Conference Call | 2Q25

Matheus Marques:

Good morning, ladies and gentlemen. Welcome to Caixa Seguridade's earnings call for the 2Q25.

This video conference is being recorded, and the replay can be accessed on company's website at the address www.ri.caixaseguridade.com.br, where the presentation will also be available for download.

Please be advised that all participants will only be watching the video conference during the presentation, and then we will start the Q&A session, when further instructions will be provided.

Mr. Felipe Montenegro Mattos, Chief Executive Officer of Caixa Seguridade, Mr. Edgar Vieira Soares; Chief Financial Officer and Investor Relations Officer of the Company are present.

I would now like to give the floor to Mr. Felipe Mattos, who will begin the presentation. Please, Mr. Mattos, you can proceed. Good morning Mattos.

Felipe Montenegro Mattos:

Good morning, everyone. Thank you for participating on the presentation of the Caixa Seguridade results. We will present the Company's results for the 2Q25.

It is with great pride that I begin the highlights by celebrating the historic milestone of Caixa Seguridade's 10th anniversary celebrated on May 21. This is a trajectory of successful, with moments marked by relevant achievement and an effective contribution to the strengthening of the insurance market in Brazil.

Looking ahead, we remain steadfast in our mission, guided by excellence, innovation, and a focus on customer satisfaction for the next 10, 20, or however many years lie ahead. The celebration was marked by an inspiring institutional campaign that brought to life the concept: *A Decade of Making the Future Our Present*.

More than just a slogan, this message reflects the essence of Caixa Seguridade: protecting people’s present while helping them achieve their life goals. In this context, we launched the institutional book Seguramente, which tells the story of the Company and its relevance in the national landscape, highlighting milestones, challenges, and achievements over the past decade.

In addition to the institutional campaign, the celebration included promotional actions, such as the launch of a benefits package with exclusive conditions on products from our portfolio—including cashback of up to BRL 25,000 for pension contributions and BRL 200,000 prize draws with the Bem-Estar Insurance, as well as discounts on insurance and special conditions for real estate credit letters.

Moving to the next slide, we begin the highlights with two lines directly linked to Caixa’s core business—the Housing Bank. In 2Q25, both Mortgage Insurance and Home Insurance continued to benefit directly and indirectly from the growth pace of Caixa’s housing credit portfolio. I’d like to highlight that both lines once again achieved their best historical performance in a single quarter.

Mortgage Insurance showed another period of consistent growth, reflecting the stacking nature of the product, which follows the performance of Caixa's housing financing portfolio. We closed the period with BRL 985 million in premiums issued, an increase of nearly 12% compared to the same quarter in 2024, and year-to-date, also consolidating Caixa Seguridade's absolute market leadership in this segment.

Home Insurance surpassed BRL 280 million in premiums issued, setting a new record for the fifth consecutive quarter. This volume represents growth of over 22% compared to the same period last year. In the semester-to-date, the increase exceeds 24%.

This performance is the result of a strategy focused on increasing customer retention, with an emphasis on multi-year plans, easy renewals, and bundled mortgage insurance, making the results more resilient, predictable, and sustainable.

It's worth noting that we saw an increase of nearly 11 percentage points in the renewal rate compared to 2Q24. The bundled home insurance modality accounted for more than 10% of the premiums issued in the quarter.

To close this slide, I highlight the *Parcela no Bolso* campaign, where the first installment of products with a 3-year term and automatic renewal costs just BRL 1 when paid with a Caixa credit card. This modality was responsible for nearly 20% of home insurance issuances this quarter.

This partnership with Caixa Cartões strengthens the synergy within the conglomerate while generating a long-term, low-default home insurance base.

Moving to the next slide, I present Caixa Seguridade's performance in Life and Pension during 2Q25. In the latter segment, we reached approximately BRL 185 billion in reserves, representing growth of over 13% in 12 months.

During the quarter, we boosted inbound portability through the Cashback campaign, previously mentioned as part of the Company's 10-year anniversary celebrations. This initiative led to a significant increase of 95% in received portability compared to 2Q24. Performance was also supported by process improvements that enabled 100% digital portability.

In Life Insurance, we highlight nearly BRL 600 million in premiums issued during the quarter. Although the volume remained stable compared to the same period in 2024, it's important to note the strategy focused on sustainable long-term results, emphasizing monthly payment plans.

New sales in this modality grew over 120% year-to-date compared to the same period last year. This approach aims to ensure a continuous and predictable flow of issued premiums, contributing to gradual growth in the coming years.

As we can see on the next screen, in 2Q25 we also reaped the benefits of our strategy focused on consistent and sustainable long-term results in the Credit Letters and Premium Bonds segment.

Starting with Credit Letters, the product maintained strong performance, driven by the current high-interest rate environment, which favors it as an alternative to traditional housing financing.

The volume of credit letters continued to rise, reaching over BRL 5 billion, representing growth of nearly 42% compared to the same period in 2024 and almost 40% in the semester-to-semester comparison.

The highlight goes to Real Estate Credit Letters, which showed growth of over 52% quarter-over-quarter. During the period, more than BRL 603 million in assets were delivered, an increase of nearly 70% compared to 2Q last year.

For Premium Bonds, we maintained our focus on monthly payment products, which continue to generate positive results. In the quarter, nearly BRL 440 million in funds were raised, representing growth of 32% compared to the same period in 2024.

Monthly payment fundraising grew over 46% in the same comparison base, accounting for 95% of total funds raised in 2Q. In line with Caixa's initiatives focused on digital transformation and process optimization with customer-centricity, we launched a new sales journey for the product on the platform used by bank employees. The update made the process more fluid, agile, and intuitive, enhancing the seller experience and operational efficiency.

To conclude this first part, let's move to the Company's key figures for 2Q25. We recorded a managerial profit of BRL 1.042 billion in the quarter, representing growth of over 35% compared to the same period in 2024 and 21% year-over-year. Operating revenue of BRL 1.4 billion in the quarter grew more than 28% year-over-year.

Considering the first half of the year, operating revenue growth reached nearly 19% compared to 2024. This performance directly impacts our main profitability indicator, ROE, which closed the quarter near 70%—the highest level ever recorded and nearly 10 percentage points above the figure at the end of June last year.

In line with the new distribution model adopted since last year, Caixa Seguridade's Board of Directors approved yesterday the distribution of BRL 960 million in dividends related to the quarter's profit.

The payout of over 92% maintains the level above 90%, reinforcing our commitment as a Company to consistently and sustainably generate value for our shareholders.

I now hand over to Edgar Soares, who will continue the presentation by providing further details on the Company's financial and operational performance in 2Q24. Edgar, please, the floor is yours.

Edgar Vieira Soares:

Thank you very much, Felipe. Thank you very much, Matheus. It's a pleasure to be here with you today. I will now present more details on the Company's financial, commercial, and operational performance.

On slide nine, we briefly present the financial performance for the quarter. It's important to note that the figures shown are under the managerial view, in accordance with IFRS 4, given that SUSEP has not yet adopted the new IFRS 17 accounting standard.

In 2Q, operating revenue grew 28.5% year-over-year, reaching nearly BRL 1.4 billion. Of this amount, 58% corresponds to income from equity investments, with a 50% increase compared to the same period last year. I highlight the historic results achieved by Caixa Residencial, Caixa Consórcio, and Caixa Assistência.

The remaining 42% of operating revenue refers to distribution, which increased 7% compared to the same period in 2024, with notable contributions from mortgage and home insurance revenues, as well as the consortium segment.

In the quarter, net income exceeded BRL 1 billion, equivalent to a 35.2% year-over-year growth. On a normalized basis, excluding the effects of extraordinary events on 2024's profit, the 2Q result this year would be 12.2% higher than the same period last year.

Under the statutory accounting view, following IFRS 17, the profit of BRL 1.028 billion represented a 57.3% increase compared to 2Q24. As Felipe mentioned, the Company reached an ROE of 69.6%—our highest historical level and a 9.9 percentage point increase compared to the same period last year.

This growth stems from improvements in operational and financial results, as well as the impact of increased dividend payment frequency on the equity base—a movement that began last year with quarterly distributions.

Moving to the next slide, let's talk about the commercial performance of Caixa Seguridade's insurance businesses. Starting with premiums issued, highlights go to the mortgage and home insurance lines, which maintained their growth trajectory and set new historical records.

The mortgage segment showed a 12% increase compared to the same period last year, reflecting the growth of Caixa's real estate credit portfolio. The home insurance segment, with a 22% increase in the same comparison, recorded a new record for the fifth consecutive quarter, driven by the strategies previously mentioned by Felipe. Also noteworthy is the assistance segment, with annual growth of 62%, reaching BRL 2 million in the Rapidex product.

A focus on consistent and sustainable long-term results is a pillar of Caixa Seguridade's strategy. In addition to these strong results, new sales of monthly-payment life insurance grew 121.7% compared to 2Q last year. Although premium volume for this product remained stable this quarter, this dynamic tends to translate into increased issuances over time.

Credit life insurance, on the other hand, saw a 43% decline in premium issuance year-over-year. This performance reflects a more challenging macroeconomic environment, marked by high interest rates that reduce credit contracting capacity for both individuals and businesses.

In this context, we also see a reduced ability to acquire insurance linked to credit operations, as the cost of credit has risen, resulting in lower penetration of credit life insurance.

In the chart on the right, earned premiums for 2Q25 grew 6% compared to the same period in 2024, reflecting the resilience of our business. Year-to-date, the segment grew 7% compared to the first six months of the previous year.

Moving to the next screen, we present some operational performance indicators. Compared to 2Q24, the loss ratio dropped by 34.3 percentage points. This movement is due to extraordinary events that occurred in the same period last year, which impacted the credit life and mortgage insurance segments.

Compared to the previous quarter, we saw an increase of 0.5 percentage points, reflecting a higher volume of claims in the mortgage segment. For the first half of 2025, the loss ratio stood at 24.8%, within the historical range for the insurance segment.

Regarding commissions, the dynamics also remained within the historical range, with no significant variations throughout the year. As for the operating margin, the year-over-year variation of 66.7% also reflects the impact of extraordinary claims events that occurred in 2024.

Compared to 1Q25, the 1.3 percentage point increase is related to the growth in earned premiums between periods. As a result, the share of total operating margin increased by 11 percentage points compared to 2024, reaching 46% in 2Q25.

On the next slide, we present the performance of the accumulation business vertical by segment, covering pension plans, premium bonds, and credit letters. Starting with pensions, the quarter was impacted by changes in the IOF tax, which led to a decline in gross contributions compared to the same period in 2024.

However, in the year-to-date, contributions grew by 1.9% over the same period last year, reaching BRL 12.7 billion. Accumulated sales during the period contributed to the milestone of BRL 185 billion in reserves over the past 12 months.

Moving on premium bonds, we can observe the effect of the strategy focused on monthly payment products, whose share in total fundraising increased during the quarter. Monthly payment sales grew 45.6% year-over-year, contributing to a new record in funds raised, with 31.5% growth compared to 2Q24. Premium Bonds reserves, which exceeded BRL 2.9 billion, grew 47% year-over-year.

Finally, in the quarter, BRL 5.3 billion was sold in Credit Letters, representing 41.5% growth compared to 2Q24. This performance contributed to the expansion of the credit letter stock, which reached BRL 39.9 billion, a 62% increase year-over-year.

Still on the accumulation business, on the next slide, operating revenue in 2Q grew 13.1% compared to the same period last year, with increases across all segments. The main highlight was the Credit Letters, which showed a significant 30% growth between periods.

Regarding the operating margin of the accumulation vertical, in 2Q we saw a 15.6% increase compared to the same period in 2024, with growth across all segments. Notable increases were seen in the margins of credit letters and premium bonds during the quarter. As a result, the share of accumulation businesses in total operating margin reached 28% in 2Q25.

On the next screen, we provide more details about the distribution business. It’s important to highlight that distribution includes results related to revenues from access to Caixa’s distribution network and brand usage, as well as brokerage or intermediation revenues from insurance products, here considered together as brokerage revenues.

In 2Q, brokerage revenues grew 7.3% compared to the same quarter in 2024, reflecting the mix of products sold during the period. In the table on the left, you can follow the detailed performance by insurance lines and accumulation segments, with highlights in revenues from mortgage insurance (+30%), home insurance (+25%), and credit letters (+55%).

Regarding the distribution of brokerage, of the total revenue, 22% was allocated to Caixa employees and partners as incentive fees, 12% to Caixa’s service fee, and 66% of the commissions paid by operating companies remained with the brokerage firm this quarter.

The operating margin declined 1% compared to the same quarter in 2024, impacted by the performance of credit life insurance, a product with a higher commission level. Overall, the distribution business represented 26% of the operating margin, with 21% from the insurance vertical and 5% from the accumulation vertical.

On the next screen, operational indicators are presented in aggregate form, considering Caixa Seguridade's economic participation percentages in each investee company.

The administrative expense ratio (IDA) improved in 2Q25, with a 0.3 percentage point reduction compared to 2Q24 and also to 1Q25. The indicator maintained its efficiency improvement trend, with notable gains in new partnerships and runoff operations.

The combined ratio improved by 9.9 percentage points in the quarter compared to the same period last year, reflecting the extraordinary events and claims that occurred in 2024. Compared to 1Q this year, we saw a 0.2 percentage point improvement, reflecting better margins in both accumulation and insurance businesses.

The ICA (Adjusted Combined Ratio) followed a similar trend to the combined ratio, and in the quarter-over-quarter comparison, it showed an even greater improvement, rising 0.8 percentage points, reflecting the increase in the Group's financial result.

Moving to the next slide, we analyze the operating and financial results and their share in net income, considering all participations, net of taxes, and proportionally attributed to Caixa Seguridade.

The financial result for 2Q25 was higher than in 2024, with a 30.6% increase, driven by a higher average Selic rate and improved portfolio profitability. As such, the financial result accounted for 32% of Caixa Seguridade's managerial net income in the quarter, a 1 percentage point increase compared to 1Q.

Regarding the aggregated composition of the investment portfolio, in 2Q25, out of BRL 15 billion in financial investments, 48% were in post-fixed securities, 32% in pre-fixed, 14% in inflation-indexed instruments, and 6% in other types of funds.

The average yield of the pre-fixed portfolio was 12.5%, a 100 basis point increase compared to March 2025, reflecting the renewal of maturing securities with higher-yielding instruments.

With that, we conclude the 2Q25 earnings presentation and will now begin the Q&A session.

Thank you all very much.

William Barranjard, Itaú:

Good morning, everyone. Thank you for the presentation. I have a few questions regarding the pension segment. The first one is about gross and net contributions.

So, even with the 20% quarter-over-quarter drop, you still managed to achieve a positive net contribution, despite the turmoil caused by the regulatory changes related to VGBL and IOF. I'd like to understand how you're thinking about gross contributions going forward—how should this be impacted? And also, regarding net contributions, what should we expect to see moving forward?

And a second question, also about pensions, regarding the management fee. I noticed it dropped a bit further, reaching 1.06% this quarter, continuing the downward trend from previous quarters. I'd like to understand whether this was influenced by the improvement in the redemption ratio, or if it was mainly due to a higher allocation in fixed income.

Felipe Montenegro Mattos:

Hello, William. I'll start by sharing some of the broader data we have regarding VGBL and IOF and the impacts these changes have had on the market.

The first point, William, is that these impacts affected the entire market—not just Caixa Seguridade.

And I can say that we reacted very quickly to the changes, both when the investment threshold was lowered to BRL 50,000 and later with the successive new decrees related to IOF.

It's a fact that these changes had a significant impact—not only on the pension market but on the financial market as a whole. Every sector worked tirelessly to understand the implications and determine the best course of action.

At Caixa Seguridade—and Edgar will go into more detail—we did experience a sharp drop in resource origination at certain points, as the market tried to understand the full scope of the changes. But we can share that we expect an impact of around 15% on our origination compared to what was initially projected for our pension flow.

Edgar, if you'd like to go a bit deeper, please go ahead.

Edgar Vieira Soares:

Thank you very much, Felipe. Regarding gross contributions, as Felipe mentioned, our initial assessment was around 15%, and we are currently expecting a range of 15% to 25% impact on gross pension contributions due to the IOF changes.

As for net contributions, Caixa Vida e Previdência, together with us, has adopted a strategy focused on portability—switching positions—and we expect this to be less impacted than gross contributions, since the market is already well-established and Caixa is a consolidated institution in this segment.

Regarding the second question, the management fee was reduced in relation to more conservative funds and investment formats. This reflects a greater appetite we're seeing for resources already under management in the market, which are now being brought into Caixa Seguridade's reserves.

I hope this answers your question. If needed, we're available to follow up and dive deeper into these topics afterward.

Ricardo Buchpiguel, BTG Pactual:

Good morning. I have a couple of questions here.

In this quarter, in addition to the challenges in credit origination due to the macroeconomic environment, there were also some interruptions in the INSS payroll loan system.

Given that the INSS systems are now operating normally, could you comment on whether we should already expect a recovery in credit life insurance premiums in the coming quarters? And does the level seen in 1Q seem like a reasonable pace to use as a reference going forward?

And for my second question, we also saw an improvement in life insurance premium origination this quarter, and you even mentioned that monthly recurring products are growing more. That said, similar to what we saw in the past with premium bonds, when would it make sense to expect an acceleration in the growth of the life segment in the coming quarters or years?

Does it make sense to imagine this line growing at some point at a double-digit pace, considering the effect of stronger growth in monthly plans? Thank you.

Edgar Vieira Soares:

Thank you very much for your question. Regarding credit life insurance, the INSS system interruption had a short-term impact. Caixa responded quickly, and we resumed credit life insurance contracting at the same pace as the bank. The performance of this product was affected by the variables we've already discussed, and which you also highlighted in your question.

We expect the second half of the year to be stronger than the first quarter, especially considering that funds for rural credit are now available again, including mandatory resources, and credit lines for legal entities are also expected to advance in the second half.

In addition, we've just launched our credit life insurance for worker loans, which should also have a positive impact. So, taking all these factors into account, the performance in the first half should be lower than what we expect to see in the second half.

Your second question—could you please repeat it?

Ricardo Buchpiguel:

The second question was about Life premiums.

Edgar Vieira Soares:

Regarding life insurance — perfect. With this strategic shift and the behavior we're observing in monthly payment products, our expectation is that we'll begin to see the stacking effect starting in the second half of next year. We estimate a timeline of around 12 months before we start seeing this incremental growth.

The fact is that this monthly payment model creates that stacking effect, strengthens the relationship with the customer, and opens up new business opportunities. It's a strategy we've been investing in heavily, and we see it as more sustainable, offering greater predictability, higher returns for shareholders, and stronger overall performance for the Company.

Kaio Prato, UBS:

Good morning, everyone. Thank you for the opportunity to ask questions. I have two on my end.

First, you've been showing very strong performance in both the mortgage and home insurance segments. I'd like to know if you could share a bit more about what we can expect going forward — can this level of growth be considered more sustainable in these two lines?

And specifically for home insurance, you mentioned the bundled insurance and the *Parcela no Bolso* campaign. I'd like to understand a bit more about how these products work from an economics perspective — do they have a higher acquisition cost, for example? And should we expect these campaigns to continue?

Second, do you foresee any similar campaigns or initiatives for other products as well? You briefly mentioned credit life insurance, but is there anything planned for other lines in the second half of the year? Thank you.

Felipe Montenegro Mattos:

Kaio, how are you? Thanks for the question. I'll start with a general overview, and then Edgar will share more details with you.

Regarding mortgage insurance, yes, we do expect to see volumes in the second half similar to what we saw in the first half. However, we closely follow the guidance provided by Caixa, and Caixa has yet to release its 2Q results and, potentially, its outlook for 2H.

That said, the first half was already very strong, and when we look at Caixa's housing budget and the pace of loan origination they've indicated, there's nothing that leads us to believe the second half will be different from what we've already seen. Just to reinforce—it was a very robust first half, exceeding expectations once again.

We always work with the best-case scenario, but we also remain attentive to the possibility that the Selic rate could remain at current levels or that the housing budget might not be maintained as expected. Still, based on the indicators Caixa has shared with the market, it seems likely that this will be a stronger year than last, which gives us a positive outlook for the second half. That's regarding mortgage insurance.

As for home insurance, we're actually growing at a faster pace than in mortgage, because we're actively working on our portfolio. And to go deeper into your question—Edgar will elaborate shortly—but the key point is that we're focusing on ticket sizes and products that are better tailored to each customer profile.

In other words, when we offer products that are more aligned with the specific needs of each customer segment—and Caixa is now working with a more detailed customer stratification—we're able to achieve higher customer satisfaction, better sales performance, and stronger renewal rates.

Regarding sales strategies, campaigns are always evaluated in our context based on market needs, sales performance, and product-specific opportunities.

So, if necessary—whether for credit life insurance, home insurance, or Rapidex—we will launch campaigns, as long as they align with our core principles: customer centricity, real market need, and the goal of meeting not just the Company's objectives, but especially the long-term needs of the customer we aim to serve.

Now, Edgar will share a bit more about the strategies.

Edgar Vieira Soares:

Kaio, thank you for the question. Regarding "*Parcela no Bolso*", it's a multi-year product, which naturally brings a longer retention dynamic within the credit card payment method. It has recurring payments and a lower cancellation probability, while the acquisition cost remains the same as that of traditional home insurance. So, the improvement in these other indicators offsets the initial installment, and we've observed good customer behavior toward the product.

As for bundled home insurance, it offers several advantages to the customer, mainly because it is included in the mortgage installment. This means it naturally becomes part of the customer's monthly expenses. Additionally, it has a lower cost and a longer term, allowing the customer to truly benefit from the insurance throughout the lifecycle of their housing contract. And due to its long duration, it also has lower claims rates, with less frequent use of the insurance, etc.

So, it's a strategy that has been delivering good results, and we're investing heavily in integrating it with our mortgage insurance offering.

Regarding campaigns, Felipe covered it well. We really need to assess the necessity, opportunity, and convenience of launching them. Moreover, we must ensure suitability, maintain a customer-centric focus, and seize opportunities that arise from market variables so we don't miss out.

After all, we have a fantastic and extensive distribution network within the bank, and we need to leverage these business opportunities.

Antonio Ruette, Bank of America:

Good morning, everyone. Thank you for taking the time to answer questions. I'd like you to elaborate a bit more on the possibility of increasing or at least maintaining the current level of insurance sales penetration, even in a potentially weaker environment.

This question is based on the assumption that, if interest rates remain at current levels, origination—especially in payroll loans—might stay below the levels we saw earlier this year. So, if you could explore the ability to increase penetration, that would be great. Thank you very much.

Edgar Vieira Soares:

Great, thank you very much. To answer your question, the scenario of higher interest rates leads to a reduced demand for credit among customers who are frequent borrowers and regularly renew their loans. This opens up the opportunity to work with other customer segments who are not typical credit takers.

Additionally, the payroll loan for workers has brought a very interesting customer base to the bank, which we can now engage with. So yes, there is room to grow penetration within our customer base. Caixa is also revisiting its entire customer relationship strategy, and we're actively participating in that process. It's been a moment of valuable exchanges, and we're making good progress in terms of discussions and everything we're planning to deliver to our clients.

Therefore, the penetration we currently have is expected to grow over time, and we anticipate an increasingly stronger relationship between customers and Caixa, which will naturally extend to our products, allowing us to reach a broader audience.

Arnon Shirazi, Citibank:

Hi everyone, good morning. Thanks again for the opportunity. I also have two questions. My first question is about private payroll loans. I believe you've already mentioned that you expect improvements in the second half of the year in terms of credit life insurance, but if you could provide more details on how the ramp-up of this new product is going, it would be great to hear.

And finally, my second question is about general expectations for the second half of the year. I know you've touched on this a bit, especially regarding the housing segment, but it would be great to hear an overview of what you expect for the second half, given that you don't have any formal guidance. Thank you very much.

Edgar Vieira Soares:

Arnon, thank you for the question. Let's start with the credit life insurance for workers. We've been developing a different product—we can't rely solely on the traditional credit life insurance that covers death and permanent disability.

So, we've studied and are now testing a new coverage that we plan to expand in the second half of the year: Income Loss. This coverage is interesting because we conduct a prior selection based on both the employer's suitability and the borrower's profile within our portfolio.

We're just starting this operation, and we see great potential for strong product penetration. Currently, in payroll loans, if we look at overall concessions, penetration ranges from 40% to 50%, depending on the period, and sometimes even higher. We expect solid penetration with this new product, especially among the largest and most representative employers in our portfolio.

Regarding expectations for the second half, I'll pass it over to Felipe shortly, but first, let me give a general overview. For credit life insurance, we expect growth compared to the first half. The second half presents a more favorable scenario, considering all the factors I've mentioned. Life insurance is being guided by our strategy of monthly payments. For pensions, we're dealing with the impacts of the IOF tax.

So, overall, Caixa Seguridade's business is resilient and strong because we maintain a balance between results from distribution, financial administration, and income from our companies.

Our outlook is for growth in results in the second half, with commercial performance improving across product lines. A more detailed breakdown would require a deeper dive, but in general, we expect strong business performance and growing results.

Felipe Montenegro Mattos:

Hi Arnon, thank you for your question. Let me break down the data you asked about across a few segments. For housing, as we've mentioned, performance will depend heavily on Caixa's results, since it's the market leader—and we are too in housing insurance.

In residential insurance, we see a major opportunity to continue working with our portfolio, better understand our customers' realities, and offer them solutions that are even more tailored to their needs.

For pensions, it's a challenging scenario—not just for us, but for the entire market—due to the IOF tax. However, we've been adapting quickly and efficiently to this new reality, and we're still managing to maintain a good growth pace, although naturally impacted by the uncertainty brought by the IOF.

Regarding life insurance, yes, we face a challenge. As Edgar mentioned, we're implementing a strategy that will yield long-term benefits. We expect to see the results of this monthly payment strategy over the next 12 months. For now, growth is still moderate, but we expect improvement in the second half.

Regarding credit life insurance, it was already impacted in the first half of the year. We expect much stronger growth in the second half, but naturally, there's already a gap compared to the first half. So, in relation to the initial budget, we will obviously be working with a new reality compared to what was originally forecast for 2025, as has been observed across the market for this segment.

The main highlights we can share are credit letters and premium bonds. Whether due to the high Selic rate or the company's commercial strategy, we can say there's a strong outlook for continued robust growth, as already seen in the first half.

So, we have a positive outlook for these two segments, as well as for assistance services, which resonate strongly with Caixa's customer base. It's a product we're proud to offer, bringing practical solutions to our clients.

Speaking of products, yes, we're working on several fronts to launch new offerings. As Edgar mentioned, we're introducing Income Loss coverage, new assistance services, new insurance products—new solutions for our clients. This will help us not only increase our results and market penetration but, more importantly, improve adaptability and service to Caixa Seguridade's customers.

Maria Guedes, Banco Safra:

Good morning, everyone. Thanks for taking my question. I'd like to talk about a product that has been performing very well—Felipe already hinted at it—which is credit letters.

We estimate that this product already represents 10% of Caixa Seguridade's operating margin, considering both its actual performance and distribution revenue. It's a product that's been doing well across the industry, and you still have plenty of room to increase its penetration within Caixa Seguridade itself.

I'd like to understand your outlook for the commercial performance of this product. Despite its strong performance, there's an expectation of lower interest rates next year. This product has done well in a high-interest environment, and we've seen a lot of competition in this space. So I'd like to hear what the key moving parts are that support your expectations.

Also, looking at operating margin, you have revenue from commissions, but you also build margin as you accumulate credit letters contracts. What's the potential for this product to contribute to Caixa Seguridade as a whole in the medium term? Thank you.

Felipe Montenegro Mattos:

Thank you, Maria, for your question. Talking about credit letters, we must highlight it as a complementary strategy to traditional mortgage financing, as we mentioned in our presentation. We truly believe credit letters can continue to serve as a complementary tool, and we expect the Selic rate to remain high in the second half.

So yes, we still see strong growth potential for credit letters. Regarding our strategy, the first point to highlight is that our credit letters has one of the lowest cancellation rates in the market. Why is that? First, because our customers already come from Caixa's bancassurance ecosystem—they're more qualified.

Second, we analyze the customer's profile before selling a credit letters contract. It's not just a sale for a future asset purchase. We assess whether the customer will be able to afford the payments once they're selected.

We anticipate many of the controls that are typically applied only at the time of selection—we apply them at the time of contracting. After all, no one wants a credit letters to become a source of frustration when acquiring an asset—it should be the realization of a dream.

We also see a growing margin contribution from credit letters. While brokerage expenses are high initially, they later become revenue for Caixa Seguridade.

In terms of administration fees, we also have a market advantage. Our credit letters operation in its current model began in 2021, so it's still young. Our average administration fee is still slightly high, but as we've mentioned in previous conferences, we expect it to stabilize between 3% and 3.5% over time, based on the portfolio.

Edgar, I think I've covered the main points—feel free to add more if you'd like.

Edgar Vieira Soares:

It's a challenge to add more after all the details you've shared, Felipe! But regarding the commercial strategy, I'd like to emphasize that we've been working with reduced installments in the product. This gives customers who are currently paying rent the opportunity to enter a real estate credit letters and only pay a higher installment once they're selected.

Similarly, for auto credit letters with reduced installments, customers who use a vehicle for work and currently pay rent can also acquire their own car through credit letters.

So, reduced installments are a strong strategy. The expansion of Caixa's channels and its positioning are also key, and credit letters is closely aligned with that.

We know it's a highly competitive market with many players, but credit letters is a beloved product in Brazil—people already like it. And with Caixa's brand strength and solid indicators, as Felipe mentioned, we have better metrics than the market. We also have high selection rates and low cancellation rates.

Our product is well-positioned, and we plan to improve its visibility through media and product presentation to increase audience engagement, especially as interest rates decline.

We understand the trade-off between traditional financing and credit letters, but as you've seen, Caixa is breaking records in both mortgage lending and credit letters contracting. So we're able to support both movements at the bank's branches.

Tiago Binsfeld, Goldman Sachs:

Good morning, Felipe, Matheus, Edgar. First of all, I'd like to wish Edgar success in his new position. My question is actually about that—about the CFO transition. If you could comment on whether anything will change from a strategic standpoint for the company, and what might change.

And Edgar, taking advantage of your extensive experience in Caixa's retail network, do you see any opportunities to improve incentives and the distribution of insurance and accumulation products within the network? Thank you.

Felipe Montenegro Mattos:

Tiago, thank you very much for your question. You've given me an opportunity I was waiting for to speak on this. First, Eduardo served as a director here for nearly five years, and in several other roles within Caixa Seguridade. We're very grateful for all the work he did.

He truly did an excellent job—he's an exemplary executive—and we were fortunate to have him at the company. We don't expect any changes in our strategic direction or in how we operate. In other words, we strive to remain a predictable, conservative company—one that shareholders and clients can trust.

So, we're not planning any changes in our financial approach. It's important to highlight Edgar's transition—from leading our commercial area for nearly two years to now taking on the financial role. He also has a solid background in finance and controlling.

We brought Edgar from commercial to finance because we want continuity in our strategic thinking and work style. And we're reinforcing the commercial area with Sidney, who also has a strong background.

So, the idea behind Edgar's move to finance—an area he's very familiar with—was to send a clear message to the market: we want to continue being who we are. We believe in our business model, which is solid and successful, and we plan to keep moving forward as we have been.

Once again, thank you to Eduardo for his service, and thank you to Edgar for his time in commercial. I also want to express, not only my confidence but also that of Caixa Seguridade's Board of Directors, in Edgar's leadership in finance and in Sidney's arrival to the commercial area.

Edgar Vieira Soares:

I'd like to take a moment to thank you for the kind words. I spent two years working alongside Edu—our great Edu—who was CFO during my time in commercial. I want to acknowledge how much we grew together, learned, exchanged ideas, and how we'll continue in the same direction.

I'm confident we'll maintain this line of work, continue delivering strong results with the solid team we have, and keep providing the predictability you expect from us.

So, thank you—thank you to Edu, this is a tribute to him. Welcome to Sidney, a wonderful person with a long history in Caixa's retail network. We worked together back in the retail days, and I'm sure we'll continue moving forward with this new leadership team. Thank you. Success to all of us.

Tiago Binsfeld:

Perfect. Thank you, Edgar. If I may, just a quick follow-up—taking advantage of your experience in the commercial network. Regarding incentives for product distribution, do you think the current incentives are well-structured, or do you see opportunities, perhaps in the longer term, to improve and increase product penetration within the network?

Edgar Vieira Soares:

Perfect. I got emotional and forgot to answer the second part of your question. With the strategic shift the bank is undergoing—and which we're involved in—the expectation is that various incentives will be reflected across all layers of the bank's commercial areas, including branches and account managers.

We're working closely with them to foster the right incentives for the right people, ensuring that product sales are made to the right customers in a sustainable way.

Today, we do have incentives in place—it's the bank's front line, and there's competition among all financial products. Currently, insurance products account for roughly 20% of the weight in performance evaluation metrics for commercial activities, which we've shared with you before.

There's room for additional incentive mechanisms and performance evaluation tools. Caixa is improving these, and we're gathering insights from branch colleagues and various managers to help shape new strategies and foster new incentives.

The traditional incentives remain in place, and we're evaluating the inclusion of new instruments for the near future. We're working with the bank to roll these out at the best possible time. Thank you.

Felipe Montenegro Mattos:

The most important thing we can say is that Caixa Seguridade is a significant contributor to Caixa's overall results. Therefore, we don't expect any changes in the bank's guidelines regarding incentives or policies. After all, as part of the Caixa conglomerate, we intend to follow its path and continue growing while better serving society and our clients.

Guilherme Grespan, JPMorgan:

Hi everyone, good morning. Thanks for the presentation and for opening the floor to questions. I have two more technical questions.

First, within the life insurance segment, could you remind us what percentage of premiums is indexed to the IGP-M? Just to better understand the outlook for the coming months, given that the IGP-M has been affected by the appreciation of the Real.

Second, regarding pensions and credit letters, could you clarify how commission expenses are accounted for—not from the broker's perspective, which I believe follows Caixa's regime—but from the operational subsidiary's perspective? Just to confirm whether it's also on a cash basis or if it's deferred over time.

This question is mainly about pensions, but if you could also address credit letters—whether its commission costs are also deferred—that would be great. Thank you.

Edgar Vieira Soares:

Grespan, thank you for the question. Currently, 70% of our life insurance premiums are indexed to the IGP-M, so it's a significant portion—just to answer your question directly.

Regarding pensions and credit letters, results at the company level are deferred over time. This creates the stacking effect and the dynamic we've discussed—today's sales activity reflects in future results.

As you correctly mentioned, distribution follows Caixa's regime, but it's important to highlight that both our portfolio strategies for pensions and the credit letters strategy we discussed earlier show strong prospects. We expect growing margins, although pensions face a challenging environment due to volatility from taxation.

As for credit letters, we're increasingly consolidating our position to ensure the product continues to evolve and remains top-of-mind—credit letters is with Caixa, and we're committed to working with it.

Carlos Gomez, HSBC (via webcast):

Regarding fiscal policy changes, there's a possibility of IOF adjustments, which could negatively impact the accumulation of financial resources in Brazil.

My second question is about the potential impact of the increase in the social contribution tax (CSLL) for insurance companies starting in June. Is this likely to happen? And if so, who would be affected and to what extent?

Felipe Montenegro Mattos:

That first question is very important—and honestly, we'd also like to know the answers to some of the points you raised. Regarding the fiscal scenario and its impacts, what I can say is that we'll always operate in line with the market and the sector, analyzing the situation as it unfolds.

We can't predict or confirm whether there will be changes in fiscal policy. Perhaps your question refers to the recent tax reform—I'm not entirely sure. But regarding potential future changes that aren't currently on our radar, we can't provide clarity. What I can guarantee is that we'll remain aligned with the market and our sector, acting proactively and as swiftly as possible.

Edgar Vieira Soares:

Carlos, regarding fiscal changes, it's something beyond our control. We need to adapt quickly and stay aligned with the market. We're monitoring developments closely and implementing countercyclical measures—for example, promoting portability, encouraging contributions, and positioning ourselves as a secondary pension provider when clients reach their limits with their primary institution.

We're working with a strategy to remain resilient and achieve strong results regardless of the scenario.

As for the second question, our preliminary analysis indicates that the CSLL impact would be specifically on Caixa Capitalização. The figures are still being assessed, but initially, we estimate around a 5% impact.

Mateus, shareholder (via webcast):

My first question has already been answered—it was about new lines of financing related to private credit, which was well covered.

My second question is about the potential impacts of not renewing the shareholder agreement with Too Seguros.

Edgar Vieira Soares:

Great, Mateus. Thanks for the question and for your interest. It's great to see investors joining our earnings calls—not just analysts, who we value greatly and are always in touch with us.

Regarding the first part, as you mentioned, it's already been addressed. As for Too Seguros, the non-renewal of the shareholder agreement simply means that Too Seguros will no longer distribute housing insurance through Caixa's network of banking correspondents.

Our equity stake in Too Seguros remains unchanged for now. Too Seguros continues to distribute products through Banco PAN's branches, and as shareholders, we'll continue to benefit from the company's results as long as we remain partners.

Regarding distribution at Caixa's branches, our primary offering remains Caixa Residencial. The second option, selected through a market bidding process, is Tokio Marine, which also offers housing insurance alongside Caixa Residencial.

So, in summary, nothing changes for now. We don't foresee any changes in this regard. Distribution of housing insurance at Caixa branches continues with these two insurers, and Too Seguros continues operating with Banco PAN.

Matheus Marques:

Thank you. The Q&A session is now closed. I'd like to turn it over to Mr. Felipe Mattos for closing remarks.

Felipe Montenegro Mattos:

Thank you, Matheus. Thank you, Edgar. But most importantly, thank you to everyone who believes in Caixa Seguridade, who follows our results and performance—to every employee, enthusiast, and shareholder who takes time to be here with us and encourages us to keep building a company that will surely be successful for the next 10, 20, or even 100 years. Thank you very much.

Matheus Marques:

Caixa Seguridade's videoconference is now concluded. Thank you all for participating, and have a great day.