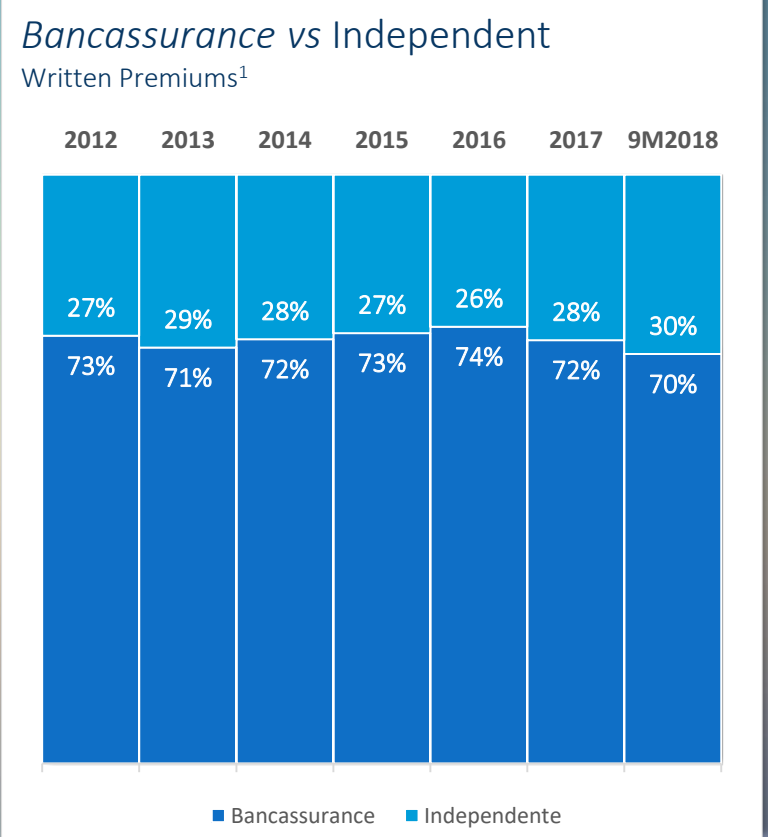
<sup>2</sup> Mandatory for some kinds of insurance coverage



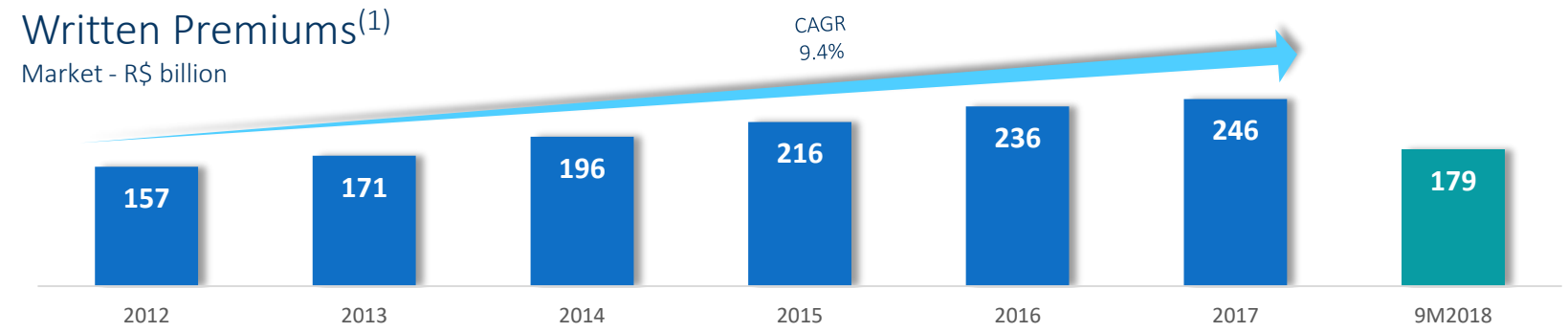
(1) Source: SUSEP, CNSeg, ANS, Wall Street Research



Stable dominance of the bancassurance model



Steadily growing over recent years



(1) Source: SUSEP, includes written premiums, private pension contributions and premium bonds collections.

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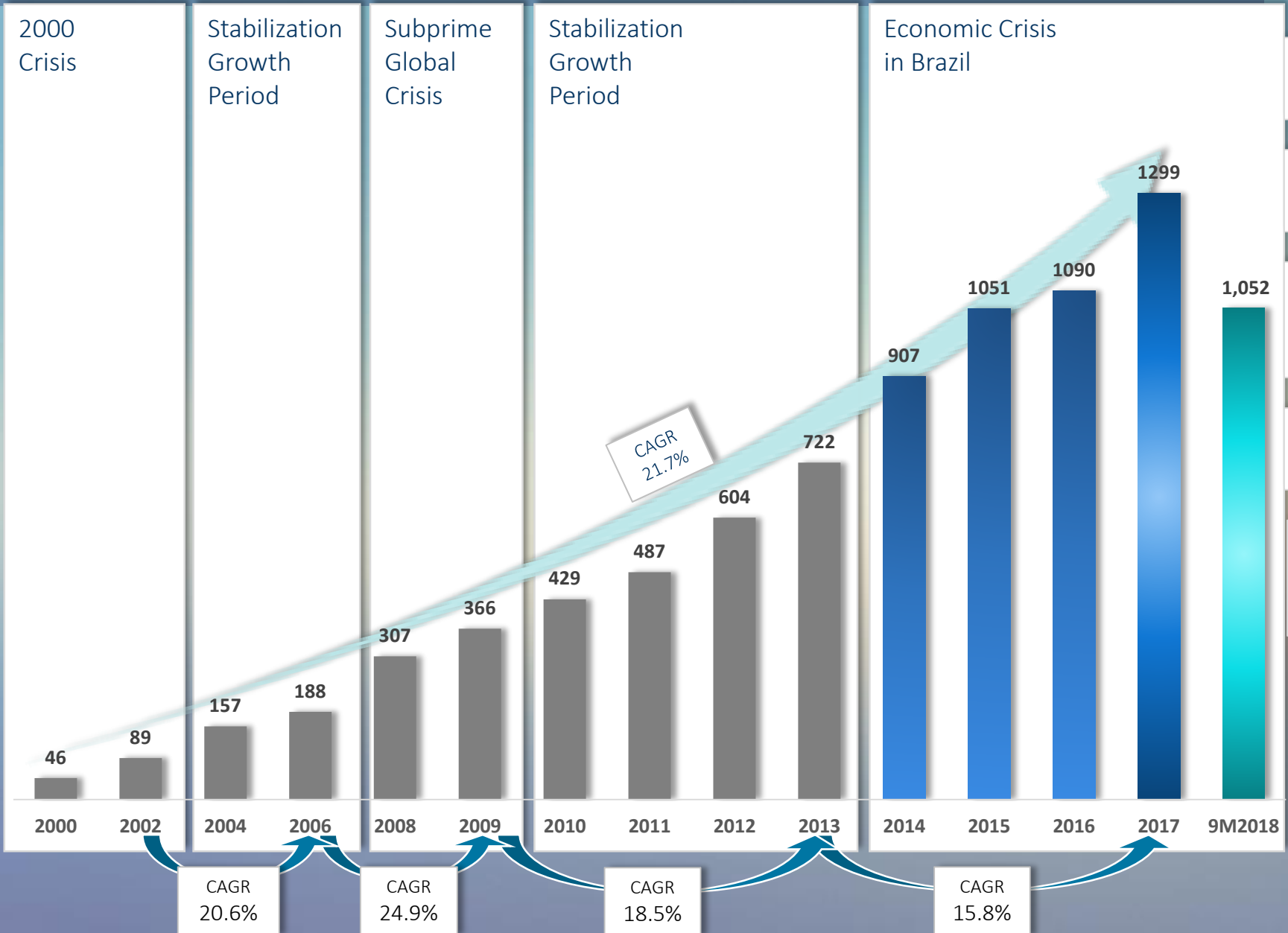
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## Growth Strategy

Sales Team.  
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New Sales Model.



# HISTÓRICO DE CRESCIMENTO



**Net Profit**  
R\$ million

2 digits growth, especially during crisis cycles

CAIXA Seguridade creation provided focus to the insurance business within CAIXA

Change in commercial performance in 2017 boosts business

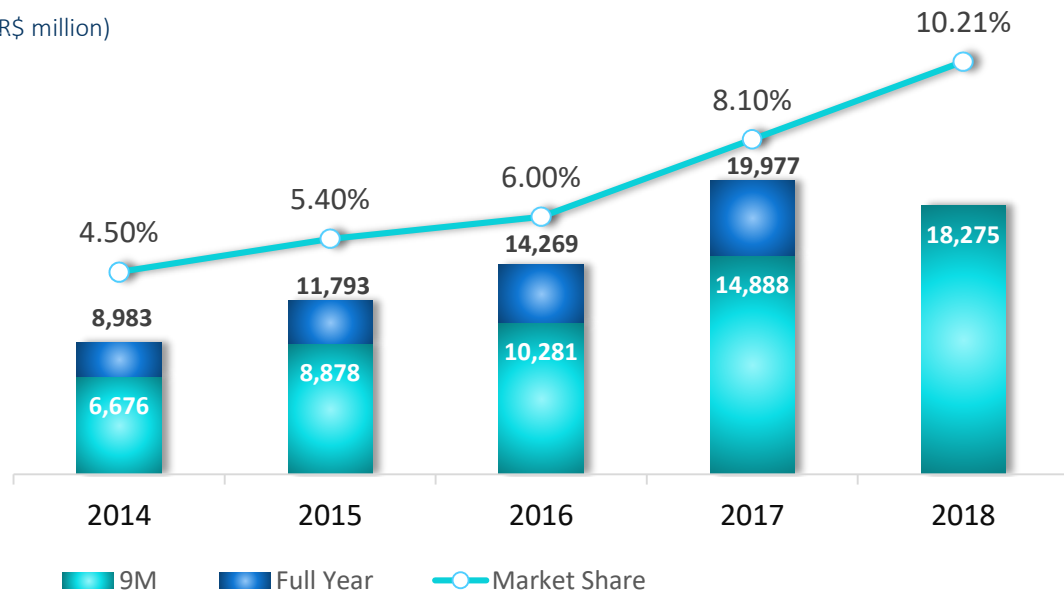
Net Income accumulated until September is 7.8% higher than the same period of 2017

# EARNINGS DASHBOARD

## SUSEP Segments

### Written Premiums<sup>1</sup>

(R\$ million)



2017 / 2016  
**+40.0%**

9M18 / 9M17  
**+24.2%**

Market Share  
**10.2%**

### Growth by Segment<sup>1</sup>

9M18 / 9M17

		Market
Private Pension	<b>+37.9%</b>	-8.6%
Premium Bonds	+13.2%	+2.9%
Insurance	+4.0%	+6.9%
Life	+7.9%	+5.2%
Credi Life	+5.4%	+21.2%
Residential	<b>+33.5%</b>	+15.7%
Housing	+5.7%	+7.2%
Auto	-7.1%	+6.6%
P&C - Others	-10.8%	+0.1%

### Market Share<sup>1</sup>

(R\$ million)







	RKN 2018	RKN 2017	Group	9M18	Share% Sep18	Share% Dec17	9M17	Share% Sep17	9M18 9M17
	1	1	BB Seguridade	39,882	22.29%	24.93%	44,568	24.68%	-10.51%
	2	2	Bradesco	33,786	18.88%	20.30%	35,564	19.70%	-5.00%
	3	3	Itaú	20,592	11.51%	12.36%	22,923	12.69%	-10.17%
	4	4	CAIXA Seguridade	18,275	10.21%	8.08%	14,709	8.15%	24.25%
	5	5	Zurich-Santander	11,284	6.31%	5.88%	10,694	5.92%	5.52%
	6	6	Porto Seguro	9,637	5.39%	4.82%	8,705	4.82%	10.70%
<b>MARKET</b>				<b>178,915</b>			<b>180,573</b>		<b>-0.92%</b>

(1) Source: SUSEP, includes written premiums, private pension contributions and premium bonds collections.

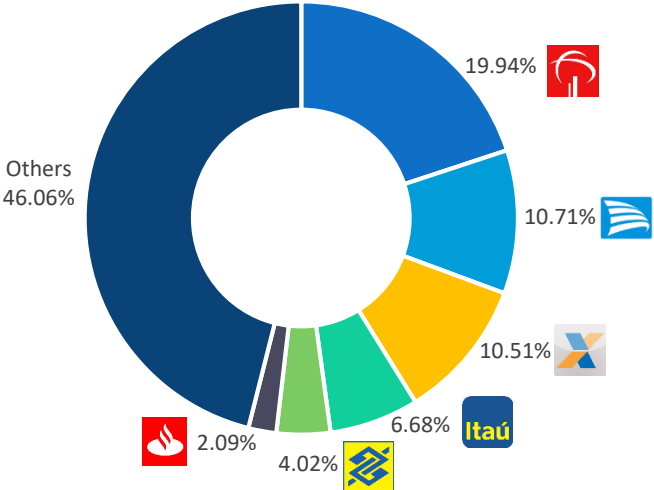
# EARNINGS DASHBOARD

Consortium







Letters of Credit<sup>1</sup>  
Real State  
(R\$ million)

	RKN 2018	RKN 2017	Group	9M18	Share% Sep18	9M17	Share% Sep17	<u>9M18</u> <u>9M17</u>
	1	1	Bradesco	32,183	19.94%	28,661	19.67%	+12.29%
	2	2	Porto Seguro	17,287	10.71%	15,926	10.93%	+8.55%
	3	3	CAIXA Seguridade	16,964	10.51%	15,886	10.90%	+6.79%
	4	4	Itaú	10,775	6.68%	9,291	6.38%	+15.97%
	7	9	BB Consórcios	6,481	4.02%	5,014	3.44%	+29.27%
	13	11	Santander	3,368	2.09%	3,538	2.43%	-47.79%
MARKET				161,411		145,744		+10.75%

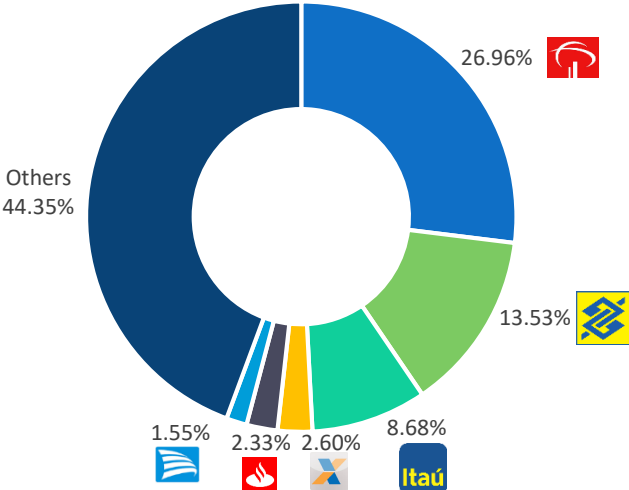
Market Share  
Real State



Letters of Credit<sup>1</sup>  
Vehicles  
(R\$ million)

	RKN 2018	RKN 2017	Group	9M18	Share% Sep18	9M17	Share% Sep17	<u>9M18</u> <u>9M17</u>
	1	1	Bradesco	47,090	26.96%	42,256	26.43%	+11.44%
	2	2	BB Consórcios	23,645	13.53%	21,885	13.69%	+8.04%
	3	3	Itaú	15,161	8.68%	12,381	7.74%	+22.46%
	8	9	CAIXA Seguridade	4,546	2.60%	3,671	2.30%	+23.84%
	10	13	Santander	4,072	2.33%	2,498	1.56%	+63.01%
	13	14	Porto Seguro	2,702	1.55%	2,299	1.44%	+17.50%
MARKET				174,695		159,885		+9.26%

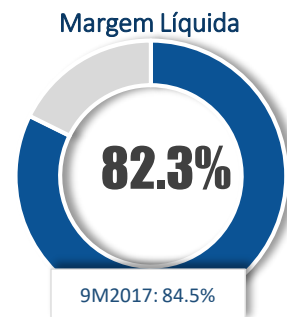
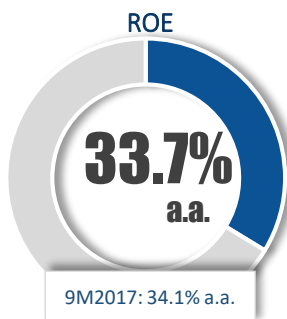
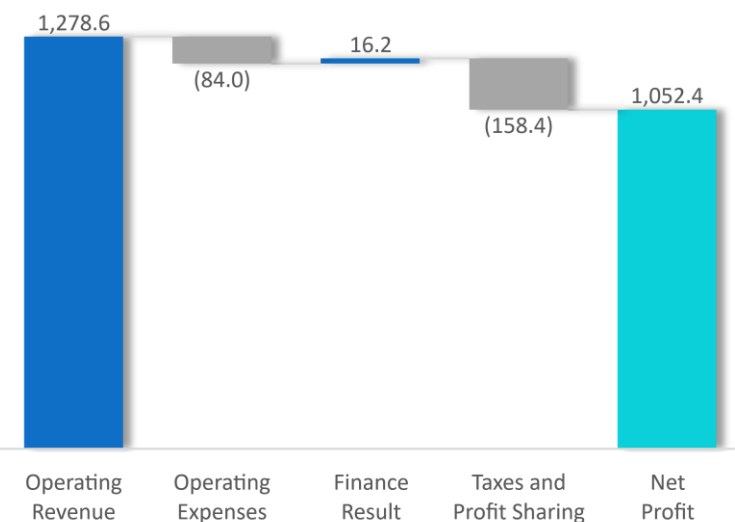
Market Share  
Vehicles



(1) Source: Central Bank of Brazil, Active Letters of Credit x Average Value of Good.

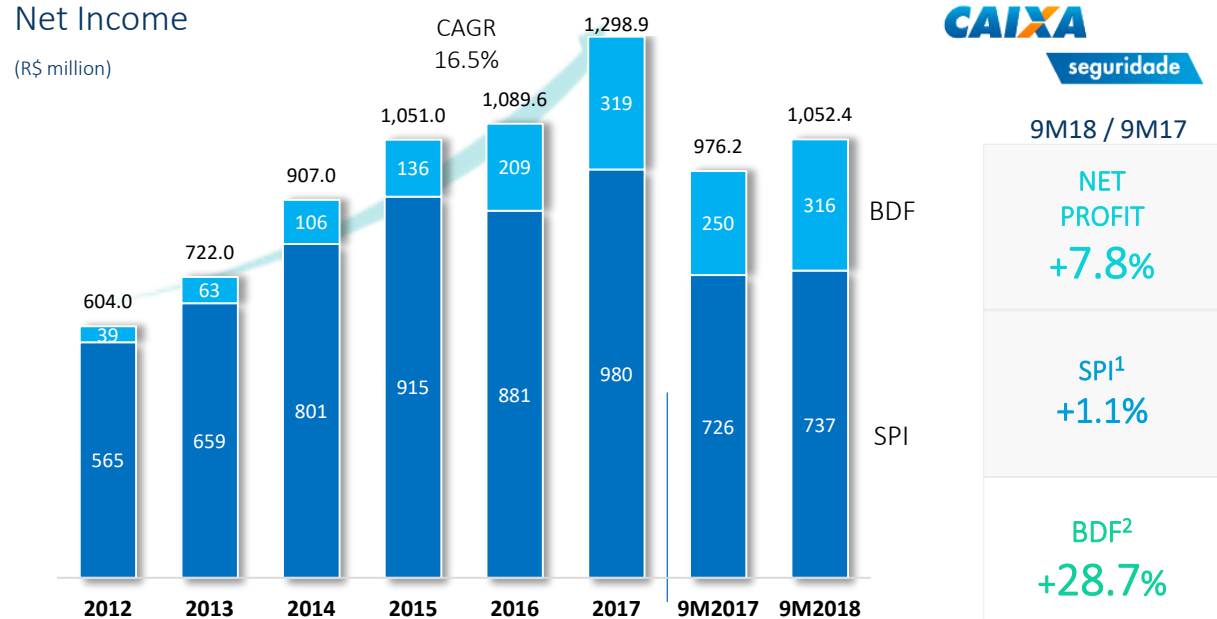
## Income Statement

(R\$ million)



## Net Income

(R\$ million)



**CAIXA**  
seguridade

9M18 / 9M17

**NET PROFIT**  
**+7.8%**

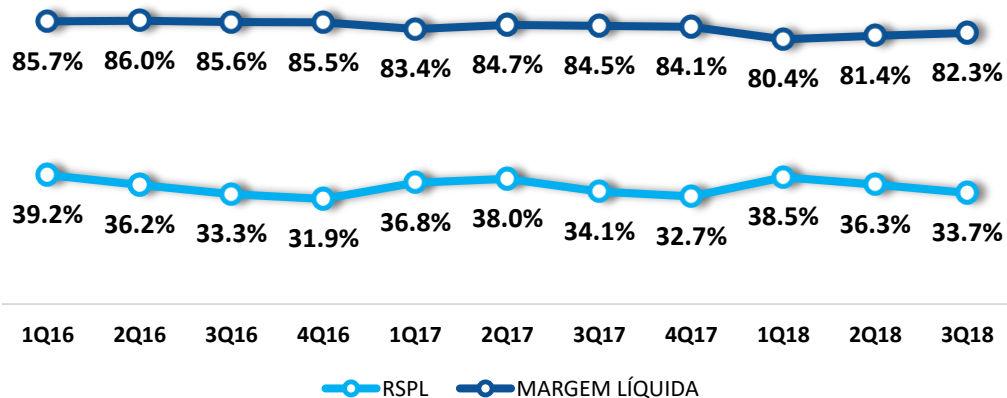
**SPI<sup>1</sup>**  
**+1.1%**

**BDF<sup>2</sup>**  
**+28.7%**

(1) SPI – Share of Profit of Investees. (2) BDF – Bancassurance Distribution Fee

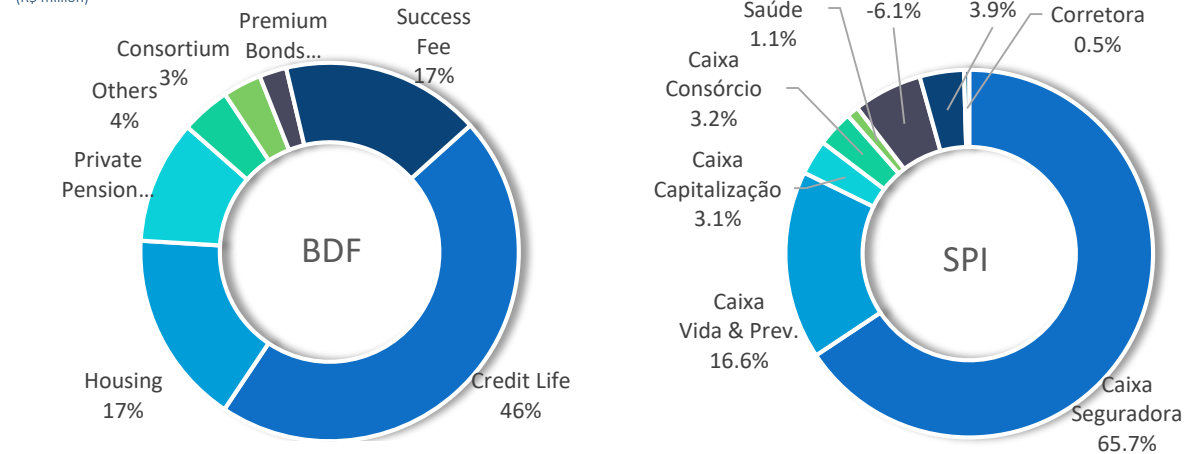
## Performance History

(cumulative results)



## Operating Revenue Distribution

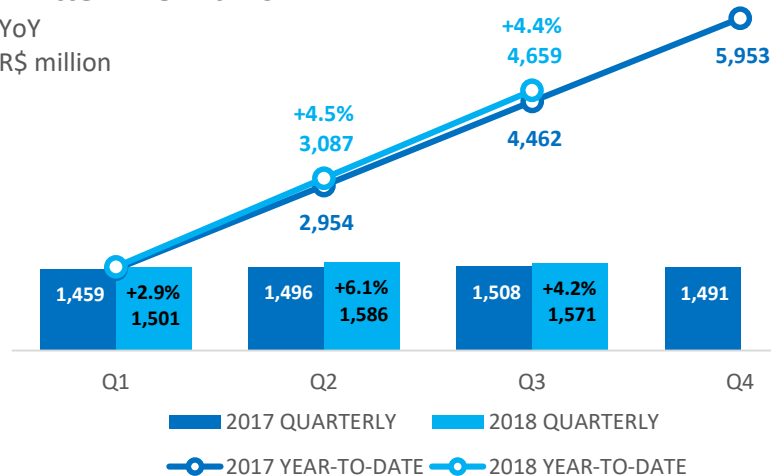
(R\$ million)





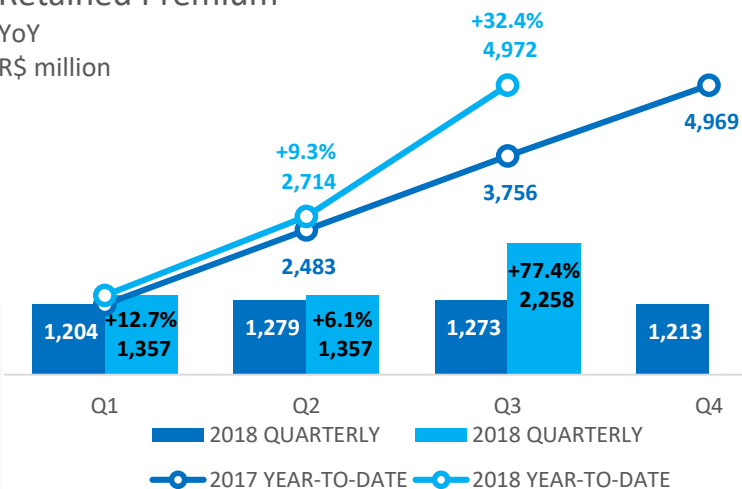
## Written Premiums

YoY  
R\$ million



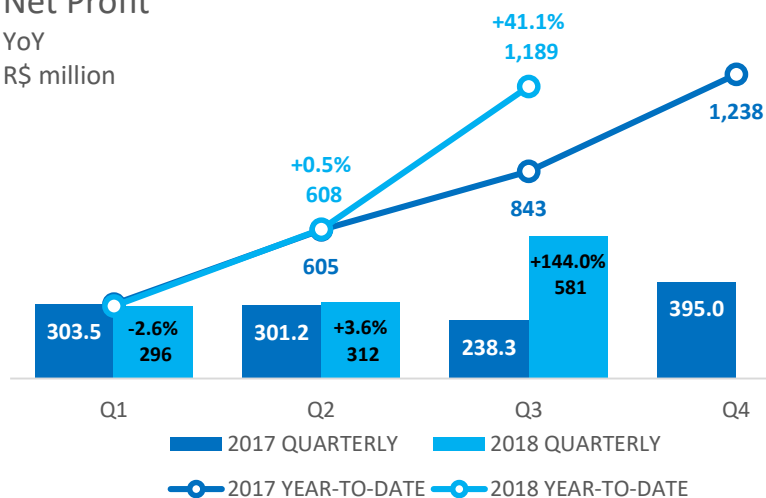
## Retained Premium

YoY  
R\$ million

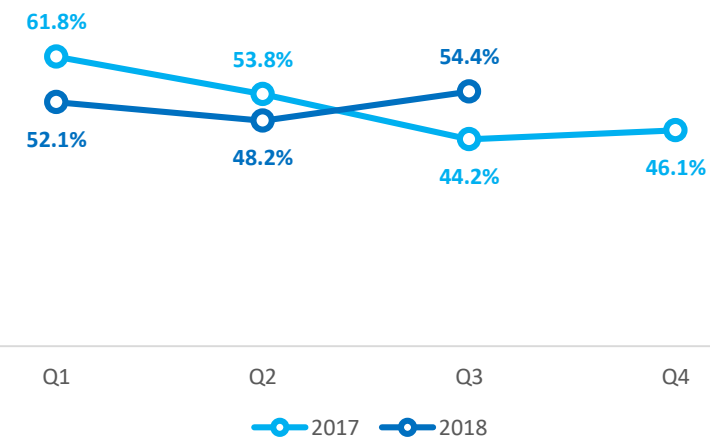


## Net Profit

YoY  
R\$ million



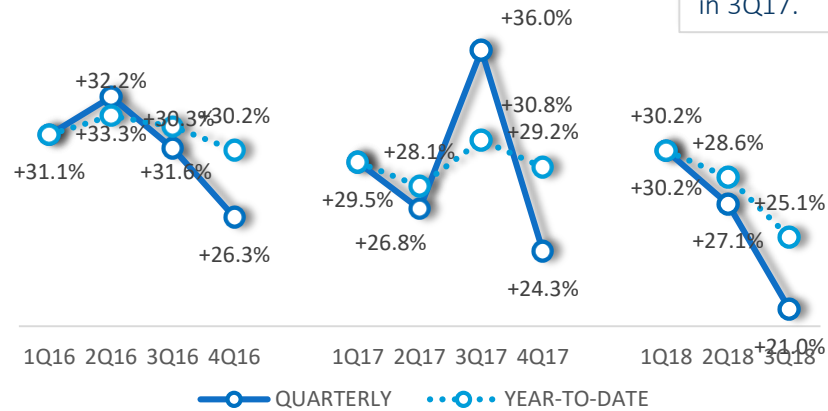
## ROAE



# CAIXA SEGURADORA DASHBOARD

## Loss Ratio

(Claims / Retained Premium)

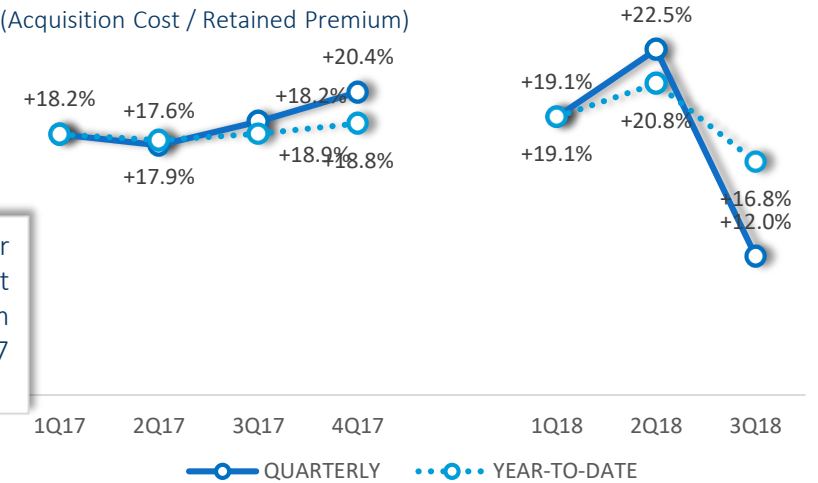


The claims occurred increased by 3.3%, but with the premium growth, the **loss ratio** fell to 21%, against 36% in 3Q17.

Acquisition costs increased 13.1%, driven by higher commissioning paid to life insurance (+ 24.6%) and credit life (+ 18.1%). However, with the retained premium increase, the **commissioning ratio** fell from 18.9% in 3Q17 to 12% in 3Q18.

## Commission Ratio

(Acquisition Cost / Retained Premium)



## G&A Ratio

(Administrative + Tax + Other Operating Expenses) / Retained Premium

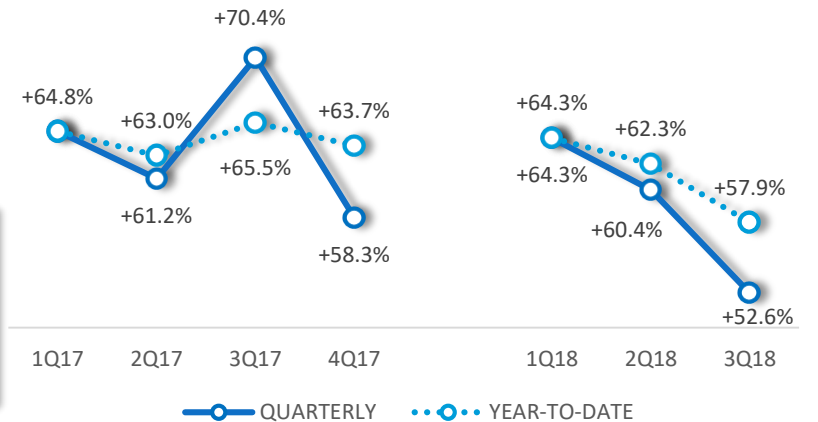


The **G&A ratio** grew 4 percentage points compared to 3Q17 and more than 8 percentage points when compared to the previous quarter. The increase in expenses occurred in all items of the index, but was more concentrated in other expenses as a result of new IT projects, allocated especially in housing insurance.

The **combined ratio**, which combines claims, commissioning and general and administrative expenses, fell to 52.6%, driven by the fall in the claims and commissioning rates.

## Combined Ratio

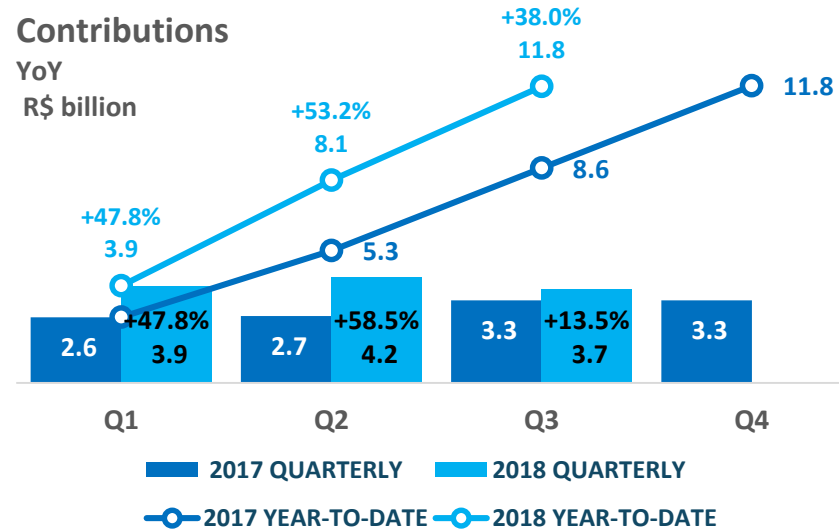
(Claims + Acquisition + Other Rev. + G&A) / Retained Premium



## Contributions

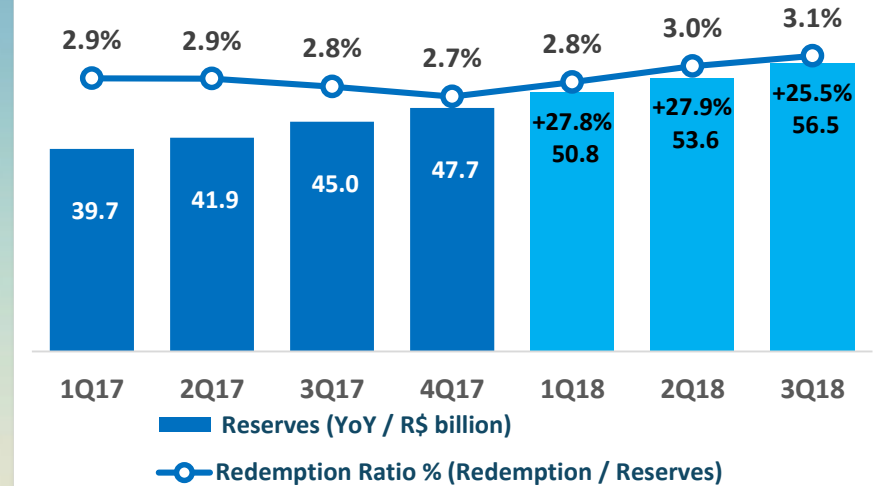
YoY

R\$ billion

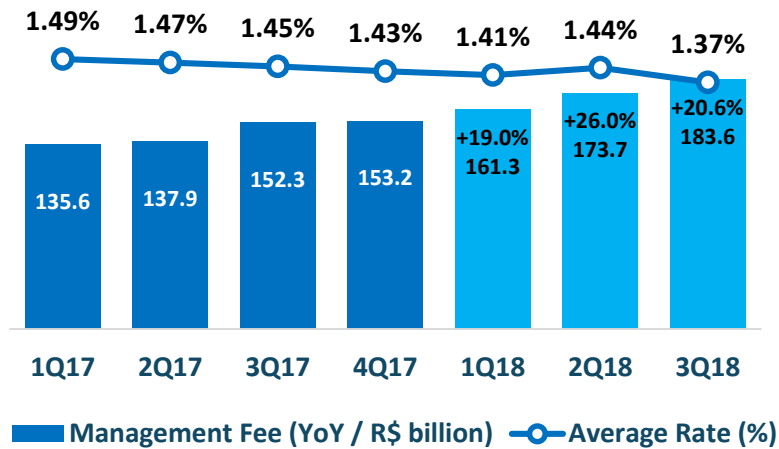


The private pension plans at the CAIXA's network continued to grow in relation to the previous year, but did not exceed the volume in 2Q18, in that comparison the contributions were 11.5% lower. This drop is the result of a natural downward movement in the level of engagement of the sales force due to the overrun of the first semester goals in view of the extra effort undertaken in the period, and does not represent the approximation of a possible penetration limit in the CAIXA's network.

## Reserves and Redemptions



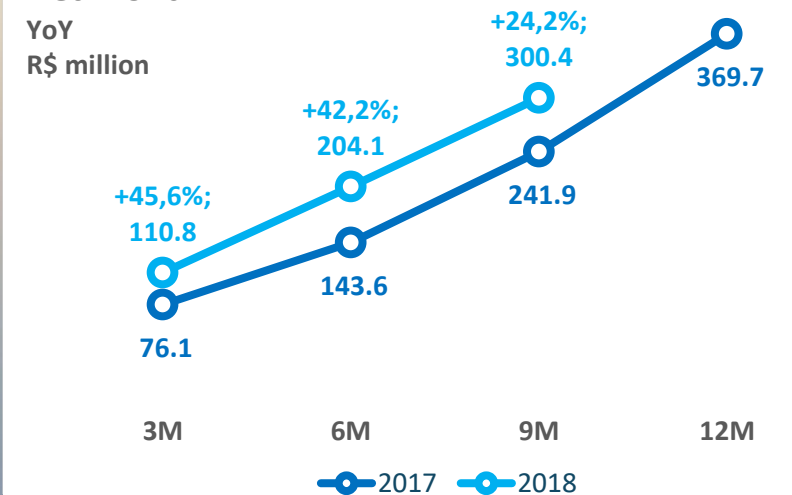
## Management Fee



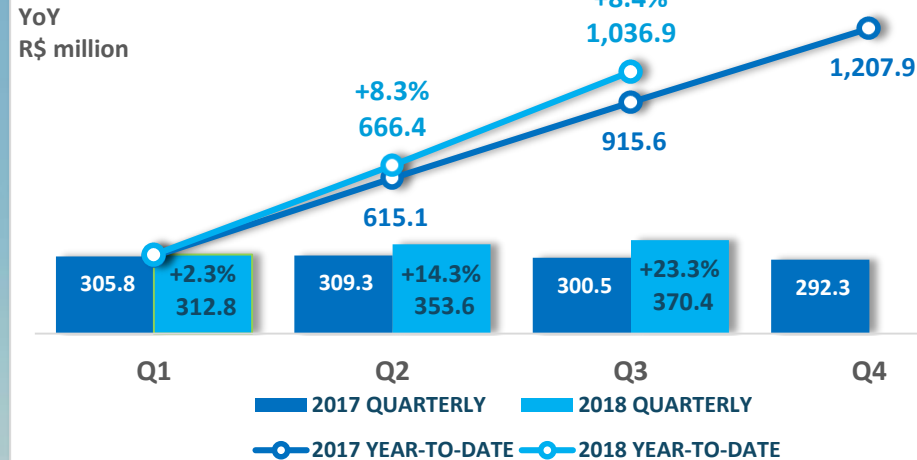
## Net Profit

YoY

R\$ million

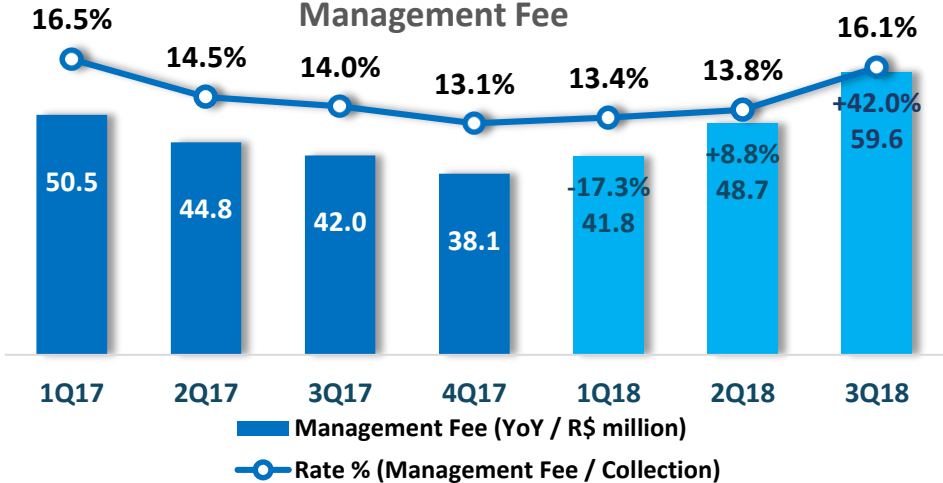


## Premium Bonds Collection

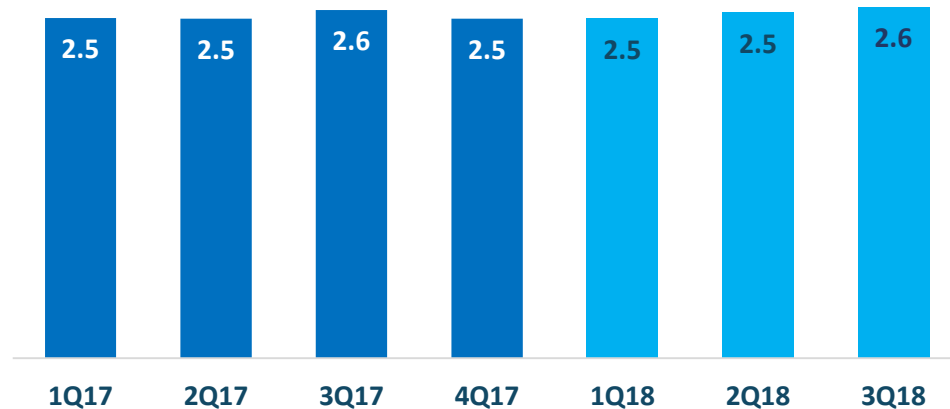


The increase in sales was higher in monthly payment products, which grew 6.7% compared to the immediately previous quarter, due to the new product for the sale in the cashier's office. The new product implemented on July 10 sold more than 184,000 new contracts until September, an average of more than 3,000 per day. It was R\$ 7.4 million collected in the period.

## Management Fee

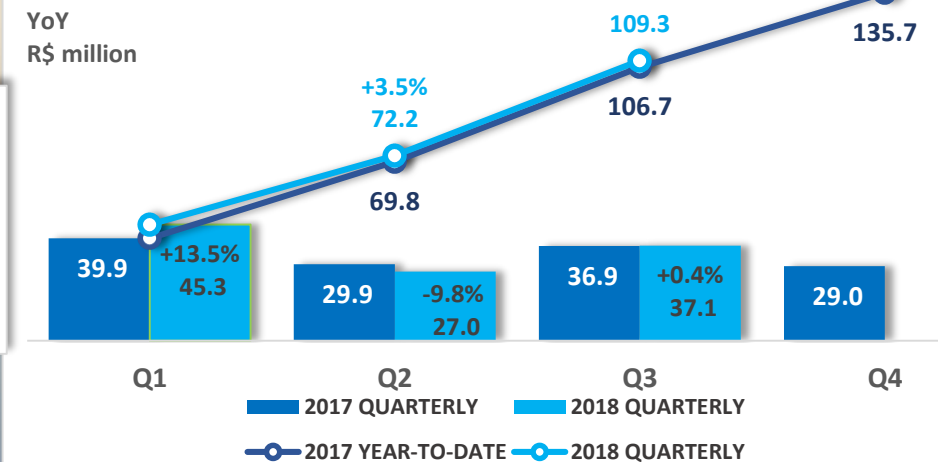


## Reserves (R\$ million)



Net profit in 3Q18 was in line with 3Q17 results (+ 0.4%), and remained 2.4% above the previous year in the balance accumulated until September. Compared to the immediately previous quarter (2Q18), the result was 37.7% higher.

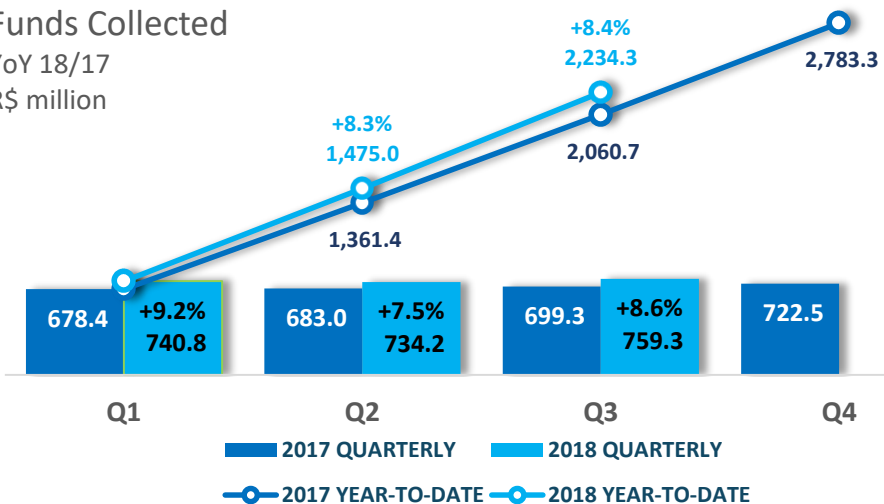
## Net Profit





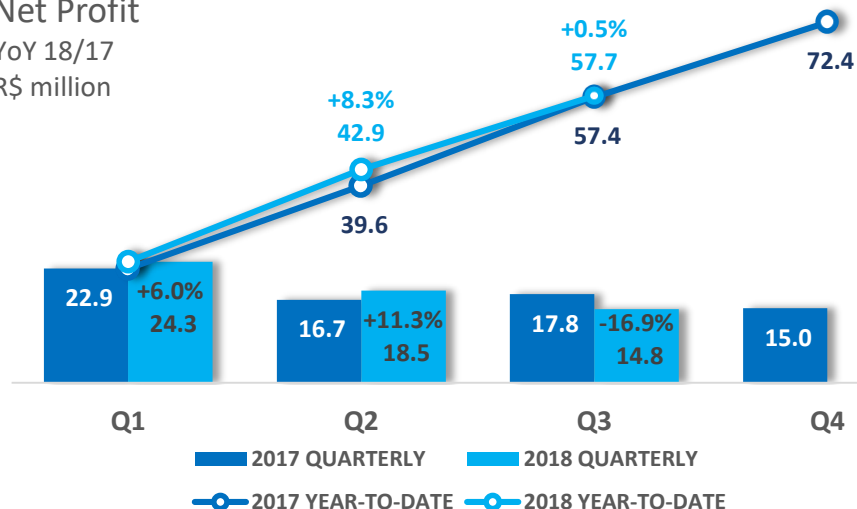
## Funds Collected

YoY 18/17  
R\$ million



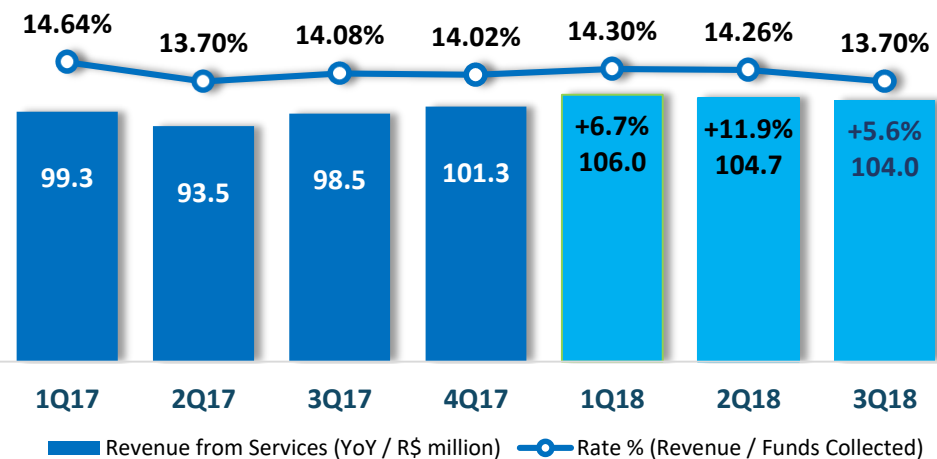
## Net Profit

YoY 18/17  
R\$ million

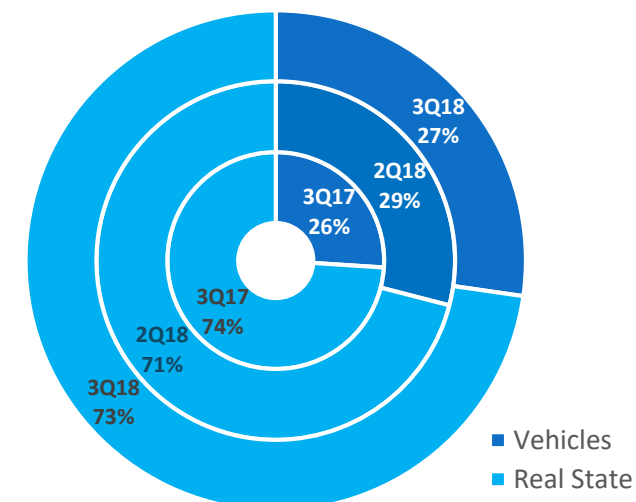


A queda de 22,8% nas receitas de intermediação financeira e a elevação das despesas operacionais (+15,9%), em especial as despesas de comercialização, e o aumento de 5,2% nas despesas administrativas resultaram no menor lucro neste trimestre, apesar do aumento da produção.

## Revenue from Services



## Letters of Credit



# AGENDA

1

## Company

*Timeline.* Insurance Business at CAIXA.  
Current Business Structure. Current Sales Model.  
Distribution Platform. Growth Potential.

2

## Insurance Sector

World – Insurance Penetration.  
Brazil – Insurance x GDP .  
Brazil – Bancassurance Dominance.

3

## CAIXA Seguridade Results

Growth History. Earnings Dashboard.  
Holding Dashboard. Group Dashboard.

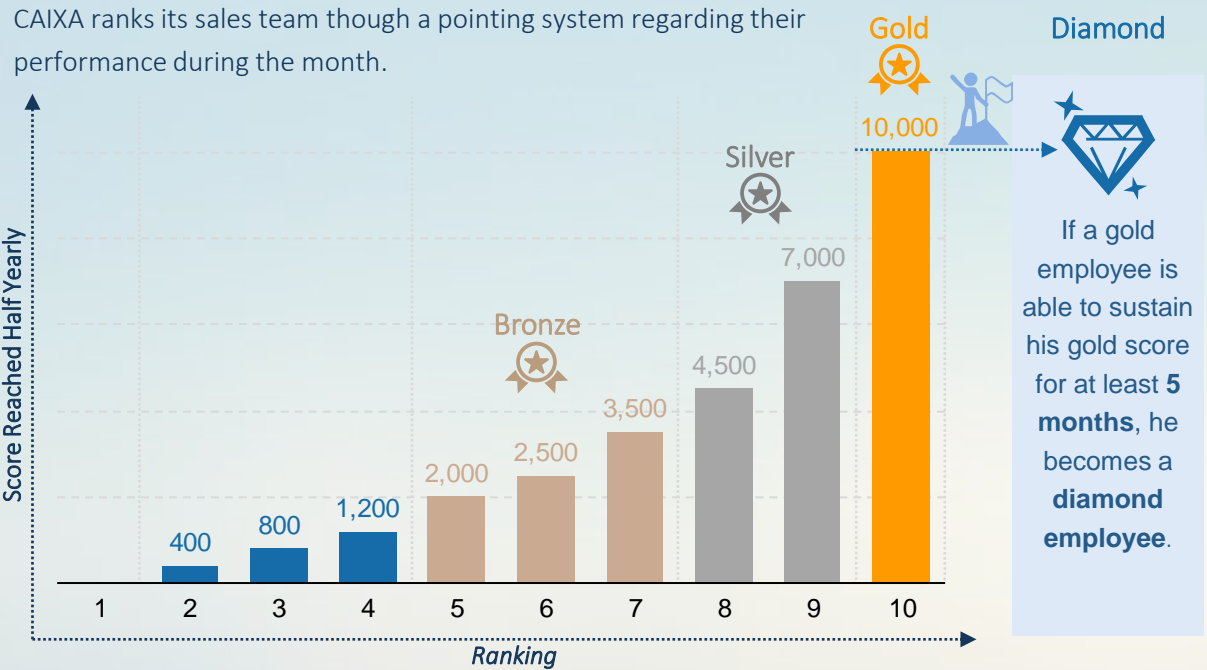
4

## Growth Strategy

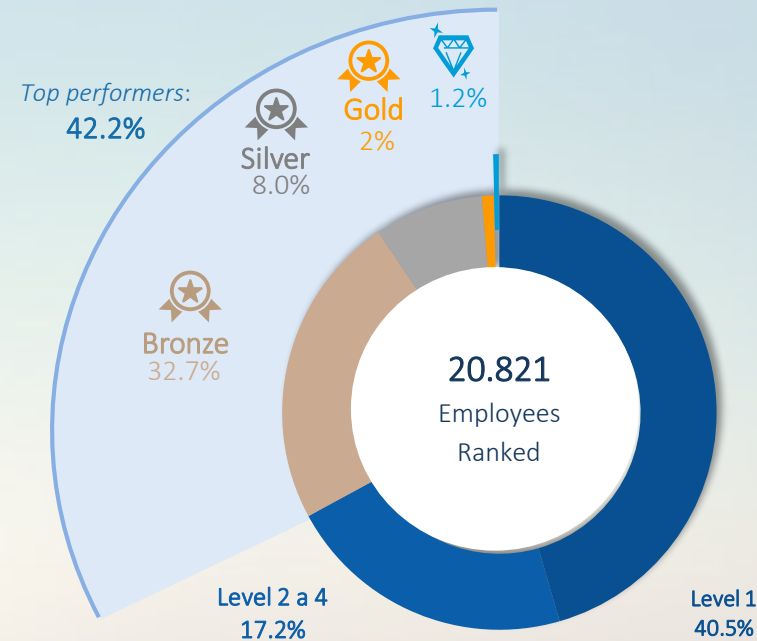
Sales Team.  
New Business Structure.  
New Sales Model.

## Sales team program – employee overview

CAIXA ranks its sales team through a pointing system regarding their performance during the month.



## CAIXA's employees breakdown per rank



## Sales Team Program – team overview

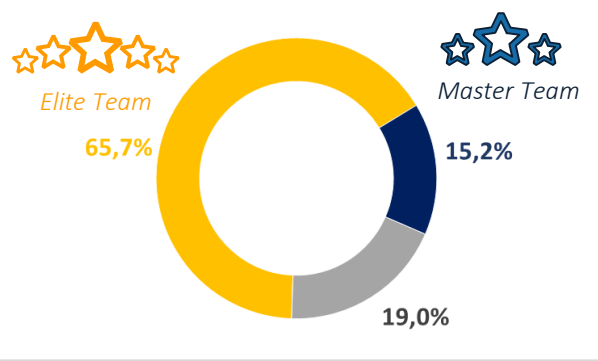
Level		% of team required to be top performers <sup>(1)</sup>
Elite team	☆☆☆☆☆	40%
Master team	☆☆☆	30%

The sales team program ensures:

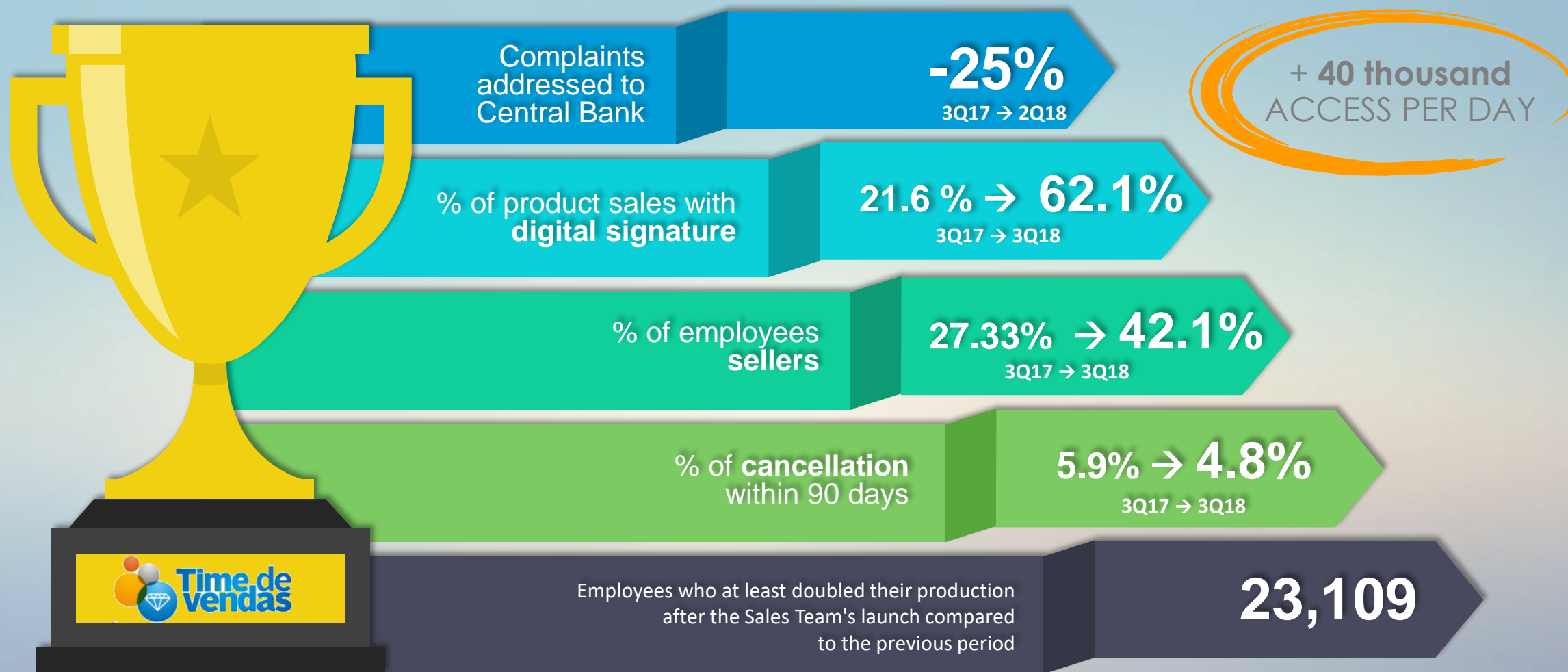
**1- Strategic alignment**

**2-Top performers recognition**

## CAIXA's top performing teams



Source: Company.  
Notes: (1) Percentage of employees in a given sales team ranked bronze or above required to reach each team level.



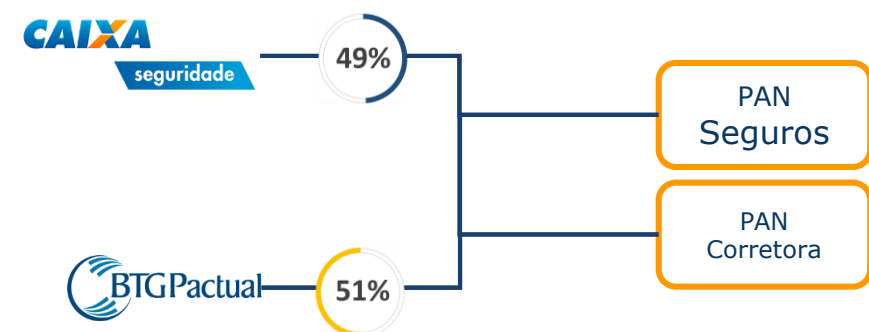
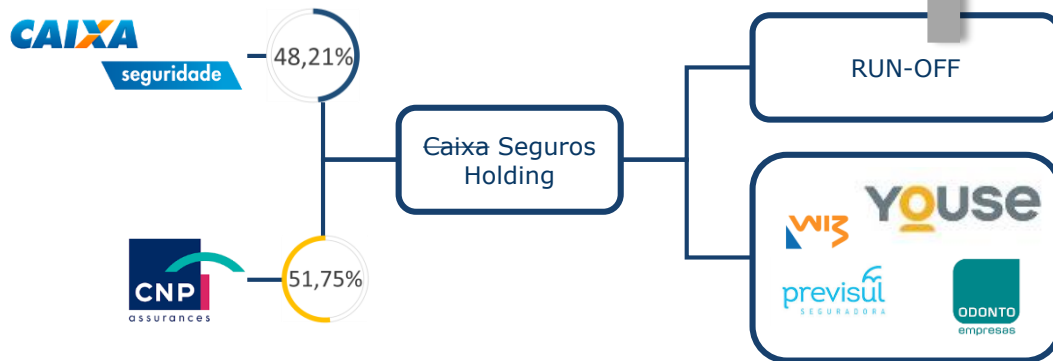
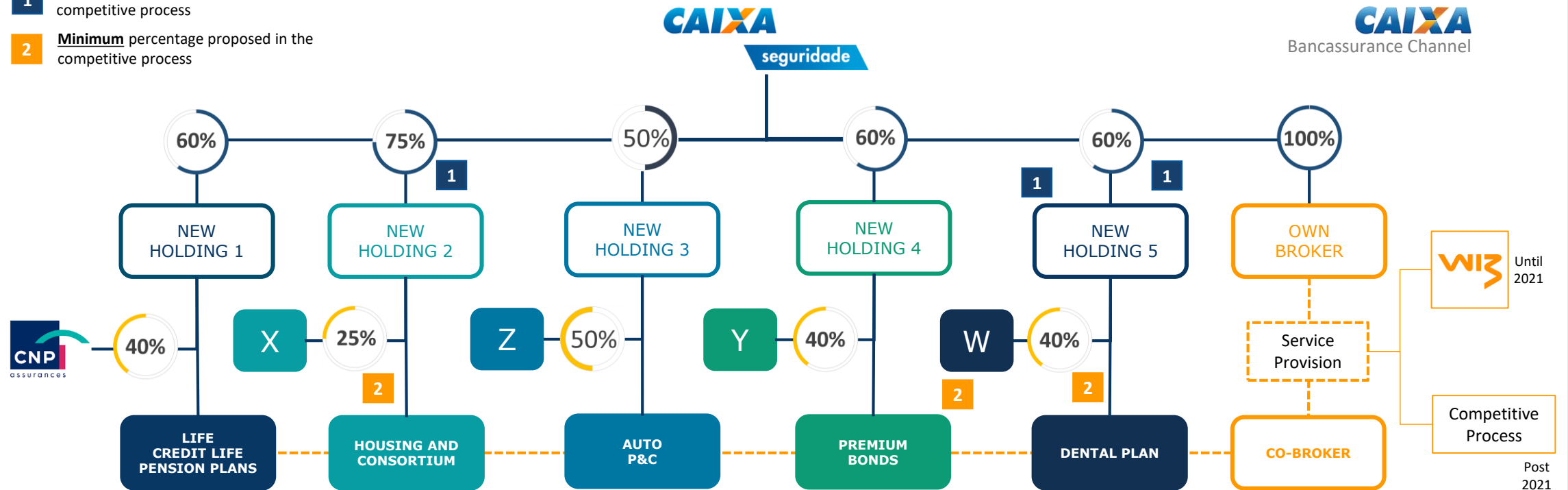
“To be a reference in efficiency, trust and **customer satisfaction**, ensuring **profitability** in all business.”

CAIXA's Vision Statement

# NEW BUSINESS STRUCTURE

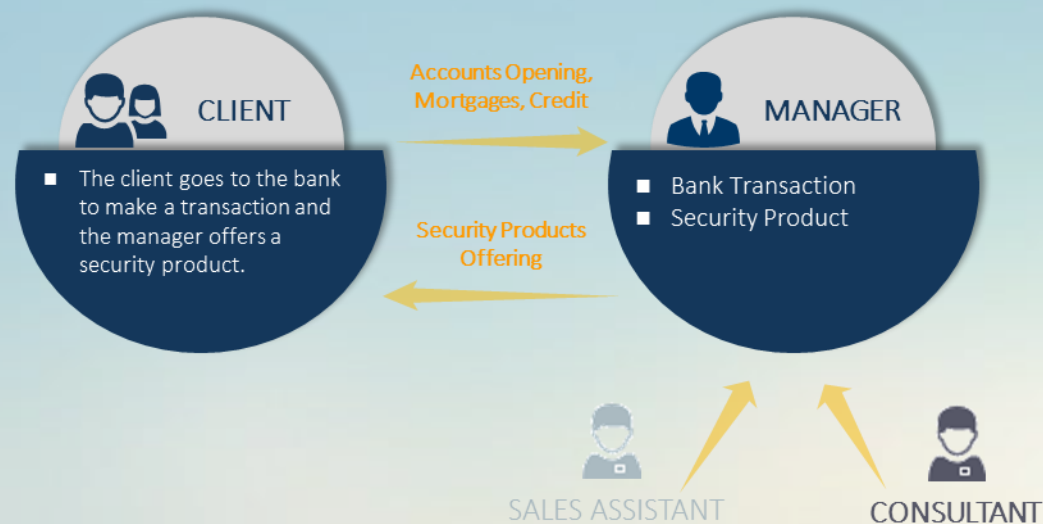
1 **Maximum** percentage proposed in the competitive process

2 **Minimum** percentage proposed in the competitive process












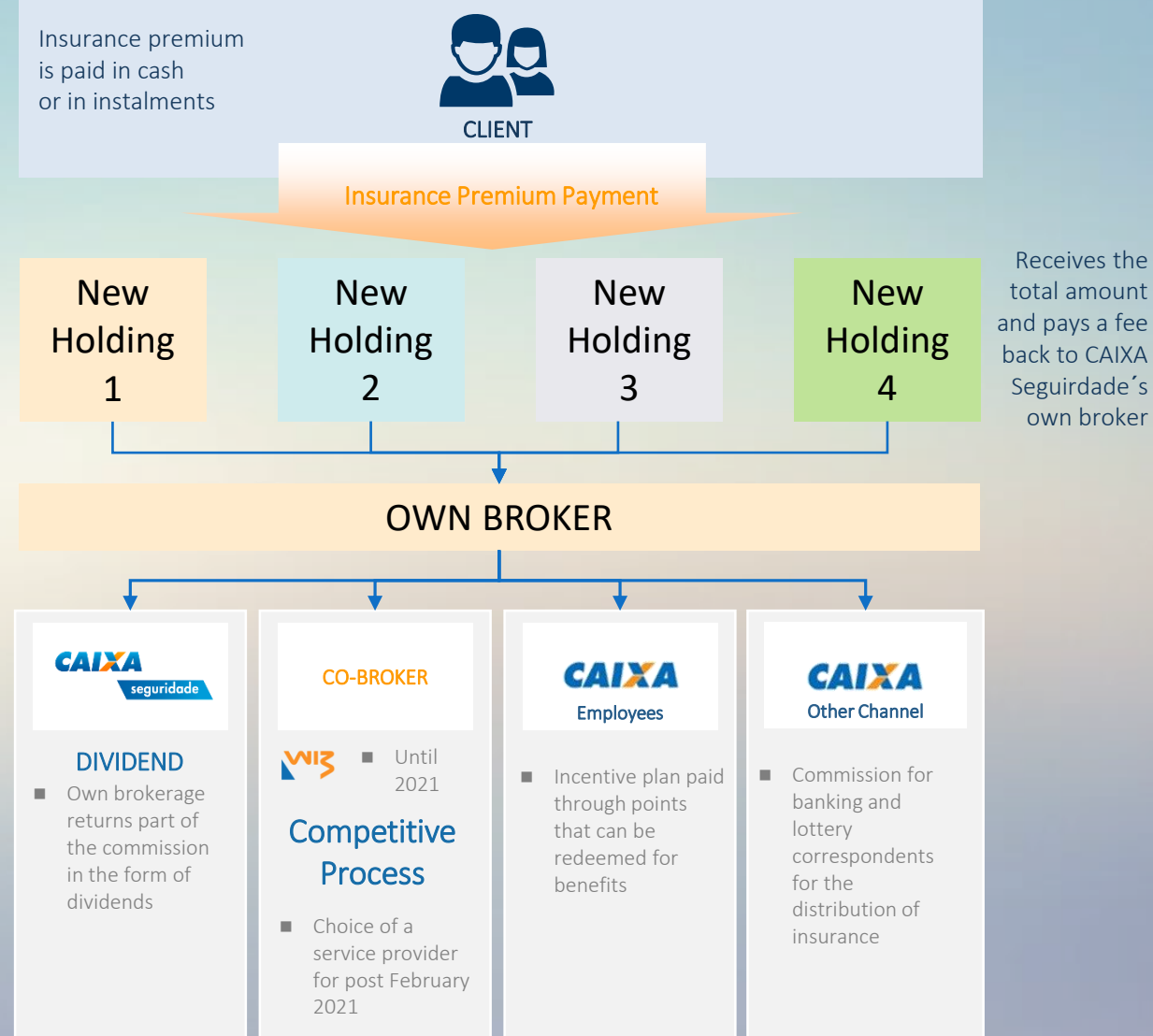
## Bancassurance Model



## Produtos Oferecidos

Channels		Segments	
 <b>BRANCHES</b>	Correspondents	 Life	 Housing
	Lottery Outlets	 Private Pension	 Letters of Credit
		 Credit Life	 Auto
		 Premium Bonds	 P&C

## Commissioning Dynamics



## CONTACT

### Investor Relations

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