



Company Presentation

1S2018

CAIXA

seguridade

HIGHLIGHTS

1S2018

R\$693.6mi

Net Profit

R\$493.6mi

Share of Profit of Investees

R\$358.8mi

BDF



81.4%

Profit Margin

39.9%

ROE

10.4%

Market Share


Raimundo Lima

Chief Executive
Officer

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

Chief Financial
Officer

Holds a degree in Accounting and an MBA in Controllershship and Finance. 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

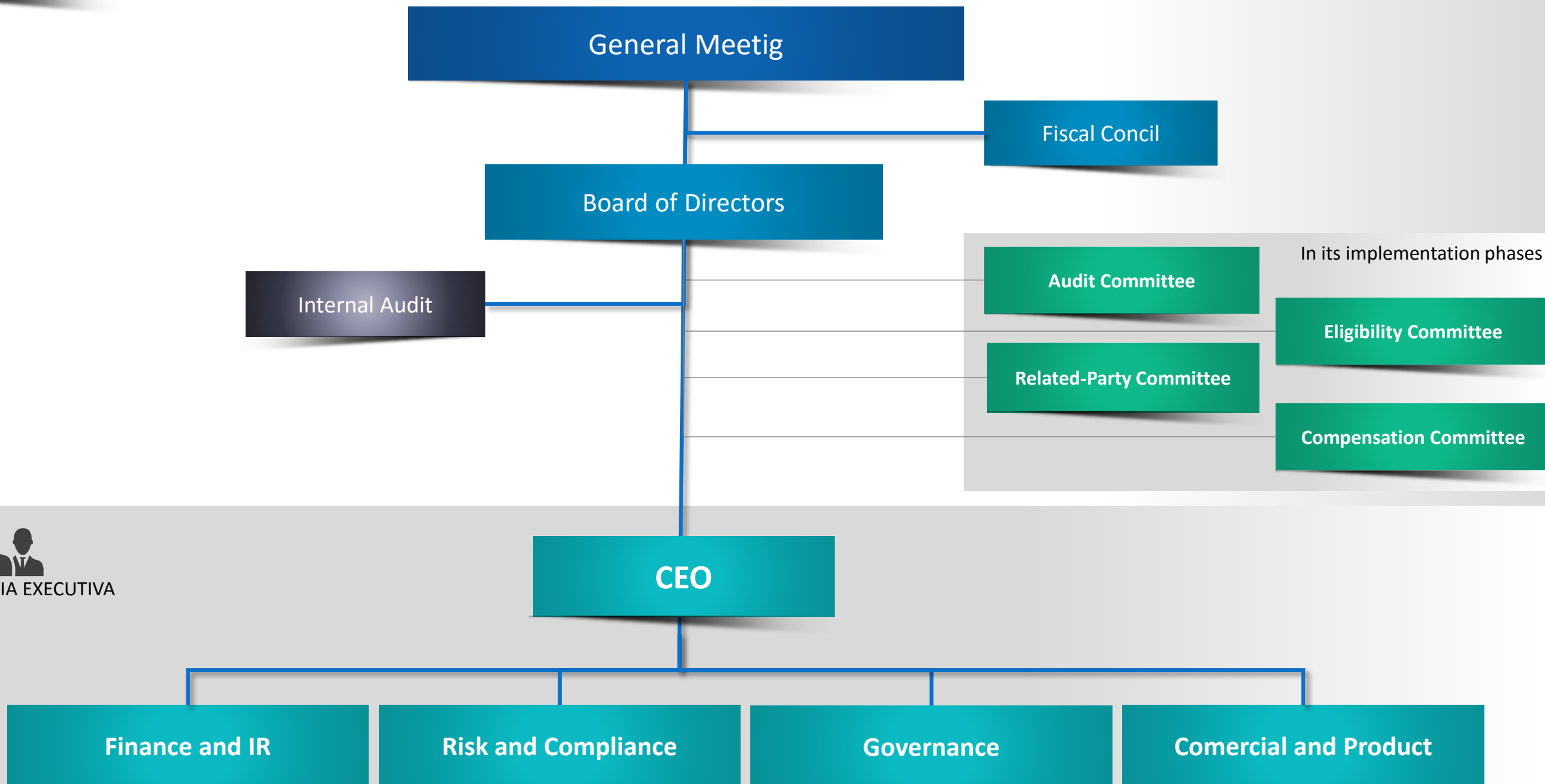
Chief Comercial and Products
Officer

Holds a degree in Law and a MBA in Corporate Finance and 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.



01

Company

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

02

Insurance Sector

World. Brazil.

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CAIXA Seguridade Results

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

04

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

New Agreement

News the new partnership with CNP



NEW ESCOPE

Life, Credit Life and Private Pension.



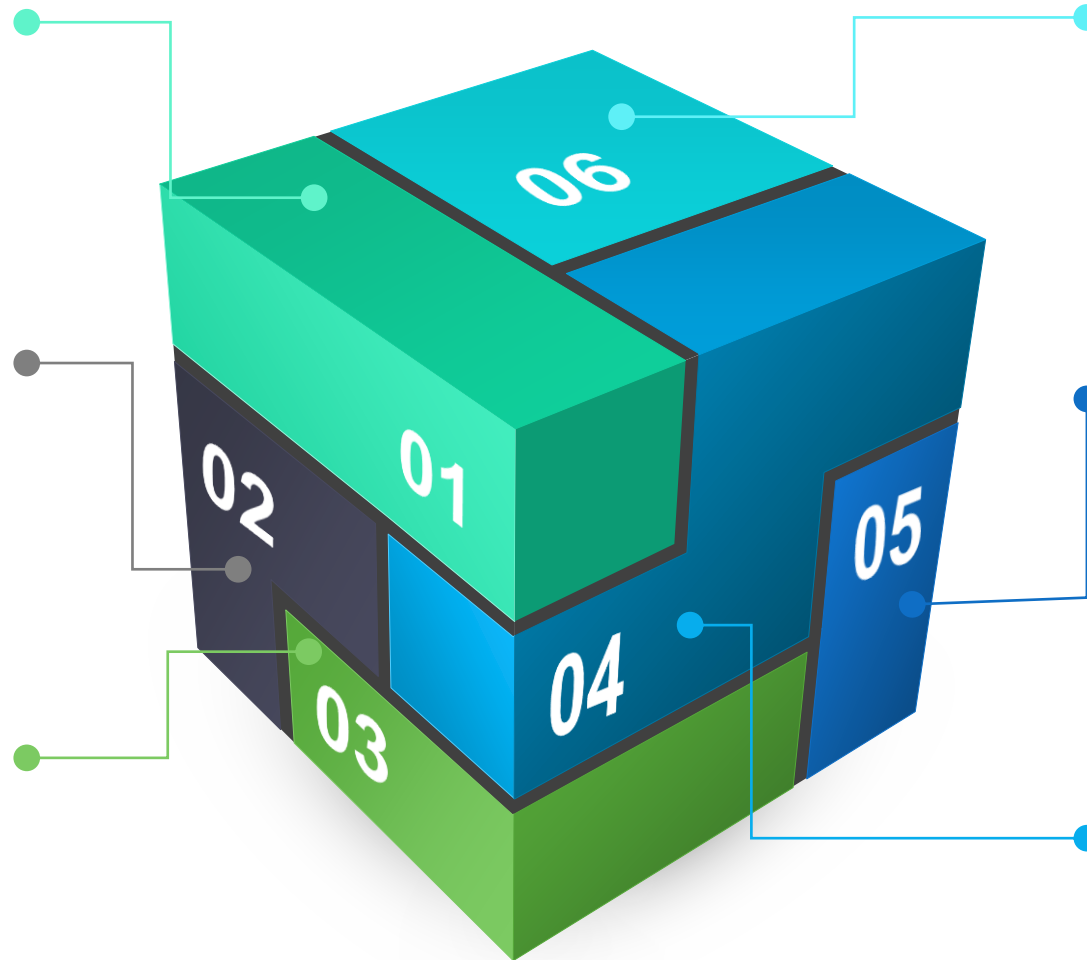
NEW TERM

Until February 13, 2041.



NEW PARTICIPATION

Greater participation in economics.



NEW PARTNERS

Competitive process for choosing new partners



NEW MODEL

New holdings
New brokerage model



NEW GOVERNANCE

Governance Level cohesive to regulations and compatible with the size of the investment

CAIXA

THE BANK

CAIXA
seguridade

THE HOLDING

CAIXA
seguradora

THE INSURER

WIZ

THE BROKER

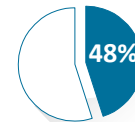


100%



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 Seguridade

- Private Company
- Investee of Caixa Seguradora



- Owner of the largest banking distribution platform in Brazil

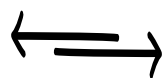
- Created by CAIXA to organize its holdings in the insurance and private pension sectors

- Partnership with the French CNP Assurances

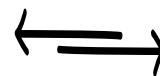
- Broker of Caixa Seguradora



- 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

+



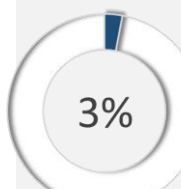
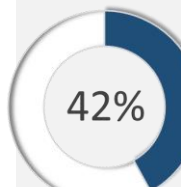
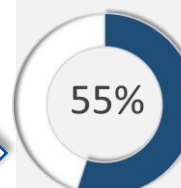
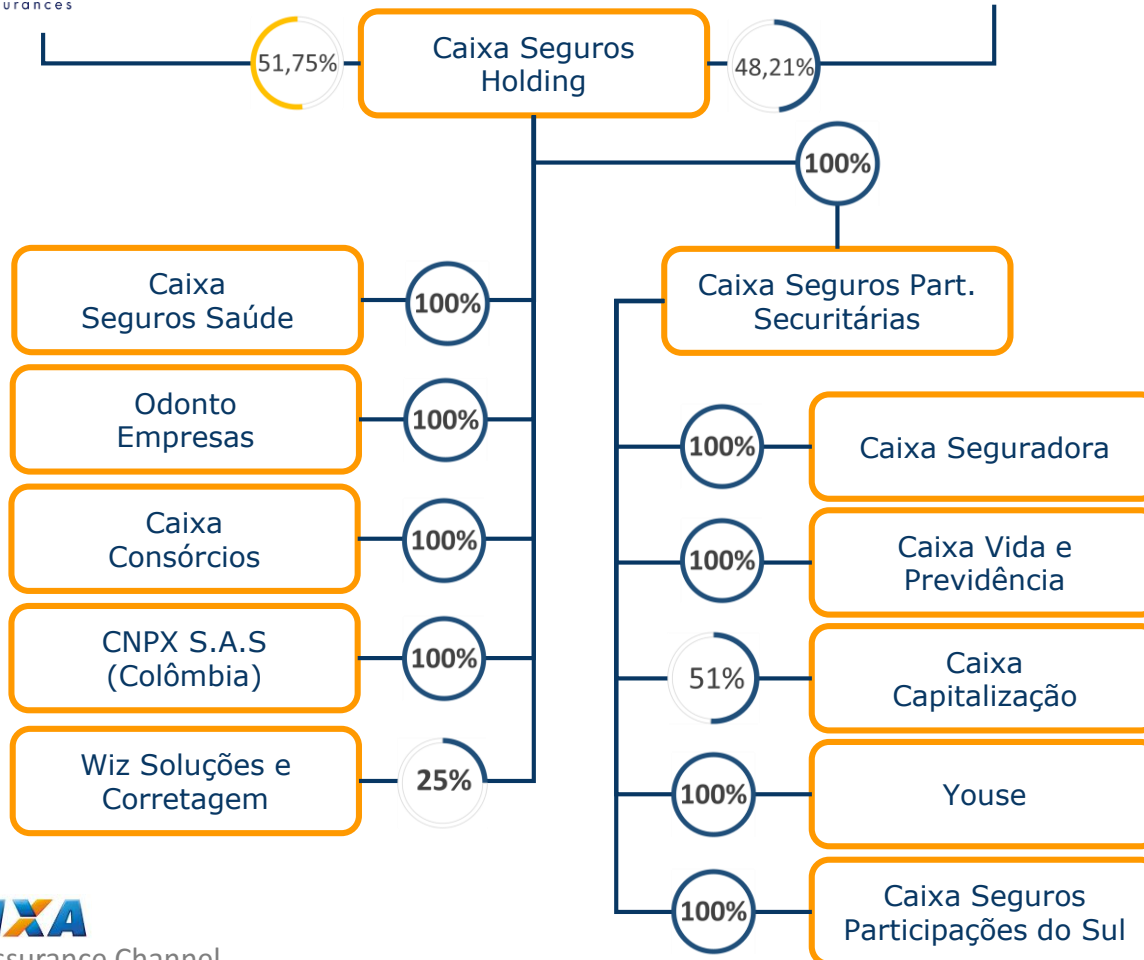
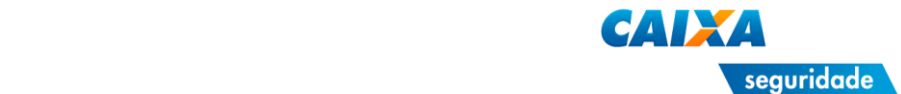
Net Profit of WIZ

25%

Receives dividends from the broker



Net Profit of Wiz



Operating Revenue

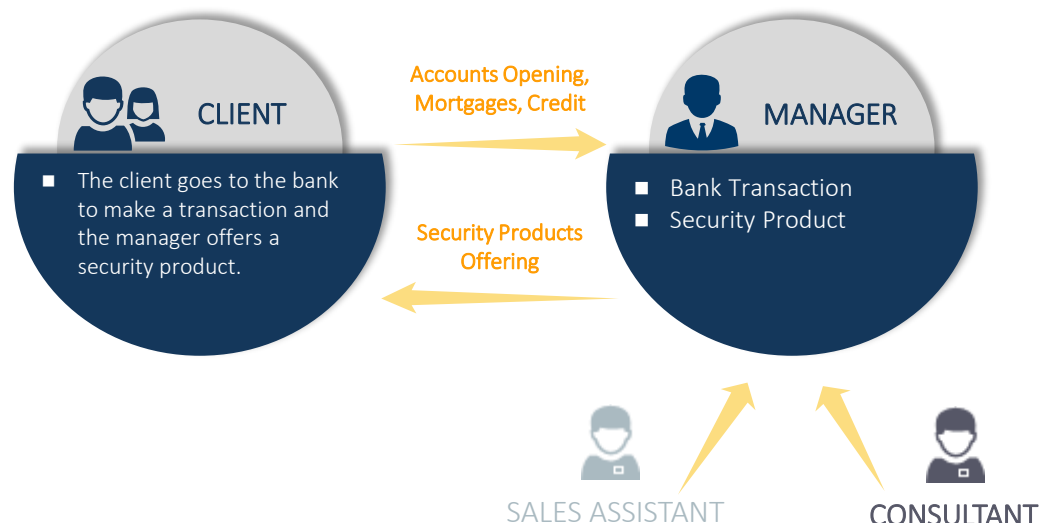


Fee paid as % of written premium



Banco **PAN**
Bancassurance Channel

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



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
seguridade

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

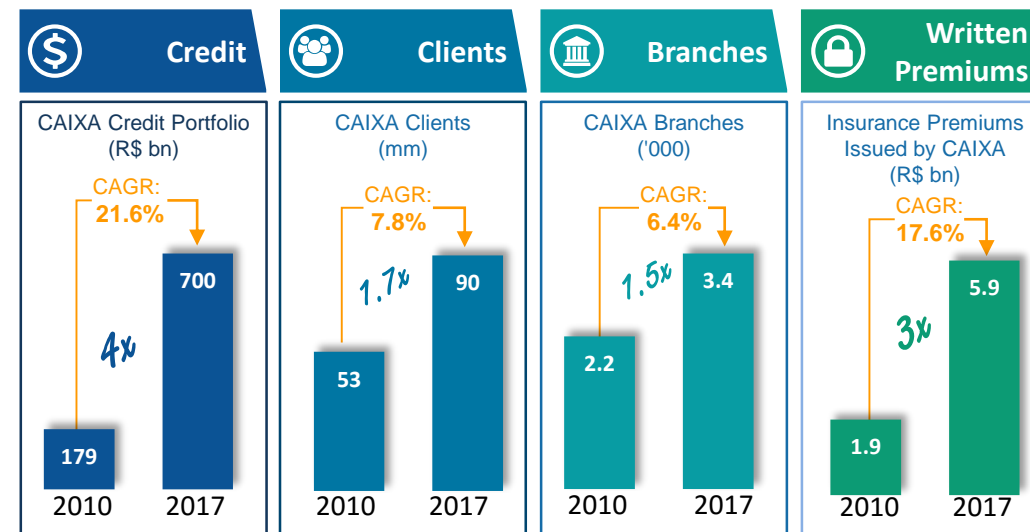
CAIXA
Outros Canais

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

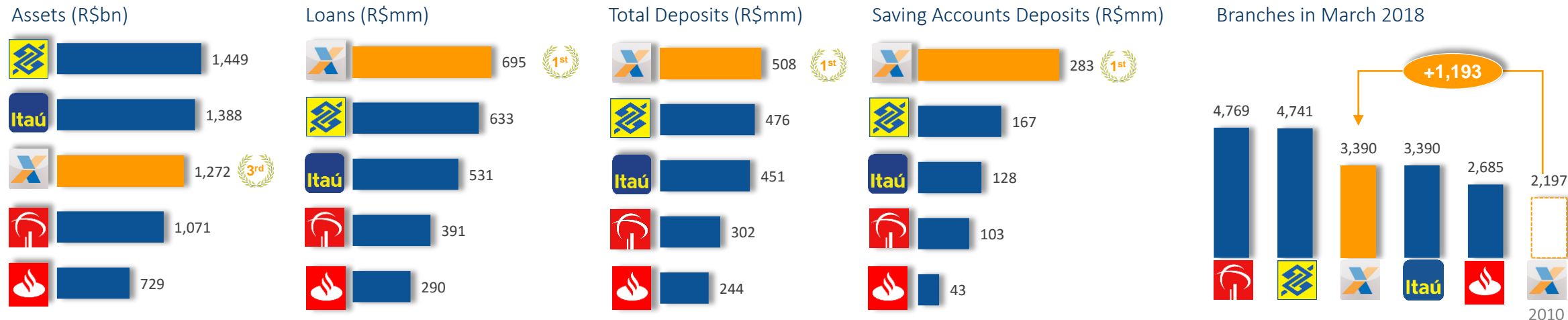
Largest distribution platform in Brazil ⁽¹⁾



Level change in recent years



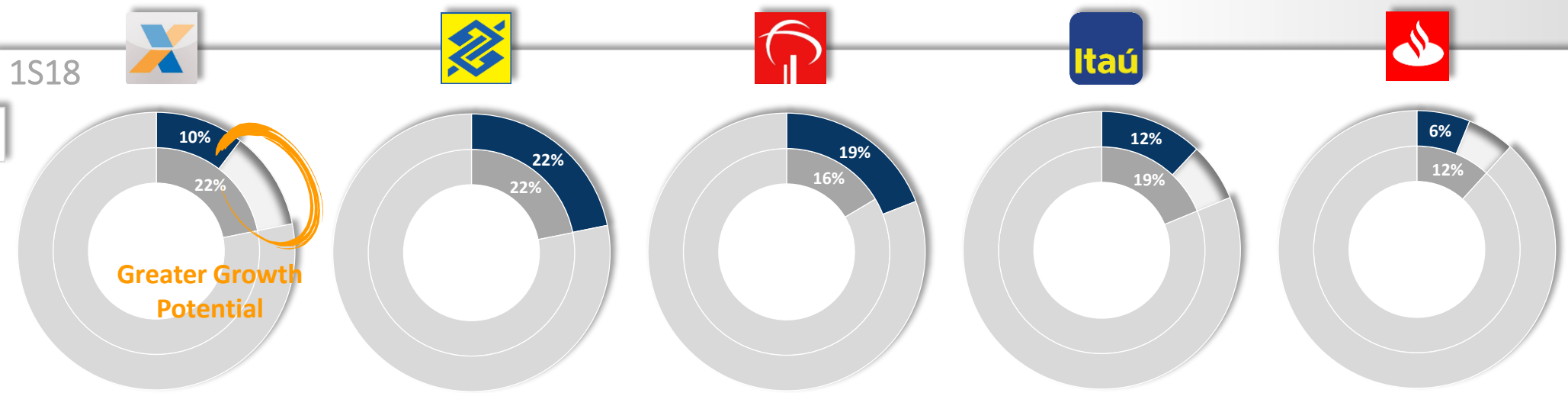
Leadership position in Brazil ⁽²⁾



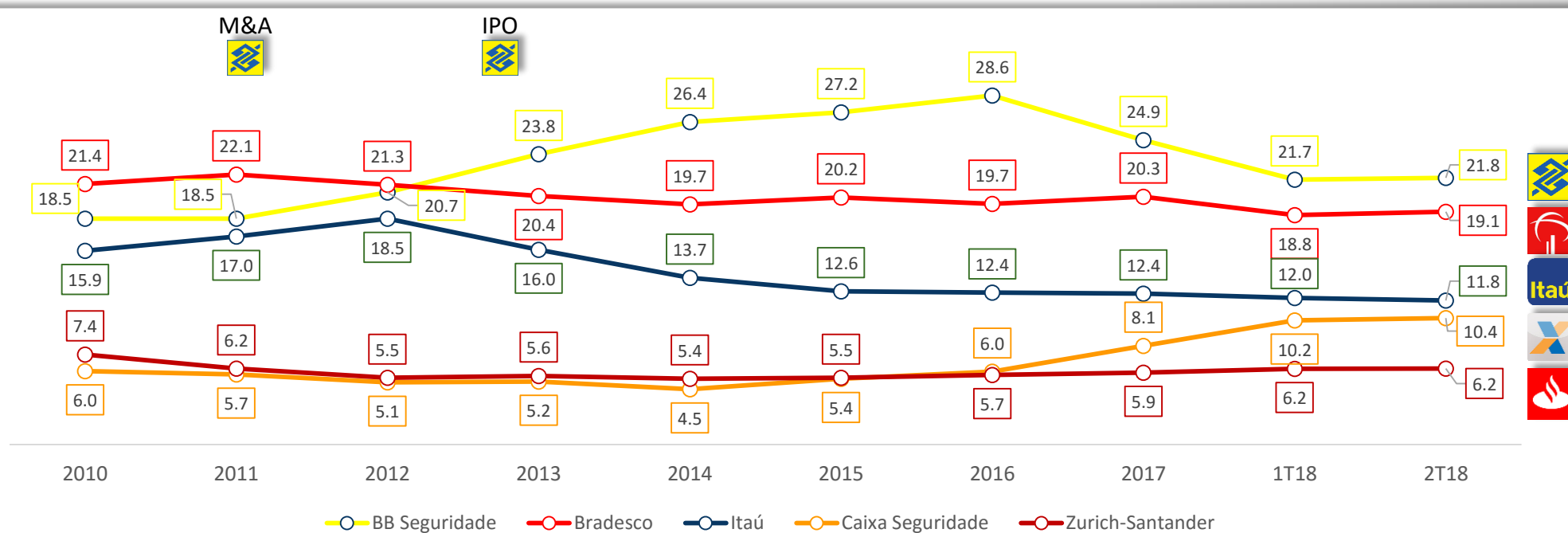
(1) Performance Analysis Report CAIXA – 2Q18

(2) Source: BACEN JUN, 2018

Credit vs Insurance



Market Share (%)¹



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

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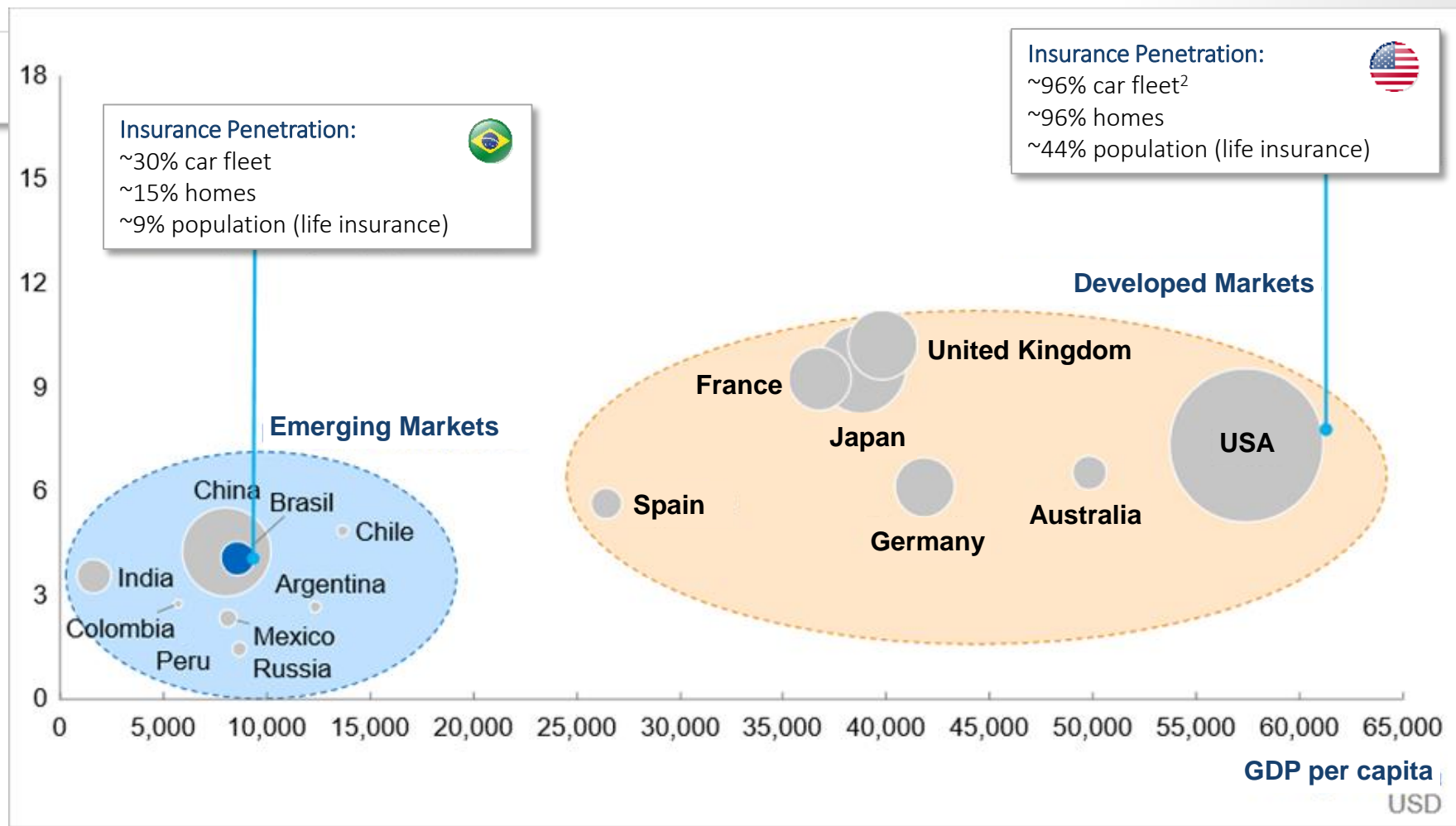
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WORLD – INSURANCE PENETRATION

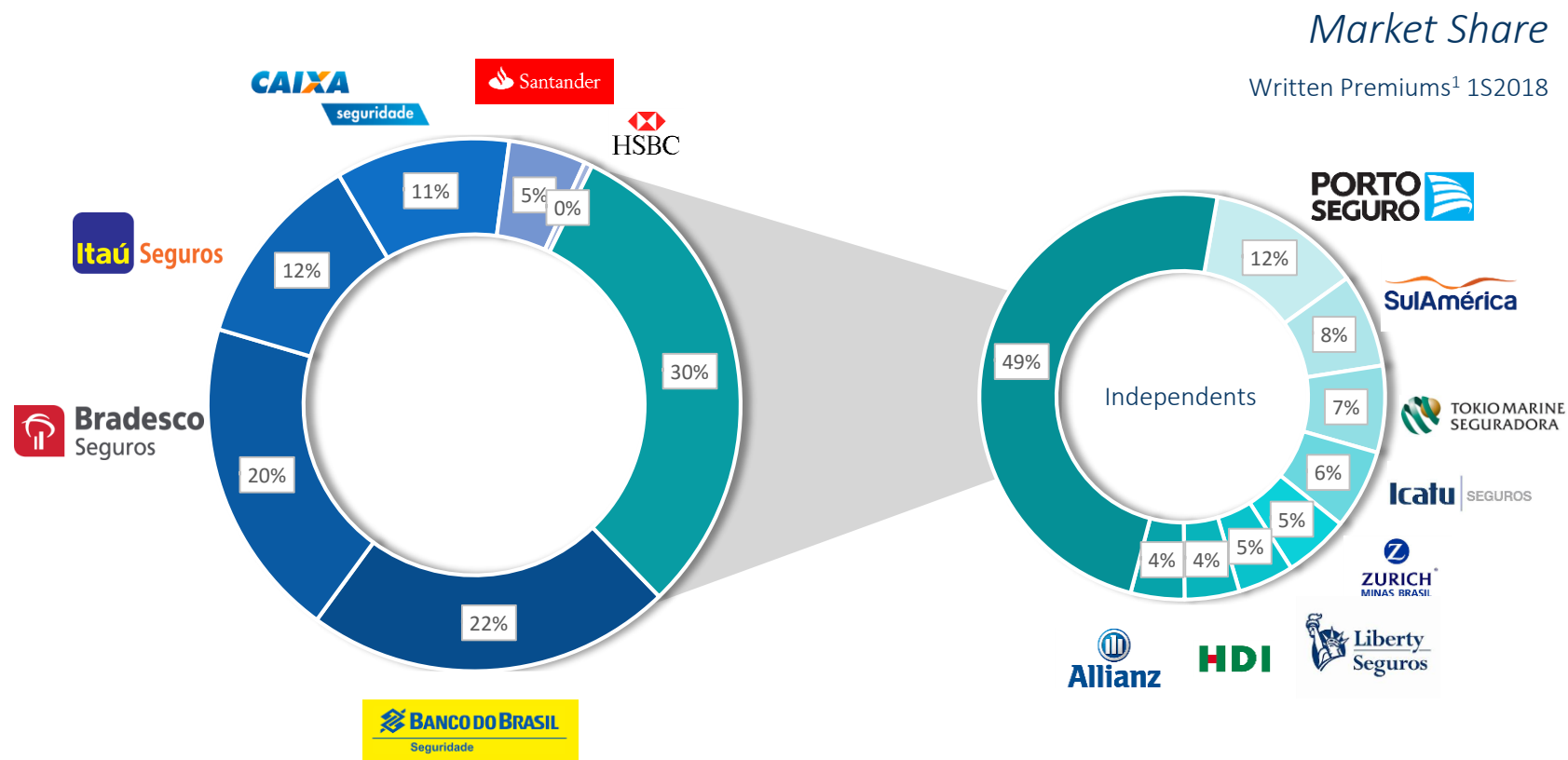
Insurance Penetration¹
% Premium/GDP, 2016



¹ Includes Life, Private Pension and Non-Life

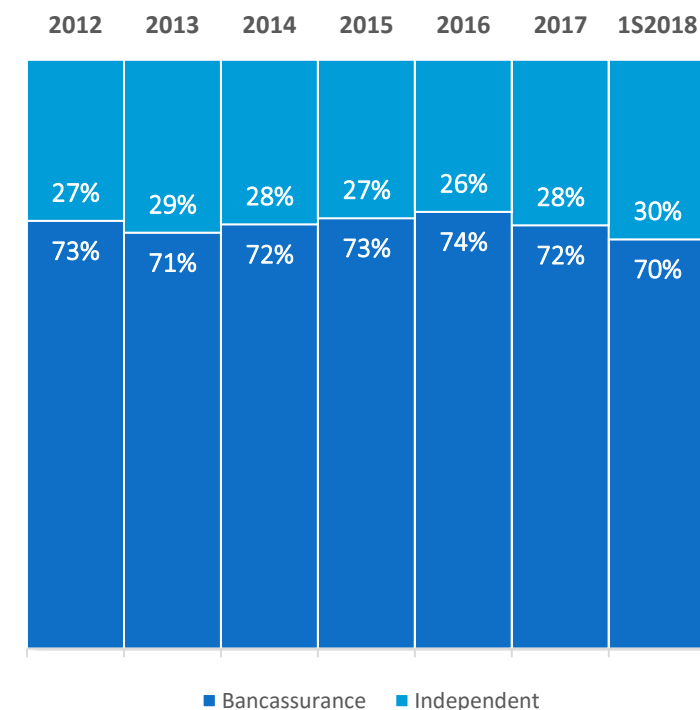
² Mandatory for some kinds of insurance coverage

Source: Swiss Re, The World Bank, IMF, Economist Intelligence Unit, Insurance Information Institute (data verified and formatted by McKinsey)



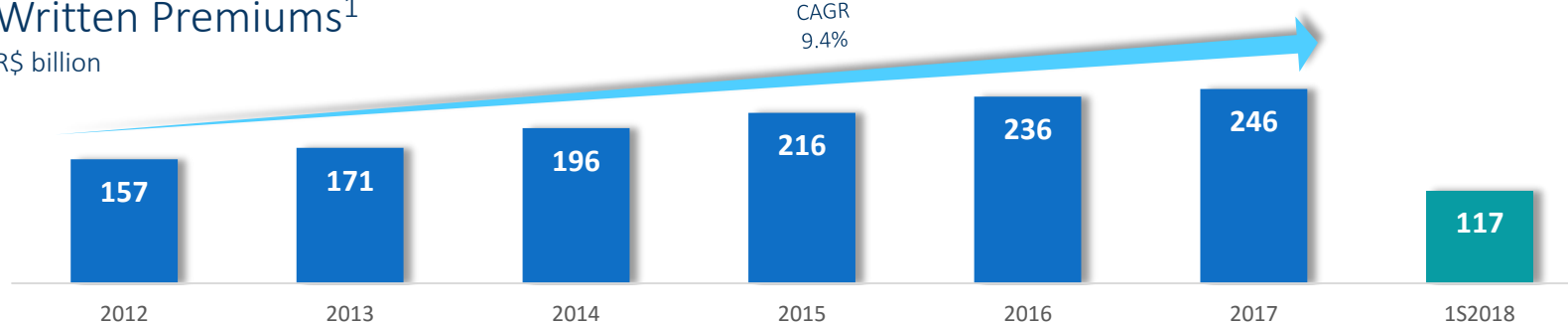
Stable dominance of the bancassurance model

Bancassurance vs Independent
Written Premiums¹



Written Premiums¹
R\$ billion

CAGR
9.4%



Resilient sector despite the economic deceleration

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

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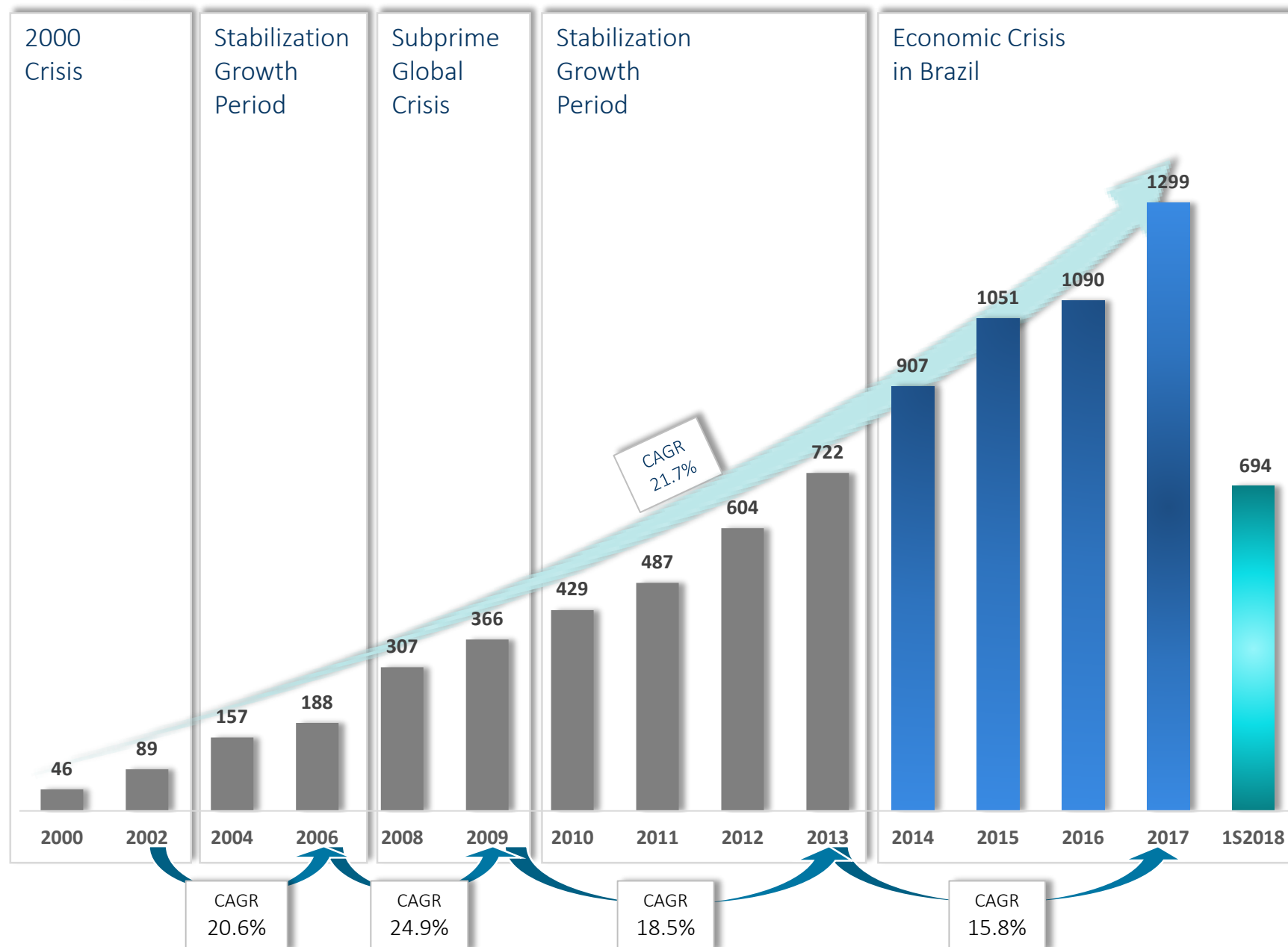
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Net Profit
R\$ million

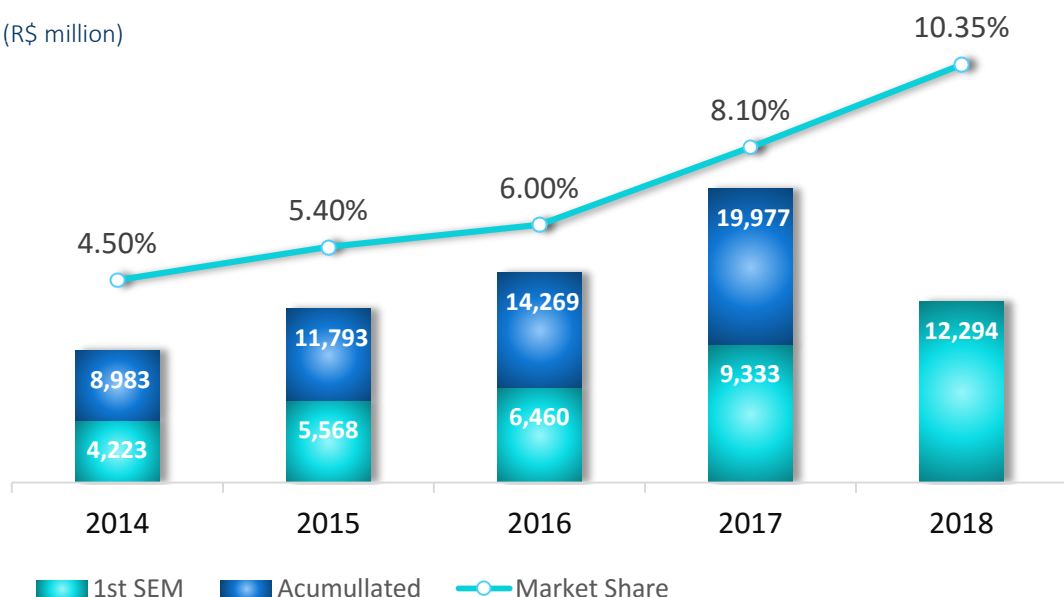
2 digits growth,
especially during crisis cycles

CAIXA Seguridade creation provided
focus to the insurance business
within CAIXA

Changing in commercial activity
in 2017 boosted business

Written Premium ¹

(R\$ million)


2017 / 2016
+40.0%

1S18 / 1S17
+31.7%

Market Share
10.4%

Growth by Segment ¹

1S18 / 1S17

	CAIXA seguridade	Market
Private Pension	+53.0%	-5.3%
Premium Bonds	+8.3%	+6.1%
Insurance	+3.4%	+6.3%
Life	+9.2%	+5.0%
Credi Life	+2.2%	+23.7%
Residential	+30.8%	+15.8%
Housing	+7.3%	+7.2%
Auto	-3.4%	+7.46%
P&C - Others	-26.1%	-1.4%

	RKN 2018	RKN 2017	Group	1s18	Share%	1s17	Share%	1S18/1S17
	1	1	BB Seguridade	25,932	21.8%	28,799	24.4%	-10.0%
	2	2	Bradesco	22,644	19.1%	23,507	19.9%	-3.7%
	3	3	Itaú	13,993	11.8%	15,092	12.8%	-7.3%
	4	4	CAIXA Seguridade	12,924	10.4%	9,333	7.9%	+31.7%
	5	5	Zurich-Santander	7,377	6.2%	7,169	6.1%	+2.9%
	Market			118,727		117,877		+0.7%

The highlight in the period was the collection of Social Security and the premiums issued from residential and life insurance, which grew above the market, as a result of commercial actions of engagement and recognition and improvement in the sales process.

Housing insurance grew in line with the market and maintained the dominance of CAIXA in this segment, with a 64.2% share.

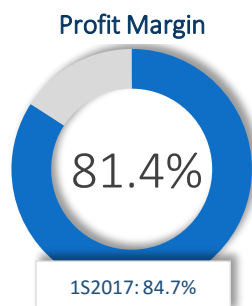
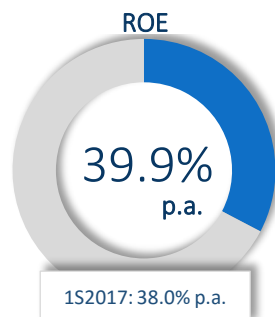
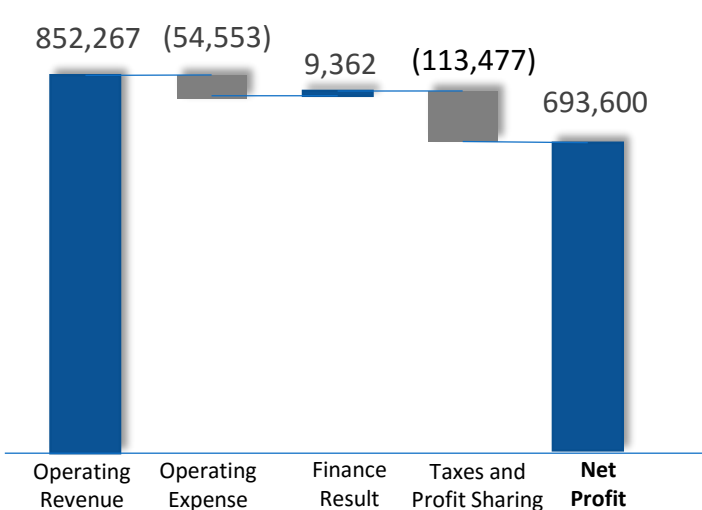
Credit Life Insurance returned to growth pace, but still below the market rate.

The segments classified in P&C - Others are Business, Rural and Special Risks insurance, products that are not relevant at CAIXA network.

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

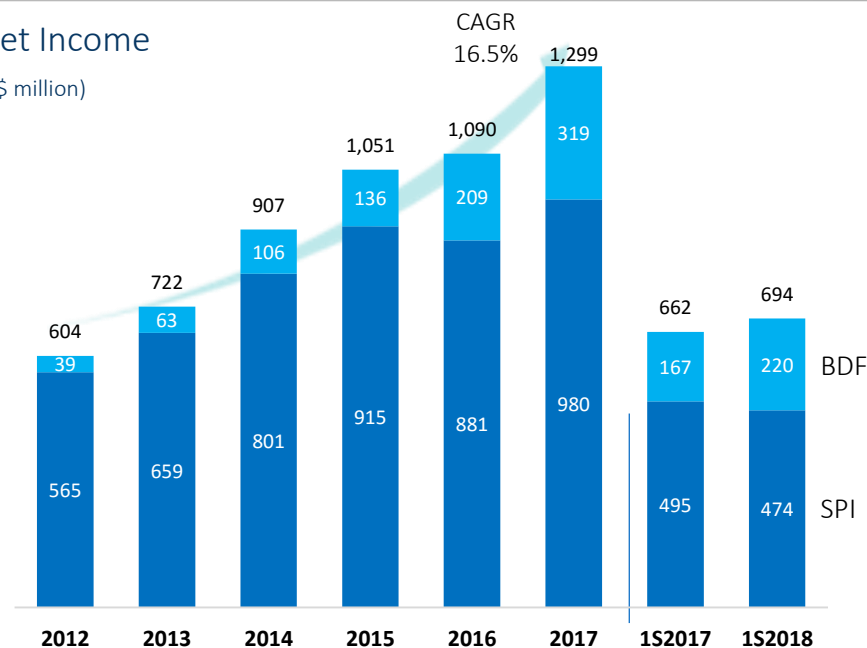
Income Statement

(R\$ million)



Net Income

(R\$ million)


CAIXA

seguridade

1S18 / 1S17

**NET
PROFIT**
+4.8%

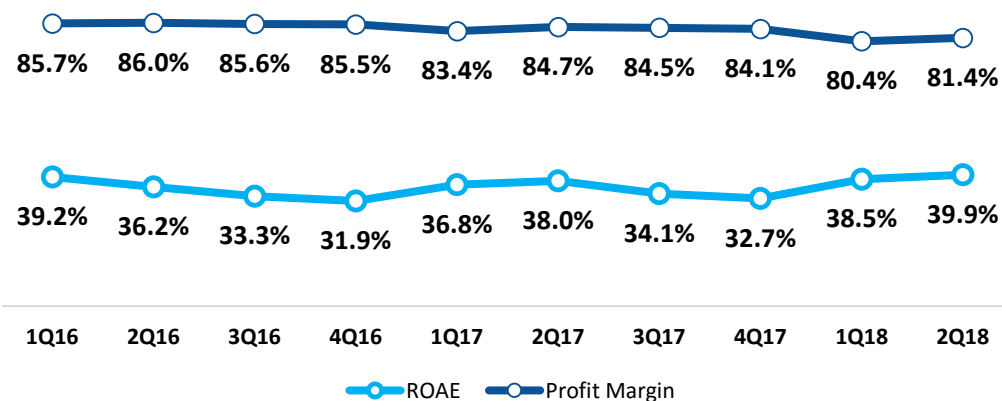
SPI¹
-4.3%

BDF²
+32.0%

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

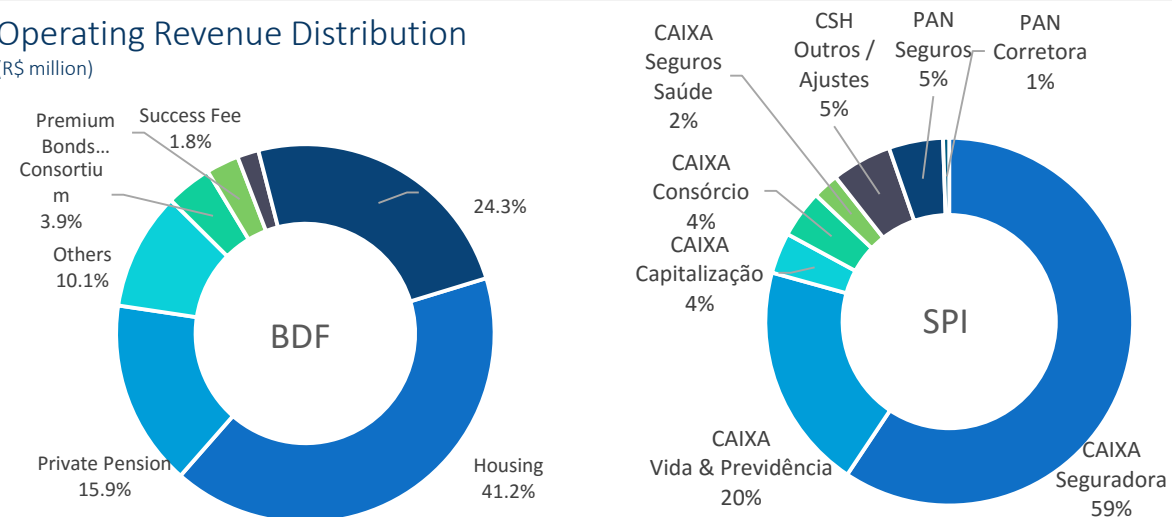
Performance History

(cumulative results)



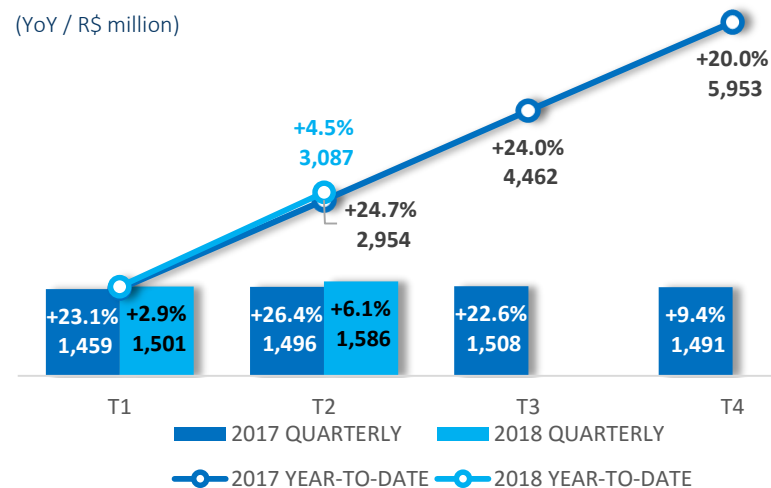
Operating Revenue Distribution

(R\$ million)



Written Premium

(YoY / R\$ million)



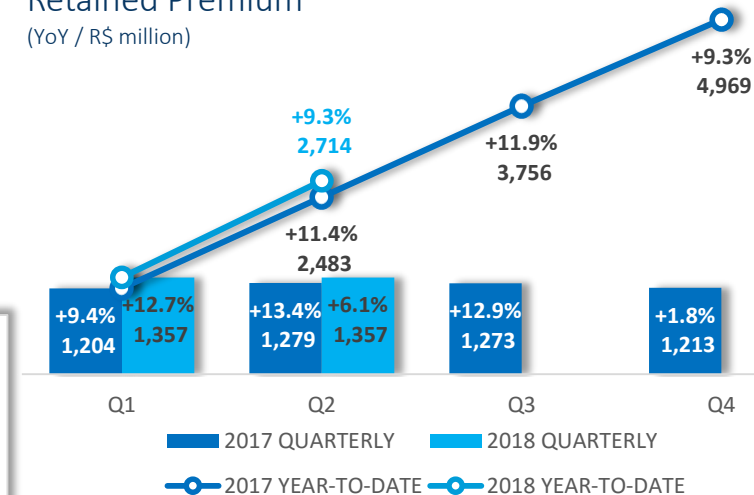
Caixa Seguros recorded a 6.1% increase in 2Q18 compared to 2Q17.

Acting positively in the quarter result: Credit Life (+11.8%), Housing (+5.3%), Life (+3.0%), P&C (+27.4%). Auto insurance (-10,6%) acted negatively.

Changes in technical provisions were lower in this quarter and as a consequence the retained premium increased 6.1% compared to 2Q17 and + 9.3% in the comparison of the half year.

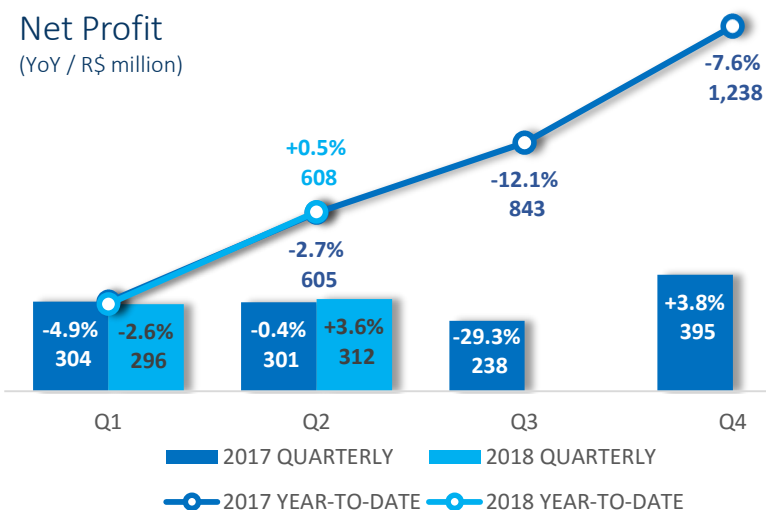
Retained Premium

(YoY / R\$ million)



Net Profit

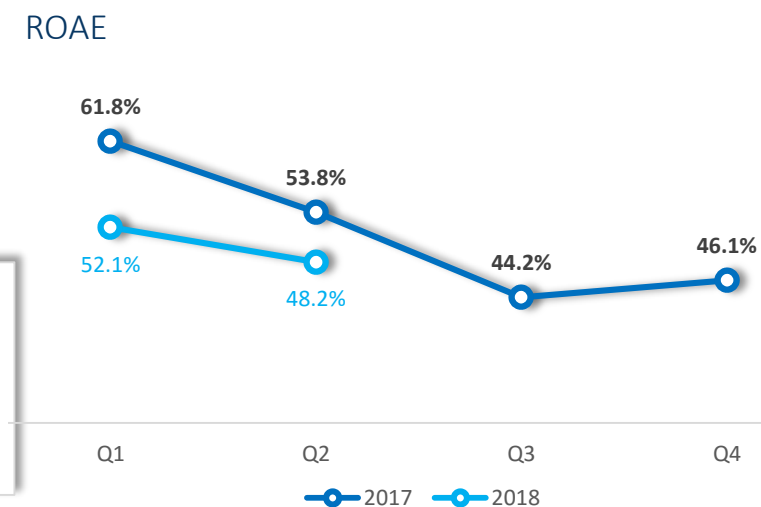
(YoY / R\$ million)



Higher revenues and a decrease in technical provisions sustained growth in net income, offsetting an increase in administrative expenses and a decrease in financial income.

The stability of the net income and the gradual increase in the book net equity of the insurer, due to the constitution of legal and statutory reserves of profit, and the appropriation of the result for this year, explain the decrease in the Return on Equity of the company.

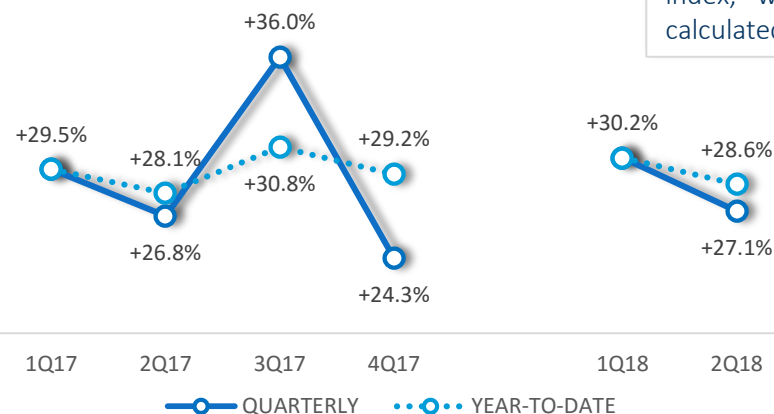
ROAE



Loss Ratio

(Claims / Retained Premium)

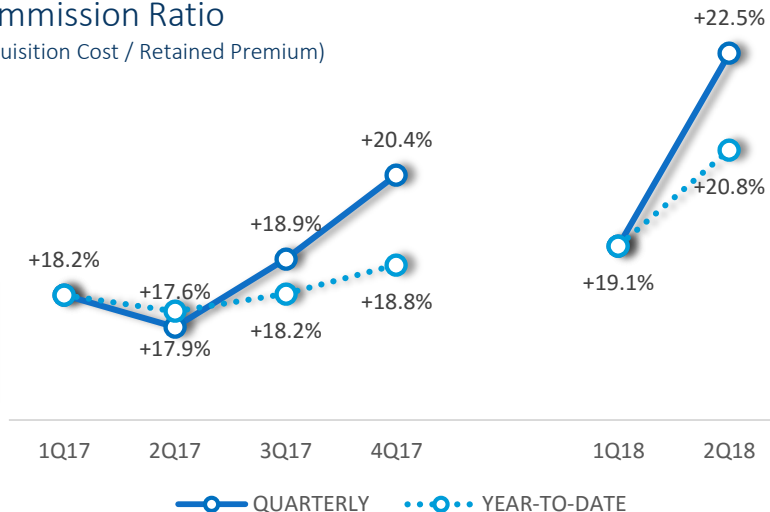
With an average of 29.4% in the last 12 months, the **loss ratio** of Caixa Seguradora is below the average market index, which was 46.1%, according to SUSEP data calculated up to May 2018.



The **commission rate** maintained the growth path, contributed to this trajectory the recurrent increase of the credit life in the portfolio's composition.

Commission Ratio

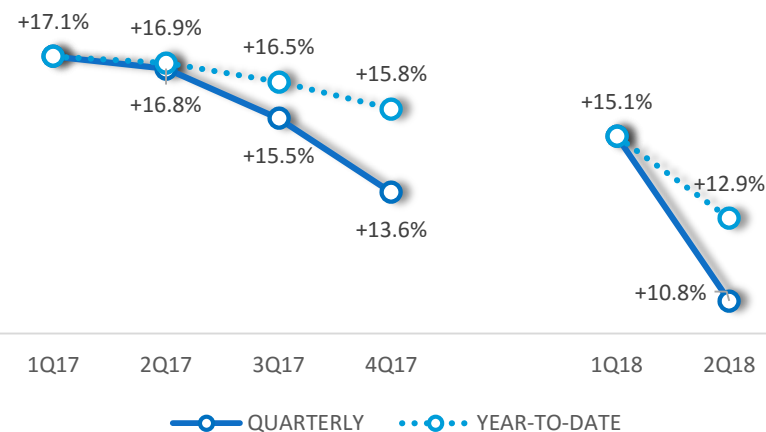
(Acquisition Cost / Retained Premium)



G&A Ratio

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

In **G&A ratio**, the decrease in the quarter was due to the reversal of expenses with the success fee.



Combined Ratio

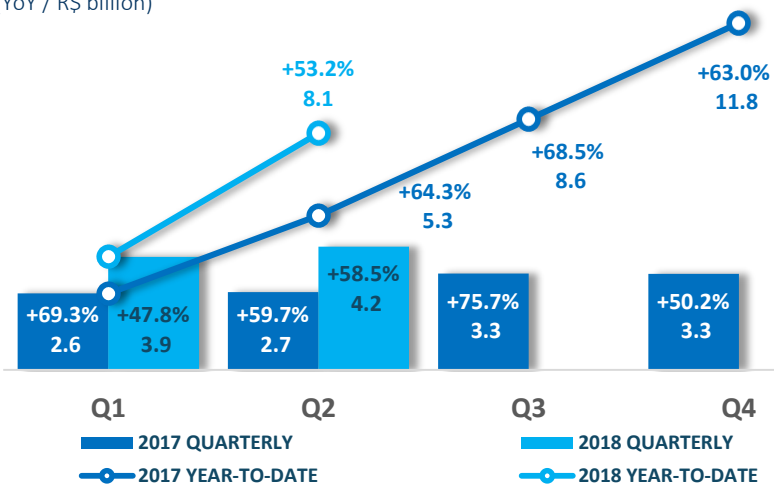
(Claims + Acquisition + Other Rev. + G&A) / Retained Premium

The **combined ratio** was 60.4% in 2Q18 and accounted for 62.3% in 2018.



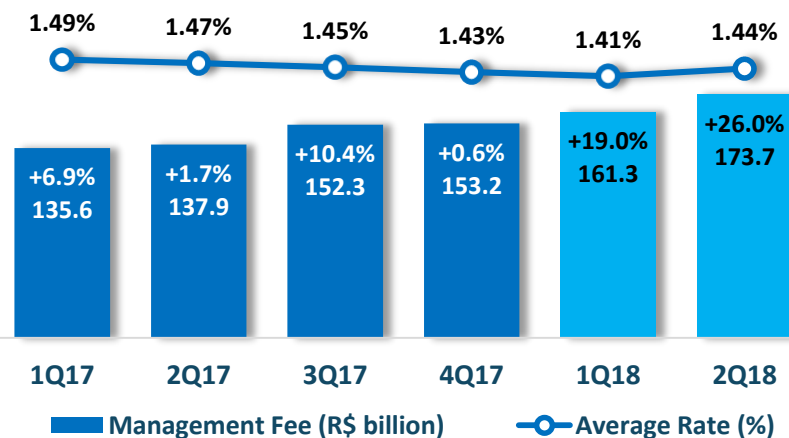
Contributions

(YoY / R\$ billion)



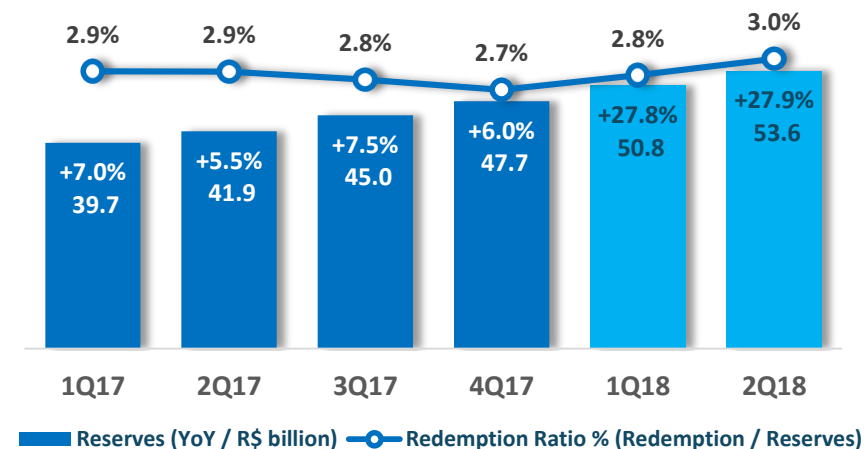
Once again, production growth was the result of a commercial effort to create a private pension culture with CAIXA's clients, boosted by discussions in the country about public pension reform, which notably had a greater effect on the middle class, a group that has great identification with CAIXA's brand.

Management Fee



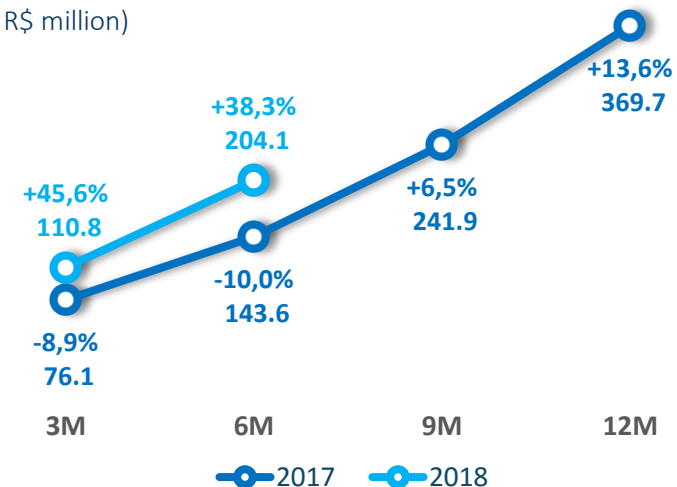
In addition to customer awareness, the actions of engagement and qualification of the sale were preponderant for the result achieved.

Reserves and Redemption

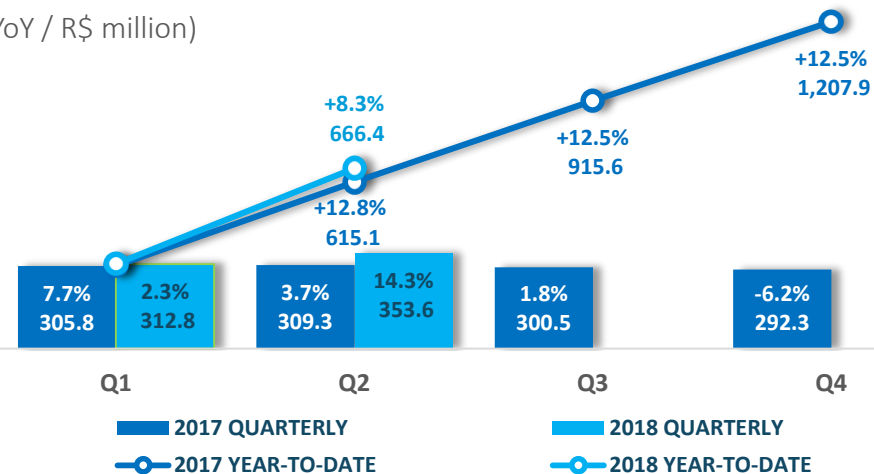


Net Profit

(YoY / R\$ million)

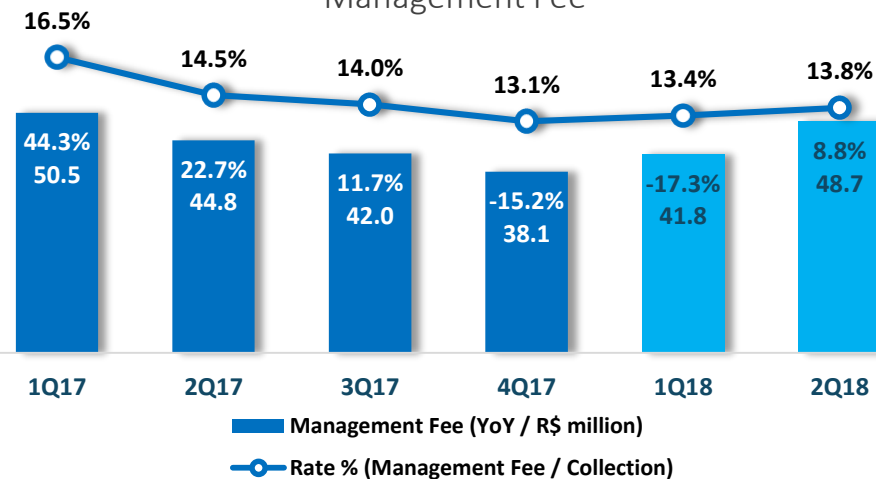


Premium Bonds Collection
(YoY / R\$ million)

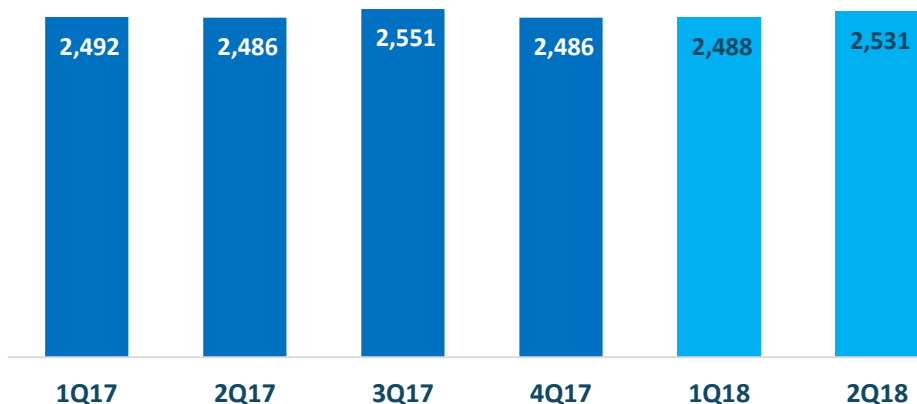


The capitalization product has a great impact and is less attractive in periods of economic stabilization, with low interest rates and inflation, however, Caixa Capitalização has maintained a growth rate through the improvement of sales processes and commercial actions.

Management Fee

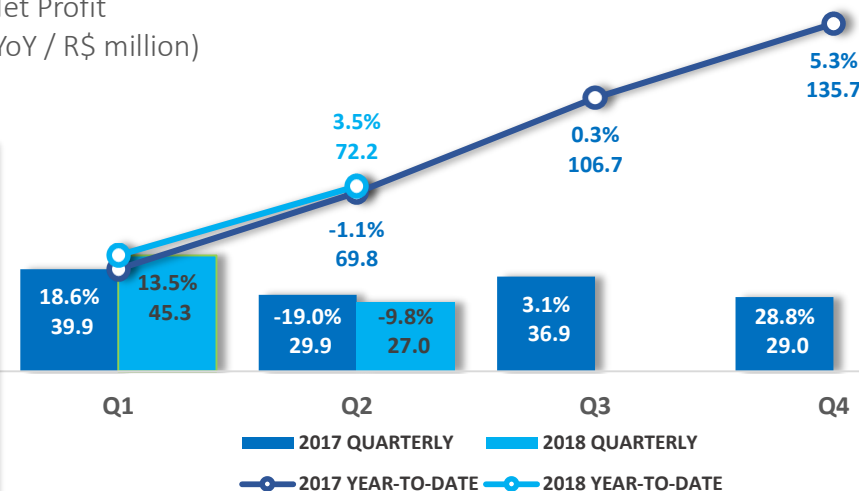


Reserves (R\$ million)

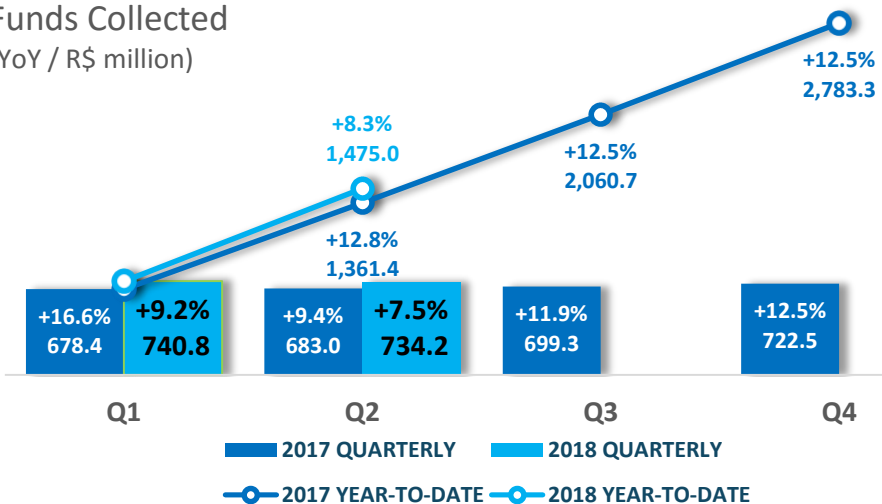


They had a positive impact on the result: (i) the decrease in the return and cancellation, 21.2% lower in 2018 in the accumulated comparison; (ii) expenses with raffles, 57.1% less in 2018; and (iii) the decrease in selling expenses, 16.1% less in 2018, explained by adjustments for deferral of expenses.

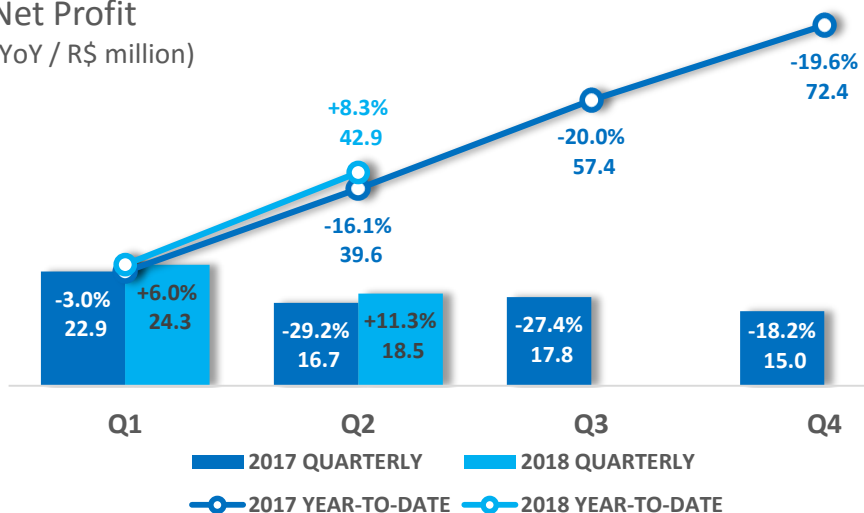
Net Profit
(YoY / R\$ million)



Funds Collected (YoY / R\$ million)

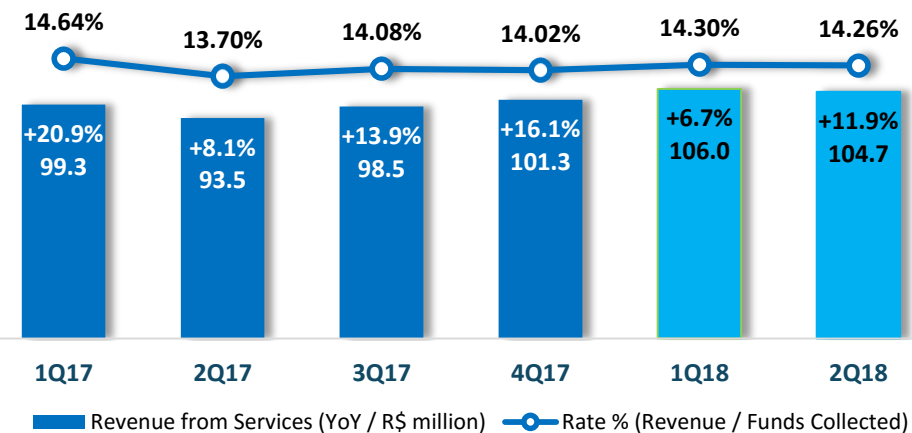


Net Profit (YoY / R\$ million)

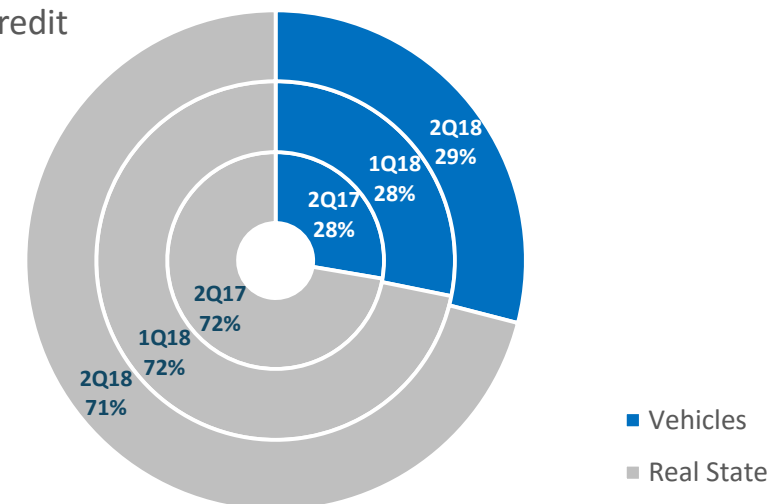


The growth in revenues from service provision and the stability of expenses resulted in a 8.3% higher net profit compared to the first half of 2017.

Revenue from Service



Letters of Credit



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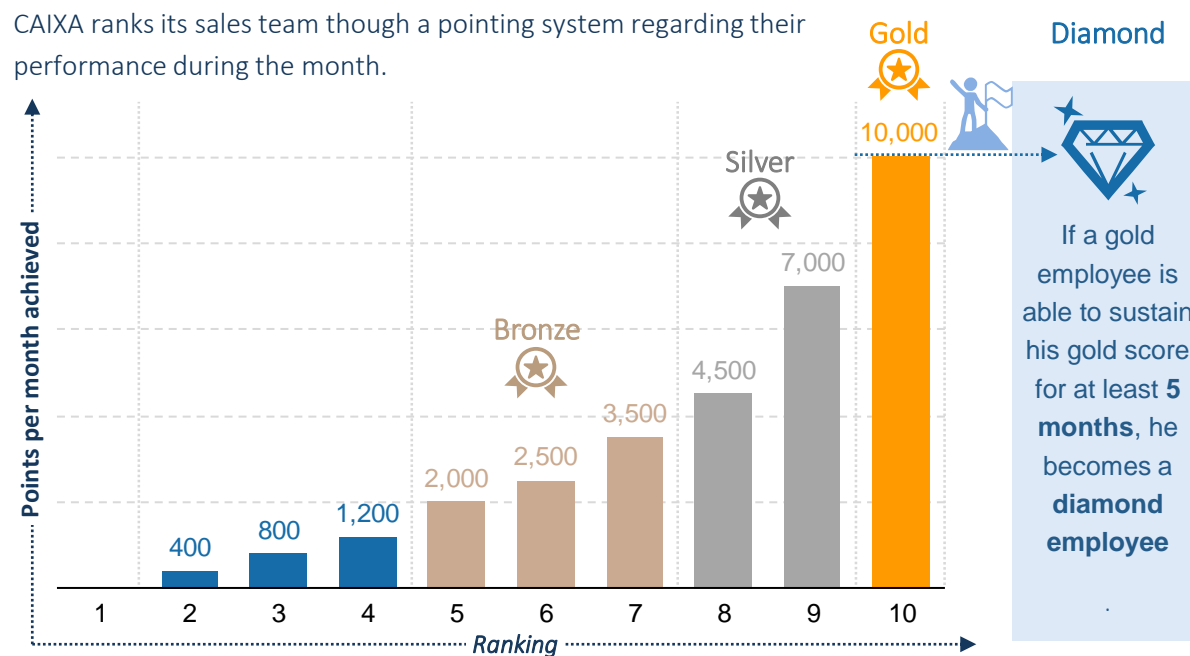
Growth Strategy

Sales Team. New Business Structure.
New Sales Model.

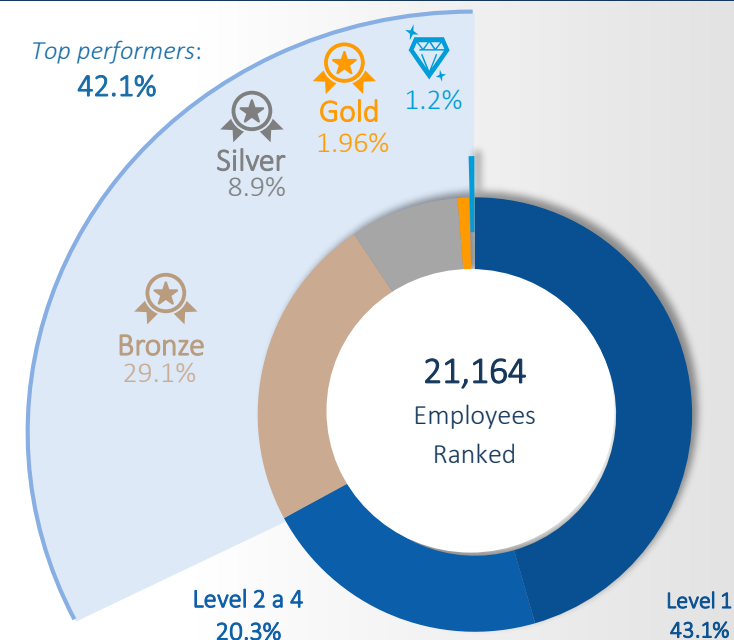


Sales team program – employee overview

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



CAIXA's employees breakdown per rank



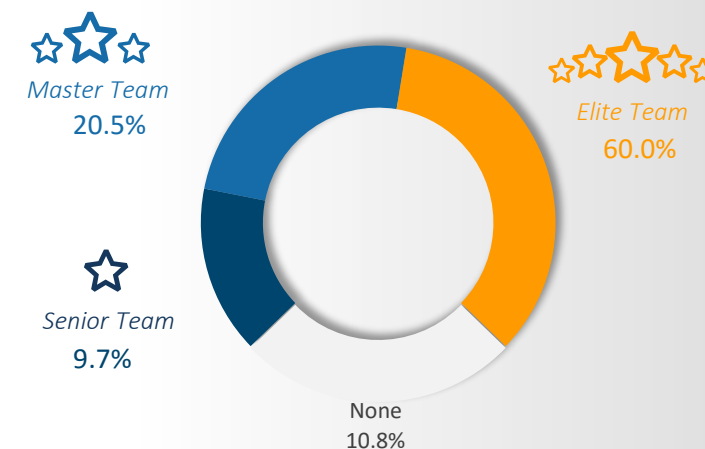
Sales Team Program – team overview

Level	% of team required to be top performers ⁽¹⁾
Elite team	40%
Master team	30%
Senior team	25%

The sales team program ensures:

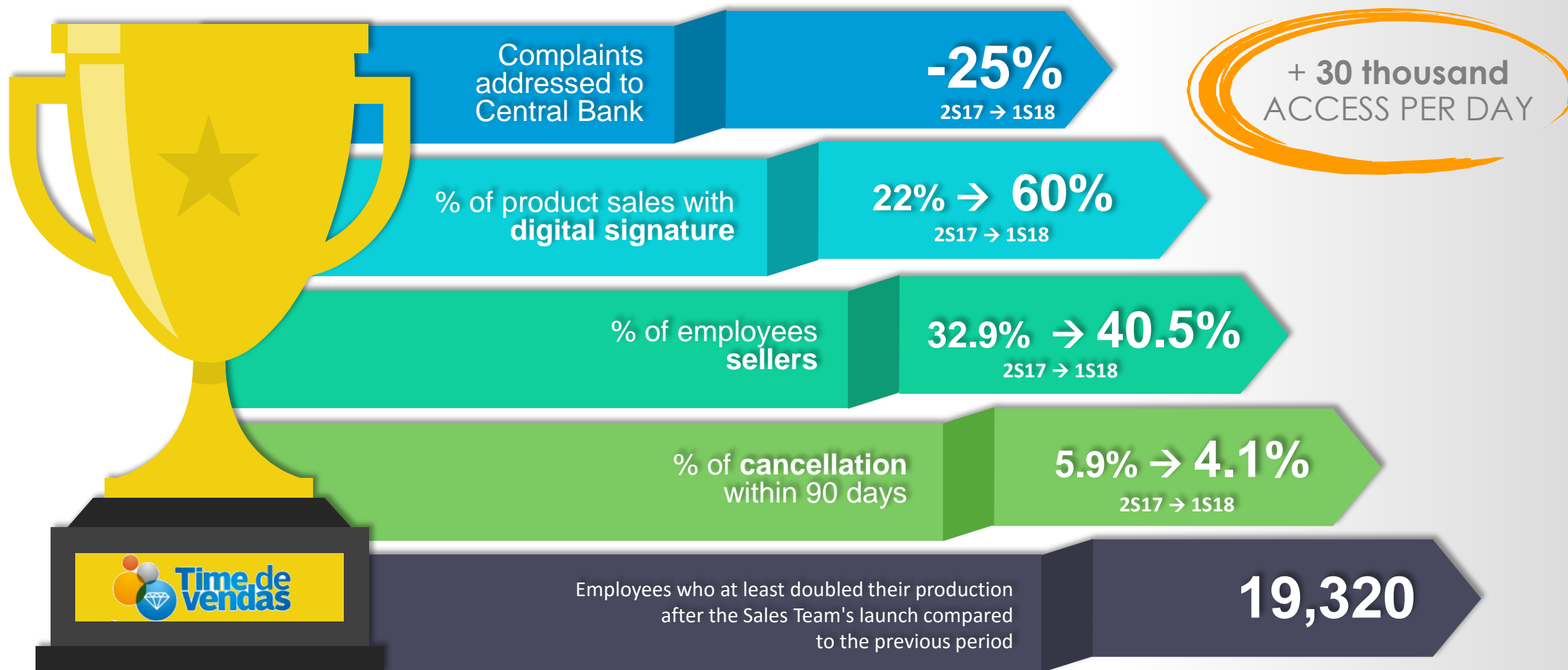
- 1- Strategic alignment
- 2- Top performers recognition
- 3- Higher selling engagement

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.

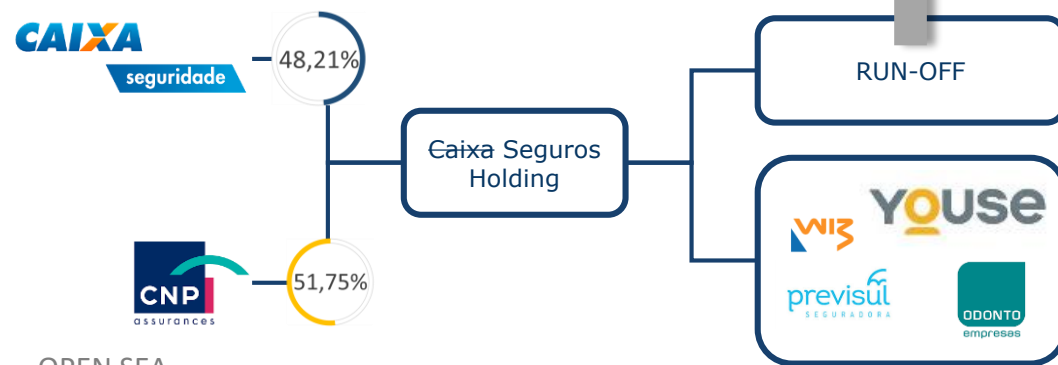
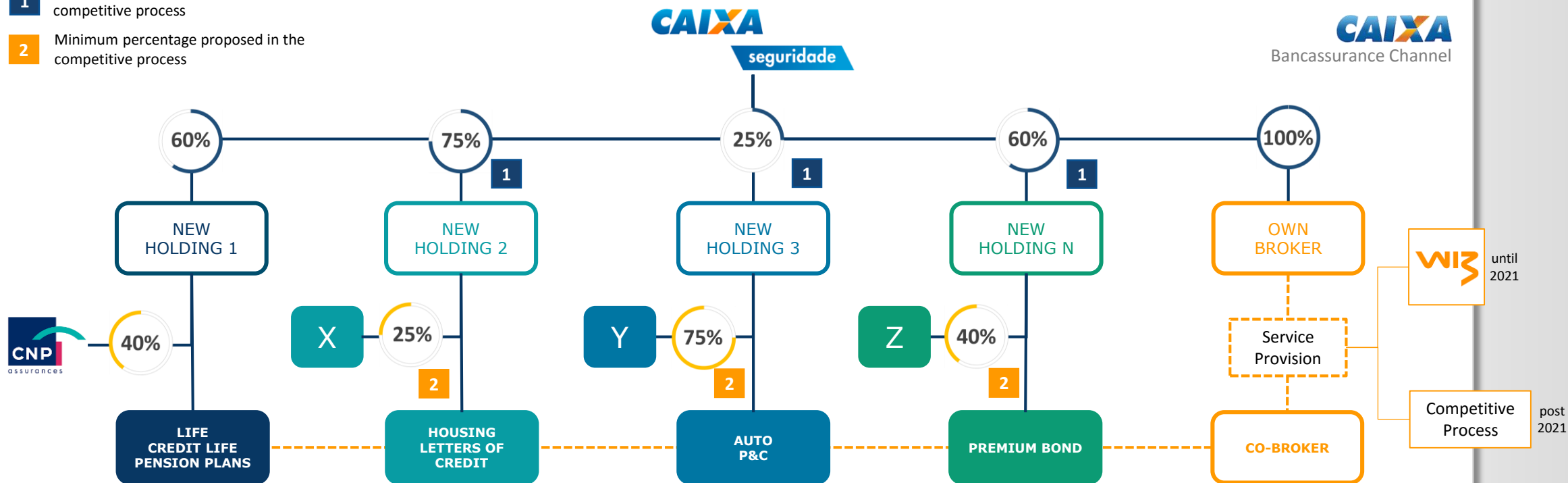


"To be a reference in efficiency, trust and customer satisfaction, ensuring profitability in all business."

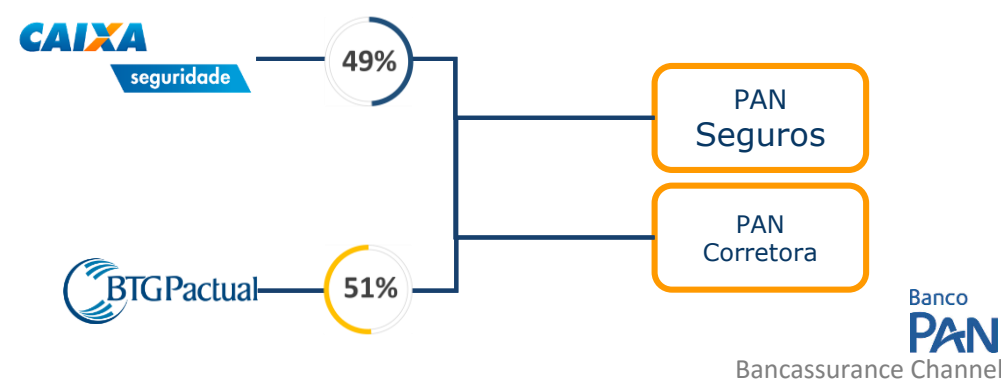
CAIXA's Vision Statement

1 Maximum percentage proposed in the competitive process

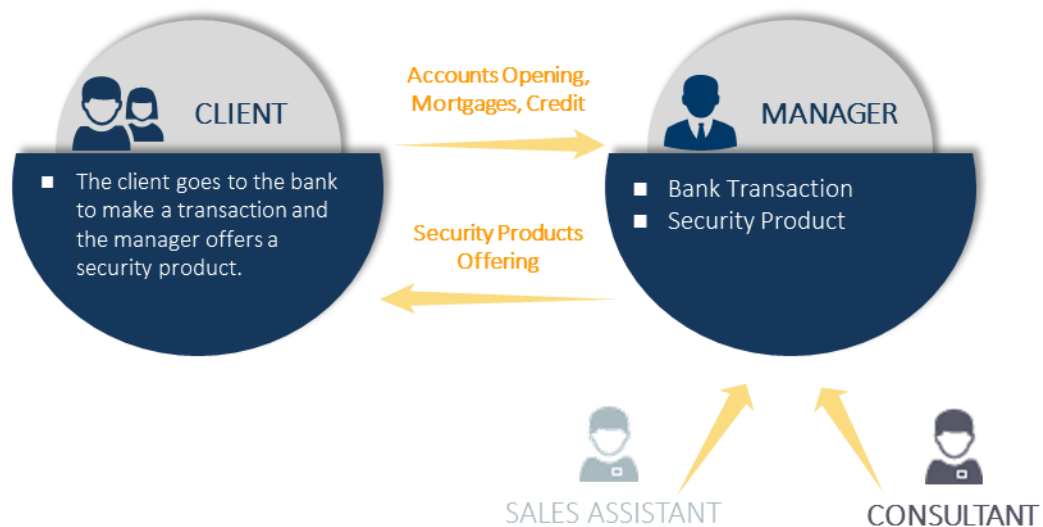
2 Minimum percentage proposed in the competitive process












OPEN SEA



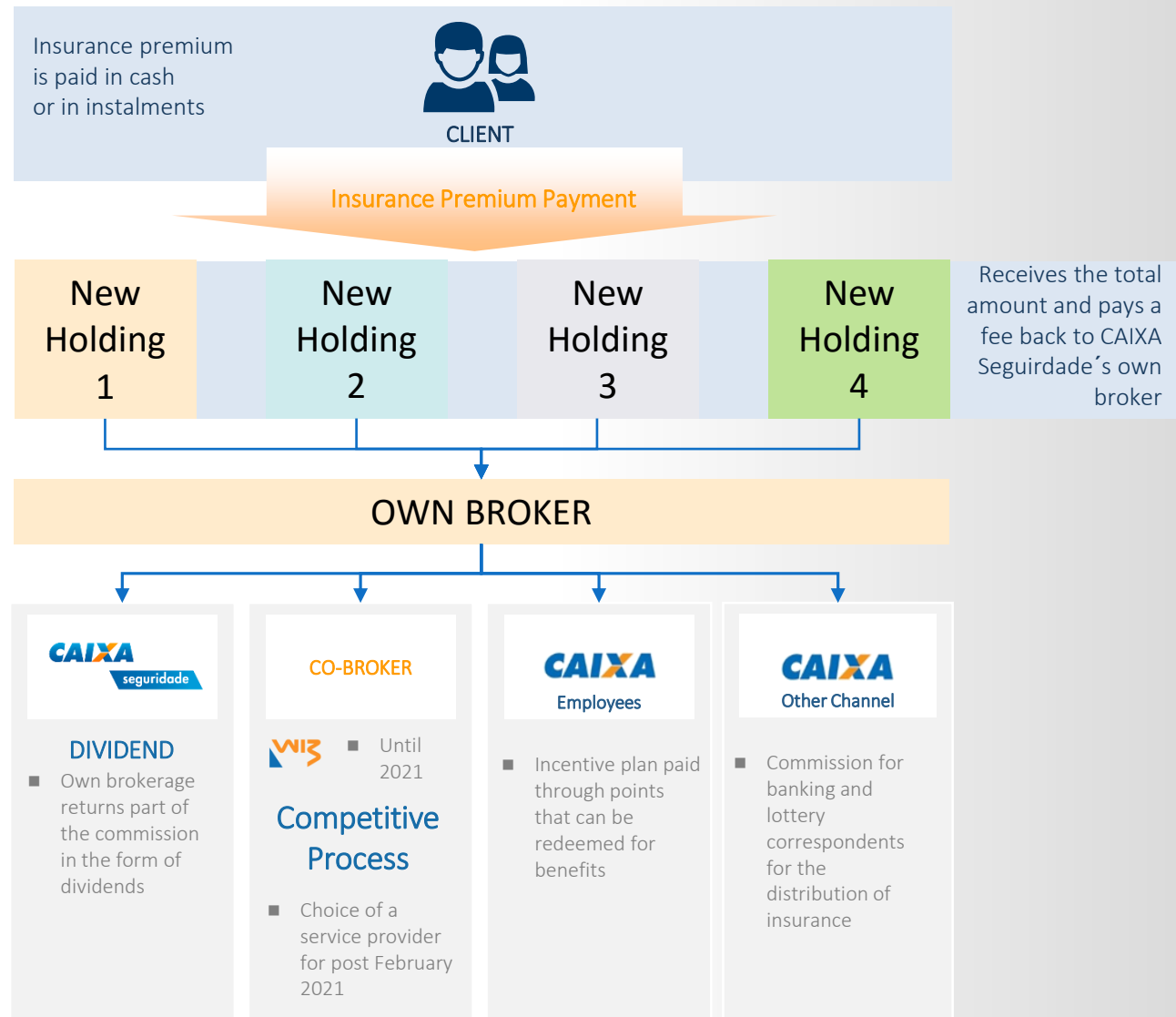
Bancassurance Model



Produtos Oferecidos

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

Commissioning Dynamics





CONTACT

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